



Market Watch 60

December 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 December 2013, retail prices of most food commodities monitored in 12 markets across Nepal showed a downward trend due to the increased supply of recently harvested crops or improved access to roads mainly in the Hill and Mountain regions.**
- **Overall inflation rate released by Nepal Rastra Bank in December 2013 was 10.3 percent. The food and beverage group was higher at 14.5 percent as were several sub-groups: vegetables (36.6 percent), meat and fish (27.9 percent), fruits (16.8 percent) and cereal grains (12.9 percent).**

NATIONAL MARKET DEVELOPMENT

Price

In December 2013, retail prices of food commodities monitored across the country indicated mixed trends. On a month-on-month basis, retail prices of black gram and soybean oil increased by 0.1 and 3.3 percent respectively, while that of coarse rice, wheat flour, broken lentil, red potato and chicken meat declined by 4.2, 1.9, 1.4, 2.9 and 3.7 percent respectively. This decline is mainly due to the increased supply of recently harvested summer crops or improved access to roads in the Hill and Mountain regions. Compared to three months earlier, prices of wheat flour, black gram, red potato, chicken meat and soybean oil showed an upward trend while that of coarse rice and broken lentil showed a downward trend. Most prices, as compared to the same period last year, showed an upward trend (with the exception of mustard oil).

Price trends in regional markets showed somewhat different trends than the national average, with an upward trend of the price of coarse rice and wheat flour in the major consumer markets (Kathmandu and Pokhara) and a downward trend of the price of coarse rice in the Terai and the markets in the Hill and Mountain regions.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed a marginal increase over the past one month. In the Kalimati Fruits and Vegetables Market, the wholesale price of fresh vegetables showed a high seasonal fluctuation: prices of okra, bitter gourd and cucumber increased by more than 9 percent due to a decline in supply because of the lean season, while that of cabbage, cauliflower, brinjal, tomato, dry onion, radish, French bean and carrot sharply went down with an increase in supply.

The overall consumer price index (CPI) released by Nepal Rastra Bank in December 2013 was 198.4, a decline of 0.1 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 10.3 percent. The food and beverage group of the CPI was 241.9, a decline of 0.2 percent month-on-month but an increase of 14.5 percent year-on-year; several sub-groups showed high year-on-year increases: vegetables (36.6 percent), meat and fish (27.9 percent), fruits (16.8 percent), cereal grains (12.9 percent) and spices (11.4 percent). The non-food and services group of the CPI was 166.9, an increase of 0.1 percent month-on-month and 6.7 percent year-on-year.

Supply

The supply situation across the country is so far normal with the smooth operation of transport services. As a result of this, food supplies have increased in the markets in the Hill and Mountain regions. The operation of a steel truss bridge over the Arun River at Leguwaghat is expected to increase the food supply and decrease transportation costs in Bhojpur and Khotang districts in the Eastern Hill sub-region.

Outlook

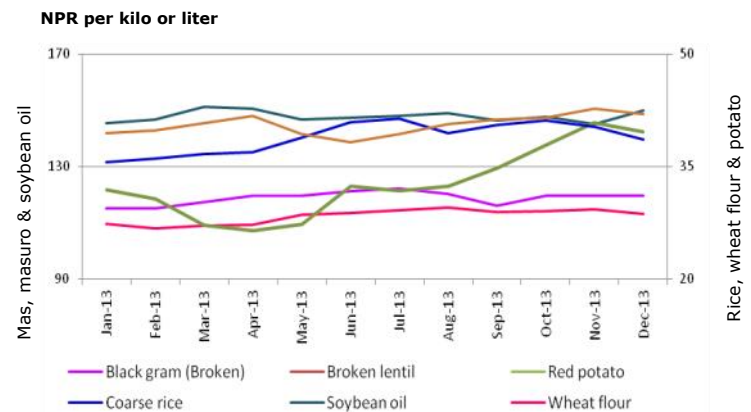
Food prices are likely to increase or remain stable in the next month with the start of lean season for most cereal crops. However, seasonal vegetable prices are expected to decline due to the harvest period.

The outlook of winter crops, such as wheat and barley, is so far good due to recent rainfall in the Hill and Terai regions and snowfall in the Mountain region.

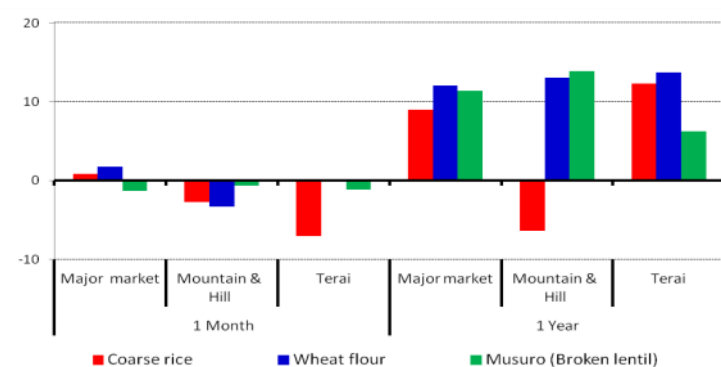
Largest changes in commodity prices (month-on-month)

| Commodity | Price NPR/kg or liter | % change 1 month | Observation |
|---|-----------------------|------------------|--|
| Okra, cucumber and bitter gourd. | various | >9 | Decrease in supply due to lean season |
| Cabbage, cauliflower, tomato, dry onion, orange, carrot and radish. | various | >-15 | Increase in supply due to harvest season |

Average retail price over 12 month period*



Percentage change in retail 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/neksap>

† Prices relate to the Nepali month of Mangsir 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

| Market | Commodity | Current price (NRS per Kg/Lt.) | Change in price (%) * | | | Average change over | | |
|-----------|------------------|--------------------------------|-----------------------|-------|-------|---------------------|----|-----|
| | | | 1 m | 3 m | 1 yr | 1m | 3m | 1yr |
| Kathmandu | Coarse rice | 41.0 | -2.4 | 7.9 | 13.9 | ▶ | ▶ | ▶ |
| | Wheat flour | 43.0 | 0.0 | 7.5 | 26.5 | ▶ | ▶ | ▲ |
| | Soybean oil | 143.0 | 0.0 | -1.4 | -1.4 | ▶ | ▶ | ▶ |
| | Chicken | 350.0 | -10.3 | 16.7 | 62.8 | ▼ | ▲ | ▲ |
| | Mustard oil | 177.0 | 6.0 | 7.3 | -8.3 | ▲ | ▶ | ▶ |
| | Mas (black gram) | 117.0 | 0.0 | 3.5 | 3.5 | ▶ | ▶ | ▶ |
| | Musuro | 107.0 | 0.0 | 3.9 | 7.0 | ▶ | ▶ | ▶ |
| | Potato | 31.0 | -45.6 | -16.2 | -16.2 | ▼ | ▼ | ▼ |
| Pokhara | Coarse rice | 43.8 | 4.2 | -2.8 | 4.2 | ▶ | ▶ | ▶ |
| | Wheat flour | 44.5 | 3.5 | 1.1 | 30.9 | ▶ | ▶ | ▲ |
| | Soybean oil | 145.0 | 1.4 | 0.0 | 0.0 | ▶ | ▶ | ▶ |
| | Chicken | 395.0 | 31.7 | 41.1 | 41.1 | ▲ | ▲ | ▲ |
| | Mustard oil | 181.0 | -2.2 | 0.6 | 0.6 | ▶ | ▶ | ▶ |
| | Mas (black gram) | 125.0 | 1.6 | 0.0 | 5.9 | ▶ | ▶ | ▶ |
| | Musuro | 110.0 | -2.7 | 0.0 | 15.8 | ▶ | ▶ | ▲ |
| | Potato | 58.6 | 109.2 | 154.7 | 17.1 | ▲ | ▲ | ▲ |

Regional Terai markets

| Market | Commodity | Current price (NRS per Kg/Lt.) | Change in price (%) * | | | Average change over | | |
|------------|------------------|--------------------------------|-----------------------|-------|-------|---------------------|----|-----|
| | | | 1 m | 3 m | 1 yr | 1m | 3m | 1yr |
| Biratnagar | Coarse rice | 38.0 | -9.5 | 0.0 | 26.7 | ▼ | ▶ | ▲ |
| | Wheat flour | 40.0 | 0.0 | 0.0 | 14.3 | ▶ | ▶ | ▶ |
| | Soybean oil | 145.0 | 3.6 | 7.4 | 3.6 | ▶ | ▶ | ▶ |
| | Chicken | 300.0 | 0.0 | 30.4 | 50.0 | ▶ | ▲ | ▲ |
| | Mustard oil | 165.0 | -5.7 | 22.2 | -8.3 | ▼ | ▲ | ▶ |
| | Mas (black gram) | 100.0 | -9.1 | 0.0 | 0.0 | ▼ | ▶ | ▶ |
| | Musuro | 95.0 | -17.4 | -15.9 | -13.6 | ▼ | ▼ | ▶ |
| Biratnagar | Potato | 43.0 | 22.9 | 43.3 | 7.5 | ▲ | ▲ | ▶ |
| | Coarse rice | 36.0 | -14.3 | -5.3 | 5.9 | ▼ | ▶ | ▶ |
| | Wheat flour | 38.0 | 5.6 | 11.8 | 8.6 | ▲ | ▲ | ▶ |
| | Soybean oil | 145.0 | 0.0 | -3.3 | -4.6 | ▶ | ▶ | ▶ |
| | Chicken | 280.0 | -6.7 | 75.0 | 16.7 | ▼ | ▲ | ▲ |
| | Mustard oil | 170.0 | 0.0 | -5.6 | -5.6 | ▶ | ▶ | ▶ |
| | Mas (black gram) | 100.0 | 0.0 | 0.0 | 0.0 | ▶ | ▶ | ▶ |
| Biratnagar | Musuro | 110.0 | 1.9 | 0.0 | 0.0 | ▶ | ▶ | ▶ |
| | Potato | 30.0 | -50.0 | 30.4 | 36.4 | ▼ | ▲ | ▲ |
| | Coarse rice | - | - | - | - | - | - | - |
| | Wheat flour | - | - | - | - | - | - | - |
| | Soybean oil | - | - | - | - | - | - | - |
| | Chicken | - | - | - | - | - | - | - |
| | Mustard oil | - | - | - | - | - | - | - |
| Biratnagar | Mas (black gram) | - | - | - | - | - | - | - |
| | Musuro | - | - | - | - | - | - | - |
| | Potato | - | - | - | - | - | - | - |
| | Coarse rice | 36.0 | 2.9 | -7.7 | 9.1 | ▶ | ▶ | ▶ |
| | Wheat flour | 33.0 | 0.0 | -2.9 | 3.1 | ▶ | ▶ | ▶ |
| | Soybean oil | 140.0 | 0.0 | 0.0 | 10.2 | ▶ | ▶ | ▶ |
| | Chicken | 300.0 | -1.3 | 0.0 | 20.0 | ▶ | ▶ | ▲ |
| Biratnagar | Mustard oil | 172.0 | 1.2 | 4.9 | 2.4 | ▶ | ▶ | ▶ |
| | Mas (black gram) | 128.0 | -1.5 | 4.1 | -3.0 | ▶ | ▶ | ▶ |
| | Musuro | 110.0 | 0.0 | 0.0 | 0.0 | ▶ | ▶ | ▶ |
| | Potato | 40.0 | 0.0 | 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 | 30.0 | -14.3 | -18.9 | 3.4 | ▼ | ▼ | ▶ |
| | Wheat flour | 36.0 | -5.3 | 9.1 | 2.9 | ▼ | ▶ | ▶ |
| | Soybean oil | 150.0 | 7.1 | 7.1 | 3.4 | ▲ | ▶ | ▶ |
| | Chicken | 300.0 | -7.7 | 7.1 | 15.4 | ▼ | ▶ | ▲ |
| | Mustard oil | 170.0 | 6.3 | -10.5 | -12.8 | ▲ | ▼ | ▶ |
| | Mas (black gram) | 120.0 | 11.1 | 20.0 | 0.0 | ▲ | ▲ | ▶ |
| | Musuro | 110.0 | 10.0 | 10.0 | 4.8 | ▲ | ▶ | ▶ |
| | Potato | 33.0 | -5.7 | 73.7 | 32.0 | ▼ | ▲ | ▲ |

Hill and Mountain markets with road access

| Market | Commodity | Current price (NRS per Kg/Lt.) | Change in price (%) * | | | Average change over | | |
|-----------|------------------|--------------------------------|-----------------------|-------|-------|---------------------|----|-----|
| | | | 1 m | 3 m | 1 yr | 1m | 3m | 1yr |
| Dhankuta | Coarse rice | 40.0 | -11.1 | 0.0 | 21.2 | ▼ | ▶ | ▲ |
| | Wheat flour | 46.0 | -8.0 | 0.0 | 31.4 | ▼ | ▶ | ▲ |
| | Soybean oil | 175.0 | 16.7 | 16.7 | 16.7 | ▲ | ▲ | ▲ |
| | Chicken | 300.0 | -14.3 | 0.0 | 7.1 | ▼ | ▶ | ▶ |
| | Mas (black gram) | 120.0 | -4.0 | 0.0 | 0.0 | ▶ | ▶ | ▶ |
| | Musuro | 110.0 | -8.3 | 0.0 | -4.3 | ▼ | ▶ | ▶ |
| | Potato | 55.0 | 10.0 | 22.2 | 22.2 | ▲ | ▲ | ▲ |
| Rolpa | Coarse rice | 34.0 | 6.3 | 0.0 | 6.3 | ▲ | ▶ | ▶ |
| | Wheat flour | 40.0 | 0.0 | 0.0 | 17.6 | ▶ | ▶ | ▲ |
| | Soybean oil | 160.0 | 0.0 | 0.0 | 6.7 | ▶ | ▶ | ▶ |
| | Chicken | 330.0 | 0.0 | 0.0 | 17.9 | ▶ | ▶ | ▲ |
| | Mas (black gram) | 110.0 | 0.0 | 0.0 | 4.8 | ▶ | ▶ | ▶ |
| | Musuro | 120.0 | 9.1 | 0.0 | 20.0 | ▲ | ▶ | ▲ |
| Sanjibpur | Potato | 45.0 | 12.5 | 0.0 | -25.0 | ▲ | ▶ | ▼ |
| | Coarse rice | 40.0 | 8.1 | 5.3 | 14.3 | ▲ | ▶ | ▶ |
| | Wheat flour | 40.0 | 8.1 | 0.0 | 5.3 | ▲ | ▶ | ▶ |
| | Chicken | 350.0 | -12.5 | 0.0 | 16.7 | ▼ | ▶ | ▲ |
| | Mustard oil | 170.0 | -2.9 | -5.6 | -5.6 | ▶ | ▶ | ▶ |
| | Mas (black gram) | 120.0 | -11.1 | 0.0 | 0.0 | ▼ | ▶ | ▶ |
| Jumla | Musuro | 120.0 | -6.3 | 0.0 | - | ▼ | ▶ | - |
| | Potato | 45.0 | -10.0 | -18.2 | -10.0 | ▼ | ▼ | ▶ |
| | Coarse rice | 60.0 | 0.0 | 0.0 | 20.0 | ▶ | ▶ | ▲ |
| | Wheat flour | 70.0 | 0.0 | 16.7 | 0.0 | ▶ | ▲ | ▶ |
| | Soybean oil | 160.0 | -3.0 | 0.0 | -11.1 | ▶ | ▶ | ▶ |
| | Chicken | 400.0 | 0.0 | 0.0 | 14.3 | ▶ | ▶ | ▶ |
| Bajura | Mas (black gram) | 140.0 | -6.7 | 3.7 | 40.0 | ▼ | ▶ | ▲ |
| | Musuro | 140.0 | -6.7 | -3.4 | 40.0 | ▼ | ▶ | ▲ |
| | Potato | 30.0 | 0.0 | 0.0 | 0.0 | ▶ | ▶ | ▶ |
| | Coarse rice | 30.0 | -16.7 | -33.3 | -9.1 | ▼ | ▼ | ▶ |
| | Wheat flour | 40.0 | -16.7 | -20.0 | 11.1 | ▼ | ▼ | ▶ |
| | Beans | 120.0 | 9.1 | 0.0 | 0.0 | ▲ | ▶ | ▶ |
| Dolpa | Mas (black gram) | 120.0 | 9.1 | 0.0 | 0.0 | ▲ | ▶ | ▶ |
| | Musuro | 120.0 | 9.1 | 0.0 | 0.0 | ▲ | ▶ | ▶ |
| | Potato - red | 40.0 | 0.0 | 14.3 | 33.3 | ▶ | ▲ | ▲ |
| | 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 | ▶ | ▶ | ▶ |
| Humla | Beans | 110.0 | -8.3 | -8.3 | 0.0 | ▼ | ▶ | ▶ |
| | Mas (black gram) | 0.0 | - | - | - | - | - | - |
| | Musuro | 0.0 | - | - | - | - | - | - |
| | Potato | 110.0 | 10.0 | 57.1 | 175.0 | ▲ | ▲ | ▲ |
| | Coarse rice | 140.0 | 0.0 | 0.0 | 27.3 | ▶ | ▶ | ▲ |
| | Wheat flour | 130.0 | 0.0 | 0.0 | 0.0 | ▶ | ▶ | ▶ |
| Dolpa | Soybean oil | 240.0 | 0.0 | 0.0 | 4.3 | ▶ | ▶ | ▶ |
| | Beans | 160.0 | -20.0 | - | -36.0 | ▼ | - | ▼ |
| | Mas (black gram) | 250.0 | 0.0 | 0.0 | 8.7 | ▶ | ▶ | ▶ |
| | Musuro | 250.0 | 0.0 | 0.0 | 8.7 | ▶ | ▶ | ▶ |
| | Potato | 30.0 | 0.0 | 0.0 | -14.3 | ▶ | ▶ | ▶ |

Mountain markets without road access

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>

