



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



HIGHLIGHTS

- **Retail prices of food commodities monitored in various markets have increased over the past one month which is a result of prolonged bandhs (general strikes) across the country in May 2012.**
- **The year-on-year (y-o-y) inflation released by Nepal Rastra Bank remained at 7.5 percent in April 2012. The price index of food & beverage increased only by 4.6 percent compared to 17.3 percent in the same period last year.**
- **A series of bandhs called by various organizations in May 2012 disrupted transport and market operation that caused shortage of foods and essential items, particularly in the hill and mountain markets.**

NATIONAL MARKET DEVELOPMENT

Price

Food prices in the markets regularly monitored by MoAD and WFP showed an upward trend over the past one month. The national average price of coarse rice and wheat flour climbed up by 4.1 percent and 1.8 percent to Rs.33.9 and Rs. 34.5 per kilo respectively. The price of black gram and broken lentil increased by 5.0 percent and 1.9 percent to Rs. 112.2 and Rs. 94.5 per kilo respectively. Likewise, the price of soybean oil increased by 6.4 percent to Rs. 142.1 per liter. Prices of red potato and chicken meat increased sharply by 37.1 percent and 13.5 percent to Rs. 32.6 and Rs. 307.5 per kilo respectively. Compared to February 2012, prices showed an upward trend, while compared to May 2011, prices showed a mixed trend.

Price trend in the regional markets is somewhat different than the national trend. The price of coarse rice showed an upward trend in the hill & mountain and Terai markets, while in the major consumer markets, it indicated a declining trend. Compared to May 2011, most prices showed a downward trend in all markets with few exceptions. In the wholesale markets monitored by FNCCI/AEC in the five large markets (Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi), most prices showed an upward trend with an exception of coarse rice over the past one month.

The y-o-y inflation published by Nepal Rastra Bank in the latest macroeconomic situation report remained relatively stable at 7.5 percent in April 2012. The index of food & beverage group increased only by 4.6 percent compared to 17.3 percent in the same period last year, while the price index of cereal grains declined by 3.0 percent compared to an increase of 13.4 percent. However, compared to 11.4 percent increase in the same period last year, the price index of transport increased by 17.8 percent in April 2012.

Supply

There were a series of bandhs (general strikes) across the country in May 2012. The effect of bandhs was relatively more severe in the far-west, east and the Terai belt that caused shortage of different food commodities and other essential items such as medicine in the affected markets. As a result, prices of many commodities were sharply increased. According to WFP Field Monitors, prices of fresh vegetables increased by more than 50 percent in the hill and major consumer markets such as Kathmandu and Pokhara, while in the Terai belt, many farmers could not sell their ripening vegetables due to prolonged bandh and road blockade by the protestors. Daily wage labourers were also temporarily lost their jobs during the general strike. However, the situation is getting normal after lifting bandhs by various organizations.

Outlook

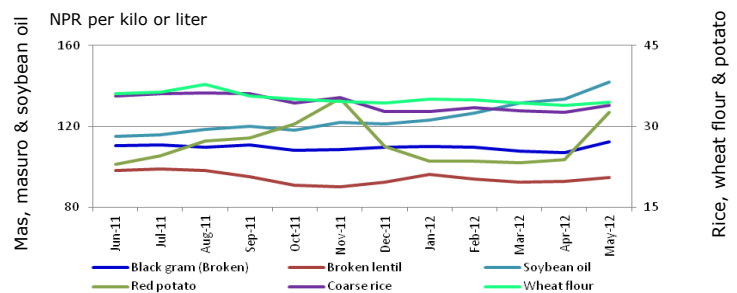
Prices of many commodities are likely to remain stable due to the normal supply situation. However, price of lean season commodities such as coarse rice is likely to increase in the next couple of months. Recent rise of petrol price in India will likely increase petrol price in Nepal, thereby contributing to increase transport costs which may further contribute to the rise of food prices.

Good harvest of winter crops is likely to improve food security situation. Any delay of monsoon by more than a week than its normal date in Nepal will likely affect the growing maize, especially in the hill & mountain belts.

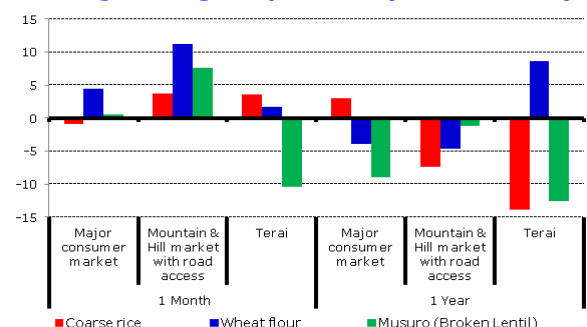
Largest changes in prices of key commodities

Commodity	Price Rs/kg or liter	% change 1month	Observation
Potato	32.6	37.1	Sharp decline in supply due to long strikes (bandhs).
Chicken	307.5	13.5	Sharp decline in supply due to long strikes (bandhs).

Average price over 12 month period*



Percentage change in prices** (1 month & 1 year)



† Prices relate to the Nepali month of Baishakh 2069.

* 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 monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Major consumer markets								
Kathmandu	Coarse rice	36.0	2.9	2.9	5.9	▶	▶	▶
	Wheat flour	36.0	2.9	2.9	0.0	▶	▶	▶
	Soybean oil	133.0	0.0	0.0	14.7	▶	▶	▶
	Chicken	250.0	4.2	31.6	2.0	▶	▶	▶
	Mustard oil	139.0	3.0	1.5	15.8	▶	▶	▶
	Mas (black gram)	105.0	0.0	0.0	-8.7	▶	▶	▶
	Musuro	83.0	0.0	0.0	-12.6	▶	▶	▶
	Potato	32.0	45.5	33.3	52.4	▲	▲	▲
Pokhara	Coarse rice	42.0	-4.5	-6.7	0.0	▶	▶	▶
	Wheat flour	35.0	6.1	6.1	-7.9	▶	▶	▶
	Soybean oil	140.0	6.1	12.0	21.7	▶	▶	▶
	Chicken	310.0	0.0	47.6	19.2	▶	▶	▶
	Mustard oil	160.0	3.2	6.7	15.9	▶	▶	▶
	Mas (black gram)	112.0	6.7	6.7	1.8	▶	▶	▶
	Musuro	87.0	1.2	2.4	-5.4	▶	▶	▶
	Potato	32.0	34.5	28.0	66.7	▲	▲	▲
Regional Terai markets								
Biratnagar	Coarse rice	31.0	10.7	1.1	0.0	▶	▶	▶
	Wheat flour	30.0	4.6	4.7	0.0	▶	▶	▶
	Soybean oil	141.7	1.2	18.1	34.9	▶	▶	▶
	Chicken	380.0	52.0	111.1	43.4	▶	▶	▶
	Mustard oil	163.3	12.6	16.7	25.6	▶	▶	▶
	Mas (black gram)	96.7	11.5	-12.1	7.4	▶	▶	▶
	Musuro	68.3	-6.8	-4.6	-8.9	▶	▶	▶
	Potato	24.0	71.4	84.6	50.0	▲	▲	▲
Birgunj	Coarse rice	32.0	0.0	10.3	-11.1	▶	▶	▶
	Wheat flour	28.0	-17.6	-6.7	3.7	▶	▶	▶
	Soybean oil	148.0	7.2	10.4	25.4	▶	▶	▶
	Chicken	260.0	8.3	18.2	8.3	▶	▶	▶
	Mustard oil	160.0	3.2	10.3	23.1	▶	▶	▶
	Mas (black gram)	94.0	-5.1	-6.0	-4.1	▶	▶	▶
	Musuro	74.0	-1.3	-1.3	-12.9	▶	▶	▶
	Potato	20.0	0.0	42.9	33.3	▶	▶	▶
Nepalgunj	Coarse rice	-	-	-	-	-	-	-
	Wheat flour	-	-	-	-	-	-	-
	Soybean oil	-	-	-	-	-	-	-
	Chicken	-	-	-	-	-	-	-
	Mustard oil	-	-	-	-	-	-	-
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	-	-	-	-	-	-	-
Dhangadhi	Coarse rice	25.0	0.0	-31.3	-30.6	▶	▶	▶
	Wheat flour	26.0	18.2	-18.8	-13.3	▶	▶	▶
	Soybean oil	120.0	33.3	0.0	20.0	▶	▶	▶
	Chicken	250.0	13.6	78.6	0.0	▶	▶	▶
	Mustard oil	144.0	-4.0	0.0	10.8	▶	▶	▶
	Mas (black gram)	120.0	14.3	-12.4	-9.8	▶	▶	▶
	Musuro	80.0	-23.1	-30.4	-15.8	▶	▶	▶
	Potato	30.0	130.8	100.0	66.7	▲	▲	▲
Hill and mountain markets with road access								
Bhairahawa	Coarse rice	-	-	-	-	-	-	-
	Wheat flour	-	-	-	-	-	-	-
	Soybean oil	-	-	-	-	-	-	-
	Chicken	-	-	-	-	-	-	-
	Mustard oil	-	-	-	-	-	-	-
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
Dhankuta	Coarse rice	30.0	11.1	7.1	-9.1	▶	▶	▶
	Wheat flour	37.0	0.0	2.8	5.7	▶	▶	▶
	Soybean oil	145.0	0.0	7.4	20.8	▶	▶	▶
	Chicken	280.0	0.0	16.7	16.7	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	80.0	0.0	0.0	0.0	▶	▶	▶
	Potato	35.0	16.7	40.0	75.0	▲	▲	▲
Rolpa	Coarse rice	33.0	0.0	3.1	-13.2	▶	▶	▶
	Wheat flour	40.0	14.3	14.3	-38.5	▶	▶	▶
	Soybean oil	145.0	3.6	3.6	11.5	▶	▶	▶
	Chicken	280.0	3.7	3.7	0.0	▶	▶	▶
	Mas (black gram)	120.0	0.0	9.1	0.0	▶	▶	▶
	Musuro	105.0	10.5	5.0	-19.2	▶	▶	▶
	Potato	28.0	12.0	-20.0	-30.0	▶	▶	▶
Sanjebagar	Coarse rice	35.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	40.0	14.3	14.3	14.3	▶	▶	▶
	Chicken	280.0	0.0	0.0	12.0	▶	▶	▶
	Mustard oil	180.0	12.5	5.9	28.6	▶	▶	▶
	Mas (black gram)	130.0	8.3	8.3	8.3	▶	▶	▶
	Musuro	120.0	0.0	0.0	0.0	▶	▶	▶
	Potato	50.0	66.7	42.9	66.7	▲	▲	▲
Jumla	Coarse rice	-	-	-	-	-	-	-
	Wheat flour	-	-	-	-	-	-	-
	Soybean oil	-	-	-	-	-	-	-
	Chicken	-	-	-	-	-	-	-
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	-	-	-	-	-	-	-
Bajura	Coarse rice	34.0	17.2	6.3	-5.6	▶	▶	▶
	Wheat flour	36.0	16.1	2.9	0.0	▶	▶	▶
	Beans	100.0	0.0	0.0	-16.7	▶	▶	▶
	Mas (black gram)	120.0	20.0	9.1	14.3	▶	▶	▶
	Musuro	120.0	20.0	9.1	14.3	▶	▶	▶
	Potato - red	40.0	33.3	33.3	33.3	▶	▶	▶
	Humla	Coarse rice*	40.0	0.0	0.0	0.0	▶	▶
Wheat flour		220.0	-8.3	-8.3	-4.3	▶	▶	▶
Soybean oil		280.0	0.0	0.0	16.7	▶	▶	▶
Beans		100.0	0.0	0.0	0.0	▶	▶	▶
Mas (black gram)		-	-	-	-	-	-	-
Musuro		-	-	-	-	-	-	-
Potato		40.0	33.3	33.3	33.3	▶	▶	▶
Dolpa	Coarse rice	90.0	0.0	0.0	-5.3	▶	▶	▶
	Wheat flour	130.0	0.0	0.0	18.2	▶	▶	▶
	Soybean oil	200.0	0.0	0.0	33.3	▶	▶	▶
	Beans	200.0	0.0	0.0	33.3	▶	▶	▶
	Mas (black gram)	200.0	0.0	0.0	17.6	▶	▶	▶
	Musuro	200.0	0.0	0.0	0.0	▶	▶	▶
	Potato	35.0	0.0	-12.5	-12.5	▶	▶	▶
Mountain markets without road access								
Humla	Coarse rice*	40.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	220.0	-8.3	-8.3	-4.3	▶	▶	▶
	Soybean oil	280.0	0.0	0.0	16.7	▶	▶	▶
	Beans	100.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	40.0	33.3	33.3	33.3	▶	▶	▶
Dolpa	Coarse rice	90.0	0.0	0.0	-5.3	▶	▶	▶
	Wheat flour	130.0	0.0	0.0	18.2	▶	▶	▶
	Soybean oil	200.0	0.0	0.0	33.3	▶	▶	▶
	Beans	200.0	0.0	0.0	33.3	▶	▶	▶
	Mas (black gram)	200.0	0.0	0.0	17.6	▶	▶	▶
	Musuro	200.0	0.0	0.0	0.0	▶	▶	▶
	Potato	35.0	0.0	-12.5	-12.5	▶	▶	▶

▲ 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.

* This is the price of NFC subsidized rice, as there is virtually no other stock.

