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 WFP-World Food Programme, Nepal  
 MoALMC-Department of Agriculture, Agribusiness Promotion and Marketing Development Directorate (ABPMDD)  
 FNCCI/AEC-Federation of Nepalese Chamber of Commerce and Industries (FNCCI)/Agro Enterprise Centre (AEC)  
 CIPF-Consumer's Interest Protection Forum



# Market Watch 87

## April 2018†

### HIGHLIGHTS

- In April 2018, retail prices of most food commodities monitored in 12 markets across Nepal were relatively stable due to sufficient availability from domestic production and imports.
- Overall inflation rate in March 2018 was 6.0 percent. The food and beverage group was at 5.6 percent, although several food sub-groups were relatively higher: vegetables (28.4 percent), milk and milk products (7.9 percent) and fruits (5.6 percent).

### Prices

Retail prices of most food commodities in 12 markets across Nepal were relatively stable in April 2018 (see Fig. 1):

- On a month-on-month basis, prices of coarse rice and wheat flour marginally increased by 0.3 and 0.9 percent. The price of red potato, black gram and broken lentil increased by 13.0, 1.8 and 5.1 percent respectively. Likewise, the price of soybean oil, mustard oil and chicken increased by 1.3, 1.3 and 0.7 percent respectively.
- Compared to three months earlier, most prices showed a declining trend (with the exception of coarse rice and red potato). The largest change was coarse rice (10.4 percent).
- On a year-on-year basis, most prices also showed a declining trend (with the exception of coarse rice and soybean oil). The largest change was black gram (-23.8 percent).

Factors behind current price trends include seasonal fluctuations associated with stable transportation services and the regular supply of food, including to deficit and remote areas.

Prices in regional markets (see Fig. 2) showed a somewhat different trend than the national averages. Compared to last month, the prices of coarse rice and wheat flour were relatively stable (with the exception of an upward trend of the price of coarse rice in the Terai markets). Although the price of broken lentil had a sharp decrease in the Terai and the major consumer markets, it saw an increase in the mountain and hill markets. Compared to the same period last year, the prices of these commodities mostly showed an upward trend with the exception of the price of coarse rice in the major consumer and the mountain and hill markets.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed a marginal decrease month-on-month. Wholesale prices monitored in the Kalimati Fruits and Vegetables Market showed high seasonal fluctuations month-on-month (see Table 1): prices of spinach, carrot, cauliflower and broad mustard leaf increased by more than 30 percent, while that of cowpea, okra, pointed gourd, dry onion, French bean, brinjal and tomato decreased by more than 9 percent due to the harvest season.

In March 2018, the overall consumer price index (CPI) released by Nepal Rastra Bank was 119.1, an increase of 0.04 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 6.0 percent. The food and beverage group of the CPI was 114.2, an increase of 0.1 percent month-on-month and 5.6 percent year-on-year; several sub-groups showed relatively high year-on-year increases: vegetables (28.4 percent), milk and milk products (7.9 percent) and fruits (5.6 percent). The non-food and services group of the CPI was 123.1, an increase of 0.01 percent month-on-month and 6.3 percent year-on-year.

### Supply

The supply of food commodities has improved across the country due to sufficient availability from domestic production and imports, and stable transportation services.

### Outlook

Most food prices are expected to remain stable or increase next month with the start of the lean season of most staple crops, with the exception of wheat, which was recently harvested.

The preliminary estimate of wheat production, the main winter crop, is expected to increase by 5 percent due to timely rainfall during the growing period and sufficient supply of fertilizers and other inputs without any significant disruptions.

Commodity	Price NPR/kg or liter	% change 1 month	Observations
Spinach, carrot, cauliflower and broad mustard leaf	various	> 30	Decrease in supply due to lean season
Cowpea, okra, pointed gourd, dry onion, French bean, brinjal and tomato	various	<-9	Increase in supply due to harvest season

Figure 1: Average retail price over 12-month period\*

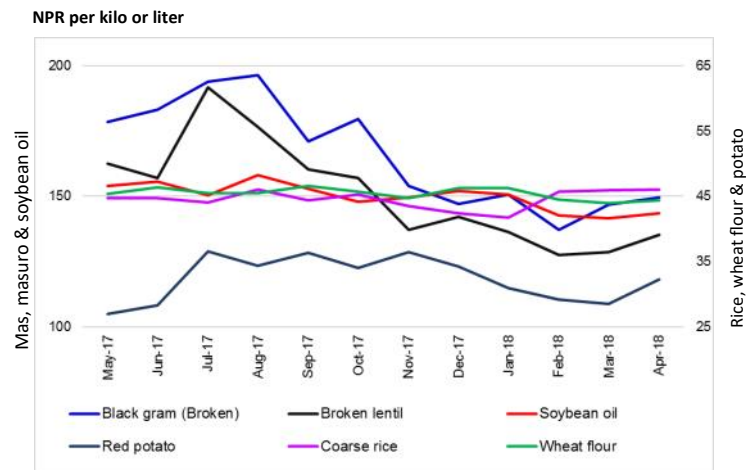
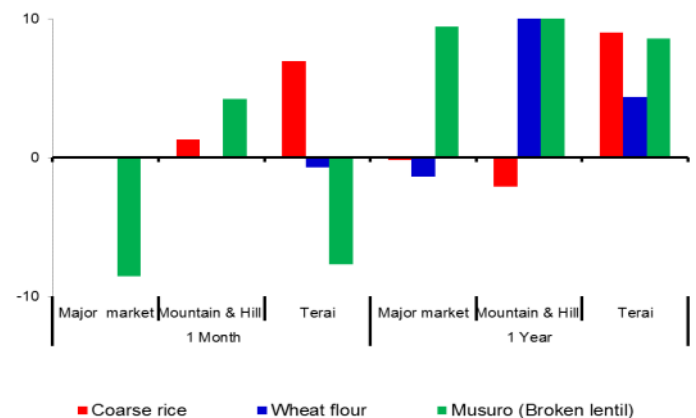


Figure 2: Percentage change in retail prices\*\* (1 month & 1 year)



† Prices relate to the Nepali month of Chaitra 2074.

\* Prices are from markets listed on the back of this report, not including 'Hill & Mountain - No Road' markets.

\*\* Change in price considers all markets shown in this report.

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average change over		
			1 m	3 m	1 yr	1m	3m	1yr
<b>Major consumer markets</b>								
Kathmandu	Coarse rice	46.0	-	-	-4.2	-	-	▶
	Wheat flour	48.0	-	-	11.6	-	-	▶
	Soybean oil	185.0	-	-	45.7	-	-	▲
	Chicken	350.0	-	-	6.1	-	-	▶
	Mustard oil	240.0	-	-	10.1	-	-	▶
	Mas (black gram)	140.0	-	-	-36.7	-	-	▼
	Musuro	110.0	-	-	-9.8	-	-	▶
	Potato	40.0	-	-	17.6	-	-	▲
Pokhara	Coarse rice	54.0	0.0	0.0	3.8	▶	▶	▶
	Wheat flour	48.0	0.0	6.7	2.1	▶	▶	▶
	Soybean oil	105.0	-19.2	-12.5	-16.0	▼	▼	▼
	Chicken	360.0	0.0	12.5	0.0	▶	▲	▶
	Mustard oil	190.0	5.6	5.6	5.6	▲	▶	▶
	Mas (black gram)	170.0	-29.2	-19.0	-15.0	▼	▼	▶
	Musuro	115.0	-11.5	-8.0	-30.3	▼	▶	▼
	Potato	45.0	4.7	12.5	-2.2	▶	▲	▶
<b>Regional Terai markets</b>								
Biratnagar	Coarse rice	36.0	2.9	-10.0	-10.0	▶	▶	▶
	Wheat flour	45.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	125.0	4.2	0.0	-3.8	▶	▶	▶
	Chicken	300.0	0.0	0.0	-2.6	▶	▶	▶
	Mustard oil	190.0	0.0	-5.0	8.6	▶	▶	▶
	Mas (black gram)	100.0	0.0	-13.0	-28.6	▶	▼	▼
	Musuro	110.0	0.0	4.8	-14.1	▶	▶	▶
	Potato	20.0	-20.0	-50.0	0.0	▼	▼	▶
Birgunj	Coarse rice	45.0	0.0	0.0	18.4	▶	▶	▲
	Wheat flour	50.0	0.0	0.0	25.0	▶	▶	▲
	Soybean oil	150.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	320.0	6.7	14.3	-5.9	▲	▲	▶
	Mustard oil	175.0	0.0	0.0	-30.0	▶	▶	▼
	Mas (black gram)	100.0	0.0	0.0	-33.3	▶	▶	▼
	Musuro	120.0	-7.7	-7.7	-20.0	▼	▶	▼
	Potato	20.0	-33.3	-63.6	0.0	▼	▼	▶
Nepaigunj	Coarse rice	54.0	-	-	35.0	-	-	▲
	Wheat flour	42.0	-	-	-2.3	-	-	▶
	Soybean oil	142.0	-	-	-0.2	-	-	▶
	Chicken	300.0	-	-	-20.0	-	-	▼
	Mustard oil	184.0	-	-	-11.4	-	-	▶
	Mas (black gram)	125.0	-	-	-42.0	-	-	▼
	Musuro	110.0	-	-	-26.7	-	-	▼
	Potato	20.0	-	-	-21.0	-	-	▼
Dhangadhi	Coarse rice	45.0	25.0	9.8	16.0	▲	▶	▲
	Wheat flour	34.0	-2.9	-2.9	-13.3	▶	▶	▶
	Soybean oil	130.0	-7.1	0.0	0.0	▼	▶	▶
	Chicken	300.0	0.0	-6.3	-7.4	▶	▶	▶
	Mustard oil	160.0	60.0	0.0	0.0	▲	▶	▶
	Mas (black gram)	100.0	-37.5	-9.1	-47.4	▼	▶	▼
	Musuro	100.0	-23.1	0.0	-33.3	▼	▶	▼
	Potato	25.0	25.0	0.0	25.0	▲	▶	▲

▲ Price increase above normal price fluctuation

▶ Normal price fluctuation

▼ Price decrease below normal price fluctuation

Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months or within 15% for one year.

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average change over			
			1 m	3 m	1 yr	1m	3m	1yr	
Bhairahawa	Coarse rice	52.0	-	-	15.6	-	-	▲	
	Wheat flour	34.0	-	-	-15.0	-	-	▶	
	Soybean oil	110.0	-	-	-8.3	-	-	▶	
	Chicken	320.0	-	-	3.2	-	-	▶	
	Mustard oil	190.0	-	-	40.7	-	-	▲	
	Mas (black gram)	72.0	-	-	-68.7	-	-	▼	
	Musuro	75.0	-	-	-40.0	-	-	▼	
	Potato	25.0	-	-	10.6	-	-	▶	
<b>Hill and Mountain markets with road access</b>									
Dhankuta	Coarse rice	40.0	5.3	-	-9.1	▲	-	▶	
	Wheat flour	45.0	0.0	-	-10.0	▶	-	▶	
	Soybean oil	130.0	4.0	-	4.0	▶	-	▶	
	Chicken	400.0	17.6	-	25.0	▲	-	▶	
	Mas (black gram)	100.0	5.3	-	-36.7	▲	-	▶	
	Musuro	100.0	11.1	-	-27.5	▲	-	▼	
	Potato	25.0	13.6	-	-34.2	▲	-	▼	
	Rolpa	Coarse rice	50.0	0.0	-	16.3	▶	-	▲
Wheat flour		40.0	0.0	-	-2.4	▶	-	▶	
Soybean oil		130.0	0.0	-	-7.1	▶	-	▶	
Chicken		340.0	0.0	-	-1.7	▶	-	▶	
Mas (black gram)		150.0	0.0	-	-31.8	▶	-	▼	
Musuro		120.0	0.0	-	-25.0	▶	-	▼	
Potato		40.0	0.0	-	-4.8	▶	-	▶	
Sanfebagar		Coarse rice	35.0	0.0	-2.8	-12.5	▶	▶	▶
	Wheat flour	42.0	0.0	0.0	0.0	▶	▶	▶	
	Soybean oil	170.0	0.0	0.0	0.0	▶	▶	▶	
	Chicken	400.0	0.0	0.0	0.0	▶	▶	▶	
	Mas (black gram)	160.0	0.0	-8.6	-20.0	▶	▶	▼	
	Musuro	160.0	0.0	-3.0	-20.0	▶	▶	▼	
	Potato	40.0	0.0	0.0	-20.0	▶	▶	▼	
	Jumla	Coarse rice	55.0	0.0	0.0	0.0	▶	▶	▶
Wheat flour		60.0	0.0	9.1	0.0	▶	▶	▶	
Soybean oil		180.0	-5.3	0.0	12.5	▼	▶	▶	
Chicken		450.0	0.0	0.0	0.0	▶	▶	▶	
Mas (black gram)		190.0	5.6	-5.0	-13.6	▲	▶	▶	
Musuro		180.0	5.9	0.0	0.0	▲	▶	▶	
Potato		25.0	0.0	-16.7	-16.7	▶	▼	▼	
Bajura		Coarse rice	36.0	0.0	-10.0	-5.3	▶	▶	▶
	Wheat flour	45.0	0.0	2.3	0.0	▶	▶	▶	
	Beans	180.0	0.0	0.0	0.0	▶	▶	▶	
	Mas (black gram)	170.0	0.0	0.0	-22.7	▶	▶	▼	
	Musuro	170.0	0.0	0.0	-22.7	▶	▶	▼	
	Potato	40.0	0.0	0.0	-11.1	▶	▶	▶	
	<b>Mountain markets without road access</b>								
	Humla	Coarse rice	165.0	0.0	0.0	17.9	▶	▶	▲
Wheat flour		170.0	0.0	0.0	6.3	▶	▶	▶	
Soybean oil		300.0	0.0	0.0	-6.3	▶	▶	▶	
Beans		150.0	0.0	0.0	15.4	▶	▶	▲	
Mas (black gram)		380.0	0.0	0.0	5.6	▶	▶	▶	
Musuro		380.0	0.0	0.0	8.6	▶	▶	▶	
Potato		60.0	0.0	0.0	0.0	▶	▶	▶	
Dolpa		Coarse rice	160.0	0.0	-5.9	14.3	▶	▶	▶
	Wheat flour	130.0	0.0	-7.1	8.3	▶	▶	▶	
	Soybean oil	240.0	0.0	0.0	-20.0	▶	▶	▼	
	Beans	250.0	0.0	25.0	25.0	▶	▲	▲	
	Mas (black gram)	220.0	0.0	0.0	-26.7	▶	▶	▼	
	Musuro	230.0	0.0	0.0	-23.3	▶	▶	▼	
	Potato	60.0	9.1	9.1	-33.3	▲	▶	▼	