



Market Watch 48

December 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

- **Prices of recently harvested crops such as coarse rice showed a seasonal decline, while that of lean season commodities such as wheat flour and pulses observed a marginal increase over the past one month.**
- **As per the latest release of Nepal Rastra Bank (NRB), the year-on-year inflation remained at 10.4 percent in December 2012 and the index of food and beverage group stood at 8.7 percent compared to an increase of 7.1 percent over the same period last year.**
- **Supply situation is so far normal due to smooth operation of all transport services across the country.**

NATIONAL MARKET DEVELOPMENT

Price

Retail prices of most food commodities regularly monitored by MoAD and WFP in various markets across the country showed a mixed trend over the past one month. Average price of coarse rice declined by 1.5 percent to Rs. 34.9 per kilo, while the price of wheat flour marginally increased by 1.3 percent to 37.4 per kilo. Retail prices of black gram and broken lentil climbed up by 2.9 percent and 3.2 percent to Rs. 114.0 and Rs. 106.7 per kilo respectively, while that of soybean oil and red potato slightly went down by 0.5 percent and 1.5 percent respectively. Most prices indicated a declining trend in comparison to September 2012, while as compared to the same period last year, prices showed an upward trend.

Prices in the regional markets followed somewhat the same trend as seen in the national trend. For instance, price of coarse rice decreased in the major consumer markets, while it increased in the Terai markets. In the hill & mountain markets with road access, price of coarse rice remained same. The price of broken lentil increased in all regional markets over the past one month.

In the five large wholesale markets (Birtamode, Kathmandu, Butwal, Surkhet and Dhangadhi) regularly monitored by FNCCI/AEC, wholesale prices indicated an upward trend over the past one month which is in line with the retail price of coarse rice in the Terai markets. Price trend of wholesale prices of vegetable and fruits in the Kalimati Fruits and Vegetables market showed a mixed trend. For example, prices of seasonal vegetables such as cabbage, cauliflower, tomato and ginger continue to decline, while off-season vegetables such as French bean, dry onion and radish exhibited an upward trend over the past one month. Nepal Oil Corporation has adjusted fuel prices with international price, in which price of diesel and kerosene increased by Rs. 2 per liter, while that of petrol declined by Rs. 2 per liter.

The year-on-year inflation remained at 10.4 percent in December 2012 as compared to 7.5 percent over the same period last year. The index of food and beverage increased by 8.7 percent against the 7.1 percent of last year, while that of cereal grains increased by 5.0 percent compared to an increase of 2.1 percent over the same period last year. The price index of transport continuously increased by 15.1 percent as compared to 12.5 percent over the same period last year.

Supply

Supply situation across the country is far normal. Roads linked to the hill and mountain markets from the major wholesale markets in the Terai belt are operating smoothly, which have increased the supply of food commodities in the region.

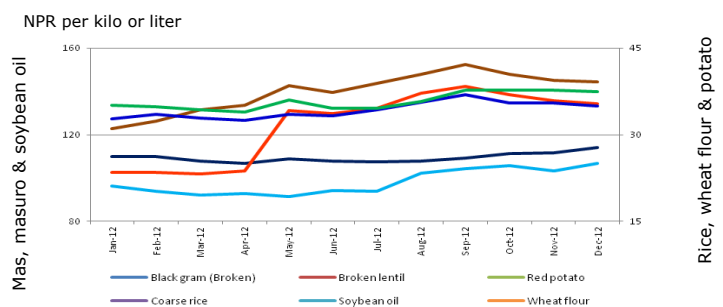
Outlook

Food prices of recently harvested crops are likely to remain stable at least for next month, while lean season commodities such as pulses and off-season vegetables will likely increase until the next harvest. Likewise, prices of imported commodities are likely to remain high due to devaluation of Nepalese currency with US dollar and other convertible currencies.

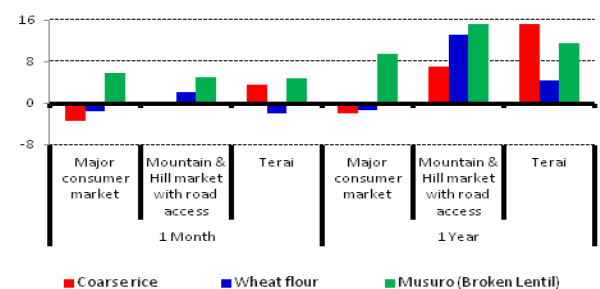
Outlook of winter crops is so far moderate due to poor soil moisture and delay in planting, leading to a negative outlook for the national food balance. However, the condition of winter crop whether it will remain the same or improve, depends on adequate winter rainfall required for growth. The situation will be closely monitored by NeKSAP.

Changes in prices of other commodities			
Commodity	Price Rs/kg or liter	% change 1month	Observation
Diesel & Kerosene	99	2.1	Adjustment with International prices mainly with India.
Petrol	123	-1.6	Adjustment with International prices mainly with India.

Average price over 12 month period*



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



† Prices relate to the Nepali month of Mangsir 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	0.0	-12.2	2.9	▶	▼	▶	
	Wheat flour	34.0	0.0	0.0	-2.9	▶	▶	▶	
	Soybean oil	145.0	0.0	1.4	20.8	▶	▶	▲	
	Chicken	215.0	-14.0	-23.2	30.3	▼	▼	▲	
	Mustard oil	193.0	0.0	0.0	45.1	▶	▶	▲	
	Mas (black gram)	113.0	0.0	7.6	7.6	▶	▶	▶	
	Musuro	117.0	13.6	13.6	41.0	▲	▲	▲	
	Potato	37.0	-19.6	-7.5	48.0	▼	▶	▲	
	Pokhara	Coarse rice	42.0	-6.7	-6.7	-6.7	▼	▶	▶
Wheat flour		34.0	-2.9	-2.9	3.0	▶	▶	▶	
Soybean oil		145.0	-3.3	-9.4	18.9	▶	▶	▲	
Chicken		280.0	0.0	-15.2	33.3	▶	▼	▲	
Mustard oil		180.0	-2.7	0.0	21.6	▶	▶	▲	
Mas (black gram)		118.0	-1.7	-1.7	7.3	▶	▶	▶	
Musuro		95.0	-2.1	-9.5	11.8	▶	▶	▶	
Potato		50.0	0.0	11.1	73.6	▶	▲	▲	
Regional Terai markets									
Biratnagar	Coarse rice	30.0	0.0	-13.5	7.1	▶	▼	▶	
	Wheat flour	35.0	16.7	16.7	16.7	▲	▲	▲	
	Soybean oil	140.0	0.0	-6.7	16.7	▶	▶	▲	
	Chicken	200.0	0.0	-23.1	-16.7	▶	▼	▼	
	Mustard oil	180.0	0.0	9.1	21.6	▶	▶	▲	
	Mas (black gram)	100.0	0.0	11.1	-4.8	▶	▲	▶	
	Musuro	103.0	3.0	3.0	37.3	▶	▶	▲	
	Potato	40.0	-4.0	30.4	110.5	▶	▲	▲	
	Birgunj	Coarse rice	34.0	3.0	-2.9	41.7	▶	▶	▲
Wheat flour		35.0	-7.9	16.7	9.4	▼	▲	▶	
Soybean oil		152.0	1.3	1.3	16.9	▶	▶	▲	
Chicken		240.0	-7.7	-7.7	0.0	▼	▶	▶	
Mustard oil		180.0	0.0	0.0	33.3	▶	▶	▲	
Mas (black gram)		100.0	0.0	2.0	8.7	▶	▶	▶	
Musuro		114.0	3.6	21.3	62.9	▶	▲	▲	
Potato		22.0	-45.0	-26.7	0.0	▼	▼	▶	
Nepalgunj		Coarse rice	30.0	0.0	0.0	20.0	▶	▶	▲
	Wheat flour	25.0	-16.7	-21.9	0.0	▼	▼	▶	
	Soybean oil	115.0	0.0	-17.9	-11.5	▶	▼	▶	
	Chicken	200.0	0.0	-28.6	-20.0	▶	▼	▼	
	Mustard oil	180.0	0.0	0.0	12.5	▶	▶	▶	
	Mas (black gram)	115.0	64.3	27.8	40.8	▲	▲	▲	
	Musuro	75.0	7.1	-16.7	7.1	▲	▼	▶	
	Potato	25.0	0.0	-16.7	25.0	▶	▼	▲	
	Dhangadhi	Coarse rice	33.0	-1.2	6.5	-8.3	▶	▶	▶
Wheat flour		32.0	-1.8	0.0	3.2	▶	▶	▶	
Soybean oil		127.0	0.0	4.1	21.0	▶	▶	▲	
Chicken		250.0	0.0	-4.6	0.0	▶	▶	▶	
Mustard oil		168.0	0.0	6.3	20.0	▶	▶	▲	
Mas (black gram)		132.0	0.0	-1.5	-5.7	▶	▶	▶	
Musuro		110.0	0.0	-0.9	0.0	▶	▶	▶	
Potato		25.0	0.0	-37.5	25.0	▶	▼	▲	
Hill and mountain markets with road access									
Bhairahawa	Coarse rice	29.0	16.0	-3.3	16.0	▶	▶	▲	
	Wheat flour	35.0	0.0	29.6	45.8	▶	▲	▲	
	Soybean oil	145.0	-3.3	-3.3	61.1	▶	▶	▲	
	Chicken	260.0	0.0	8.3	44.4	▶	▶	▲	
	Mustard oil	195.0	2.6	8.3	30.0	▶	▶	▲	
	Mas (black gram)	120.0	4.3	30.4	26.3	▶	▲	▲	
	Musuro	105.0	10.5	0.0	10.5	▲	▶	▶	
	Potato	25.0	13.6	-10.7	56.3	▲	▼	▲	
	Dhankuta	Coarse rice	33.0	0.0	0.0	10.0	▶	▶	▶
Wheat flour		35.0	0.0	0.0	-2.8	▶	▶	▶	
Soybean oil		150.0	0.0	0.0	15.4	▶	▶	▲	
Chicken		280.0	0.0	0.0	16.7	▶	▶	▶	
Mas (black gram)		120.0	0.0	0.0	0.0	▶	▶	▶	
Musuro		132.0	14.8	14.8	55.3	▲	▲	▲	
Potato		45.0	4.7	12.5	80.0	▶	▲	▲	
Rolpa		Coarse rice							
		Wheat flour							
	Soybean oil								
	Chicken								
	Mas (black gram)								
	Musuro								
	Potato								
	Sanjibpur	Coarse rice	35.0	0.0	0.0	0.0	▶	▶	▶
		Wheat flour	38.0	8.6	8.6	8.6	▲	▶	▶
Chicken		300.0	0.0	-6.3	7.1	▶	▶	▶	
Mustard oil		180.0	5.9	0.0	20.0	▲	▶	▲	
Mas (black gram)		120.0	-7.7	0.0	0.0	▼	▶	▶	
Musuro		-	-	-	-	-	-	-	
Potato		50.0	28.2	0.0	42.9	▲	▶	▲	
Jumla		Coarse rice	50.0	0.0	0.0	11.1	▶	▶	▶
		Wheat flour	70.0	0.0	0.0	16.7	▶	▶	▲
	Soybean oil	180.0	0.0	0.0	28.6	▶	▶	▲	
	Chicken	350.0	0.0	-	9.4	▶	-	▶	
	Mas (black gram)	100.0	-	0.0	0.0	-	▶	▶	
	Musuro	100.0	0.0	0.0	0.0	▶	▶	▶	
	Potato	30.0	0.0	-14.3	-14.3	▶	▼	▶	
	Bajura	Coarse rice	33.0	-17.5	-26.7	10.0	▼	▼	▶
		Wheat flour	36.0	0.0	-28.0	2.9	▶	▼	▶
Beans		120.0	0.0	-	20.0	▶	-	▲	
Mas (black gram)		120.0	0.0	0.0	20.0	▶	▶	▲	
Musuro		120.0	0.0	0.0	20.0	▶	▶	▲	
Potato - red		30.0	20.0	-40.0	0.0	▲	▼	▶	
Mountain markets without road access									
Humla		Coarse rice*	40.0	0.0	0.0	0.0	▶	▶	▶
		Wheat flour	230.0	0.0	4.5	-4.2	▶	▶	▶
	Soybean oil	300.0	0.0	7.1	7.1	▶	▶	▶	
	Beans	110.0	0.0	10.0	10.0	▶	▶	▶	
	Mas (black gram)	-	-	-	-	-	-	-	
	Musuro	-	-	-	-	-	-	-	
	Potato	40.0	0.0	-11.1	33.3	▶	▼	▲	
	Dolpa	Coarse rice	110.0	0.0	0.0	15.8	▶	▶	▲
		Wheat flour	130.0	0.0	0.0	0.0	▶	▶	▶
Soybean oil		230.0	-4.2	-4.2	15.0	▶	▶	▶	
Beans		250.0	25.0	8.7	25.0	▲	▶	▲	
Mas (black gram)		230.0	-	9.5	35.3	-	▶	▲	
Musuro		230.0	15.0	9.5	15.0	▲	▶	▶	
Potato		35.0	16.7	-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.

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>

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