



Market Watch 79

December 2015[†]

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 2015, retail prices of most food commodities monitored in 12 markets across Nepal continued to rise. This is due to the disruptions to cross-border trade in the Terai, notably at the Birgunj-Raxual border point, which has limited the supply of essential goods, led to a shortage of fuel, and hindered transportation services.**
- **Overall inflation rate in December 2015 was 11.6 percent. The food and beverage group was higher at 14.8 percent, as were several sub-groups: legume varieties (48.9 percent), ghee and oil (42.3 percent), fruit (14.3 percent) and meat & fish (13.9 percent).**

Prices

In December 2015, retail prices of food commodities monitored across the country showed an upward trend. On a month-on-month basis, retail prices of coarse rice and wheat flour increased by 2.1 and 5.0 percent respectively, while that of black gram and broken lentil increased by 2.1 and 2.5 percent respectively. Prices of mustard oil and chicken meat increased by 5.5 and 1.1 percent respectively. However, prices of soybean oil and red potato went down by 5.3 and 0.6 percent respectively. Compared to three months earlier, most prices showed an upward trend with the exception of chicken meat and red potato. Compared to the same period last year, most prices showed an upward trend (with the exception of red potato). Overall, the price of most commodities over the past 12 months showed an upward trend with expected seasonal fluctuations, while that of black gram and broken lentil have remained high since May 2015 (see **Figure 1**).

Prices in regional markets (see **Figure 2**) showed somewhat different trends than the national averages, with an upward trend in nearly all commodities in the mountains and hills, and the major consumer markets of Kathmandu and Pokhara, and a downward trend of the price of coarse rice and broken lentil in the Terai markets. Prices of all commodities showed an upward trend compared to the same period last year.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed a mixed trend over the past one month. Wholesale prices monitored in the Kalimati Fruits and Vegetables Market mostly showed a high seasonal fluctuation month-on-month (see **Table 1**): prices of pointed gourd, cauliflower, brinjal, okra and cucumber increased by more than 11 percent due to a reduction in supply, while that of dry onion, tomato, carrot, spinach and christophine decreased by more than 13 percent due to the harvest season.

In December 2015, the overall consumer price index (CPI) released by Nepal Rastra Bank was 110.9 (base year 2014/15=100), an increase of 0.03 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 11.6 percent. The food and beverage group of the CPI was 113.7, an increase of 0.2 percent month-on-month and 14.8 percent year-on-year; several sub-groups showed higher year-on-year increases: legume varieties (48.9 percent), ghee and oil (42.3 percent), fruit (14.3 percent) and meat and fish (13.9 percent). The non-food and services group of the CPI was 108.7, a decrease of 0.1 percent month-on-month and 9.1 percent year-on-year.

Supply

The food supply situation across the country has been disrupted because of the shortage of fuel caused by prolonged general strikes (bandhs) and interruptions to cross-border trade in the Terai, notably at the Birgunj-Raxual border point. As a result, there is a shortage of daily consumer goods in many parts of the country, particularly in the hills and mountains. Black market activities have increased substantially.

Outlook

Most food prices, particularly edible oils and pulses, are expected to remain high due to the shortage of fuel that has severely affected transportation services and the supply of goods.

The outlook for the harvest of winter crops, such as wheat and barley, is expected to be moderate due to poor rainfall during the growing period.

Commodity	Price NPR/kg or liter	% change 1 month	Observations
Pointed gourd, cauliflower, brinjal, okra and cucumber	various	> 11	Decrease in supply due to lean season
Dry onion, tomato, carrot, spinach and christophine	various	<-13	Increase in supply due to harvest season

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

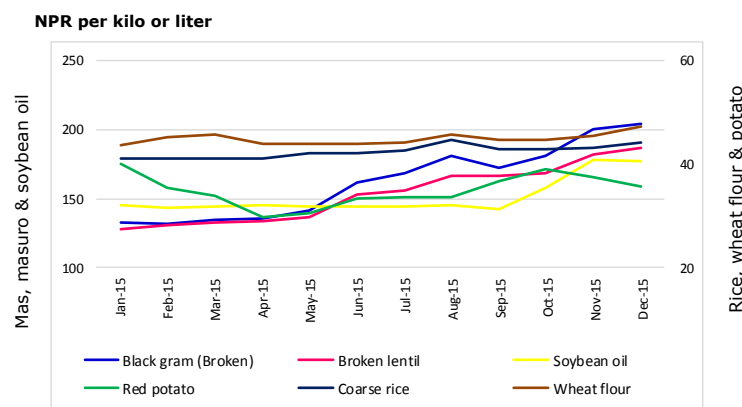
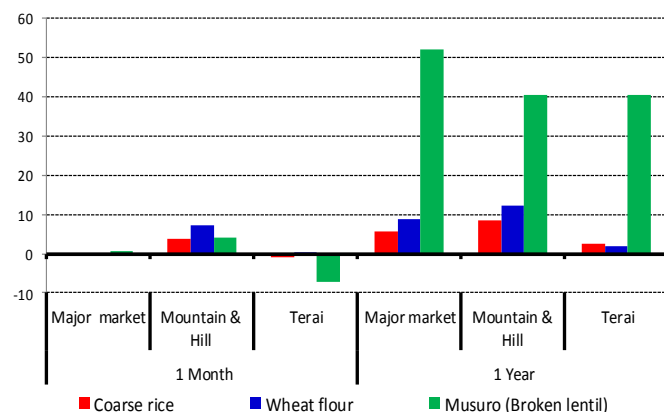


Figure 2: Percentage change in retail prices (1 month & 1 year)**



[†] Prices relate to the Nepali month of Mangsir 2072.

* 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	50.0	0.0	6.4	11.1	▶	▶	▶
	Wheat flour	53.0	0.0	6.0	17.8	▶	▶	▲
	Soybean oil	205.0	0.0	43.4	51.9	▶	▲	▲
	Chicken	320.0	6.7	-15.8	42.2	▲	▼	▲
	Mustard oil	270.0	8.0	56.1	63.6	▲	▲	▲
	Mas (black gram)	230.0	0.0	24.3	84.0	▶	▲	▲
	Musuro	215.0	0.0	24.3	72.0	▶	▲	▲
	Potato	40.0	0.0	25.0	0.0	▶	▲	▶
Pokhara	Coarse rice	48.0	0.0	-4.0	0.0	▶	▶	▶
	Wheat flour	45.0	0.0	-10.0	0.0	▶	▶	▶
	Soybean oil	170.0	13.3	41.7	30.8	▲	▶	▲
	Chicken	330.0	10.0	-8.3	27.9	▲	▶	▲
	Mustard oil	250.0	13.6	38.9	66.7	▲	▲	▲
	Mas (black gram)	200.0	2.6	-4.8	48.1	▶	▶	▲
	Musuro	185.0	1.1	-7.5	32.1	▶	▶	▲
	Potato	40.0	25.0	-11.1	-31.0	▲	▼	▼
Regional Terai markets								
Biratnagar	Coarse rice	42.0	5.0	5.0	-6.7	▶	▶	▶
	Wheat flour	47.0	4.4	17.5	17.5	▶	▲	▲
	Soybean oil	190.0	-32.1	52.0	52.0	▼	▶	▲
	Chicken	300.0	0.0	0.0	20.0	▶	▶	▲
	Mustard oil	200.0	-3.8	17.6	21.2	▶	▲	▲
	Mas (black gram)	220.0	10.0	19.6	69.2	▲	▲	▲
	Musuro	164.0	-2.4	-3.5	20.0	▶	▶	▲
	Potato	30.0	-31.8	-28.6	-40.0	▼	▼	▼
Birgunj	Coarse rice	32.0	-3.0	-11.1	-11.1	▶	▼	▶
	Wheat flour	36.0	5.9	-2.7	-14.3	▲	▶	▶
	Soybean oil	148.0	0.7	0.0	-1.3	▶	▶	▶
	Chicken	200.0	-16.7	-37.5	-20.0	▼	▼	▼
	Mustard oil	180.0	1.1	-3.2	-4.3	▶	▶	▶
	Mas (black gram)	150.0	3.4	-3.2	32.7	▶	▶	▲
	Musuro	160.0	0.0	0.0	35.6	▶	▶	▲
	Potato	22.0	-26.7	-12.0	-45.0	▼	▼	▼
Nepalgunj	Coarse rice	34.7	-19.4	-9.5	-6.3	▼	▶	▶
	Wheat flour	41.3	-2.4	14.8	8.8	▶	▲	▶
	Soybean oil	171.3	-21.5	23.9	7.1	▼	▲	▶
	Chicken	385.0	0.0	2.7	28.3	▶	▶	▲
	Mustard oil	230.0	-3.5	23.2	15.0	▶	▲	▶
	Mas (black gram)	241.7	7.4	30.6	119.7	▲	▲	▲
	Musuro	173.3	-16.8	-6.3	92.6	▼	▶	▲
	Potato	30.0	4.6	0.0	-40.0	▶	▶	▼
Dhangadhi	Coarse rice	38.4	-8.6	-8.1	13.6	▼	▶	▶
	Wheat flour	37.2	-5.1	2.8	3.3	▼	▶	▶
	Soybean oil	236.0	21.6	78.8	68.6	▲	▲	▲
	Chicken	268.0	-1.5	-14.1	-9.5	▶	▼	▶
	Mustard oil	200.0	11.1	29.9	25.0	▲	▲	▲
	Mas (black gram)	250.0	1.6	27.6	85.2	▶	▲	▲
	Musuro	178.0	4.7	1.1	39.1	▶	▶	▲
	Potato	30.0	0.0	-21.1	-25.0	▶	▼	▼

▲ 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	35.0	20.7	0.0	22.8	▲	▶	▲	
	Wheat flour	34.0	-2.9	-5.6	-5.6	▶	▶	▶	
	Soybean oil	120.0	-7.7	-3.2	-4.0	▼	▶	▶	
	Chicken	300.0	7.1	-11.8	7.1	▲	▼	▶	
	Mustard oil	150.0	-11.8	7.1	-9.1	▼	▶	▶	
	Mas (black gram)	180.0	-18.2	5.9	50.0	▼	▶	▲	
	Musuro	150.0	-21.1	-6.3	15.4	▼	▶	▲	
	Potato	30.0	15.4	20.0	44.0	▲	▲	▲	
Hill and Mountain markets with road access									
Dhankuta	Coarse rice	43.0	0.0	0.0	2.4	▶	▶	▶	
	Wheat flour	48.0	0.0	0.0	5.5	▶	▶	▶	
	Soybean oil	170.0	0.0	0.0	3.0	▶	▶	▶	
	Chicken	330.0	0.0	0.0	32.0	▶	▶	▶	
	Mas (black gram)	220.0	0.0	83.3	83.3	▶	▲	▶	
	Musuro	175.0	-7.9	59.1	59.1	▼	▲	▲	
	Potato	40.0	-20.0	-20.0	-33.3	▼	▼	▼	
	Rolpa	Coarse rice	45.0	0.0	18.4	18.4	▶	▲	▲
Wheat flour		50.0	0.0	0.0	25.0	▶	▶	▲	
Soybean oil		190.0	0.0	35.7	35.7	▶	▲	▲	
Chicken		320.0	0.0	-3.0	-3.0	▶	▶	▶	
Mas (black gram)		180.0	0.0	12.5	33.3	▶	▲	▲	
Musuro		180.0	0.0	12.5	28.6	▶	▲	▲	
Potato		50.0	11.1	0.0	-23.1	▲	▶	▼	
Sanjibpur		Coarse rice	40.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	42.0	0.0	0.0	0.0	▶	▶	▶	
	Soybean oil	170.0	0.0	13.3	13.3	▶	▲	▶	
	Chicken	400.0	0.0	0.0	0.0	▶	▶	▶	
	Mas (black gram)	200.0	0.0	11.1	42.9	▶	▲	▲	
	Musuro	200.0	11.1	11.1	48.1	▲	▲	▲	
	Potato	50.0	-16.7	0.0	-16.7	▼	▶	▼	
	Jumla	Coarse rice	70.0	16.7	16.7	16.7	▲	▲	▲
Wheat flour		90.0	38.5	38.5	28.6	▲	▲	▲	
Soybean oil		180.0	0.0	0.0	12.5	▶	▶	▶	
Chicken		440.0	10.0	10.0	0.0	▲	▶	▶	
Mas (black gram)		180.0	12.5	12.5	20.0	▲	▲	▲	
Musuro		180.0	5.9	5.9	20.0	▲	▶	▲	
Potato		30.0	20.0	20.0	-25.0	▲	▲	▼	
Bajura		Coarse rice	46.0	2.2	2.2	46.0	▶	▶	▶
	Wheat flour	45.0	-2.2	-10.0	45.0	▶	▶	▶	
	Beans	180.0	5.9	20.0	180.0	▲	▲	▲	
	Mas (black gram)	180.0	5.9	12.5	180.0	▲	▲	▲	
	Musuro	190.0	11.8	18.8	190.0	▲	▲	▲	
	Potato	40.0	0.0	33.3	40.0	▶	▲	▶	
	Mountain markets without road access								
	Humla	Coarse rice*	128.0	-1.5	2.4	146.2	▶	▶	▲
Wheat flour		150.0	7.1	-25.0	-25.0	▲	▼	▼	
Soybean oil		320.0	88.2	23.1	6.7	▲	▲	▶	
Beans		350.0	133.3	133.3	133.3	▲	▲	▲	
Mas (black gram)		350.0	0.0	0.0	75.0	▶	▶	▲	
Musuro		350.0	0.0	0.0	-	▶	▶	-	
Potato		70.0	16.7	16.7	0.0	▲	▲	▶	
Dolpa		Coarse rice	150.0	0.0	7.1	7.1	▶	▶	▶
	Wheat flour	120.0	0.0	0.0	0.0	▶	▶	▶	
	Soybean oil	300.0	0.0	25.0	25.0	▶	▲	▲	
	Beans	200.0	25.0	33.3	42.9	▲	▲	▲	
	Mas (black gram)	220.0	10.0	-4.3	10.0	▲	▶	▶	
	Musuro	200.0	-9.1	-13.0	0.0	▼	▼	▶	
	Potato	40.0	0.0	0.0	-20.0	▶	▶	▼	



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	50.0	11.1	6.4	11.1	▲	▶	▶
	Wheat flour	53.0	3.9	6.0	17.8	▶	▶	▲
	Soybean oil	300.0	94.8	109.8	122.2	▲	▲	▲
	Chicken	300.0	-6.3	-21.1	20.0	▼	▼	▲
	Mustard oil	250.0	37.7	44.5	51.5	▲	▲	▲
	Mas (black gram)	230.0	23.0	25.7	87.0	▲	▲	▲
	Musuro	230.0	31.4	32.9	91.7	▲	▲	▲
	Potato	40.0	-4.8	17.6	-38.5	▶	▲	▼

Pokhara	Coarse rice	48.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	45.0	0.0	-10.0	0.0	▶	▶	▶
	Soybean oil	150.0	0.0	15.4	11.1	▶	▲	▶
	Chicken	300.0	-3.2	-9.1	0.0	▶	▶	▶
	Mustard oil	220.0	15.8	22.2	37.5	▲	▲	▲
	Mas (black gram)	195.0	0.0	-7.1	39.3	▶	▶	▲
	Musuro	183.0	1.7	-8.5	35.6	▶	▶	▲
	Potato	32.0	6.7	-28.9	-46.7	▲	▼	▼

Regional Terai markets

Biratnagar	Coarse rice	40.0	9.6	0.0	-11.1	▲	▶	▶
	Wheat flour	45.0	12.5	12.5	12.5	▲	▲	▶
	Soybean oil	280.0	103.6	124.0	115.4	▲	▲	▲
	Chicken	300.0	3.4	-6.3	20.0	▶	▶	▲
	Mustard oil	208.0	15.6	28.4	26.1	▲	▲	▲
	Mas (black gram)	200.0	4.2	8.7	48.1	▶	▶	▲
	Musuro	168.0	3.4	-1.2	24.4	▶	▶	▲
	Potato	44.0	4.8	25.7	-26.7	▶	▲	▼

Birgunj	Coarse rice	33.0	-8.3	-5.7	-17.5	▼	▶	▼
	Wheat flour	34.0	-9.3	-8.1	-19.0	▼	▶	▼
	Soybean oil	147.0	-4.2	-2.0	-2.0	▶	▶	▶
	Chicken	240.0	0.0	-25.0	-20.0	▶	▼	▼
	Mustard oil	178.0	-11.0	-6.3	-1.1	▼	▶	▶
	Mas (black gram)	145.0	-12.1	3.6	23.9	▼	▶	▲
	Musuro	160.0	-8.6	6.7	35.6	▼	▶	▲
	Potato	30.0	-25.0	20.0	-40.0	▼	▲	▼

Nepalgunj	Coarse rice	43.0	5.7	16.2	13.2	▲	▲	▶
	Wheat flour	42.3	11.4	14.4	11.4	▲	▲	▶
	Soybean oil	218.3	23.6	36.5	36.5	▲	▲	▲
	Chicken	385.0	1.8	28.3	28.3	▶	▲	▲
	Mustard oil	238.3	7.5	19.2	19.2	▲	▲	▲
	Mas (black gram)	225.0	8.9	50.0	104.5	▲	▲	▲
	Musuro	208.3	5.0	38.9	131.5	▲	▲	▲
	Potato	28.7	-4.4	14.7	-42.7	▶	▲	▼

Dhangadhi	Coarse rice	42.0	0.7	0.5	13.5	▶	▶	▶
	Wheat flour	39.2	7.7	8.3	18.8	▲	▶	▲
	Soybean oil	194.0	54.0	38.6	49.2	▲	▲	▲
	Chicken	272.0	-12.8	-12.8	-5.6	▼	▼	▶
	Mustard oil	180.0	16.9	16.9	12.5	▲	▲	▶
	Mas (black gram)	246.0	11.3	29.5	68.5	▲	▲	▲
	Musuro	170.0	-5.0	-1.2	30.8	▼	▶	▲
	Potato	30.0	-3.2	50.0	-48.3	▶	▲	▼

▲ Price increase above normal price fluctuation

▶ Normal price fluctuation

▼ Price decrease below normal price fluctuation

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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	-10.8	-35.6	3.6	▼	▼	▶
	Wheat flour	35.0	9.4	-5.4	-12.5	▲	▶	▶
	Soybean oil	130.0	0.0	0.0	4.0	▶	▶	▶
	Chicken	280.0	-12.5	-17.6	-6.7	▼	▼	▶
	Mustard oil	170.0	0.0	13.3	-5.6	▶	▲	▶
	Mas (black gram)	220.0	27.5	22.2	83.3	▲	▲	▲
	Musuro	190.0	18.8	11.8	46.2	▲	▲	▲
	Potato	26.0	-21.2	4.0	-35.0	▼	▶	▼

Hill and Mountain markets with road access

Dhankuta	Coarse rice	43.0	0.0	2.4	2.4	▶	▶	▶
	Wheat flour	48.0	0.0	6.7	4.3	▶	▶	▶
	Soybean oil	170.0	0.0	2.4	3.0	▶	▶	▶
	Chicken	330.0	0.0	3.1	37.5	▶	▶	▶
	Mas (black gram)	220.0	41.9	22.2	83.3	▲	▲	▲
	Musuro	175.0	29.6	9.4	59.1	▲	▶	▲
	Potato	50.0	0.0	66.7	-28.6	▶	▲	▼

Rolpa	Coarse rice	45.0	11.1	-6.3	12.5	▲	▶	▶
	Wheat flour	50.0	0.0	0.0	31.6	▶	▶	▲
	Soybean oil	190.0	15.2	46.2	35.7	▲	▲	▲
	Chicken	320.0	-3.0	-20.0	-3.0	▶	▼	▶
	Mas (black gram)	180.0	5.9	-21.7	28.6	▲	▼	▲
	Musuro	180.0	9.1	12.5	28.6	▲	▲	▲
	Potato	45.0	-10.0	-10.0	-30.8	▼	▶	▼

Sanjebagar	Coarse rice	40.0	0.0	0.0	-11.1	▶	▶	▶
	Wheat flour	42.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	170.0	13.3	13.3	13.3	▲	▲	▶
	Chicken	400.0	0.0	2.6	0.0	▶	▶	▶
	Mas (black gram)	200.0	11.1	11.1	42.9	▲	▲	▲
	Musuro	180.0	5.9	5.9	28.6	▲	▶	▲
	Potato	60.0	20.0	20.0	-14.3	▲	▲	▶

Jumla	Coarse rice	60.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	65.0	0.0	-7.1	-7.1	▶	▶	▶
	Soybean oil	180.0	0.0	12.5	12.5	▶	▲	▶
	Chicken	400.0	0.0	-9.1	-9.1	▶	▶	▶
	Mas (black gram)	160.0	0.0	6.7	6.7	▶	▶	▶
	Musuro	170.0	0.0	13.3	13.3	▶	▲	▶
	Potato	25.0	0.0	0.0	-37.5	▶	▶	▼

Bajura	Coarse rice	45.0	2.3	7.1	12.5	▶	▶	▶
	Wheat flour	46.0	-8.0	2.2	0.0	▼	▶	▶
	Beans	170.0	6.3	6.3	30.8	▲	▶	▲
	Mas (black gram)	170.0	6.3	6.3	30.8	▲	▶	▲
	Musuro	170.0	6.3	6.3	30.8	▲	▶	▲
	Potato	40.0	33.3	33.3	0.0	▲	▲	▶

Mountain markets without road access

Humla	Coarse rice*	130.0	4.0	4.0	176.6	▶	▶	▲
	Wheat flour	140.0	-30.0	-30.0	-30.0	▼	▼	▼
	Soybean oil	170.0	-34.6	-39.3	-43.3	▼	▼	▼
	Beans	150.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	350.0	0.0	0.0	75.0	▶	▶	▲
	Musuro	350.0	0.0	0.0	-	▶	▶	-
	Potato	60.0	0.0	0.0	-14.3	▶	▶	▶

Dolpa	Coarse rice	150.0	7.1	7.1	7.1	▲	▶	▶
	Wheat flour	120.0	0.0	-7.7	0.0	▶	▶	▶
	Soybean oil	300.0	25.0	25.0	25.0	▲	▲	▲
	Beans	160.0	6.7	6.7	6.7	▲	▶	▶
	Mas (black gram)	200.0	-13.0	0.0	0.0	▼	▶	▶
	Musuro	220.0	0.0	10.0	10.0	▶	▶	▶
	Potato	40.0	0.0	0.0	14.3	▶	▶	▶