



Market Watch 50

February 2013[†]

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

- **Most retail prices monitored in various markets across the country mostly remained stable over the past one month which is an indication of smooth functioning of commodity markets.**
- **As per the latest macroeconomic situation report released by Nepal Rastra Bank, the national inflation rate increased by 10.1 percent in February 2013, while the price index of food and beverage group increased by 10.7 percent compared to 4.1 percent over the same period last year.**
- **Supply situation has improved across the country, especially in Solukhumbu, Khotang and Okhaldhunga districts due to construction of belly bridges over Koshi river.**

NATIONAL MARKET DEVELOPMENT

Price

Food prices regularly monitored by MoAD and WFP in various markets across the country mostly remained stable over the past one month. The national average prices of coarse rice and wheat flour marginally increased by 1.2 percent and 0.8 percent and reached to Rs. 36.0 and Rs. 39.8 per kilo respectively. Likewise, the price of black gram slightly went up by 0.7 percent, while that of broken lentil remained stable. Prices of edible oils such as soybean and mustard showed a marginal increase, but the price of red potato declined by 3.9 percent, which is mainly due to increase in the supply as a result of harvest period. Most prices, as compared to November 2012, indicated an upward trend with an exception of potato, while as compared to the same period last year, all monitored prices showed an upward trend.

Price trend in the regional markets showed somewhat different than the national trend. For instance, price of coarse rice remained same in the major consumer markets, whereas it showed a declining trend in the hill and mountain markets with road access. In the Terai markets, price of coarse rice indicated an increasing trend. However, prices of wheat flour and broken lentil mostly showed an increasing trend over the past one month.

Wholesale prices monitored by FNCCI/AEC in the five large markets (Birtamode, Kathmandu, Butwal, Surkhet and Dhangadhi) showed a mixed trend with marginal fluctuations over the past one month. Wholesale prices of fruits and vegetables regularly monitored by the Kathmandu Fruits and Vegetables Market showed declining trend of cabbage, radish, cauliflower, carrot, spinach and broad mustard leaf, while commodities such as dry onion, garlic, bitter gourd and French bean indicated an increasing trend which is mainly due to decline in supply as compared to the demand for these commodities.

The year-on-year inflation released by Nepal Rastra Bank increased by 10.1 percent in February 2013 compared to 7.0 percent over the same period last year. The price index of food and beverage group increased by 10.7 percent compared to an increase of 4.1 percent, while that of cereal grains sub-groups went up by 10.2 percent. The price index of transport remained at 9.0 percent as compared to 18.5 percent increase over the same period last year.

Supply

Supply situation across the country is so far remained normal due to smooth operation of transportation services across the country. According to the WFP NeKSAP District and Cluster Coordinators, construction of belly bridges over Koshi river at Ghurmi and Jayaramghat has helped to improve the supply and reduce transport costs in Okhaldhunga, Solukhumbu and Khotang districts.

Outlook

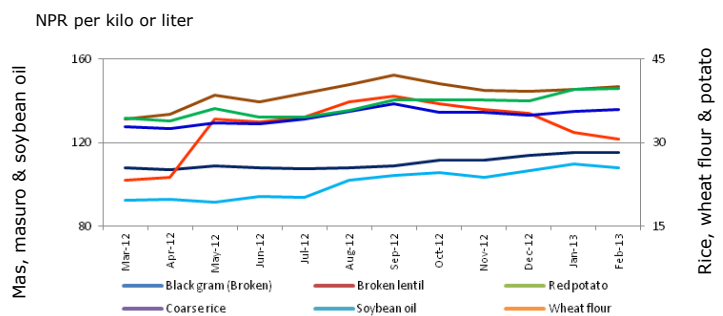
Prices of most food commodities are likely to remain same as in the past month. However, an increase in public transport cost including cargo carriers by more than 3.7 percent effective from March 8, 2013 will likely to contribute to the rise of food prices mainly in the hill and mountain markets. Likewise, prices of lean season commodities are also likely to remain high until the next harvest.

Outlook of winter crops is so far good due to timely rainfall at the growing period of crops across the country. Early forecast of winter crop production mainly wheat is expected to be marginal increase as compared to last year. The overall outlook of winter crops will be closely monitored by the NeKSAP.

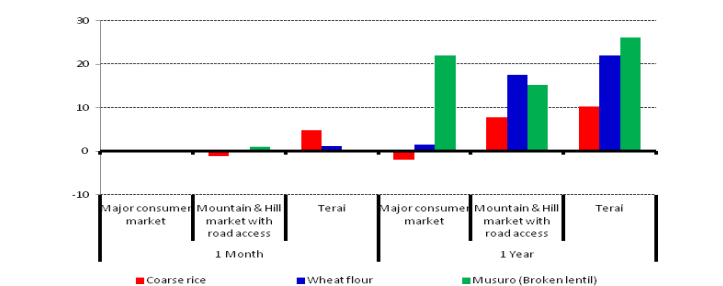
Largest Changes in commodities prices

Commodity	Price Rs/kg or liter	% change 1 month	Observation
Dry onion, garlic, French bean, bitter gourd & chicken	various	>6	Decline in supply due to low production and lean season.
Potato, cabbage, radish and cauliflower	various	>-5	Increase in supply due to harvest season.

Average price over 12 month period*



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



† Prices relate to the Nepali month of Magh 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	0.0	2.9	▶	▶	▶
	Wheat flour	34.0	0.0	0.0	-2.9	▶	▶	▶
	Soybean oil	143.0	4.4	-1.4	7.5	▶	▶	▶
	Chicken	275.0	22.2	10.0	44.7	▲	▶	▲
	Mustard oil	167.0	-3.5	-13.5	21.9	▶	▼	▲
	Mas (black gram)	113.0	0.0	0.0	7.6	▶	▶	▶
	Musuro	100.0	0.0	-2.9	20.5	▶	▶	▲
	Potato	32.0	-5.9	-30.4	33.3	▼	▼	▲
	Pokhara	Coarse rice	42.0	0.0	-6.7	-6.7	▶	▶
Wheat flour		35.0	0.0	0.0	6.1	▶	▶	▶
Soybean oil		150.0	3.4	0.0	20.0	▶	▶	▲
Chicken		320.0	18.5	14.3	52.4	▲	▲	▲
Mustard oil		180.0	0.0	-2.7	20.0	▶	▶	▲
Mas (black gram)		120.0	0.0	0.0	14.3	▶	▶	▶
Musuro		105.0	0.0	8.2	23.5	▶	▶	▲
Potato		35.0	0.0	-30.0	40.0	▶	▼	▲
Regional Terai markets								
Biratnagar	Coarse rice	30.0	0.0	0.0	-2.2	▶	▶	▶
	Wheat flour	36.0	0.0	20.0	25.6	▶	▲	▲
	Soybean oil	135.0	0.0	-3.6	12.5	▶	▶	▶
	Chicken	273.0	0.0	36.5	51.7	▶	▲	▲
	Mustard oil	180.0	0.0	0.0	28.6	▶	▶	▲
	Mas (black gram)	100.0	11.11	0.0	-9.09	▲	▶	▶
	Musuro	110.0	0.0	10.0	53.5	▶	▶	▲
Biratnagar	Coarse rice	36.0	5.9	9.1	24.1	▲	▶	▶
	Wheat flour	37.0	5.7	-2.6	23.3	▲	▶	▲
	Soybean oil	155.0	2.0	3.3	15.7	▶	▶	▶
	Chicken	300.0	25.0	15.4	36.4	▲	▲	▲
	Mustard oil	180.0	0.0	0.0	24.1	▶	▶	▲
	Mas (black gram)	100.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	100.0	-9.1	-9.1	33.3	▼	▶	▲
Nepalgunj	Coarse rice	34.0	6.3	13.3	21.4	▲	▲	▲
	Wheat flour	32.0	0.0	6.7	0.0	▶	▶	▶
	Soybean oil	140.0	0.0	21.7	5.0	▶	▲	▶
	Chicken	300.0	7.1	50.0	7.1	▲	▲	▶
	Mustard oil	200.0	0.0	11.1	29.0	▶	▲	▲
	Mas (black gram)	130.0	-7.1	85.7	59.2	▼	▲	▲
	Musuro	100.0	11.1	42.9	42.9	▲	▲	▲
Dhangadhi	Coarse rice	35.0	0.0	4.8	-3.8	▶	▶	▶
	Wheat flour	32.6	0.0	0.0	1.9	▶	▶	▶
	Soybean oil	135.0	0.0	6.3	12.5	▶	▶	▶
	Chicken	284.0	0.0	13.6	102.9	▶	▲	▲
	Mustard oil	176.0	0.0	4.8	22.2	▶	▶	▲
	Mas (black gram)	134.0	0.0	1.5	-2.2	▶	▶	▶
	Musuro	110.0	0.0	0.0	-4.3	▶	▶	▶
Hill and mountain markets with road access								
Bhairahawa	Coarse rice	28.0	12.0	12.0	12.0	▲	▲	▶
	Wheat flour	35.0	0.0	0.0	59.1	▶	▶	▲
	Soybean oil	140.0	0.0	-6.7	55.6	▶	▶	▲
	Chicken	260.0	0.0	0.0	18.2	▶	▶	▲
	Mustard oil	170.0	0.0	-10.5	13.3	▶	▼	▶
	Mas (black gram)	125.0	0.0	8.7	19.0	▶	▶	▲
	Musuro	110.0	0.0	15.8	5.8	▶	▲	▶
Dhankuta	Coarse rice	33.0	0.0	0.0	17.9	▶	▶	▲
	Wheat flour	35.0	0.0	0.0	-2.8	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	11.1	▶	▶	▶
	Chicken	260.0	0.0	-7.1	8.3	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	120.0	4.3	4.3	50.0	▶	▶	▲
	Potato	35.0	-30.0	-18.6	40.0	▼	▼	▲
Rolpa	Coarse rice	40.0	0.0	17.6	25.0	▶	▲	▲
	Wheat flour	55.0	0.0	-	57.1	▶	-	▲
	Soybean oil	140.0	0.0	-	0.0	▶	-	▶
	Chicken	270.0	0.0	-	0.0	▶	-	▶
	Mas (black gram)	100.0	0.0	-	-9.1	▶	-	▶
	Musuro	110.0	0.0	0.0	10.0	▶	▶	▶
	Potato	25.0	0.0	-	-28.6	▶	-	▼
Sanfebagar	Coarse rice	35.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	36.0	0.0	2.9	2.9	▶	▶	▶
	Chicken	300.0	0.0	0.0	7.1	▶	▶	▶
	Mustard oil	180.0	0.0	5.9	5.9	▶	▶	▶
	Mas (black gram)	120.0	0.0	-7.7	0.0	▶	▶	▶
	Musuro	110.0	0.0	0.0	-8.3	▶	▶	▶
	Potato	50.0	0.0	28.2	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	5.9	▶	▶	▶
	Chicken	380.0	0.0	8.6	18.8	▶	▶	▲
	Mas (black gram)	100.0	0.0	-	0.0	▶	-	▶
	Musuro	-	-	-	-	-	-	-
	Potato	30.0	0.0	0.0	-25.0	▶	▶	▼
Bajura	Coarse rice	33.0	-5.7	-17.5	3.1	▼	▶	▶
	Wheat flour	40.0	0.0	11.1	14.3	▶	▲	▶
	Beans	120.0	0.0	0.0	20.0	▶	▶	▲
	Mas (black gram)	120.0	0.0	0.0	9.1	▶	▶	▶
	Musuro	120.0	0.0	0.0	9.1	▶	▶	▶
	Potato - red	30.0	0.0	20.0	0.0	▶	▲	▶
	Mountain markets without road access							
Humla	Coarse rice*	40.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	230.0	53.3	0.0	-4.2	▲	▶	▶
	Soybean oil	300.0	0.0	0.0	7.1	▶	▶	▶
	Beans	120.0	-	9.1	20.0	-	▶	▲
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	50.0	0.0	25.0	66.7	▶	▲	▲
Dolpa	Coarse rice	100.0	0.0	-9.1	11.1	▶	▶	▶
	Wheat flour	120.0	-7.7	-7.7	-7.7	▼	▶	▶
	Soybean oil	240.0	0.0	0.0	20.0	▶	▶	▲
	Beans	200.0	-9.1	0.0	0.0	▼	▶	▶
	Mas (black gram)	200.0	-9.1	-	0.0	▼	-	▶
	Musuro	250.0	13.6	25.0	25.0	▲	▲	▲
	Potato	30.0	0.0	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.

* 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>

