



Market Watch 73

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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 January 2015, retail prices of most food commodities monitored in 12 markets across Nepal showed marginal fluctuations, with a seasonal decline in newly harvested crops, such as rice and potato, and a marginal increase of other commodities, such as pulses and edible oils.**
- **Overall inflation rate in January 2015 was 6.8 percent. The food and beverage group was higher at 9.0 percent, as were several sub-groups: milk products and egg (17.4 percent), legume varieties (13.7 percent), spices (11.1 percent) and fruits (10.8 percent).**

Price

In January 2015, 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 1.1 percent, while that of wheat flour remained relatively stable. Prices of black gram and broken lentil increased by 3.4 and 0.3 percent respectively. Likewise, prices of soybean oil and mustard oil went up by 1.3 and 1.5 percent respectively. However, the price of red potato went down sharply by 13.8 percent, while that of chicken meat marginally increased by 2.8 percent. Compared to three months earlier, most prices showed a declining trend with the exception of pulses (broken lentil and black gram). However, compared to the same period last year, most prices showed an upward trend (with the exception of soybean oil and chicken meat). Overall, the price of most commodities over the past 12 months, as shown in Figure 1, showed an upward trend with expected seasonal fluctuations (with the exception of red potato).

Prices in regional markets (see Figure 2) showed somewhat different trends than national averages, with an upward trend for coarse rice in the mountain and hill markets with road access and stable prices in the major consumer markets of Kathmandu and Pokhara. The price of wheat flour showed similar trends. However, the price of broken lentil showed an upward trend (except in 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 coarse rice over the past one month. As shown in Table 1, wholesale prices monitored in the Kalimati Fruits and Vegetables Market showed a high seasonal fluctuation: prices of bitter gourd, pointed gourd, brinjal, okra and pumpkin increased by more than 15 percent due to a reduction in supply, while that of cabbage, cauliflower, radish, broad leaf mustard and dry onion decreased by more than 10 percent month-on-month.

In January 2015, the overall consumer price index (CPI) released by Nepal Rastra Bank was 211.2, a decrease of 0.6 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 6.8 percent. The food and beverage group of the CPI was 257.3, a decrease of 3.1 percent month-on-month, but an increase of 9.0 percent year-on-year; several sub-groups showed higher year-on-year increases: milk products and egg (17.4 percent), legume varieties (13.7 percent), spices (11.1 percent) and fruits (10.8 percent). The non-food and services group of the CPI was 177.8, an increase of 1.7 percent month-on-month and 5.1 percent year-on-year.

Supply

The supply situation across the country is normal due to increased road access and smooth operation of transportation services. As a result, adequate quantities of food commodities are available, even in rural markets with road access.

Outlook

Most food prices are likely to remain stable or fluctuate marginally in the next month as a result of improved supplies, increased road access and smooth operation of transportation services.

The outlook of winter crops, such as wheat and barley, is expected to be good due to timely rainfall across the country.

Table 1: Largest changes in commodity prices (month-on-month)

Commodity	Price NPR/kg or liter	% change 1 month	Observations
Bitter gourd, pointed gourd, brinjal, okra and pumpkin	various	> 15	Decrease in supply due to lean season
Cabbage, cauliflower, radish, dry onion, potato and broad leaf mustard	various	> -10	Increase in supply due to harvest season

Figure 1: Average retail price over 12-month period*

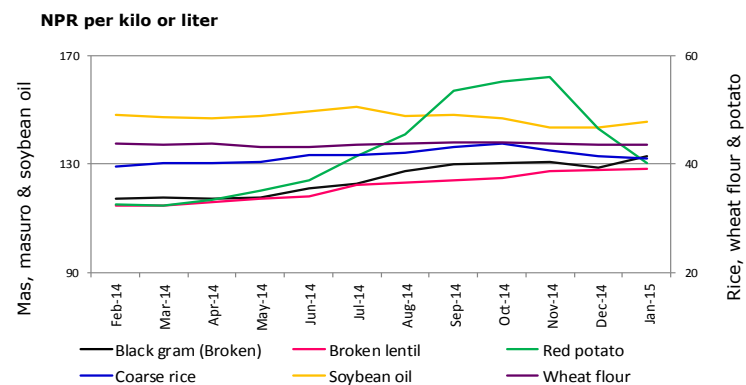
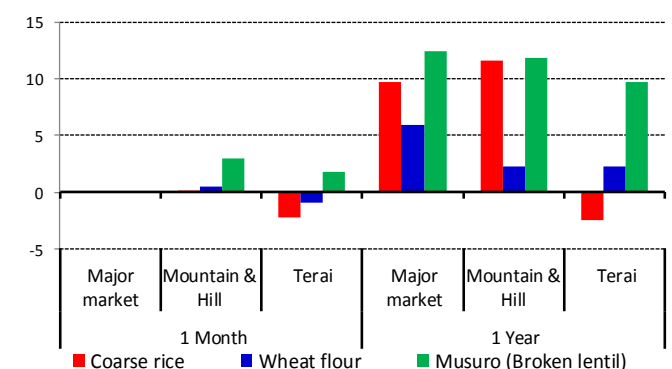


Figure 2: Percentage change in retail prices (1 month & 1 year)**



† Prices relate to the Nepali month of Poush 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

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	45.0	0.0	0.0	9.8	▶	▶	▶
	Wheat flour	45.0	0.0	0.0	4.7	▶	▶	▶
	Soybean oil	135.0	0.0	0.0	-6.9	▶	▶	▶
	Chicken	280.0	24.4	0.0	-6.7	▲	▶	▶
	Mustard oil	165.0	0.0	0.0	-8.3	▶	▶	▶
	Mas (black gram)	125.0	0.0	1.6	8.7	▶	▶	▶
	Musuro	125.0	0.0	4.2	13.6	▶	▶	▶
	Potato	32.0	-20.0	-55.6	-8.6	▼	▼	▶
Pokhara	Coarse rice	48.0	0.0	0.0	9.7	▶	▶	▶
	Wheat flour	45.0	0.0	0.0	7.1	▶	▶	▶
	Soybean oil	130.0	0.0	-3.7	-10.3	▶	▶	▶
	Chicken	290.0	12.4	-9.4	-26.6	▲	▶	▼
	Mustard oil	150.0	0.0	-16.7	-16.7	▶	▼	▼
	Mas (black gram)	135.0	0.0	-3.6	12.5	▶	▶	▶
	Musuro	140.0	0.0	3.7	27.3	▶	▶	▲
	Potato	55.0	-5.2	0.0	37.5	▼	▶	▲

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	-11.1	-11.1	5.3	▼	▼	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	125.0	0.0	-3.8	-10.7	▶	▶	▶
	Chicken	300.0	20.0	7.1	7.1	▲	▶	▶
	Mustard oil	165.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	130.0	0.0	-3.7	18.2	▶	▶	▲
	Musuro	120.0	-12.2	-7.7	4.3	▼	▶	▶
	Potato	25.0	-50.0	-58.3	-3.8	▼	▼	▶
Birgunj	Coarse rice	36.0	0.0	-18.2	0.0	▶	▼	▶
	Wheat flour	40.0	-4.8	14.3	5.3	▶	▲	▶
	Soybean oil	152.0	1.3	1.3	4.8	▶	▶	▶
	Chicken	240.0	-4.0	9.1	-14.3	▶	▶	▶
	Mustard oil	190.0	1.1	0.0	15.2	▶	▶	▲
	Mas (black gram)	120.0	6.2	1.7	20.0	▲	▶	▲
	Musuro	140.0	18.6	18.6	27.3	▲	▲	▲
	Potato	30.0	-25.0	-40.0	0.0	▼	▼	▶
Nepaigunj	Coarse rice	37.0	0.0	0.0	5.7	▶	▶	▶
	Wheat flour	38.0	0.0	0.0	8.6	▶	▶	▶
	Soybean oil	160.0	0.0	0.0	8.1	▶	▶	▶
	Chicken	300.0	0.0	-3.2	0.0	▶	▶	▶
	Mustard oil	200.0	0.0	0.0	21.2	▶	▶	▲
	Mas (black gram)	110.0	0.0	2.8	-8.3	▶	▶	▶
	Musuro	90.0	0.0	3.4	-10.0	▶	▶	▶
	Potato	50.0	0.0	-3.8	150.0	▶	▶	▲
Dhangadhi	Coarse rice	35.0	3.6	-25.5	-4.1	▶	▼	▶
	Wheat flour	36.5	1.4	-1.4	8.6	▶	▶	▶
	Soybean oil	145.0	3.6	3.6	3.6	▶	▶	▶
	Chicken	292.0	-1.4	1.4	-2.7	▶	▶	▶
	Mustard oil	160.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	123.0	-8.9	-16.9	-3.1	▼	▼	▶
	Musuro	126.0	-1.6	4.1	14.5	▶	▶	▶
	Potato	32.0	-20.0	-43.9	28.0	▼	▼	▲

▲ 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	27.5	-3.5	-19.1	-19.1	▶	▼	▼
	Wheat flour	35.5	-1.4	-21.1	-11.3	▶	▼	▶
	Soybean oil	122.5	-2.0	-2.0	-5.8	▶	▶	▶
	Chicken	280.0	0.0	-6.7	0.0	▶	▶	▶
	Mustard oil	147.5	-10.6	-18.1	-18.1	▼	▼	▼
	Mas (black gram)	150.0	25.0	25.0	25.0	▲	▲	▲
	Musuro	135.0	3.8	3.8	12.5	▶	▶	▶
	Potato	22.5	8.0	-59.1	-10.0	▲	▼	▶

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	41.4	-1.4	-3.7	3.5	▶	▶	▶
	Wheat flour	45.6	0.2	-5.0	-0.9	▶	▶	▶
	Soybean oil	166.0	0.6	-2.4	-5.1	▶	▶	▶
	Chicken	300.0	20.0	25.0	0.0	▲	▲	▶
	Mas (black gram)	148.0	23.3	18.4	23.3	▲	▲	▲
	Musuro	126.0	14.5	9.6	14.5	▲	▶	▶
	Potato	40.0	-33.3	-42.9	-33.3	▼	▼	▼
	Rolpa	Coarse rice	38.0	0.0	-5.0	11.8	▶	▶
Wheat flour		40.0	0.0	0.0	0.0	▶	▶	▶
Soybean oil		140.0	0.0	-6.7	-6.7	▶	▶	▶
Chicken		330.0	0.0	0.0	0.0	▶	▶	▶
Mas (black gram)		135.0	0.0	-3.6	22.7	▶	▶	▲
Musuro		140.0	0.0	7.7	16.7	▶	▶	▲
Potato		65.0	0.0	0.0	30.0	▶	▶	▲
Sanjebagar		Coarse rice	40.0	0.0	0.0	14.3	▶	▶
	Wheat flour	42.0	0.0	5.0	5.0	▶	▶	▶
	Soybean oil	150.0	0.0	-6.3	0.0	▶	▶	▶
	Chicken	380.0	-5.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	140.0	0.0	0.0	16.7	▶	▶	▲
	Musuro	135.0	0.0	-3.6	12.5	▶	▶	▶
	Potato	60.0	0.0	0.0	50.0	▶	▶	▲
	Jumla	Coarse rice	60.0	0.0	0.0	0.0	▶	▶
Wheat flour		70.0	0.0	0.0	0.0	▶	▶	▶
Soybean oil		180.0	12.5	12.5	12.5	▲	▲	▶
Chicken		440.0	0.0	-20.0	10.0	▶	▼	▶
Mas (black gram)		150.0	0.0	7.1	7.1	▶	▶	▶
Musuro		150.0	0.0	7.1	7.1	▶	▶	▶
Potato		30.0	-25.0	-25.0	0.0	▼	▼	▶
Bajura		Coarse rice	45.0	2.3	7.1	28.6	▶	▶
	Wheat flour	45.0	2.3	0.0	7.1	▶	▶	▶
	Beans	130.0	0.0	0.0	8.3	▶	▶	▶
	Mas (black gram)	130.0	0.0	0.0	18.2	▶	▶	▲
	Musuro	130.0	0.0	0.0	8.3	▶	▶	▶
	Potato	40.0	14.3	14.3	0.0	▲	▲	▶

Mountain markets without 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
Humla	Coarse rice*	52.0	0.0	10.6	23.8	▶	▲	▲
	Wheat flour	200.0	0.0	11.1	0.0	▶	▶	▶
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	120.0	-20.0	0.0	36.4	▶	▲	▲
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	70.0	0.0	-12.5	-36.4	▶	▼	▼
	Dolpa	Coarse rice	140.0	0.0	7.7	0.0	▶	▶
Wheat flour		120.0	0.0	0.0	-7.7	▶	▶	▶
Soybean oil		220.0	-8.3	-8.3	-8.3	▼	▶	▶
Beans		150.0	7.1	0.0	0.0	▲	▶	▶
Mas (black gram)		200.0	0.0	0.0	-20.0	▶	▶	▼
Musuro		220.0	10.0	10.0	-12.0	▲	▶	▶
Potato		40.0	-20.0	0.0	33.3	▼	▶	▲

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