



Market Watch 63

March 2014†

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 March 2014, retail prices of most food commodities monitored in 12 markets across Nepal showed a marginal increase due to the beginning of the lean season of summer crops and the pre-harvest period of winter crops.
- Overall inflation rate in March 2014 was 8.9 percent. The food and beverage group was relatively higher at 10.8 percent as were several sub-groups: meat and fish (17.1 percent), ghee and oil (13.9 percent), cereal grain (13.9 percent) and legume varieties (12.6 percent).

NATIONAL MARKET DEVELOPMENT

Price

In March 2014, retail prices of most food commodities monitored across the country showed a marginal increase. On a month-on-month basis, retail prices of coarse rice and wheat flour increased by 1.3 and 0.6 percent respectively. Likewise, prices of black gram and broken lentil marginally went up by 1.0 and 0.2 percent respectively, although the price of soybean oil and red potato declined by 0.6 and 0.4 percent respectively. However, the price of chicken meat climbed by 3.4 percent due to an increase in demand. As compared to three months earlier, most prices showed a mixed trend, but compared to the same period last year, most prices showed an upward trend (with the exception of edible oils).

Prices in regional markets showed similar trends as the national average, with an upward trend in the price of coarse rice and wheat flour (with the exception of the Hill and Mountain markets). Likewise, the price of broken lentil showed an upward trend in all markets except in the Terai.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed a mixed trend, with an upward trend of the price of coarse rice and a downward trend of prices of black gram and edible oils. In the Kalimati Fruits and Vegetables Market, the wholesale price of most monitored vegetables showed a high seasonal fluctuation: prices of tomato, spinach, pointed gourd, brinjal and cucumber increased by more than 10 percent due to a reduction in supply because of the lean season, while that of bitter melon, okra, arum and broad leaf mustard went down by more than 7 percent over the past one month.

As per the latest macroeconomic situation report released by Nepal Rastra Bank, the overall consumer price index (CPI) in March 2014 was 196.9, an increase of 0.4 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 8.9 percent. The food and beverage group of the CPI was 233.6, an increase of 0.6 percent month-on-month, but an increase of 10.8 percent year-on-year; several sub-groups showed higher year-on-year increases: meat and fish (17.1 percent), ghee and oil (13.9 percent), cereal grains (13.9 percent) and legume varieties (12.6 percent). The non-food and services group of the CPI was 169.6, an increase of 0.3 percent month-on-month and 7.1 percent year-on-year.

Supply

The supply situation across the country is reported as normal due to increased access to fair weather roads and smooth functioning of markets. NeKSAP district and cluster coordinators report that markets, including those in the Hill and Mountain areas, have sufficient stocks of essential food and non-food items.

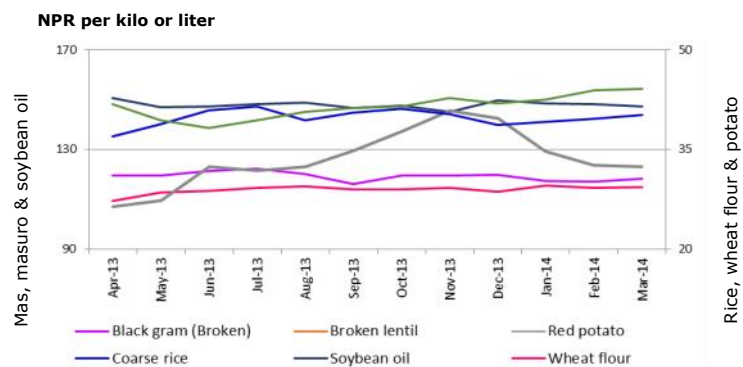
Outlook

Most food prices are likely to increase in the next month with the exception of winter crops which are close to being harvested. Moreover, prices of winter vegetables are also expected to rise in the coming months.

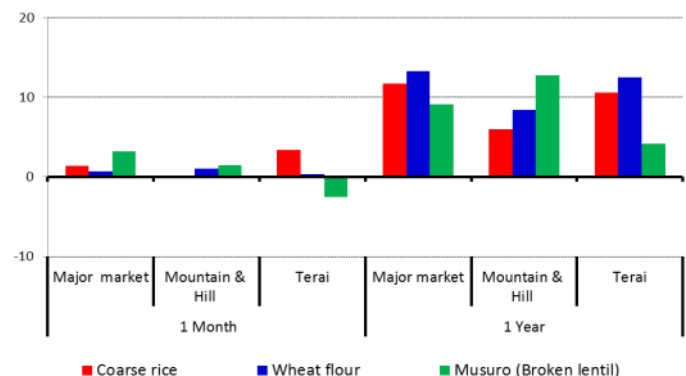
The harvest of winter crops, such as wheat and barley, is expected to be better than last year due to timely rainfall and availability of fertilizers. This will improve the availability of these food items in the country.

Largest changes in commodity prices (month-on-month)			
Commodity	Price NPR/kg or liter	% change 1 month	Observations
Tomato, onion, ginger, cowpea and cucumber.	various	>10	Decrease in supply due to lean season
Bitter melon, okra, arum and carrot.	various	>-7	Decline in prices after sharp increase

Average retail price over 12 months period*



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



† Prices relate to the Nepali month of Falgun 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	0.0	13.9	▶	▶	▶
	Wheat flour	43.0	-4.4	0.0	19.4	▶	▶	▲
	Soybean oil	145.0	0.0	1.4	1.4	▶	▶	▶
	Chicken	305.0	5.2	-12.9	-1.6	▲	▼	▶
	Mustard oil	167.0	-7.2	-5.6	0.0	▼	▶	▶
	Mas (black gram)	117.0	6.4	0.0	3.5	▲	▶	▶
	Musuro	107.0	-2.7	0.0	3.9	▶	▶	▶
	Potato	32.0	6.7	3.2	18.5	▲	▶	▲
	Pokhara	Coarse rice	46.0	5.1	5.1	9.5	▲	▶
Wheat flour		45.0	5.9	1.1	7.1	▲	▶	▶
Soybean oil		130.0	-7.1	-10.3	-13.3	▼	▼	▶
Chicken		360.0	16.1	-8.9	20.0	▲	▶	▲
Mustard oil		180.0	-0.7	-0.6	0.0	▶	▶	▶
Mas (black gram)		130.0	4.0	4.0	8.3	▶	▶	▶
Musuro		120.0	9.1	9.1	14.3	▲	▶	▶
Potato		30.0	4.3	-48.8	0.0	▶	▼	▶

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	40.0	5.3	5.3	33.3	▲	▶	▲	
	Wheat flour	40.0	0.0	0.0	8.1	▶	▶	▶	
	Soybean oil	135.0	3.8	-6.9	0.0	▶	▶	▶	
	Chicken	320.0	23.1	6.7	14.3	▲	▶	▶	
	Mustard oil	165.0	0.0	0.0	-8.3	▶	▶	▶	
	Mas (black gram)	110.0	0.0	10.0	10.0	▶	▶	▶	
	Musuro	100.0	-9.1	5.3	11.1	▼	▶	▶	
Biratnagar	Potato	26.0	8.3	-39.5	-13.3	▲	▼	▶	
	Birgunj	Coarse rice	38.0	5.6	5.6	2.7	▲	▶	▶
		Wheat flour	38.0	0.0	0.0	5.6	▶	▶	▶
		Soybean oil	145.0	3.6	0.0	-12.1	▶	▶	▶
		Chicken	280.0	0.0	0.0	-6.7	▶	▶	▶
		Mustard oil	180.0	5.9	5.9	-5.3	▲	▶	▶
		Mas (black gram)	95.0	0.0	-5.0	-7.8	▶	▶	▶
Musuro		110.0	5.8	0.0	10.0	▲	▶	▶	
Nepalgunj	Potato	21.0	16.7	-30.0	31.3	▲	▼	▲	
	Dhangadhi	Coarse rice	36.0	0.0	2.9	2.9	▶	▶	▶
		Wheat flour	36.0	0.0	2.9	12.5	▶	▶	▶
		Soybean oil	150.0	0.0	11.1	7.1	▶	▲	▶
		Chicken	300.0	0.0	-14.3	7.1	▶	▼	▶
		Mustard oil	180.0	5.9	21.6	-10.0	▲	▲	▶
		Mas (black gram)	120.0	0.0	0.0	-7.7	▶	▶	▶
Musuro		98.0	-2.0	-6.7	-2.0	▶	▶	▶	
Dhangadhi	Potato	20.0	-33.3	-20.0	0.0	▼	▼	▶	
	Dolpa	Coarse rice	37.0	0.0	2.8	-7.5	▶	▶	▶
		Wheat flour	35.6	1.7	7.9	7.9	▶	▶	▶
		Soybean oil	140.0	0.0	0.0	7.7	▶	▶	▶
		Chicken	300.0	0.0	0.0	0.0	▶	▶	▶
		Mustard oil	162.0	0.0	-5.8	-3.0	▶	▶	▶
		Mas (black gram)	122.0	-2.4	-4.7	-10.3	▶	▶	▶
Musuro		122.0	1.7	10.9	10.9	▶	▲	▶	
Potato	30.0	0.0	-25.0	100.0	▶	▼	▲		

▲ 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.

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	34.0	6.3	13.3	21.4	▲	▲	▲
	Wheat flour	45.0	0.0	25.0	28.6	▶	▲	▲
	Soybean oil	140.0	0.0	-6.7	0.0	▶	▶	▶
	Chicken	280.0	0.0	-6.7	7.7	▶	▶	▶
	Mustard oil	160.0	0.0	-5.9	-5.9	▶	▶	▶
	Mas (black gram)	110.0	0.0	-8.3	-12.0	▶	▶	▶
	Musuro	100.0	-9.1	-9.1	-9.1	▼	▶	▶
	Potato	25.0	0.0	-24.2	25.0	▶	▼	▲

Hill and Mountain markets with road access

Dhankuta	Coarse rice	40.0	0.0	0.0	21.2	▶	▶	▲
	Wheat flour	46.0	0.0	0.0	53.3	▶	▶	▲
	Soybean oil	175.0	0.0	0.0	16.7	▶	▶	▶
	Chicken	300.0	0.0	0.0	15.4	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	110.0	0.0	0.0	-4.3	▶	▶	▶
	Potato	40.0	-20.0	-27.3	33.3	▼	▼	▲

Rolpa	Coarse rice	34.0	0.0	0.0	-2.9	▶	▶	▶
	Wheat flour	45.0	0.0	12.5	0.0	▶	▲	▶
	Soybean oil	150.0	0.0	-6.3	-16.7	▶	▶	▼
	Chicken	330.0	0.0	0.0	10.0	▶	▶	▶
	Mas (black gram)	105.0	-4.5	-4.5	-12.5	▶	▶	▶
	Musuro	120.0	0.0	0.0	9.1	▶	▶	▶
Potato	50.0	11.1	11.1	100.0	▲	▲	▲	

Sanjibpur	Coarse rice	40.0	0.0	0.0	14.3	▶	▶	▶
	Wheat flour	42.0	5.0	5.0	-16.0	▶	▶	▼
	Chicken	400.0	5.3	14.3	33.3	▲	▲	▲
	Mustard oil	170.0	0.0	0.0	-5.6	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	120.0	0.0	0.0	9.1	▶	▶	▶
Potato	40.0	0.0	-11.1	-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	0.0	-11.1	▶	▶	▶
	Chicken	400.0	0.0	0.0	5.3	▶	▶	▶
	Mas (black gram)	150.0	7.1	7.1	50.0	▲	▶	▲
	Musuro	150.0	7.1	7.1	50.0	▲	▶	▲
	Potato	30.0	0.0	0.0	0.0	▶	▶	▶

Bajura	Coarse rice	37.0	0.0	23.3	5.7	▶	▲	▶
	Wheat flour	44.0	0.0	10.0	4.8	▶	▶	▶
	Beans	120.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	120.0	0.0	0.0	0.0	▶	▶	▶
	Potato	40.0	0.0	0.0	33.3	▶	▶	▲

Mountain markets without road access

Humla	Coarse rice*	47.0	9.3	11.9	17.5	▲	▲	▲
	Wheat flour	240.0	0.0	20.0	4.3	▶	▲	▶
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	120.0	0.0	9.1	0.0	▶	▶	▶
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	120.0	0.0	9.1	140.0	▶	▶	▲

Dolpa	Coarse rice	-	-	-	-	-	-	-
	Wheat flour	-	-	-	-	-	-	-
	Soybean oil	-	-	-	-	-	-	-
	Beans	-	-	-	-	-	-	-
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
Potato	-	-	-	-	-	-	-	

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>

