



Market Watch 54

June 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 most monitored food commodities showed an upward trend in June 2013, as the supply of foods decreased in many parts of the country due to frequent obstruction of roads and trails, particularly in the Hills and Mountains.**
- **As per the latest report released by the Nepal Rastra Bank, the national inflation rate in June 2013 remained at 8.2 percent, while the price index of the cereal grains sub-group sharply increased by 12.0 percent, as compared to a marginal increase of 1.0 percent over the same period last year.**

NATIONAL MARKET DEVELOPMENT

Price

Retail prices of most staple food commodities regularly monitored by MoAD and WFP across the country showed an upward trend over the past one month. Price of coarse rice went up by 5.4 percent to Rs. 40.9 per kilo, while that of wheat flour marginally declined by 2.8 percent to Rs. 38.3 per kilo due to the supply of recently harvested wheat to the markets. Prices of pulses such as black gram and broken lentil marginally increased by 1.5 and 0.4 percent. Likewise, prices of edible oils also showed a marginal increase over the past one month, while the price of red potato went up sharply by 18.7 percent due to the onset of the lean season. Prices showed a sharp increase as compared to the same period last year; this is perhaps due to the decline in summer crop production in 2012/13.

Price trends in the regional markets followed the same trend as in the national market, with an increase in the price of coarse rice and decline in the price of wheat flour. However, the price of broken lentil increased by a higher rate in the major consumer markets of Kathmandu and Pokhara, as compared to the Terai and the Hill & Mountain markets with road access.

Most wholesale prices regularly monitored by FNCCI/AEC in the large five large markets (Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi) marginally increased over the past one month. In the Kalimati Fruits and Vegetables Market, wholesale prices of fresh vegetables and fruits showed seasonal fluctuations. For instance, the prices of cabbage, spinach, dry onions, carrots and apples continued to rise, while that of cucumbers, pumpkins and mangos declined by more than 5 percent over the past one month.

The year-on-year inflation released by Nepal Rastra Bank remained at 8.2 percent in June 2013, as compared to 9.9 percent over the same period last year. The index of the food and beverage group moderately increased by 7.7 percent, as compared to 9.9 percent, while the price index of the cereal grains sub-group continued to rise sharply by 12.0 percent, compared to a marginal increase of 1.0 percent over the same period last year. The sharp increase in the price index of the cereal grains is of a major food security concern.

Supply

Many roads connecting Terai markets to the Hills and Mountains (e.g., Rapti, Karnali, Katari-Okhaldhunga and Koshi highways) are obstructed by landslides and floods. This has partially or fully hindered the supply of food commodities. Likewise, floods and landslides caused by heavy rainfalls in the Far-Western Development Region have damaged roads and trails. As a result, food stock is depleting in Khalanga, Darchula and some other markets in the region. The situation needs to be monitored closely.

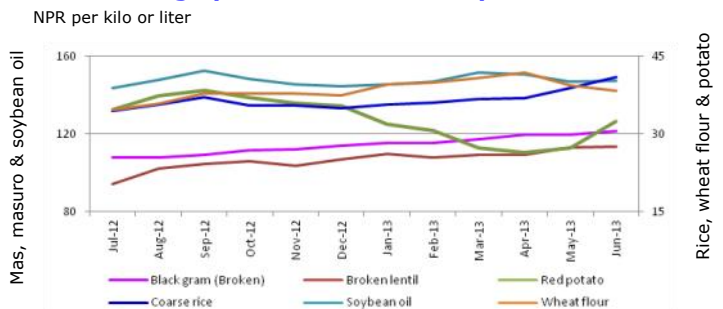
Outlook

Most food prices are likely to remain high or increase until the next harvests, which is normally anticipated in September/October. The continuous appreciation of the US Dollar against the Nepalese Rupee may contribute to the rise in prices of the imported commodities. Likewise, frequent obstruction of roads leading to the Hills and Mountains will likely disrupt supply and increase transportation costs, which could cause increases in the prices of food commodities.

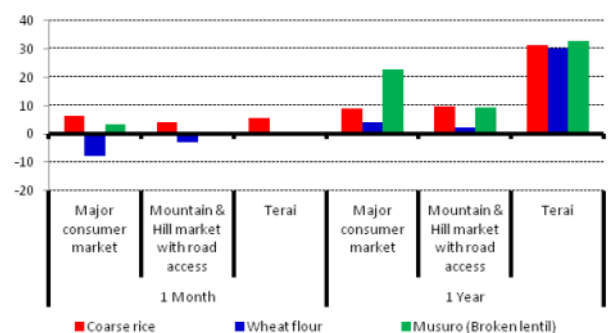
The pre-monsoon rain, and timely arrival of the monsoon has helped in plantation of paddy. This indicates so far a positive outlook for the summer crops.

Largest Changes in commodities prices			
Commodity	Price Rs/kg or liter	% change 1 month	Observation
Potato, spinach, dry onion, carrot and radish.	various	>11.0	Decline in supply due to lean season.
Cucumber, pumpkin and mango.	various	>-6.0	Increase in supply due to harvest season, and increased 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/nefoodsec>

† Prices relate to the Nepali month of Jestha 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	40.0	5.3	11.1	11.1	▲	▲	▶
	Wheat flour	33.0	-10.8	-8.3	-5.7	▼	▶	▶
	Soybean oil	133.0	-5.0	-7.0	-1.5	▶	▶	▶
	Chicken	300.0	15.4	-3.2	22.4	▲	▶	▲
	Mustard oil	170.0	3.0	1.8	18.9	▶	▶	▲
	Mas (black gram)	114.0	0.9	0.9	8.6	▶	▶	▶
	Musuro	110.0	6.8	6.8	32.5	▲	▶	▲
	Potato	29.0	38.1	7.4	-6.5	▲	▶	▶

Pokhara	Coarse rice	45.0	7.1	7.1	7.1	▲	▶	▶
	Wheat flour	40.0	-4.8	-4.8	14.3	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	4.2	▶	▶	▶
	Chicken	290.0	-3.3	-3.3	7.4	▶	▶	▶
	Mustard oil	180.0	0.0	0.0	12.5	▶	▶	▶
	Mas (black gram)	128.0	0.0	6.7	11.3	▶	▶	▶
	Musuro	105.0	0.0	0.0	12.9	▶	▶	▶
	Potato	30.0	20.0	0.0	0.0	▲	▶	▶

Regional Terai markets

Biratnagar	Coarse rice	35.0	0.0	16.7	12.2	▶	▲	▶
	Wheat flour	35.0	-0.8	-5.4	16.7	▶	▶	▲
	Soybean oil	158.0	9.0	17.0	10.2	▲	▲	▶
	Chicken	300.0	-6.3	7.1	-21.1	▼	▶	▼
	Mustard oil	190.0	8.6	5.6	8.6	▲	▶	▶
	Mas (black gram)	115.0	4.5	15.0	27.8	▶	▲	▲
	Musuro	115.0	9.5	27.8	60.5	▲	▲	▲
	Potato	35.0	133.3	16.7	38.2	▲	▲	▲

Biratnagar	Coarse rice	35.0	0.0	-5.4	0.0	▶	▶	▶
	Wheat flour	32.0	6.7	-11.1	18.5	▲	▼	▲
	Soybean oil	160.0	0.0	-3.0	6.7	▶	▶	▶
	Chicken	300.0	0.0	0.0	15.4	▶	▶	▲
	Mustard oil	182.0	1.1	-4.2	13.8	▶	▶	▶
	Mas (black gram)	100.0	0.0	-2.9	6.4	▶	▶	▶
	Musuro	108.0	0.0	8.0	38.5	▶	▶	▲
	Potato	20.0	11.1	25.0	-23.1	▲	▲	▼

Nepalgunj	Coarse rice	39.0	11.4	11.4	50.0	▲	▲	▲
	Wheat flour	35.0	-7.9	9.4	19.3	▼	▶	▲
	Soybean oil	135.0	-3.6	-3.6	-20.6	▶	▶	▼
	Chicken	300.0	0.0	7.1	7.1	▶	▶	▶
	Mustard oil	200.0	11.1	0.0	11.1	▲	▶	▶
	Mas (black gram)	125.0	4.2	-3.8	53.1	▶	▶	▲
	Musuro	105.0	1.9	5.0	31.3	▶	▶	▶
	Potato	20.0	-4.8	0.0	-33.3	▶	▶	▼

Dhangadhi	Coarse rice	40.0	0.0	0.0	48.1	▶	▶	▲
	Wheat flour	33.0	0.0	0.0	22.2	▶	▶	▲
	Soybean oil	132.0	-0.8	1.5	6.5	▶	▶	▶
	Chicken	300.0	0.0	0.0	20.0	▶	▶	▲
	Mustard oil	170.0	1.8	1.8	1.2	▶	▶	▶
	Mas (black gram)	134.0	0.0	-1.5	3.1	▶	▶	▶
	Musuro	110.0	0.0	0.0	37.5	▶	▶	▲
	Potato	39.0	95.0	160.0	-2.5	▲	▲	▶

▲ 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 WFC 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	35.0	16.7	25.0	45.8	▲	▲	▲
	Wheat flour	35.0	0.0	0.0	75.0	▶	▶	▲
	Soybean oil	140.0	0.0	0.0	47.4	▶	▶	▲
	Chicken	260.0	-7.1	0.0	8.3	▼	▶	▶
	Mustard oil	150.0	-11.8	-11.8	0.0	▼	▼	▶
	Mas (black gram)	125.0	0.0	0.0	31.6	▶	▶	▲
	Musuro	98.0	-10.9	-10.9	-3.0	▼	▼	▶
	Potato	25.0	25.0	25.0	13.6	▲	▲	▶

Hill and mountain markets with road access

Dhankuta	Coarse rice	36.0	9.1	9.1	16.1	▲	▶	▲
	Wheat flour	35.0	-16.7	16.7	-2.8	▼	▶	▶
	Soybean oil	150.0	0.0	0.0	3.4	▶	▶	▶
	Chicken	280.0	-3.4	7.7	0.0	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	110.0	-4.3	-4.3	4.8	▶	▶	▶
	Potato	30.0	0.0	0.0	-14.3	▶	▶	▶

Rolpa	Coarse rice	50.0	0.0	42.9	51.5	▶	▲	▲
	Wheat flour	40.0	0.0	-11.1	0.0	▶	▼	▶
	Soybean oil	155.0	3.3	-13.9	3.3	▶	▼	▶
	Chicken	300.0	0.0	0.0	7.1	▶	▶	▶
	Mas (black gram)	115.0	0.0	-4.2	-11.5	▶	▶	▶
	Musuro	120.0	4.3	9.1	-7.7	▶	▶	▶

Sanfebagar	Coarse rice	36.0	0.0	2.9	2.9	▶	▶	▶
	Wheat flour	40.0	0.0	-20.0	0.0	▶	▼	▶
	Chicken	350.0	0.0	16.7	0.0	▶	▶	▶
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	-7.7	▶	▶	▶
	Musuro	120.0	0.0	9.1	0.0	▶	▶	▶

Jumla	Coarse rice	60.0	0.0	20.0	33.3	▶	▲	▲
	Wheat flour	60.0	0.0	-14.3	0.0	▶	▼	▶
	Soybean oil	160.0	0.0	-11.1	-5.9	▶	▼	▶
	Chicken	320.0	-20.0	-15.8	-	▼	▼	-
	Mas (black gram)	140.0	7.7	40.0	40.0	▲	▲	▲
	Musuro	140.0	0.0	40.0	40.0	▶	▲	▲

Bajura	Coarse rice	40.0	11.1	14.3	14.3	▲	▲	▶
	Wheat flour	41.0	2.5	-2.4	13.9	▶	▶	▶
	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	-14.3	0.0	20.0	▼	▶	▲

Mountain markets without road access

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

Dolpa	Coarse rice	120.0	0.0	0.0	33.3	▶	▶	▶
	Wheat flour	120.0	0.0	0.0	-7.7	▶	▶	▶
	Soybean oil	230.0	0.0	0.0	15.0	▶	▶	▶
	Beans	280.0	40.0	75.0	180.0	▲	▲	▲
	Mas (black gram)	230.0	0.0	0.0	15.0	▶	▶	▶
	Musuro	250.0	0.0	0.0	25.0	▶	▶	▶

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This product is funded by the European Union. The views expressed in this publication do not necessarily reflect the views of the European Union.