



Market Watch 46

October 2012†

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 across the country were slightly declined or remained stable in October 2012 due to ongoing harvests of summer crops and the end of monsoon season.**
- **According to the latest macroeconomic situation report released by Nepal Rastra Bank, the year-on-year inflation increased by 11.2 percent in September 2012, while the price index of food and beverage increased by 10.4 percent as compared to 10.2 percent over the same period last year.**
- **With the end of the monsoon season, supply of food commodities has increased in the hill and mountain districts due to improved access to roads and trails.**

NATIONAL MARKET DEVELOPMENT

Price

In the retail markets regularly monitored by MoAD and WFP, most prices were slightly declined or remained stable over the past one month. This can be attributed to the ongoing harvest in the hills. Price of coarse rice went down by 4.0 percent to Rs. 35.5 per kilo, while that of wheat flour marginally increased by 0.4 percent to Rs. 37.8 per kilo. Prices of pulses such as black gram and broken lentil slightly increased by 2.2 percent and 1.2 percent respectively, while price of potato decreased by 3.8 percent due to an increase in supply. Compared to July 2012 and October 2011, however, prices mostly indicated an upward trend.

Food prices in the regional markets showed a mixed trend in October 2012. After the continuous increase over the last three months, price of coarse rice declined in the major consumer markets. Likewise, its price marginally declined in Terai markets compared to last month whereas it remained stable in the hill and mountain markets with road access. Price of wheat flour which is the main staple food in Terai sharply increased due to a higher demand during the festive season.

In the five large wholesale markets (Birtamode, Kathmandu, Butwal, Surkhet and Dhangadhi) regularly monitored by FNCCI/AEC, most wholesale prices showed an upward trend over the past one month. In the Kalimati Fruits and Vegetables market, wholesale prices of off-season vegetables such as carrot, bitter gourd and cucumber increased by more than 15 percent, while that of seasonal vegetables such as cauliflower and cabbages declined by more than 10 percent. Wholesale prices of apple and orange climbed up by more than 10 percent due to a higher demand during the festivals.

The year-on-year inflation released by the Nepal Rastra Bank in September 2012 increased by 11.2 percent as compared to 8.5 percent over the same period last year. The price index of food and beverage group increased by 10.4 percent compared to an increase of 10.2 percent, while that of cereal grains increased by 7.2 percent as compared to 0.6 percent over the same period last year. The price index of transport also increased by 15.2 percent compared to an increase of 12.7 percent over the same period last year.

Supply

Since the end of the monsoon season in September, roads linked to the hill and mountain markets have been functioning smoothly, contributing to the increase in food supply. Likewise, Katari-Okhaldhunga-Solukhumbu connection road is now fully operational after resuming the ferry service of the Koshi river, which enables a timely delivery of food supplies with lower transport costs.

Outlook

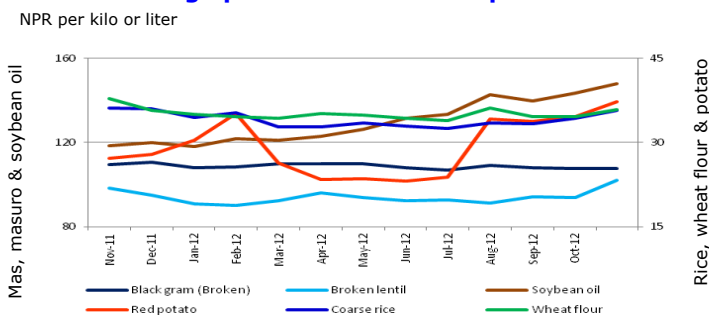
As the summer crop harvest has already started in the hills, market food demand will likely decrease, thereby keeping prices of staple foods low. Prices of lean season vegetables such as bitter gourd are likely to increase and that of seasonal vegetables such as cauliflower and cabbage are to decline in the coming months.

Ongoing harvests of summer crops mainly in the hills have increased household food stock at least for a few months. The outlook of summer crops, though it is better than anticipated at the time of the paddy plantation, is expected to be lower than last year.

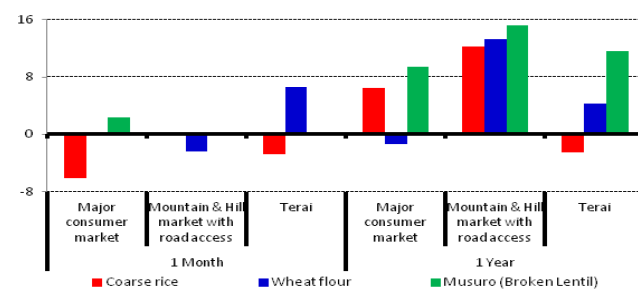
Largest changes in prices of key commodities

Commodity	Price Rs/kg or liter	% change 1month	Observation
Cauliflower, cabbage & broad mustard leaf	Various	- (>10)	Increase in supply due to harvest season of these vegetables.
Carrot, bitter gourd & cucumber	Various	more than 15	Decline in supply due to lean season and perishable in nature.

Average price over 12 month period*



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



† Prices relate to the Nepali month of Ashwin 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	-12.2	-2.7	5.9	▼	▶	▶
	Wheat flour	34.0	0.0	-2.9	-5.6	▶	▶	▶
	Soybean oil	143.0	0.0	0.0	16.3	▶	▶	▲
	Chicken	275.0	-1.8	12.2	22.2	▶	▲	▲
	Mustard oil	193.0	0.0	9.0	45.1	▶	▶	▲
	Mas (black gram)	113.0	7.6	2.7	7.6	▲	▶	▶
	Musuro	103.0	0.0	0.0	14.4	▶	▶	▶
	Potato	40.0	0.0	14.3	14.3	▶	▲	▶
	Pokhara	Coarse rice	45.0	0.0	7.1	7.1	▶	▶
Wheat flour		35.0	0.0	2.9	0.0	▶	▶	▶
Soybean oil		155.0	-3.1	-0.6	28.1	▶	▶	▲
Chicken		324.0	-1.8	8.0	20.0	▶	▶	▲
Mustard oil		180.0	0.0	8.4	20.0	▶	▶	▲
Mas (black gram)		115.0	-4.2	0.0	4.5	▶	▶	▶
Musuro		110.0	4.8	15.8	29.4	▶	▲	▲
Potato		50.0	11.1	19.0	79.9	▶	▲	▲
Regional Terai markets								
Biratnagar	Coarse rice	30.0	-13.5	-2.2	0.0	▼	▶	▶
	Wheat flour	30.0	0.0	11.1	0.0	▶	▲	▶
	Soybean oil	145.0	-3.3	2.4	16.0	▶	▶	▲
	Chicken	260.0	0.0	4.0	8.3	▶	▶	▶
	Mustard oil	185.0	12.1	5.7	32.1	▲	▶	▲
	Mas (black gram)	100.0	11.1	11.1	0.0	▲	▲	▶
	Musuro	95.0	-5.0	22.3	26.7	▶	▲	▲
Birgunj	Coarse rice	35.0	0.0	2.9	-4.9	▶	▶	▶
	Wheat flour	30.0	0.0	7.1	-3.2	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	15.4	▶	▶	▲
	Chicken	260.0	0.0	0.0	8.3	▶	▶	▶
	Mustard oil	180.0	0.0	0.0	20.0	▶	▶	▲
	Mas (black gram)	95.0	-3.1	3.3	3.3	▶	▶	▶
	Musuro	110.0	17.0	19.6	46.7	▲	▲	▲
Nepalgunj	Coarse rice	30.0	0.0	7.1	0.0	▶	▶	▶
	Wheat flour	32.0	0.0	14.3	31.5	▶	▲	▲
	Soybean oil	140.0	0.0	0.0	20.0	▶	▶	▲
	Chicken	280.0	0.0	0.0	12.0	▶	▶	▶
	Mustard oil	180.0	0.0	0.0	28.6	▶	▶	▲
	Mas (black gram)	90.0	0.0	10.2	6.3	▶	▲	▶
	Musuro	90.0	0.0	20.0	28.6	▶	▲	▲
Dhangadhi	Coarse rice	32.0	3.2	14.3	-11.1	▶	▲	▶
	Wheat flour	32.0	0.0	18.5	6.7	▶	▲	▶
	Soybean oil	122.0	0.0	1.7	22.0	▶	▶	▲
	Chicken	250.0	-4.6	0.0	0.0	▶	▶	▶
	Mustard oil	158.0	0.0	-7.1	20.6	▶	▶	▲
	Mas (black gram)	135.8	1.3	8.6	2.9	▶	▶	▶
	Musuro	105.0	-5.4	31.3	5.0	▼	▲	▶
Bhairahawa	Coarse rice	29.0	-3.3	3.6	3.6	▶	▶	▶
	Wheat flour	35.0	29.6	9.4	-2.8	▲	▶	▶
	Soybean oil	145.0	-3.3	3.6	61.1	▶	▶	▲
	Chicken	260.0	8.3	-7.1	8.3	▲	▶	▶
	Mustard oil	195.0	8.3	8.3	30.0	▲	▶	▲
	Mas (black gram)	120.0	30.4	46.9	9.1	▲	▲	▶
	Musuro	100.0	-4.8	33.3	11.1	▶	▲	▶
	Potato	30.0	7.1	0.0	100.0	▲	▶	▲
	Hill and mountain markets with road access							
Dhankuta	Coarse rice	33.0	0.0	6.5	10.0	▶	▶	▶
	Wheat flour	35.0	0.0	0.0	16.7	▶	▶	▲
	Soybean oil	150.0	0.0	3.4	20.0	▶	▶	▲
	Chicken	280.0	0.0	0.0	-6.7	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	9.1	▶	▶	▶
	Musuro	115.0	0.0	4.5	40.2	▶	▶	▲
	Potato	43.0	7.5	22.9	43.3	▶	▲	▲
Rolpa	Coarse rice	34.0	0.0	21.4	36.0	▶	▲	▲
	Wheat flour	40.0	0.0	42.9	21.2	▶	▲	▲
	Soybean oil	150.0	0.0	25.0	36.4	▶	▲	▲
	Chicken	280.0	0.0	12.0	3.7	▶	▲	▶
	Mas (black gram)	110.0	0.0	-12.0	-12.0	▶	▼	▶
	Musuro	110.0	0.0	37.5	4.8	▶	▲	▶
	Potato	40.0	0.0	0.0	14.3	▶	▶	▶
Sanjebagar	Coarse rice	35.0	0.0	0.0	-7.9	▶	▶	▶
	Wheat flour	35.0	0.0	-12.5	0.0	▶	▼	▶
	Chicken	300.0	-6.3	-14.3	7.1	▼	▼	▶
	Mustard oil	180.0	0.0	0.0	28.6	▶	▶	▲
	Mas (black gram)	120.0	0.0	-7.7	0.0	▶	▶	▶
	Musuro	110.0	0.0	-8.3	-8.3	▶	▶	▶
	Potato	50.0	0.0	11.1	25.0	▶	▲	▲
Jumla	Coarse rice	50.0	0.0	11.1	11.1	▶	▲	▶
	Wheat flour	70.0	0.0	16.7	16.7	▶	▲	▲
	Soybean oil	180.0	0.0	0.0	28.6	▶	▶	▲
	Chicken	-	-	-	-	-	-	-
	Mas (black gram)	100.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	100.0	0.0	0.0	0.0	▶	▶	▶
	Potato	30.0	-14.3	-25.0	-14.3	▼	▼	▶
Bajura	Coarse rice	40.0	-11.1	-11.1	14.3	▼	▼	▶
	Wheat flour	44.0	-12.0	10.0	10.0	▼	▶	▶
	Beans	120.0	-	0.0	0.0	-	▶	▶
	Mas (black gram)	120.0	0.0	0.0	9.1	▶	▶	▶
	Musuro	120.0	0.0	0.0	20.0	▶	▶	▲
	Potato - red	30.0	-40.0	20.0	20.0	▼	▲	▲
	Mountain markets without road access							
Humla	Coarse rice*	40.0	0.0	0.0	33.3	▶	▶	▲
	Wheat flour	230.0	4.5	0.0	-	▶	▶	-
	Soybean oil	300.0	7.1	7.1	7.1	▲	▶	▶
	Beans	120.0	20.0	9.1	20.0	▲	▶	▲
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	50.0	11.1	-28.6	66.7	▶	▼	▲
Dolpa	Coarse rice	110.0	0.0	10.0	10.0	▶	▶	▶
	Wheat flour	130.0	0.0	-7.1	0.0	▶	▶	▶
	Soybean oil	240.0	0.0	14.3	4.3	▶	▲	▶
	Beans	200.0	-13.0	-13.0	0.0	▼	▼	▶
	Mas (black gram)	200.0	-4.8	-4.8	17.6	▶	▶	▲
	Musuro	210.0	0.0	0.0	5.0	▶	▶	▶
	Potato	35.0	-12.5	-30.0	-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.

For the latest information relating to food security in Nepal check out the Nepal Food Security Monitoring System (NeKSAP) google site <http://www.sites.google.com/site/nefoodsec>