



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 74

February 2015[†]

HIGHLIGHTS

- **In February 2015, retail prices of most food commodities monitored in 12 markets across Nepal showed marginal fluctuations due to smooth functioning of markets and improved supplies.**
- **Overall inflation rate in February 2015 was 7.0 percent. The food and beverage group was higher at 9.1 percent, as were several sub-groups: milk products and eggs (17.6 percent), legume varieties (16.2 percent), spices (9.5 percent) and fruits (8.9 percent).**

Prices

In February 2015, 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 remained relatively stable, while that of wheat flour increased by 3.8 percent. The price of black gram declined by 0.9 percent, while that of broken lentil increased by 2.3 percent. The price of chicken meat increased by 9.0 percent; however, prices of soybean oil and red potato decreased by 1.2 and 11.7 percent respectively. Compared to three months earlier, most prices showed an upward trend with the exception of coarse rice and red potato. Compared to the same period last year, most prices showed an upward trend (with the exception of soybean oil). Overall, the price of most commodities over the past 12 months (see Figure 1) showed an upward trend with expected seasonal fluctuations, while that of red potato showed a sharp decline with improved supplies since November 2014.

Prices in regional markets (see Figure 2) mostly showed similar trends to those seen nationally, with an upward trend of the price of coarse rice, wheat flour and broken lentil in all markets, with the notable exception of the price of coarse rice in the mountain and hill markets with road access.

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, cucumber, dry onion and pumpkin increased by more than 10 percent due to a reduction in supply, while that of cauliflower, carrot, spinach, broad leaf mustard and dry onion decreased by more than 10 percent month-on-month.

In February 2015, the overall consumer price index (CPI) released by Nepal Rastra Bank was 209.8, a decrease of 0.8 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 253.4, a decrease of 1.5 percent month-on-month, but an increase of 9.1 percent year-on-year; several sub-groups showed higher year-on-year increases: milk products and eggs (17.6 percent), legume varieties (16.2 percent), spices (9.5 percent) and fruits (8.9 percent). The non-food and services group of the CPI was 177.9, an increase of 0.1 percent month-on-month and 5.2 percent year-on-year.

Supply

The food supply situation across the country is normal due to smooth functioning of markets and transportation services. NeKSAP Cluster and District Coordinators report that increased access to roads has also helped to link local farmers and producers to markets to sell their surplus products.

Outlook

Most food prices are likely to remain stable in the next month as a result of smooth functioning of markets and transportation services, even in the hills and mountains.

The outlook of winter crops, such wheat and barley, is so far good due to timely rainfall in the hills and Terai and snowfall in the mountains.

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

Commodity	Price NPR/kg or liter	% change 1 month	Observations
Bitter gourd, pointed gourd, dry onion, cucumber and pumpkin	various	> 10	Decrease in supply due to lean season
Cauliflower, tomato, potato, spinach and broad leaf mustard	various	>-17	Increase in supply due to harvest season
Diesel and petrol	1	-0.9	Adjustment with international price

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

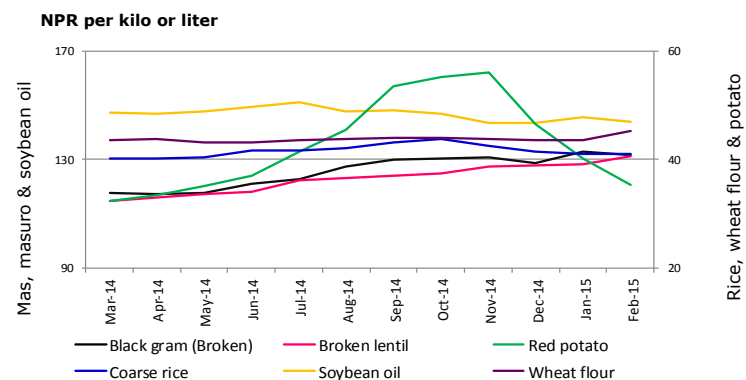
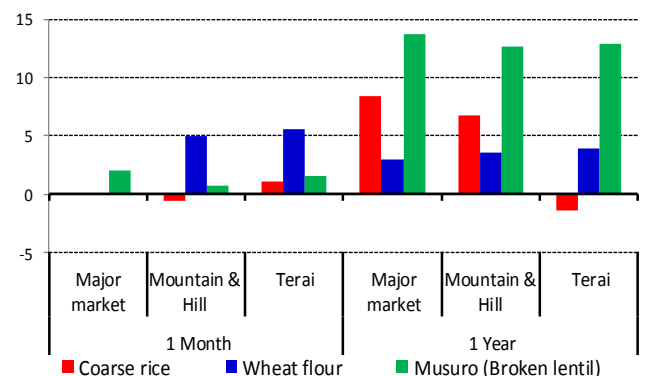


Figure 2: Percentage change in retail prices (1 month & 1 year)**



[†] Prices relate to the Nepali month of Magh 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	0.0	▶	▶	▶
	Soybean oil	135.0	0.0	0.0	-6.9	▶	▶	▶
	Chicken	340.0	21.4	36.0	17.2	▲	▲	▲
	Mustard oil	165.0	0.0	0.0	-8.3	▶	▶	▶
	Mas (black gram)	125.0	0.0	1.6	13.6	▶	▶	▶
	Musuro	130.0	4.0	8.3	18.2	▶	▶	▲
	Potato	30.0	-6.3	-53.8	0.0	▼	▼	▶

Pokhara	Coarse rice	48.0	0.0	0.0	9.7	▶	▶	▶
	Wheat flour	45.0	0.0	0.0	5.9	▶	▶	▶
	Soybean oil	120.0	-7.7	-11.1	-14.3	▼	▼	▶
	Chicken	370.0	27.6	23.3	19.4	▲	▲	▲
	Mustard oil	158.0	5.3	-1.3	-12.9	▲	▶	▶
	Mas (black gram)	150.0	11.1	7.1	20.0	▲	▶	▲
	Musuro	140.0	0.0	3.7	27.3	▶	▶	▲
	Potato	45.0	-18.2	-25.0	56.5	▼	▼	▲

Regional Terai markets

Biratnagar	Coarse rice	40.0	0.0	-11.1	5.3	▶	▼	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	125.0	0.0	-3.8	-3.8	▶	▶	▶
	Chicken	308.0	2.7	23.2	18.5	▶	▲	▲
	Mustard oil	165.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	140.0	7.7	3.7	27.3	▲	▶	▲
	Musuro	140.0	16.7	3.7	27.3	▲	▶	▲
	Potato	20.0	-20.0	-66.7	-16.7	▼	▼	▼

Birgunj	Coarse rice	36.0	0.0	-10.0	0.0	▶	▶	▶
	Wheat flour	40.0	0.0	-4.8	5.3	▶	▶	▶
	Soybean oil	150.0	-1.3	0.0	7.1	▶	▶	▶
	Chicken	320.0	33.3	6.7	14.3	▲	▶	▶
	Mustard oil	200.0	5.3	11.1	17.6	▲	▲	▲
	Mas (black gram)	90.0	-25.0	-23.1	-5.3	▼	▼	▶
	Musuro	110.0	-21.4	-6.8	5.8	▼	▶	▶
	Potato	30.0	0.0	-40.0	66.7	▶	▼	▲

Nepalgunj	Coarse rice	37.0	0.0	-2.6	2.8	▶	▶	▶
	Wheat flour	38.0	0.0	0.0	5.6	▶	▶	▶
	Soybean oil	160.0	0.0	0.0	6.7	▶	▶	▶
	Chicken	300.0	0.0	0.0	0.0	▶	▶	▶
	Mustard oil	200.0	0.0	0.0	17.6	▶	▶	▲
	Mas (black gram)	110.0	0.0	0.0	-8.3	▶	▶	▶
	Musuro	90.0	0.0	0.0	-10.0	▶	▶	▶
	Potato	30.0	-40.0	-40.0	0.0	▼	▼	▶

Dhangadhi	Coarse rice	35.0	0.0	-5.4	-5.4	▶	▶	▶
	Wheat flour	42.0	15.1	27.3	20.0	▲	▲	▲
	Soybean oil	136.0	-6.2	4.6	-2.9	▼	▶	▶
	Chicken	296.0	1.4	2.8	-1.3	▶	▶	▶
	Mustard oil	160.0	0.0	0.0	-1.2	▶	▶	▶
	Mas (black gram)	138.0	12.2	-5.5	10.4	▲	▶	▶
	Musuro	137.0	8.7	5.4	14.2	▲	▶	▶
	Potato	23.0	-28.1	-60.3	-23.3	▼	▼	▼

▲ 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	29.0	5.5	3.6	-9.4	▲	▶	▶
	Wheat flour	40.0	12.7	0.0	-11.1	▲	▶	▶
	Soybean oil	120.0	-2.0	-4.0	-14.3	▶	▶	▶
	Chicken	320.0	14.3	6.7	14.3	▲	▶	▶
	Mustard oil	150.0	1.7	-16.7	-6.3	▶	▼	▶
	Mas (black gram)	140.0	-6.7	16.7	27.3	▼	▲	▲
	Musuro	140.0	3.7	7.7	27.3	▶	▶	▲
	Potato	20.0	-11.1	-50.0	-20.0	▼	▼	▼

Hill and Mountain markets with road access

Dhankuta	Coarse rice	41.4	0.0	-1.4	3.5	▶	▶	▶
	Wheat flour	45.6	0.0	-0.9	-0.9	▶	▶	▶
	Soybean oil	166.0	0.0	0.6	-5.1	▶	▶	▶
	Chicken	300.0	0.0	25.0	0.0	▶	▲	▶
	Mas (black gram)	148.0	0.0	23.3	23.3	▶	▲	▲
	Musuro	126.0	0.0	14.5	14.5	▶	▲	▶
	Potato	40.0	0.0	-42.9	-20.0	▶	▼	▼

Rolpa	Coarse rice	37.0	-2.6	-7.5	8.8	▶	▶	▶
	Wheat flour	50.0	25.0	31.6	11.1	▲	▲	▶
	Soybean oil	140.0	0.0	0.0	-6.7	▶	▶	▶
	Chicken	330.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	120.0	-11.1	-14.3	9.1	▼	▼	▶
	Musuro	145.0	3.6	3.6	20.8	▶	▶	▲
	Potato	50.0	-23.1	-23.1	11.1	▼	▼	▶

Sanjebagar	Coarse rice	40.0	0.0	-11.1	0.0	▶	▼	▶
	Wheat flour	42.0	0.0	0.0	5.0	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	400.0	5.3	0.0	5.3	▲	▶	▶
	Mas (black gram)	140.0	0.0	0.0	16.7	▶	▶	▲
	Musuro	135.0	0.0	-3.6	12.5	▶	▶	▶
	Potato	50.0	-16.7	-28.6	25.0	▼	▼	▲

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	0.0	12.5	12.5	▶	▲	▶
	Chicken	440.0	0.0	0.0	10.0	▶	▶	▶
	Mas (black gram)	150.0	0.0	0.0	7.1	▶	▶	▶
	Musuro	150.0	0.0	0.0	7.1	▶	▶	▶
	Potato	30.0	0.0	-25.0	0.0	▶	▼	▶

Bajura	Coarse rice	45.0	0.0	12.5	21.6	▶	▲	▲
	Wheat flour	45.0	0.0	-2.2	2.3	▶	▶	▶
	Beans	130.0	0.0	0.0	8.3	▶	▶	▶
	Mas (black gram)	130.0	0.0	0.0	8.3	▶	▶	▶
	Musuro	130.0	0.0	0.0	8.3	▶	▶	▶
	Potato	40.0	0.0	0.0	0.0	▶	▶	▶

Mountain markets without road access

Humla	Coarse rice*	52.0	0.0	10.6	20.9	▶	▲	▲
	Wheat flour	200.0	0.0	0.0	-16.7	▶	▶	▼
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	120.0	0.0	-20.0	0.0	▶	▼	▶
	Mas (black gram)	0.0	-	-	-	-	▼	-
	Musuro	0.0	-	-	-	-	-	-
	Potato	70.0	0.0	0.0	-41.7	▶	▶	▼

Dolpa	Coarse rice	140.0	0.0	0.0	-	▶	▶	-
	Wheat flour	120.0	0.0	0.0	-	▶	▶	-
	Soybean oil	240.0	9.1	0.0	-	▶	▶	-
	Beans	150.0	0.0	0.0	-	▶	▶	-
	Mas (black gram)	200.0	0.0	0.0	-	▶	▶	-
	Musuro	220.0	0.0	10.0	-	▶	▶	-
	Potato	40.0	0.0	14.3	-	▶	▲	-

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>

