



Market Watch 71

November 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 November 2014, retail prices of most food commodities monitored in 12 markets across Nepal showed a mixed trend, with a seasonal decline of recently harvested summer crops such as rice and a marginal increase of lean season commodities such as pulses and wheat flour.**
- **Overall inflation rate in November 2014 was 7.2 percent. The food and beverage group was higher at 9.9 percent, as were several sub-groups: fruits (13.4 percent), cereal grains (12.7 percent), legume varieties (11.7 percent), and milk and dairy products (10.7 percent).**

NATIONAL MARKET DEVELOPMENT

Price

In November 2014, retail prices of most food commodities monitored across the country showed a mixed trend. On a month-on-month basis, the retail price of coarse rice declined by 2.9 percent, while that of wheat flour marginally increased by 0.2 percent. Prices of black gram and broken lentil marginally went up by 0.3 percent and 1.9 percent respectively, while that of soybean oil and chicken meat decreased by 2.2 percent and 3.8 percent respectively. The price of red potato climbed up by 1.4 percent. Compared to three months earlier, most prices showed an upward trend with the exception of soybean oil and chicken meat. Similarly, compared to the same period last year, most prices showed an upward trend (with the exception of soybean oil and chicken meat).

Prices in regional markets showed somewhat different trends than national averages, with an upward trend for coarse rice in all markets (with the exception of the Terai markets), while the price of wheat flour remained stable in all markets with the exception of a declining trend in the mountain and hill markets with access to roads. The price of broken lentil showed an upward trend in all markets.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi remained relatively stable with the exception of the price of coarse rice over the past one month. Wholesale prices monitored in the Kalimati Fruits and Vegetables Market showed a high seasonal fluctuation: prices of bitter gourd, smooth gourd, cowpea, brinjal and cabbage increased by more than 10 percent due to a reduction in supply, while that of tomato, cauliflower, green peas and pumpkin decreased by more than 17 percent over the past one month.

The overall consumer price index (CPI) released by Nepal Rastra Bank in November 2014 was 212.7, an increase of 0.9 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 7.2 percent. The food and beverage group of the CPI was 266.5, an increase of 2.0 percent month-on-month, but an increase of 9.9 percent year-on-year; several sub-groups showed higher year-on-year increases: fruits (13.4 percent), cereal grains (12.7 percent), legume varieties (11.7 percent) and milk and dairy products (10.7 percent). The non-food and services group of the CPI was 174.7, a decrease of 0.1 percent month-on-month and an increase of 4.8 percent year-on-year.

Supply

The supply situation across the country is normal due to increased road access and smooth operation of transportation services with the start of the winter season. According to NeKSAP cluster and district coordinators, the operation of the bridge in Ghurmi over the Sunkoshi River has increased direct access to markets in the Terai for Khotang, Okhaldhunga, Solukhumbu, and parts of Bhojpur districts. This will help reduce commodity prices in these districts.

Outlook

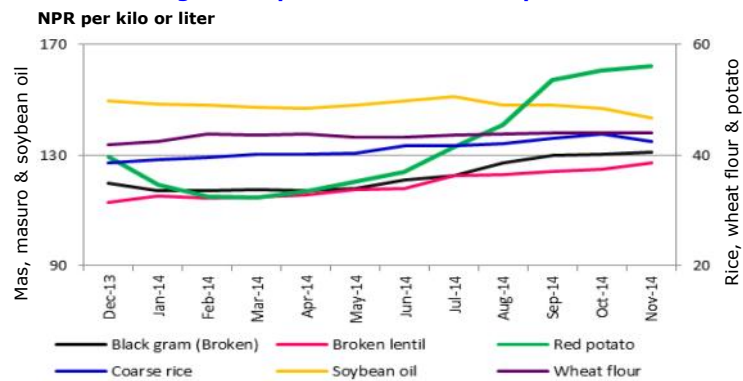
Most food prices are likely to remain stable or decrease in the next month as a result of the harvest of summer crops, the increased supply of food in the markets and the continuous fall of fuel (petrol and diesel) prices, which will keep transport costs stable.

The preliminary estimates of paddy production show a decline of 5.1 percent this year compared to last year.

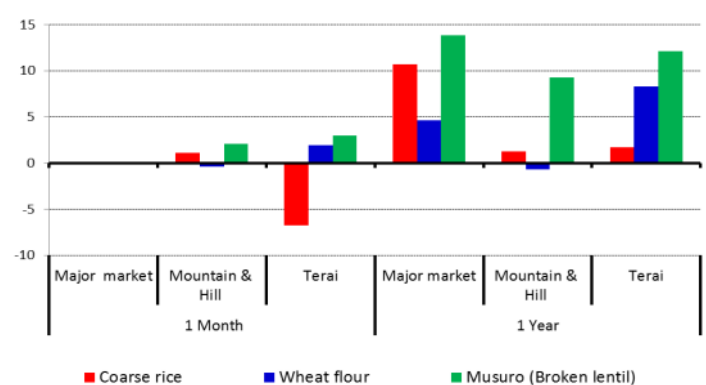
Largest changes in commodity prices (month-on-month)

Commodity	Price NPR/kg or liter	% change 1 month	Observations
bitter gourd, smooth gourd, cowpea, brinjal and cabbage	various	> 10	Decrease in supply due to lean season
Petrol, diesel and kerosene oil	various	>-6	Fall in the price of crude oil in the world market

Average retail price over 12 months period*



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



[†] Prices relate to the Nepali month of Kartik 2071.

* 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	45.0	0.0	0.0	7.1	▶	▶	▶
	Wheat flour	45.0	0.0	0.0	4.7	▶	▶	▶
	Soybean oil	135.0	0.0	-8.2	-5.6	▶	▶	▶
	Chicken	250.0	-10.7	-32.4	-35.9	▼	▼	▼
	Mustard oil	165.0	0.0	-1.2	-1.2	▶	▶	▶
	Mas (black gram)	123.0	0.0	-5.4	5.1	▶	▶	▶
	Musuro	120.0	0.0	-7.7	12.1	▶	▶	▶
	Potato	65.0	-9.7	18.2	14.0	▼	▲	▶

Pokhara	Coarse rice	48.0	0.0	6.7	14.3	▶	▶	▶
	Wheat flour	45.0	0.0	0.0	4.7	▶	▶	▶
	Soybean oil	135.0	0.0	-3.6	-5.6	▶	▶	▶
	Chicken	300.0	-6.3	-3.2	0.0	▼	▶	▶
	Mustard oil	180.0	0.0	0.0	-2.7	▶	▶	▶
	Mas (black gram)	140.0	0.0	0.0	13.8	▶	▶	▶
	Musuro	135.0	0.0	12.5	19.5	▶	▲	▲
	Potato	60.0	9.1	50.0	114.3	▲	▲	▲

Regional Terai markets

Biratnagar	Coarse rice	45.0	0.0	12.5	7.1	▶	▲	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	130.0	0.0	0.0	-7.1	▶	▶	▶
	Chicken	250.0	-10.7	-21.9	-16.7	▼	▼	▼
	Mustard oil	165.0	0.0	0.0	-5.7	▶	▶	▶
	Mas (black gram)	135.0	0.0	3.8	22.7	▶	▶	▲
	Musuro	135.0	3.8	12.5	17.4	▶	▲	▲
	Potato	60.0	0.0	9.1	71.4	▶	▲	▲

Birgunj	Coarse rice	45.0	2.3	7.1	7.1	▶	▶	▶
	Wheat flour	46.0	31.4	15.0	27.8	▲	▲	▲
	Soybean oil	150.0	0.0	0.0	3.4	▶	▶	▶
	Chicken	300.0	36.4	0.0	0.0	▲	▶	▶
	Mustard oil	180.0	-5.3	0.0	5.9	▼	▶	▶
	Mas (black gram)	117.0	-0.8	9.3	17.0	▶	▶	▲
	Musuro	118.0	0.0	7.3	9.3	▶	▶	▶
	Potato	50.0	0.0	47.1	-16.7	▶	▲	▼

Nepaigunj	Coarse rice	38.0	2.7	8.6	8.6	▶	▶	▶
	Wheat flour	38.0	0.0	8.6	8.6	▶	▶	▶
	Soybean oil	160.0	0.0	6.7	18.5	▶	▶	▲
	Chicken	300.0	-3.2	11.1	-14.3	▶	▲	▶
	Mustard oil	200.0	0.0	0.0	21.2	▶	▶	▲
	Mas (black gram)	110.0	2.8	0.0	-8.3	▶	▶	▶
	Musuro	90.0	3.4	0.0	-14.3	▶	▶	▶
	Potato	50.0	-3.8	66.7	100.0	▶	▲	▲

Dhangadhi	Coarse rice	37.0	-21.3	0.0	5.7	▼	▶	▶
	Wheat flour	33.0	-10.8	-10.8	0.0	▼	▼	▶
	Soybean oil	130.0	-7.1	-7.1	-7.1	▼	▶	▶
	Chicken	288.0	0.0	-15.3	-5.3	▶	▼	▶
	Mustard oil	160.0	0.0	0.0	-5.9	▶	▶	▶
	Mas (black gram)	146.0	-1.4	10.6	12.3	▶	▲	▶
	Musuro	130.0	7.4	6.6	18.2	▲	▶	▲
	Potato	58.0	1.8	16.0	45.0	▶	▲	▲

▲ 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	28.0	-17.6	-21.8	-20.0	▼	▼	▼
	Wheat flour	40.0	-11.1	0.0	5.3	▼	▶	▶
	Soybean oil	125.0	0.0	-10.7	-10.7	▶	▼	▶
	Chicken	300.0	0.0	-9.1	-7.7	▶	▶	▶
	Mustard oil	180.0	0.0	5.9	12.5	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	11.1	▶	▶	▶
	Musuro	130.0	0.0	8.3	30.0	▶	▶	▲
	Potato	40.0	-27.3	11.1	14.3	▼	▲	▶

Hill and Mountain markets with road access

Dhankuta	Coarse rice	42.0	-2.3	0.0	-6.7	▶	▶	▶
	Wheat flour	46.0	-4.2	-2.1	-8.0	▶	▶	▶
	Soybean oil	165.0	-2.9	-2.9	10.0	▶	▶	▶
	Chicken	240.0	0.0	-27.3	-31.4	▶	▼	▼
	Mas (black gram)	120.0	-4.0	-4.0	-4.0	▶	▶	▶
	Musuro	110.0	-4.3	0.0	-8.3	▶	▶	▶
	Potato	70.0	0.0	40.0	40.0	▶	▲	▲

Rolpa	Coarse rice	40.0	0.0	14.3	25.0	▶	▲	▲
	Wheat flour	38.0	-5.0	-5.0	-5.0	▶	▶	▶
	Soybean oil	140.0	-6.7	-6.7	-12.5	▼	▶	▶
	Chicken	330.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	140.0	0.0	16.7	27.3	▶	▲	▲
	Musuro	140.0	7.7	7.7	27.3	▶	▶	▲
	Potato	65.0	0.0	8.3	62.5	▶	▶	▲

Sanabagar	Coarse rice	45.0	12.5	0.0	21.6	▲	▶	▲
	Wheat flour	42.0	5.0	5.0	13.5	▶	▶	▶
	Soybean oil	150.0	-6.3	0.0	-	▼	▶	-
	Chicken	400.0	5.3	0.0	0.0	▲	▶	▶
	Mas (black gram)	140.0	0.0	12.0	3.7	▶	▲	▶
	Musuro	140.0	0.0	7.7	9.4	▶	▶	▶
	Potato	70.0	16.7	16.7	40.0	▲	▲	▲

Jumla	Coarse rice	60.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	70.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	160.0	0.0	0.0	-3.0	▶	▶	▶
	Chicken	440.0	-20.0	0.0	10.0	▼	▶	▶
	Mas (black gram)	150.0	7.1	-6.3	0.0	▲	▶	▶
	Musuro	150.0	7.1	-6.3	0.0	▲	▶	▶
	Potato	40.0	0.0	33.3	33.3	▶	▲	▲

Bajura	Coarse rice	40.0	-4.8	-7.0	11.1	▶	▶	▶
	Wheat flour	46.0	2.2	0.0	-4.2	▶	▶	▶
	Beans	130.0	0.0	0.0	18.2	▶	▶	▲
	Mas (black gram)	130.0	0.0	0.0	18.2	▶	▶	▲
	Musuro	130.0	0.0	0.0	18.2	▶	▶	▲
	Potato	40.0	14.3	14.3	0.0	▲	▲	▶

Mountain markets without road access

Humla	Coarse rice*	47.0	0.0	0.0	11.9	▶	▶	▶
	Wheat flour	200.0	11.1	0.0	0.0	▶	▲	▶
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	150.0	25.0	25.0	25.0	▲	▲	▲
	Mas (black gram)	200.0	0.0	0.0	-	▶	▶	-
	Musuro	0.0	-	-	-	-	-	-
	Potato	70.0	-12.5	-30.0	-30.0	▼	▼	▼

Dolpa	Coarse rice	140.0	7.7	0.0	0.0	▲	▶	▶
	Wheat flour	120.0	0.0	0.0	-7.7	▶	▶	▶
	Soybean oil	240.0	0.0	0.0	0.0	▶	▶	▶
	Beans	150.0	0.0	-6.3	-25.0	▶	▶	▼
	Mas (black gram)	200.0	0.0	0.0	-20.0	▶	▶	▼
	Musuro	200.0	0.0	0.0	-20.0	▶	▶	▼
	Potato	35.0	-12.5	-41.7	16.7	▼	▼	▲

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>

