



Market Watch 53

May 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

- Retail prices of monitored food commodities generally followed seasonal trends in May 2013; with lean season commodity prices relatively higher and recently harvested crop prices lower.
- The national inflation rate released by Nepal Rastra Bank in May 2013 remained at 8.7 percent, while the price index of the cereal grains sub-group sharply increased by 12.8 percent, compared with a 1.9 percent decline over the same period last year.
- Food supply is negatively affected in some areas in the Hills and Mountains due to landslides and floods followed by heavy rainfall.

NATIONAL MARKET DEVELOPMENT

Price

In the markets regularly monitored by MoAD and WFP across the country, most retail prices of food commodities showed a seasonal fluctuation over the past one month. Price of coarse rice marginally increased by 3.2 percent to Rs. 38.1 per kilo while that of wheat flour seasonally went down by 5.7 percent to Rs. 39.4 per kilo. Prices of black gram and broken lentil marginally increased by 0.1 and 3.3 percent respectively and the price of red potato climbed up by 3.2 percent, while that of edible oils such as mustard oil and soybean oil slightly declined by more than 2 percent over the past one month. Prices as compared to February 2013 showed mixed trends, compared to the same period last year, most prices showed an upward trend with the exception of red potato.

Prices in the regional markets showed a similar trend to that seen in the national. For instance, the price of coarse rice showed an upward trend in all markets, while that of wheat flour indicated a declining trend in the Terai and the Hills & Mountain markets with road access. Price of wheat flour slightly increased in the major consumer markets over the past one month.

In the large five large markets (Birtamode, Kathmandu, Butwal, Surkhet and Dhangadhi) regularly monitored by FNCCI/AEC, most wholesale prices were relatively stable over the past one month. Wholesale prices of vegetables in the Kalimati Fruits and Vegetables Market showed high seasonal fluctuation. For example, prices of bitter gourd, cabbage, okra, dry onion, radish and spinach declined by more than 10 percent, while that of French bean, tomato, cauliflower and ginger continued to rise over the past one month.

The year-on-year inflation, as measured by the consumer price index (CPI), remained at 8.7 percent in May 2013, which is the same as the same period last year. The index of the food and beverage group marginally increased by 8.7 percent as compared to 7.1 percent, while the price index of the cereal grains sub-group sharply increased by 12.8 percent, compared to a marginal decline of 1.9 percent over the same period last year. The continuous rise of the price index of the cereal grains sub-group has raised concern about the food security situation. However, the price index of transport moderately increased by 7.4 percent, as compared to a sharp increase of 18.0 percent over the same period last year.

Supply

Disruption of roads linking to the Hills and Mountains from the Terai markets due to landslides and floods followed by heavy rainfall has negatively impacted the supply of commodities. This is likely to contribute to rising transport costs, which might lead to an increase in the price of commodities. The situation needs to be monitored closely.

Outlook

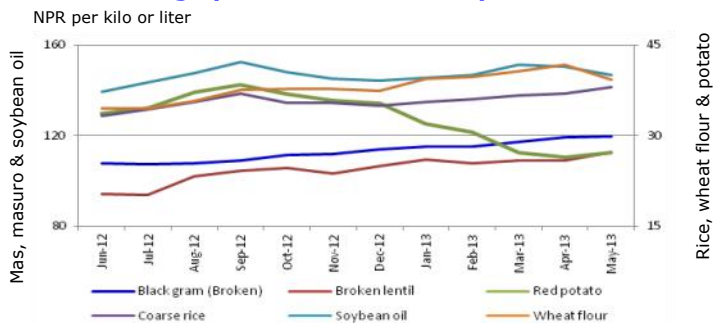
Most food prices are likely to remain high with the exception of recently harvested crops such as wheat. Likewise, the prices of imported commodities will likely increase due to an appreciation of the US Dollar against the Nepalese Rupee. The recent rise of the price of petrol in India will likely contribute to a rise in fuel prices in Nepal, thereby contributing to a rise in transport costs and food prices.

A marginal increase in winter crop production has slightly improved the availability of food. The early monsoon has helped the planting of early paddy and maize. However, recent excess rainfall could have an adverse effect on the crop growth. The NeKSAP will closely monitor the situation.

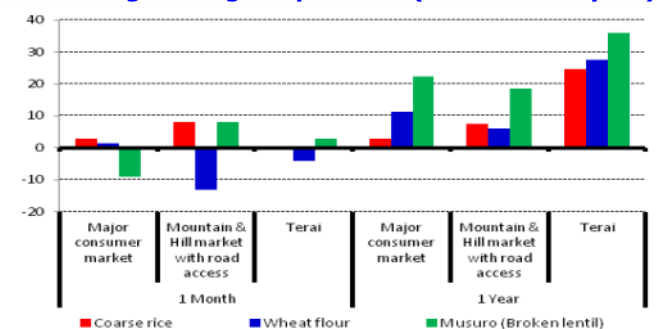
Largest Changes in commodities prices

Commodity	Price Rs/kg or liter	% change 1 month	Observation
cauliflower, ginger and tomato.	various	>10.0	Decline in supply due to lean season .
Cabbage, radish, dry onion and okra.	various	>-5.0	Increase in supply due to beginning of harvest season or large production.

Average price over 12 month period*



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



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/netfoodsec>

[†] Prices relate to the Nepali month of Baishakh 2070.

* 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

Major consumer markets

Kathmandu	Coarse rice	38.0	5.6	5.6	5.6	▲	▶	▶
	Wheat flour	37.0	2.8	8.8	2.8	▶	▶	▶
	Soybean oil	140.0	-2.1	-2.1	5.3	▶	▶	▶
	Chicken	260.0	-13.3	-5.5	4.0	▼	▶	▶
	Mustard oil	165.0	-1.2	-1.2	18.7	▶	▶	▲
	Mas (black gram)	113.0	0.0	0.0	7.6	▶	▶	▶
	Musuro	103.0	0.0	3.0	24.1	▶	▶	▲
	Potato	21.0	-22.2	-34.4	-34.4	▼	▼	▼

Pokhara	Coarse rice	42.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	42.0	0.0	20.0	20.0	▶	▲	▲
	Soybean oil	150.0	0.0	0.0	7.1	▶	▶	▶
	Chicken	300.0	-14.3	-6.3	-3.2	▼	▶	▶
	Mustard oil	180.0	0.0	0.0	12.5	▶	▶	▶
	Mas (black gram)	128.0	0.0	6.7	14.3	▶	▶	▶
	Musuro	105.0	-18.0	0.0	20.7	▼	▶	▲
	Potato	25.0	-21.9	-28.6	-21.9	▼	▼	▼

Regional Terai markets

Biratnagar	Coarse rice	35.0	0.0	16.7	12.9	▶	▲	▶
	Wheat flour	35.3	0.9	-1.9	17.7	▶	▶	▲
	Soybean oil	145.0	11.5	7.4	2.4	▲	▶	▶
	Chicken	320.0	14.3	17.2	-15.8	▲	▲	▼
	Mustard oil	175.0	-12.5	-2.8	7.1	▼	▶	▶
	Mas (black gram)	110.0	0.0	10.0	13.8	▶	▶	▶
	Musuro	105.0	5.0	-4.5	53.7	▶	▶	▲
	Potato	15.0	-16.7	-50.0	-37.5	▼	▼	▼

Birgunj	Coarse rice	35.0	-2.8	-2.8	9.4	▶	▶	▶
	Wheat flour	30.0	-21.1	-18.9	7.1	▼	▼	▶
	Soybean oil	160.0	-1.2	3.2	8.1	▶	▶	▶
	Chicken	300.0	0.0	0.0	15.4	▶	▶	▲
	Mustard oil	180.0	0.0	0.0	12.5	▶	▶	▶
	Mas (black gram)	100.0	-2.9	0.0	6.4	▶	▶	▶
	Musuro	108.0	4.9	8.0	45.9	▶	▶	▲
	Potato	18.0	28.6	-10.0	-10.0	▲	▶	▶

Nepalgunj	Coarse rice	35.0	-2.8	2.9	25.0	▶	▶	▲
	Wheat flour	38.0	0.0	18.8	18.8	▶	▲	▲
	Soybean oil	140.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	300.0	10.7	0.0	7.1	▲	▶	▶
	Mustard oil	180.0	-14.3	-10.0	0.0	▼	▶	▶
	Mas (black gram)	120.0	-7.7	-7.7	46.9	▼	▶	▲
	Musuro	103.0	0.0	3.0	37.3	▶	▶	▲
	Potato	21.0	31.3	-34.4	-16.0	▲	▼	▼

Dhangadhi	Coarse rice	40.0	0.0	14.3	60.0	▶	▲	▲
	Wheat flour	33.0	0.0	1.2	26.9	▶	▶	▲
	Soybean oil	133.0	-1.5	-1.5	10.8	▶	▶	▶
	Chicken	300.0	0.0	5.6	20.0	▶	▶	▲
	Mustard oil	167.0	0.0	-5.1	16.0	▶	▶	▲
	Mas (black gram)	134.0	-4.3	0.0	11.7	▶	▶	▶
	Musuro	110.0	4.8	0.0	37.5	▶	▶	▲
	Potato	20.0	0.0	-20.0	-33.3	▶	▼	▼

▲ 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.

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	30.0	7.1	7.1	15.4	▲	▶	▲
	Wheat flour	35.0	0.0	0.0	66.7	▶	▶	▲
	Soybean oil	140.0	0.0	0.0	47.4	▶	▶	▲
	Chicken	280.0	0.0	7.7	27.3	▶	▶	▲
	Mustard oil	170.0	0.0	0.0	13.3	▶	▶	▶
	Mas (black gram)	125.0	0.0	0.0	27.6	▶	▶	▲
	Musuro	110.0	0.0	0.0	5.8	▶	▶	▶
	Potato	20.0	0.0	-16.7	11.1	▶	▼	▶

Hill and mountain markets with road access

Dhankuta	Coarse rice	33.0	0.0	0.0	10.0	▶	▶	▶
	Wheat flour	42.0	0.0	20.0	13.5	▶	▲	▶
	Soybean oil	150.0	0.0	0.0	3.4	▶	▶	▶
	Chicken	290.0	3.6	11.5	3.6	▶	▲	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	115.0	0.0	-4.2	43.8	▶	▶	▲
	Potato	30.0	0.0	-14.3	-14.3	▶	▼	▶

Rolpa	Coarse rice	40.0	14.3	0.0	21.2	▲	▶	▲
	Wheat flour	40.0	-11.1	-27.3	0.0	▼	▼	▶
	Soybean oil	150.0	-14.3	7.1	3.4	▼	▶	▶
	Chicken	300.0	3.4	11.1	7.1	▶	▲	▶
	Mas (black gram)	115.0	-8.0	15.0	-4.2	▼	▲	▶
	Musuro	115.0	-4.2	4.5	9.5	▶	▶	▶
	Potato	45.0	50.0	80.0	60.7	▲	▲	▲

Sanjebagar	Coarse rice	36.0	2.9	2.9	2.9	▶	▶	▶
	Wheat flour	40.0	-20.0	11.1	0.0	▼	▲	▶
	Chicken	350.0	9.4	16.7	25.0	▲	▲	▲
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	-7.7	▶	▶	▶
	Musuro	120.0	4.3	9.1	0.0	▶	▶	▶
	Potato	40.0	-20.0	-20.0	-20.0	▼	▼	▼

Jumla	Coarse rice	60.0	20.0	20.0	33.3	▲	▲	▲
	Wheat flour	60.0	-14.3	-14.3	-	▼	▼	-
	Soybean oil	160.0	-11.1	-11.1	-5.9	▼	▼	▶
	Chicken	400.0	5.3	5.3	-	▲	▶	-
	Mas (black gram)	130.0	30.0	30.0	30.0	▲	▲	▲
	Musuro	140.0	40.0	-	40.0	▲	-	▲
	Potato	40.0	33.3	33.3	-33.3	▲	▲	▼

Bajura	Coarse rice	36.0	2.9	9.1	5.9	▶	▶	▶
	Wheat flour	40.0	-20.0	0.0	11.1	▼	▶	▶
	Beans	120.0	0.0	0.0	20.0	▶	▶	▲
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	120.0	0.0	0.0	0.0	▶	▶	▶
	Potato - red	35.0	16.7	16.7	-12.5	▲	▲	▶

Mountain markets without road access

Humla	Coarse rice*	42.0	0.0	5.0	5.0	▶	▶	▶
	Wheat flour	200.0	25.0	-13.0	-9.1	▲	▼	▶
	Soybean oil	300.0	0.0	0.0	7.1	▶	▶	▶
	Beans	120.0	-7.7	0.0	20.0	▼	▶	▲
	Mas (black gram)	150.0	-	-	-	-	-	-
	Musuro	350.0	-	-	-	-	-	-
	Potato	50.0	-16.7	0.0	25.0	▼	▶	▲

Dolpa	Coarse rice	120.0	0.0	20.0	33.3	▶	▲	▲
	Wheat flour	120.0	0.0	0.0	-7.7	▶	▶	▶
	Soybean oil	230.0	0.0	-4.2	15.0	▶	▶	▶
	Beans	200.0	25.0	0.0	0.0	▲	▶	▶
	Mas (black gram)	230.0	0.0	15.0	15.0	▶	▲	▶
	Musuro	250.0	0.0	0.0	25.0	▶	▶	▲
	Potato	-	-	-	-	-	-	-

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