



Market Watch 72

December 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 December 2014, retail prices of most food commodities monitored in 12 markets across Nepal remained relatively stable due to the increased supply of newly harvested summer crops and the smooth operation of transportation services across the country.
- Overall inflation rate in December 2014 was 7.0 percent. The food and beverage group was higher at 9.8 percent, as were several sub-groups: legume varieties (13.7 percent), fruits (13.3 percent), cereal grains (13.3 percent), and spices (11.7 percent).

NATIONAL MARKET DEVELOPMENT

Price

In December 2014, retail prices of most food commodities monitored across the country showed marginal fluctuations. On a month-on-month basis, the retail price of coarse rice declined by 2.3 percent, while that of wheat flour marginally increased by 0.2 percent. Likewise, the price of black gram decreased by 1.8 percent, while that of broken lentil and soybean oil remained stable. Prices of red potato and chicken meat decreased by 17.0 percent and 3.9 percent respectively. Compared to three months earlier, most prices showed a declining trend with the exception of broken lentil. However, compared to the same period last year, most prices showed an upward trend (with the exception of edible oils and chicken meat).

Prices in regional markets showed somewhat different trends than national averages, with a downward trend for coarse rice in all markets (with the exception of the major consumer markets of Kathmandu and Pokhara), while the price of wheat flour showed an upward trend with the exception of remaining stable in the major consumer markets. Likewise, the price of broken lentil showed a downward trend in all markets (with the exception of the major consumer markets).

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed an upward trend, with the exception of the price of mustard oil, over the past one month. Wholesale prices monitored in the Kalimati Fruits and Vegetables Market showed a high seasonal fluctuation: prices of bitter gourd, pointed gourd, tomato, okra and cauliflower increased by more than 12 percent due to a reduction in supply, while that of christophine, cabbage, spinach, radish and cowpea decreased by more than 20 percent over the past one month.

In December 2014, the overall consumer price index (CPI) released by Nepal Rastra Bank was 212.4, a decrease of 0.2 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 7.0 percent. The food and beverage group of the CPI was 265.6, a decrease of 0.4 percent month-on-month, but an increase of 9.8 percent year-on-year; several sub-groups showed higher year-on-year increases: legume varieties (13.7 percent), fruits (13.3 percent), cereal grains (13.3 percent), and spices (11.7 percent). The non-food and services group of the CPI was 174.8, an increase of 0.1 percent month-on-month and 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. As a result of this, food supplies have increased even in the rural markets of the hill and mountain districts.

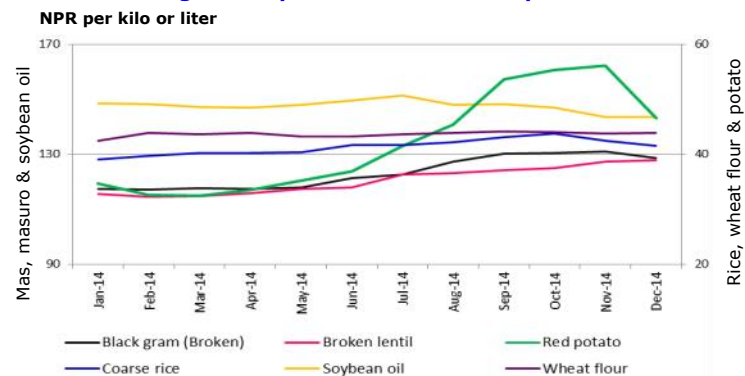
Outlook

Most food prices are likely to remain stable or decrease in the next month as a result of the smooth operation of transportation services and the continuous fall of fuel (petrol and diesel) prices.

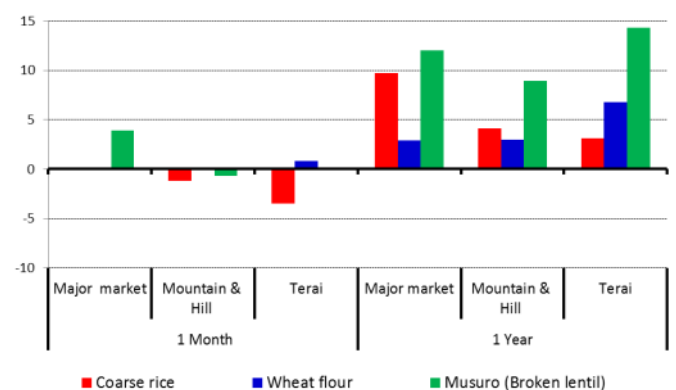
The outlook of winter crops, namely, wheat and barley, is so far good due to recent rainfall across the country.

Largest changes in commodity prices (month-on-month)			
Commodity	Price NPR/kg or liter	% change 1 month	Observations
Bitter gourd, pointed gourd, tomato, okra and cauliflower	various	> 12	Decrease in supply due to lean season
Petrol, diesel and kerosene oil	various	> -6	Fall in price of crude oil in world market
Red potato	46.6	> -17	Increase in supply due to harvest season
Christophine, cabbage, spinach, radish and cowpea	various	> -20	Increase in supply due to harvest season

Average retail price over 12 months 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 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	9.8	9.8	▶	▶	▶
	Wheat flour	45.0	0.0	4.7	4.7	▶	▶	▶
	Soybean oil	135.0	0.0	-5.6	-5.6	▶	▶	▶
	Chicken	225.0	-10.0	-40.0	-35.7	▼	▼	▼
	Mustard oil	165.0	0.0	-6.8	-6.8	▶	▶	▶
	Mas (black gram)	125.0	1.6	6.8	6.8	▶	▶	▶
	Musuro	125.0	4.2	16.8	16.8	▶	▶	▶
	Potato	40.0	-38.5	5.3	29.0	▼	▶	▶

Pokhara	Coarse rice	48.0	0.0	9.7	9.7	▶	▶	▶
	Wheat flour	45.0	0.0	1.1	1.1	▶	▶	▶
	Soybean oil	130.0	-3.7	-10.3	-10.3	▶	▶	▶
	Chicken	258.0	-14.0	-34.7	-34.7	▼	▼	▼
	Mustard oil	150.0	-6.3	-17.1	-17.1	▼	▼	▼
	Mas (black gram)	135.0	-3.6	8.0	8.0	▶	▶	▶
	Musuro	140.0	3.7	27.3	27.3	▶	▶	▶
	Potato	58.0	-3.3	-1.0	-1.0	▶	▶	▶

Regional Terai markets

Biratnagar	Coarse rice	45.0	0.0	18.4	18.4	▶	▶	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	125.0	-3.8	-13.8	-13.8	▶	▶	▶
	Chicken	250.0	0.0	-19.4	-16.7	▶	▶	▶
	Mustard oil	165.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	130.0	-3.7	30.0	30.0	▶	▶	▶
	Musuro	136.7	1.3	40.2	43.9	▶	▶	▶
	Potato	50.0	-16.7	16.3	16.3	▶	▶	▶

Birgunj	Coarse rice	36.9	-7.8	1.1	2.5	▶	▶	▶
	Wheat flour	42.0	0.0	12.0	10.5	▶	▶	▶
	Soybean oil	150.0	0.0	3.4	3.4	▶	▶	▶
	Chicken	250.0	-16.7	-13.8	-10.7	▶	▶	▶
	Mustard oil	188.0	4.4	10.6	10.6	▶	▶	▶
	Mas (black gram)	113.0	-3.4	13.0	13.0	▶	▶	▶
	Musuro	118.0	0.0	8.3	7.3	▶	▶	▶
	Potato	40.0	-20.0	-5.9	33.3	▶	▶	▶

Nepalgunj	Coarse rice	37.0	-2.6	8.8	5.7	▶	▶	▶
	Wheat flour	38.0	0.0	8.6	8.6	▶	▶	▶
	Soybean oil	160.0	0.0	13.1	18.5	▶	▶	▶
	Chicken	300.0	0.0	-14.3	-14.3	▶	▶	▶
	Mustard oil	200.0	0.0	29.9	35.1	▶	▶	▶
	Mas (black gram)	110.0	0.0	-8.3	-8.3	▶	▶	▶
	Musuro	90.0	0.0	-14.3	-14.3	▶	▶	▶
	Potato	50.0	0.0	104.1	100.0	▶	▶	▶

Dhangadhi	Coarse rice	33.8	-8.6	-6.1	-6.1	▶	▶	▶
	Wheat flour	36.0	9.1	9.1	9.1	▶	▶	▶
	Soybean oil	140.0	7.7	0.0	0.0	▶	▶	▶
	Chicken	296.0	2.8	-1.3	-1.3	▶	▶	▶
	Mustard oil	160.0	0.0	-7.0	-7.0	▶	▶	▶
	Mas (black gram)	135.0	-7.5	5.5	5.5	▶	▶	▶
	Musuro	128.0	-1.5	16.4	16.4	▶	▶	▶
	Potato	40.0	-31.0	0.0	0.0	▶	▶	▶

▲ 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	28.5	1.8	-1.7	-5.0	▶	▶	▶
	Wheat flour	38.0	-5.0	5.6	5.6	▶	▶	▶
	Soybean oil	125.0	0.0	-16.7	-16.7	▶	▶	▶
	Chicken	280.0	-6.7	-6.7	-6.7	▶	▶	▶
	Mustard oil	165.0	-8.3	-2.9	-2.9	▶	▶	▶
	Mas (black gram)	120.0	0.0	9.1	0.0	▶	▶	▶
	Musuro	130.0	0.0	23.8	18.2	▶	▶	▶
	Potato	20.8	-47.9	-35.9	-36.9	▶	▶	▶

Hill and Mountain markets with road access

Dhankuta	Coarse rice	42.0	0.0	5.0	5.0	▶	▶	▶
	Wheat flour	46.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	165.0	0.0	-5.7	-5.7	▶	▶	▶
	Chicken	250.0	4.2	-16.7	-16.7	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	110.0	0.0	0.0	0.0	▶	▶	▶
	Potato	60.0	-14.3	9.1	9.1	▶	▶	▶

Rolpa	Coarse rice	38.0	-5.0	11.8	11.8	▶	▶	▶
	Wheat flour	40.0	5.3	0.0	0.0	▶	▶	▶
	Soybean oil	140.0	0.0	-12.5	-12.5	▶	▶	▶
	Chicken	330.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	135.0	-3.6	22.7	22.7	▶	▶	▶
	Musuro	140.0	0.0	16.7	16.7	▶	▶	▶
	Potato	65.0	0.0	44.4	44.4	▶	▶	▶

Sanjibpur	Coarse rice	40.0	-11.1	0.0	0.0	▶	▶	▶
	Wheat flour	42.0	0.0	5.0	5.0	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	400.0	0.0	14.3	14.3	▶	▶	▶
	Mas (black gram)	140.0	0.0	16.7	16.7	▶	▶	▶
	Musuro	135.0	-3.6	12.5	12.5	▶	▶	▶
	Potato	60.0	-14.3	26.3	33.3	▶	▶	▶

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	0.0	▶	▶	▶
	Chicken	440.0	0.0	10.0	10.0	▶	▶	▶
	Mas (black gram)	150.0	0.0	7.1	7.1	▶	▶	▶
	Musuro	150.0	0.0	7.1	7.1	▶	▶	▶
	Potato	40.0	0.0	33.3	33.3	▶	▶	▶

Bajura	Coarse rice	44.0	10.0	46.7	46.7	▶	▶	▶
	Wheat flour	44.0	-4.3	10.0	10.0	▶	▶	▶
	Beans	130.0	0.0	8.3	8.3	▶	▶	▶
	Mas (black gram)	130.0	0.0	8.3	8.3	▶	▶	▶
	Musuro	130.0	0.0	8.3	8.3	▶	▶	▶
	Potato	35.0	-12.5	-12.5	-12.5	▶	▶	▶

Mountain markets without road access

Humla	Coarse rice*	52.0	10.6	23.8	23.8	▶	▶	▶
	Wheat flour	200.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	150.0	0.0	36.4	36.4	▶	▶	▶
	Mas (black gram)	200.0	0.0	-	-	▶	▶	▶
	Musuro	-	-	-	-	▶	▶	▶
	Potato	70.0	0.0	-36.4	-36.4	▶	▶	▶

Dolpa	Coarse rice	140.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	120.0	0.0	-7.7	-7.7	▶	▶	▶
	Soybean oil	240.0	0.0	0.0	0.0	▶	▶	▶
	Beans	140.0	-6.7	-12.5	-12.5	▶	▶	▶
	Mas (black gram)	200.0	0.0	-20.0	-20.0	▶	▶	▶
	Musuro	200.0	0.0	-20.0	-20.0	▶	▶	▶
	Potato	50.0	42.9	66.7	66.7	▶	▶	▶

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