



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



# Market Watch 62

February 2014<sup>†</sup>

## HIGHLIGHTS

- In February 2014, retail prices of food commodities monitored in 12 markets across Nepal showed a mixed trend, with an upward trend of coarse rice and wheat flour and a downward trend of pulses and potato.
- Overall inflation rate in February 2014 was 8.8 percent. The food and beverage group was higher at 10.8 percent as were several sub-groups: meat and fish (19.5 percent), fruits (15.5 percent), cereal grains (13.0 percent) and spices (11.1 percent).

## NATIONAL MARKET DEVELOPMENT

### Price

In February 2014, retail prices of most food commodities monitored across the country showed marginal fluctuations. On a month-on-month basis, retail prices of coarse rice and wheat flour increased by 1.4 and 3.3 percent respectively, while that of black gram and broken lentil marginally declined by 0.1 and 0.8 percent respectively. Likewise, retail prices of chicken and red potato decreased by 1.7 and 6.1 percent respectively. However, the price of soybean oil remained stable. As compared to three months earlier, most prices showed a downward trend with the exception of wheat flour and soybean oil. In contrast to this most prices showed an upward trend as compared to the same period last year (with the exception of mustard oil).

Prices in regional markets showed somewhat different trends than the national average, with an upward trend in the price of coarse rice and wheat flour (with the exception of the Terai markets). However, the price of broken lentil remained stable in all markets with the exception of Terai markets.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed a trend similar to that seen in retail prices. In the Kalimati Fruits and Vegetables Market, the wholesale price of most monitored vegetables, such as cauliflower, cabbage, tomato, carrot, spinach, pumpkin and okra, showed an upward trend, while that of French bean, radish and dry onion indicated a downward trend over the past one month.

The overall consumer price index (CPI) released by Nepal Rastra Bank in February 2014 was 196.1, a decline of 0.8 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 8.8 percent. The food and beverage group of the CPI was 232.2, a decline of 1.7 percent month-on-month, but an increase of 10.8 percent year-on-year; several sub-groups showed high year-on-year increases: meat and fish (19.5 percent), fruits (15.5 percent), cereal grains (13.0 percent) and spices (11.1 percent). The non-food and services group of the CPI was 169.2, an increase of 0.1 percent month-on-month and 6.9 percent year-on-year.

### Supply

The supply situation across the country is reported as normal with the smooth functioning of markets and transport services; as a result, the supply of food and non-food commodities to meet demand is reported as sufficient, even in the Hill and Mountain markets. WFP District and Cluster Coordinators report that increased access to roads has helped local farmers and producers to sell their surplus products.

### Outlook

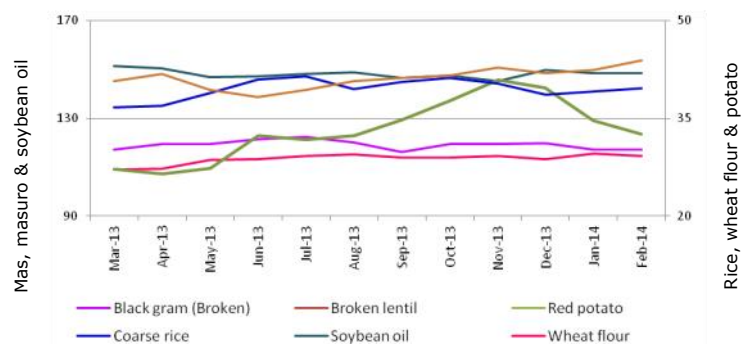
Most food prices are likely to increase next month as the lean season approaches for most monitored crops. Moreover, the recent rise in fuel prices will likely increase transport costs, thereby contributing to the rise of commodity prices.

The outlook of the winter crop harvest, e.g., wheat and barley, is expected to be good due to timely rainfall across the country. However, it is reported that recent heavy hailstones have damaged winter crops in a few VDCs of Dailekh and Parbat districts.

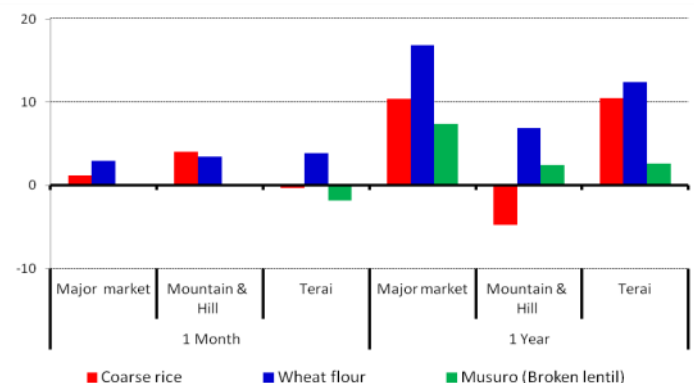
Largest changes in commodity prices (month-on-month)			
Commodity	Price NPR/kg or liter	% change 1 month	Observations
Petrol and diesel	various	>2.4	Decision by the Nepal Oil Corporation
Dry onion, potato, cucumber and radish	various	>-6	Increase in supply due to harvest season

### Average retail price over 12 months

NPR per kilo or liter



### 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>

<sup>†</sup> Prices relate to the Nepali month of Magh 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
<b>Major consumer markets</b>								
Kathmandu	Coarse rice	42.0	2.4	0.0	16.7	▶	▶	▲
	Wheat flour	45.0	4.7	4.7	32.4	▶	▶	▲
	Soybean oil	145.0	0.0	1.4	1.4	▶	▶	▶
	Chicken	290.0	-3.3	-25.6	5.5	▶	▼	▶
	Mustard oil	180.0	0.0	7.8	7.8	▶	▶	▶
	Mas (black gram)	110.0	-4.3	-6.0	-2.7	▶	▶	▶
	Musuro	110.0	0.0	2.8	10.0	▶	▶	▶
	Potato	30.0	-14.3	-47.4	-6.3	▼	▼	▶
Pokhara	Coarse rice	43.8	0.0	4.2	4.2	▶	▶	▶
	Wheat flour	42.5	1.2	-1.2	21.4	▶	▶	▲
	Soybean oil	143.8	-0.8	0.6	-4.1	▶	▶	▶
	Chicken	310.0	-21.5	3.3	-3.1	▶	▶	▶
	Mustard oil	181.3	0.7	-2.0	0.7	▶	▶	▶
	Mas (black gram)	125.0	4.2	1.6	4.2	▶	▶	▶
	Musuro	110.0	0.0	-2.7	4.8	▶	▶	▶
	Potato	28.8	-28.1	2.7	-17.9	▼	▶	▼
<b>Regional Terai markets</b>								
Biratnagar	Coarse rice	38.0	0.0	-9.5	26.7	▶	▶	▲
	Wheat flour	40.0	0.0	0.0	11.1	▶	▶	▶
	Soybean oil	130.0	-7.1	-7.1	-3.7	▶	▶	▶
	Chicken	260.0	-7.1	-13.3	-4.8	▶	▶	▶
	Mustard oil	165.0	0.0	-5.7	-8.3	▶	▶	▶
	Mas (black gram)	110.0	0.0	0.0	10.0	▶	▶	▶
	Musuro	110.0	-4.3	-4.3	0.0	▶	▶	▶
Potato	24.0	-7.7	-31.4	-20.0	▶	▶	▶	
Birgunj	Coarse rice	36.0	0.0	-14.3	0.0	▶	▶	▶
	Wheat flour	38.0	0.0	5.6	2.7	▶	▶	▶
	Soybean oil	140.0	-3.4	-3.4	-9.7	▶	▶	▶
	Chicken	280.0	0.0	-6.7	-6.7	▶	▶	▶
	Mustard oil	170.0	3.0	0.0	-5.6	▶	▶	▶
	Mas (black gram)	95.0	-5.0	-5.0	-5.0	▶	▶	▶
	Musuro	104.0	-5.5	-3.7	4.0	▶	▶	▶
Potato	18.0	-40.0	-70.0	-10.0	▶	▶	▶	
Nepalgunj	Coarse rice	36.0	2.9	2.9	5.9	▶	▶	▶
	Wheat flour	36.0	2.9	2.9	12.5	▶	▶	▶
	Soybean oil	150.0	1.4	11.1	7.1	▶	▶	▶
	Chicken	300.0	0.0	-14.3	0.0	▶	▶	▶
	Mustard oil	170.0	3.0	3.0	-15.0	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	-7.7	▶	▶	▶
	Musuro	100.0	0.0	-4.8	0.0	▶	▶	▶
Potato	30.0	50.0	20.0	-6.3	▶	▶	▶	
Dhangadhi	Coarse rice	37.0	1.4	5.7	5.7	▶	▶	▶
	Wheat flour	35.0	4.2	6.1	7.4	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	3.7	▶	▶	▶
	Chicken	300.0	0.0	-1.3	5.6	▶	▶	▶
	Mustard oil	162.0	1.3	-4.7	-8.0	▶	▶	▶
	Mas (black gram)	125.0	-1.6	-3.8	-6.7	▶	▶	▶
	Musuro	120.0	9.1	9.1	9.1	▶	▶	▶
Potato	30.0	20.0	-25.0	20.0	▶	▶	▶	

- ▲ 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	32.0	-5.9	-8.6	14.3	▶	▶	▶
	Wheat flour	45.0	12.5	18.4	28.6	▶	▶	▶
	Soybean oil	140.0	7.7	0.0	0.0	▶	▶	▶
	Chicken	280.0	0.0	-13.8	7.7	▶	▶	▶
	Mustard oil	160.0	-11.1	0.0	-5.9	▶	▶	▶
	Mas (black gram)	110.0	-8.3	1.9	-12.0	▶	▶	▶
	Musuro	110.0	-8.3	10.0	0.0	▶	▶	▶
	Potato	25.0	0.0	-28.6	4.2	▶	▶	▶
<b>Hill and Mountain markets with road access</b>								
Dhankuta	Coarse rice	40.0	0.0	-11.1	21.2	▶	▶	▶
	Wheat flour	46.0	0.0	-8.0	31.4	▶	▶	▶
	Soybean oil	175.0	0.0	16.7	16.7	▶	▶	▶
	Chicken	300.0	0.0	-14.3	15.4	▶	▶	▶
	Mas (black gram)	120.0	0.0	-4.0	0.0	▶	▶	▶
	Musuro	110.0	0.0	-8.3	-8.3	▶	▶	▶
	Potato	50.0	-16.7	0.0	42.9	▶	▶	▶
Rolpa	Coarse rice	34.0	0.0	6.3	-15.0	▶	▶	▶
	Wheat flour	45.0	12.5	12.5	-18.2	▶	▶	▶
	Soybean oil	150.0	0.0	-6.3	7.1	▶	▶	▶
	Chicken	330.0	0.0	0.0	22.2	▶	▶	▶
	Mas (black gram)	110.0	0.0	0.0	10.0	▶	▶	▶
	Musuro	120.0	0.0	9.1	9.1	▶	▶	▶
Potato	45.0	-10.0	12.5	80.0	▶	▶	▶	
Sanjebagar	Coarse rice	40.0	14.3	8.1	14.3	▶	▶	▶
	Wheat flour	40.0	0.0	8.1	11.1	▶	▶	▶
	Chicken	380.0	0.0	-5.0	26.7	▶	▶	▶
	Mustard oil	170.0	0.0	-2.9	-5.6	▶	▶	▶
	Mas (black gram)	120.0	0.0	-11.1	0.0	▶	▶	▶
	Musuro	120.0	0.0	-6.3	9.1	▶	▶	▶
Potato	40.0	0.0	-20.0	-20.0	▶	▶	▶	
Jumla	Coarse rice	60.0	0.0	0.0	20.0	▶	▶	▶
	Wheat flour	70.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	160.0	0.0	-3.0	-11.1	▶	▶	▶
	Chicken	400.0	0.0	0.0	5.3	▶	▶	▶
	Mas (black gram)	140.0	0.0	-6.7	40.0	▶	▶	▶
	Musuro	140.0	0.0	-6.7	-	▶	▶	▶
	Potato	30.0	0.0	0.0	0.0	▶	▶	▶
Bajura	Coarse rice	37.0	5.7	2.8	12.1	▶	▶	▶
	Wheat flour	44.0	4.8	-8.3	10.0	▶	▶	▶
	Beans	120.0	0.0	9.1	0.0	▶	▶	▶
	Mas (black gram)	120.0	9.1	9.1	0.0	▶	▶	▶
	Musuro	120.0	0.0	9.1	0.0	▶	▶	▶
	Potato	40.0	0.0	0.0	33.3	▶	▶	▶
<b>Mountain markets without road access</b>								
Humla	Coarse rice*	43.0	2.4	2.4	7.5	▶	▶	▶
	Wheat flour	240.0	20.0	20.0	4.3	▶	▶	▶
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	120.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	0.0	-	-	-	▶	▶	▶
	Musuro	0.0	-	-	-	▶	▶	▶
	Potato	120.0	0.0	20.0	140.0	▶	▶	▶
Dolpa	Coarse rice	-	-	-	-	▶	▶	▶
	Wheat flour	-	-	-	-	▶	▶	▶
	Soybean oil	-	-	-	-	▶	▶	▶
	Beans	-	-	-	-	▶	▶	▶
	Mas (black gram)	-	-	-	-	▶	▶	▶
	Musuro	-	-	-	-	▶	▶	▶
	Potato	-	-	-	-	▶	▶	▶

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