



Market Watch 59

November 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

- In November 2013, retail prices of most food commodities monitored across Nepal showed an increase month-on-month, although there was a seasonal price decline for coarse rice. Supply of food and non-food commodities is normal due to the smooth operation of transport services and improved access to fair weather roads and trails.**
- Overall inflation rate is 10 percent. The food and beverage group is higher (13.5 percent) as are food sub-groups: vegetables (35.3 percent), meat and fish (22.3 percent), fruits (15.3 percent), and cereal grains (12.6 percent).**

NATIONAL MARKET DEVELOPMENT

Price

Retail prices of food commodities monitored across the country in November 2013 showed mixed trends. On a month-on-month basis, the retail prices of most food commodities showed an increase: wheat flour, red potato and chicken meat increased by 3.0, 8.2 and 12.4 percent respectively, while black gram and broken lentil went up by 0.1 and 0.6 percent respectively. Coarse rice declined by 2.0 percent due to the increased supply from the recent harvest. Compared to three months earlier, the price of coarse rice, wheat flour, red potato and chicken meat showed an upward trend, while the price of pulses and edible oils showed a downward trend. However, compared to the same period last year, the price of most food commodities showed an upward trend (with the exception of edible oils).

Price trends in regional markets indicated the same trends as the national level, with an upward trend in the price of wheat flour and broken lentil and a declining trend of the price of coarse rice.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed a somewhat similar trend as the retail price trend. In the Kalimati Fruits and Vegetables Market, the wholesale price of fresh vegetables showed a high seasonal fluctuation: prices of tomato, cabbage, cauliflower, brinjal long and bitter gourd increased sharply due to a decline in supply, while that of dry onion, radish, pumpkin and carrot went down with an increase in supply.

In November 2013, the overall consumer price index (CPI) released by Nepal Rastra Bank was 198.5, an increase of 1.3 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 10.0 percent. The food and beverage group of the CPI was 242.5, an increase of 2.6 percent month-on-month and 13.5 percent year-on-year; several sub-groups showed higher year-on-year increases: vegetables (35.3 percent), meat and fish (22.3 percent), fruits (15.3 percent), cereal grains (12.6 percent) and spices (11.5 percent). The non-food and services group of the CPI was 166.7, an increase of 0.1 percent month-on-month and 6.9 percent year-on-year.

Supply

The supply situation across the country is normal with the smooth operation of transport services. According to NeKSAP District and Cluster Coordinators, food supplies have increased substantially in the Hills and Mountains. In addition, the 28 km road extension from Martadi, Bajura (district headquarter) to Pandusen (on the way to Kolti) has helped to enhance the food supply in the most food insecure area of Bajura district (as well as Nepal).

Outlook

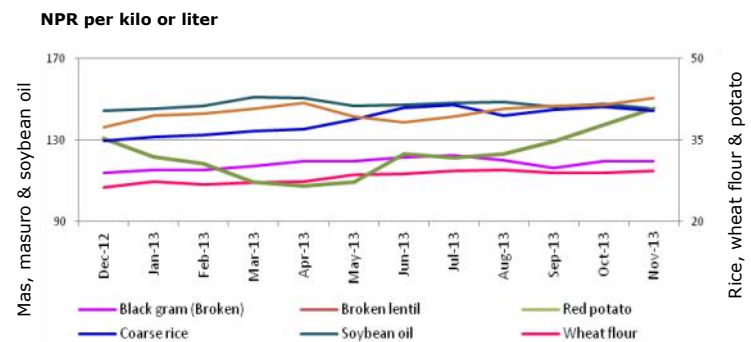
Food prices are likely to remain stable or increase in the next month with the start of the off-season for most cereal crops. Prices of imported commodities are expected to remain high or increase due to the appreciation of the US Dollar against the Nepalese Rupee.

The overall summer crop production in 2013 is expected to be better this year compared to last year. This will help to enhance the country's national food balance in the FY 2013/14.

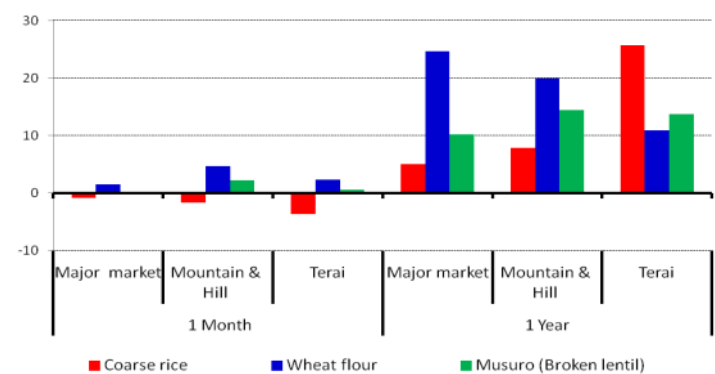
Largest changes in commodity prices (month-on-month)

Commodity	Price NPR/kg or liter	% change 1 month	Observation
Tomato, cabbage, brinjal long, French bean and bitter gourd	various	>10	Decrease in supply with the start of lean season
Pumpkin, carrot, orange, apple, radish and cucumber	various	>-9	Increase in supply due to harvest season

Average retail price over 12 month period*



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



[†] Prices relate to the Nepali month of Kartik 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	42.0	5.0	10.5	16.7	▶	▲	▲
	Wheat flour	43.0	7.5	7.5	26.5	▲	▶	▲
	Soybean oil	143.0	0.0	0.0	-1.4	▶	▶	▶
	Chicken	390.0	39.3	85.7	56.0	▲	▲	▲
	Mustard oil	167.0	0.0	-4.6	-13.5	▶	▶	▶
	Mas (black gram)	117.0	0.0	3.5	3.5	▶	▶	▶
	Musuro	107.0	0.0	3.9	3.9	▶	▶	▶
	Potato	57.0	39.0	54.1	23.9	▲	▲	▲
Pokhara	Coarse rice	42.0	-6.7	-6.7	-6.7	▼	▶	▶
	Wheat flour	43.0	-4.4	-2.3	22.9	▶	▶	▲
	Soybean oil	143.0	-6.5	-1.4	-4.7	▼	▶	▶
	Chicken	300.0	7.1	-3.2	7.1	▲	▶	▶
	Mustard oil	185.0	2.8	2.8	0.0	▶	▶	▶
	Mas (black gram)	123.0	-1.6	-1.6	2.5	▶	▶	▶
	Musuro	113.0	0.0	-1.7	16.5	▶	▶	▲
	Potato	28.0	-20.0	-20.0	-44.0	▼	▼	▼
Regional Terai markets								
Biratnagar	Coarse rice	42.0	5.0	35.5	40.0	▶	▲	▲
	Wheat flour	40.0	14.3	8.1	33.3	▲	▶	▲
	Soybean oil	140.0	0.0	-9.7	0.0	▶	▶	▶
	Chicken	300.0	9.1	30.4	50.0	▲	▲	▲
	Mustard oil	175.0	2.9	-7.9	-2.8	▶	▶	▶
	Mas (black gram)	110.0	2.8	-4.3	10.0	▶	▶	▶
	Musuro	115.0	7.5	-4.2	15.0	▲	▶	▶
Potato	35.0	0.0	9.4	-16.0	▶	▶	▼	
Biratnagar	Coarse rice	42.0	5.0	16.7	27.3	▶	▲	▲
	Wheat flour	36.0	2.9	-10.0	-5.3	▶	▶	▶
	Soybean oil	145.0	-5.2	-6.5	-3.3	▼	▶	▶
	Chicken	300.0	20.0	25.0	15.4	▲	▲	▲
	Mustard oil	170.0	-5.6	-5.6	-5.6	▼	▶	▶
	Mas (black gram)	100.0	0.0	-2.0	0.0	▶	▶	▶
	Musuro	108.0	-4.4	-1.8	-1.8	▶	▶	▶
Potato	60.0	100.0	130.8	50.0	▲	▲	▲	
Nepalgunj	Coarse rice	35.0	-10.3	-2.8	16.7	▼	▶	▲
	Wheat flour	35.0	0.0	0.0	16.7	▶	▶	▲
	Soybean oil	135.0	0.0	0.0	17.4	▶	▶	▲
	Chicken	350.0	40.0	48.9	75.0	▲	▲	▲
	Mustard oil	165.0	-2.9	-17.5	-8.3	▶	▼	▶
	Mas (black gram)	120.0	-4.0	0.0	71.4	▶	▶	▲
	Musuro	105.0	0.0	0.0	50.0	▶	▶	▲
Potato	25.0	-32.4	0.0	0.0	▼	▶	▶	
Dhangadhi	Coarse rice	35.0	-12.5	-10.3	4.8	▼	▼	▶
	Wheat flour	33.0	-5.7	-2.9	1.2	▼	▶	▶
	Soybean oil	140.0	0.0	0.0	10.2	▶	▶	▶
	Chicken	304.0	1.3	1.3	21.6	▶	▶	▲
	Mustard oil	170.0	0.0	3.7	1.2	▶	▶	▶
	Mas (black gram)	130.0	4.0	6.6	-1.5	▶	▶	▶
	Musuro	110.0	0.0	0.0	0.0	▶	▶	▶
Potato	40.0	5.3	5.3	60.0	▲	▶	▲	

- ▲ 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.

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	-5.4	0.0	40.0	▼	▶	▲
	Wheat flour	38.0	0.0	8.6	8.6	▶	▶	▶
	Soybean oil	140.0	7.7	7.7	-6.7	▲	▶	▶
	Chicken	325.0	16.1	30.0	25.0	▲	▲	▲
	Mustard oil	160.0	0.0	0.0	-15.8	▶	▶	▼
	Mas (black gram)	108.0	2.9	-6.1	-6.1	▶	▶	▶
	Musuro	100.0	0.0	0.0	5.3	▶	▶	▶
	Potato	35.0	16.7	40.0	59.1	▲	▲	▲
Hill and mountain markets with road access								
Dhankuta	Coarse rice	45.0	2.3	18.4	36.4	▶	▲	▲
	Wheat flour	50.0	0.0	51.5	42.9	▶	▲	▲
	Soybean oil	150.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	350.0	7.7	45.8	25.0	▲	▲	▲
	Mas (black gram)	125.0	0.0	4.2	4.2	▶	▶	▶
	Musuro	120.0	4.3	9.1	4.3	▶	▶	▶
	Potato	50.0	19.0	66.7	16.3	▲	▲	▲
Rolpa	Coarse rice	32.0	-5.9	-5.9	0.0	▼	▶	▶
	Wheat flour	40.0	0.0	0.0	17.6	▶	▶	▲
	Soybean oil	160.0	0.0	3.2	6.7	▶	▶	▶
	Chicken	330.0	0.0	3.1	17.9	▶	▶	▲
	Mas (black gram)	110.0	0.0	4.8	4.8	▶	▶	▶
	Musuro	110.0	0.0	-8.3	10.0	▶	▶	▶
Potato	40.0	-11.1	0.0	-33.3	▼	▶	▼	
Sanjebagar	Coarse rice	37.0	-7.5	2.8	5.7	▼	▶	▶
	Wheat flour	37.0	-7.5	-7.5	5.7	▼	▶	▶
	Chicken	400.0	14.3	14.3	33.3	▲	▲	▲
	Mustard oil	175.0	-2.8	-2.8	2.9	▶	▶	▶
	Mas (black gram)	135.0	8.0	12.5	3.8	▲	▲	▶
	Musuro	128.0	6.7	6.7	16.4	▲	▶	▲
Potato	50.0	-9.1	11.1	28.2	▼	▲	▲	
Jumla	Coarse rice	60.0	0.0	0.0	20.0	▶	▶	▲
	Wheat flour	70.0	16.7	16.7	0.0	▲	▲	▶
	Soybean oil	165.0	-8.3	3.1	-8.3	▼	▶	▶
	Chicken	400.0	0.0	14.3	14.3	▶	▲	▶
	Mas (black gram)	150.0	0.0	0.0	42.9	▶	▶	▲
	Musuro	150.0	0.0	0.0	50.0	▶	▶	▲
Potato	30.0	0.0	0.0	0.0	▶	▶	▶	
Bajura	Coarse rice	36.0	2.9	-20.0	-10.0	▶	▼	▶
	Wheat flour	48.0	14.3	-4.0	33.3	▲	▶	▲
	Beans	110.0	0.0	-8.3	-8.3	▶	▶	▶
	Mas (black gram)	110.0	0.0	-18.5	-8.3	▶	▼	▶
	Musuro	110.0	0.0	-8.3	-8.3	▶	▶	▶
	Potato - red	40.0	33.3	60.0	60.0	▲	▲	▲
Mountain markets without road access								
Humla	Coarse rice*	42.0	0.0	0.0	5.0	▶	▶	▶
	Wheat flour	200.0	0.0	0.0	-13.0	▶	▶	▶
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	120.0	0.0	-7.7	9.1	▶	▶	▶
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	100.0	25.0	25.0	150.0	▲	▲	▲
Dolpa	Coarse rice	140.0	0.0	0.0	27.3	▶	▶	▲
	Wheat flour	130.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	240.0	0.0	0.0	0.0	▶	▶	▶
	Beans	200.0	33.3	-	0.0	▲	-	▶
	Mas (black gram)	250.0	0.0	0.0	-	▶	▶	-
	Musuro	250.0	0.0	0.0	25.0	▶	▶	▲
Potato	30.0	-14.3	0.0	0.0	▼	▶	▶	

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>

