



Market Watch 78

October 2015†

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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 October 2015, retail prices of most food commodities monitored in 12 markets across Nepal showed an upward trend due to the interruption of food supplies because of prolonged general strikes (bandhs) and disruption of cross-border trade in the Terai, most notably at the Birgunj-Raxual border point.**
- **Overall inflation rate in October 2015 was 8.3 percent. The food and beverage group was higher at 9.4 percent, as were several sub-groups: legume varieties (34.6 percent), ghee and oil (17.3 percent), milk products and eggs (10.7 percent) and meat and fish (10.0 percent).**

Prices

In October 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 remained relatively stable, while that of black gram and broken lentil increased by 5.4 and 5.9 percent respectively. Prices of soybean oil and red potato increased by 10.3 and 5.9 percent respectively. However, the price of chicken meat went down by 6.4 percent. Compared to three months earlier, most prices showed an upward trend with the exception of chicken meat. Compared to the same period last year, most prices showed an upward trend (with the exception of red potato and coarse rice). 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 different trends than the national averages, with an upward trend in nearly all commodities in markets in the mountains and hills and the Terai and a downward trend in the major consumer markets of Kathmandu and Pokhara. However, prices of coarse rice and wheat flour showed a marginal decline in the Terai markets 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 marginal increase 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 French bean, bitter gourd, cow pea and cucumber increased by more than 12 percent due to a reduction in supply, while that of dry onion, pointed gourd, cauliflower, cabbage and christophine decreased by more than 14 percent due to the harvest season.

In October 2015, the overall consumer price index (CPI) released by Nepal Rastra Bank was 108.5 (base year 2014/15=100), an increase of 1.4 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 8.3 percent. The food and beverage group of the CPI was 110.6, an increase of 2.1 percent month-on-month and 9.4 percent year-on-year; several sub-groups showed higher year-on-year increases: legume varieties (34.6 percent), ghee and oil (17.3 percent), milk products and eggs (10.7 percent) and meat and fish (10.0 percent). The non-food and services group of the CPI was 106.9, an increase of 0.8 percent month-on-month and 7.5 percent year-on-year.

Supply

The food supply situation across the country has been disrupted because of prolonged general strikes (bandhs) and interruptions to cross-border trade in the Terai, most notably at the Birgunj-Raxual border point. As a result, there is a shortage of fuel and daily consumer goods in many parts of the country.

Outlook

Most food prices such as edible oils and pulses are expected to increase next month due to a decline in supply caused by the prolonged general strikes (bandhs) in the Terai and disruption of cross-border trade.

According to MoAD's preliminary estimates, the production of 2015/16 summer crops is expected to be lower than last year. Despite an increase in the food supply in the short term, the total availability of edible cereals from 2015/16 summer crops will decline.

Commodity	Price NPR/kg or liter	% change 1 month	Observations
French bean, bitter gourd, cow pea and cucumber	various	> 12	Decrease in supply due to lean season
Dry onion, pointed gourd, cauliflower, cabbage and christophine	various	< -14	Increase in supply due to harvest season

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

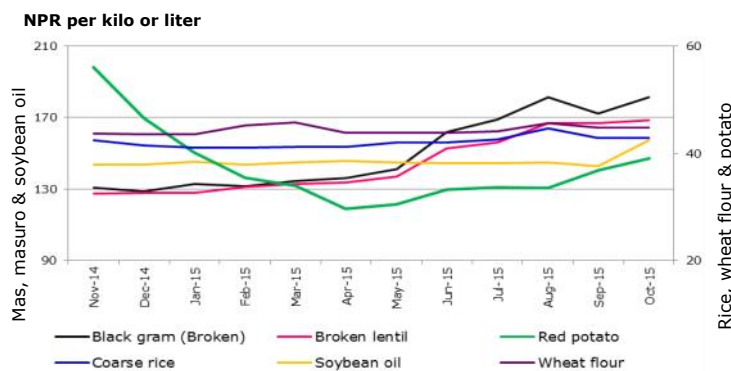
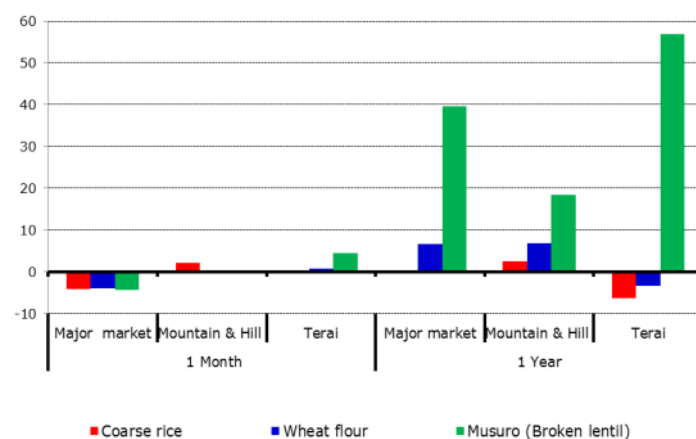


Figure 2: Percentage change in retail prices** (1 month & 1 year)



† Prices relate to the Nepali month of Ashwin 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	45.0	-4.3	0.0	0.0	▶	▶	▶
	Wheat flour	51.0	2.0	2.0	13.3	▶	▶	▶
	Soybean oil	165.0	15.4	15.4	22.2	▲	▲	▲
	Chicken	320.0	-15.8	-15.8	14.3	▼	▼	▶
	Mustard oil	190.0	9.8	9.8	15.2	▲	▶	▲
	Mas (black gram)	187.0	1.1	2.2	52.0	▶	▶	▲
	Musuro	175.0	1.2	2.9	45.8	▶	▶	▲
	Potato	42.0	31.3	40.0	-41.7	▲	▲	▼
Pokhara	Coarse rice	48.0	-4.0	-2.0	0.0	▶	▶	▶
	Wheat flour	45.0	-10.0	-8.2	0.0	▼	▶	▶
	Soybean oil	150.0	25.0	14.3	11.1	▲	▲	▶
	Chicken	310.0	-13.9	-3.1	-3.1	▼	▶	▶
	Mustard oil	190.0	5.6	5.6	5.6	▲	▶	▶
	Mas (black gram)	195.0	-7.1	8.3	39.3	▼	▶	▲
	Musuro	180.0	-10.0	0.0	33.3	▼	▶	▲
	Potato	30.0	-33.3	-14.3	-45.5	▼	▼	▼
Regional Terai markets								
Biratnagar	Coarse rice	38.0	-5.0	-5.0	-15.6	▶	▶	▼
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	150.0	20.0	14.5	15.4	▲	▲	▲
	Chicken	300.0	0.0	-6.3	7.1	▶	▶	▶
	Mustard oil	190.0	11.8	13.8	15.2	▲	▲	▲
	Mas (black gram)	200.0	8.7	14.3	48.1	▲	▲	▲
	Musuro	165.0	-2.9	14.6	26.9	▶	▶	▲
	Potato	42.0	0.0	44.8	-30.0	▶	▲	▼
Birgunj	Coarse rice	36.0	0.0	9.1	-18.2	▶	▶	▼
	Wheat flour	38.0	2.7	8.6	8.6	▶	▶	▶
	Soybean oil	155.0	4.7	3.3	3.3	▶	▶	▶
	Chicken	240.0	-25.0	-20.0	9.1	▼	▼	▶
	Mustard oil	200.0	7.5	5.3	5.3	▲	▶	▶
	Mas (black gram)	165.0	6.5	26.9	39.8	▲	▲	▲
	Musuro	180.0	12.5	20.0	52.5	▲	▲	▲
	Potato	40.0	60.0	100.0	-20.0	▲	▲	▼
Nepalgunj	Coarse rice	40.7	6.1	9.9	9.9	▲	▶	▶
	Wheat flour	38.0	5.6	0.0	0.0	▲	▶	▶
	Soybean oil	176.7	27.7	10.4	10.4	▲	▲	▶
	Chicken	378.3	0.9	26.1	22.0	▶	▲	▲
	Mustard oil	221.7	18.7	10.8	10.8	▲	▲	▶
	Mas (black gram)	206.7	11.7	37.8	93.1	▲	▲	▲
	Musuro	198.3	7.2	32.2	128.0	▲	▲	▲
	Potato	30.0	0.0	0.0	-42.3	▶	▶	▼
Dhangadhi	Coarse rice	42.0	0.5	0.0	-10.6	▶	▶	▶
	Wheat flour	36.6	1.1	1.7	-1.1	▶	▶	▶
	Soybean oil	126.0	-4.5	-4.5	-10.0	▶	▶	▶
	Chicken	312.0	0.0	0.0	8.3	▶	▶	▶
	Mustard oil	154.0	0.0	0.0	-3.8	▶	▶	▶
	Mas (black gram)	242.0	23.5	27.4	63.5	▲	▲	▲
	Musuro	186.0	5.7	8.1	53.7	▲	▶	▲
	Potato	34.0	-10.5	36.0	-40.4	▼	▲	▼

▲ 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	0.0	9.4	2.9	▶	▶	▶	
	Wheat flour	34.0	-5.6	-2.9	-24.4	▼	▶	▼	
	Soybean oil	130.0	4.8	8.3	4.0	▶	▶	▶	
	Chicken	320.0	-5.9	-5.9	6.7	▼	▶	▶	
	Mustard oil	160.0	14.3	23.1	-11.1	▲	▲	▶	
	Mas (black gram)	180.0	5.9	0.0	50.0	▲	▶	▲	
	Musuro	160.0	0.0	0.0	23.1	▶	▶	▲	
	Potato	45.0	80.0	80.0	-18.2	▲	▲	▼	
Hill and Mountain markets with road access									
Dhankuta	Coarse rice	43.0	0.0	0.5	0.0	▶	▶	▶	
	Wheat flour	48.0	0.0	5.0	0.0	▶	▶	▶	
	Soybean oil	170.0	0.0	2.4	0.0	▶	▶	▶	
	Chicken	330.0	0.0	3.1	37.5	▶	▶	▶	
	Mas (black gram)	120.0	0.0	-19.4	-4.0	▶	▼	▶	
	Musuro	110.0	0.0	-12.7	-4.3	▶	▼	▶	
	Potato	50.0	0.0	25.0	-28.6	▶	▲	▼	
	Rolpa	Coarse rice	43.0	13.2	-10.4	7.5	▲	▼	▶
Wheat flour		50.0	0.0	11.1	25.0	▶	▲	▲	
Soybean oil		180.0	28.6	38.5	20.0	▲	▲	▲	
Chicken		330.0	0.0	-17.5	0.0	▶	▼	▶	
Mas (black gram)		180.0	12.5	-21.7	28.6	▲	▼	▲	
Musuro		170.0	6.3	13.3	30.8	▲	▲	▲	
Potato		50.0	0.0	0.0	-23.1	▶	▶	▼	
Sanjebagar		Coarse rice	40.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	42.0	0.0	0.0	5.0	▶	▶	▶	
	Soybean oil	150.0	0.0	0.0	-6.3	▶	▶	▶	
	Chicken	400.0	0.0	2.6	5.3	▶	▶	▶	
	Mas (black gram)	180.0	0.0	20.0	28.6	▶	▲	▲	
	Musuro	170.0	-5.6	0.0	21.4	▼	▶	▲	
	Potato	50.0	0.0	0.0	-16.7	▶	▶	▼	
	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	-27.3	▶	▶	▼	
Mas (black gram)		160.0	0.0	6.7	14.3	▶	▶	▶	
Musuro		170.0	0.0	13.3	21.4	▶	▲	▲	
Potato		25.0	0.0	-16.7	-37.5	▶	▼	▼	
Bajura		Coarse rice	44.0	-2.2	10.0	4.8	▶	▶	▶
	Wheat flour	50.0	0.0	13.6	11.1	▶	▲	▶	
	Beans	160.0	6.7	-	23.1	▲	-	▲	
	Mas (black gram)	160.0	0.0	6.7	23.1	▶	▶	▲	
	Musuro	160.0	0.0	6.7	23.1	▶	▶	▲	
	Potato	30.0	0.0	-25.0	-14.3	▶	▼	▶	
	Mountain markets without road access								
	Humla	Coarse rice*	125.0	0.0	140.4	166.0	▶	▲	▲
Wheat flour		200.0	0.0	0.0	11.1	▶	▶	▶	
Soybean oil		260.0	0.0	-7.1	-13.3	▶	▶	▶	
Beans		150.0	0.0	0.0	25.0	▶	▶	▶	
Mas (black gram)		350.0	0.0	0.0	75.0	▶	▶	▲	
Musuro		350.0	0.0	0.0	-	▶	▶	-	
Potato		60.0	0.0	-14.3	-25.0	▶	▼	▼	
Dolpa		Coarse rice	140.0	0.0	-3.4	7.7	▶	▶	▶
	Wheat flour	120.0	0.0	-7.7	0.0	▶	▶	▶	
	Soybean oil	240.0	0.0	0.0	0.0	▶	▶	▶	
	Beans	150.0	0.0	-6.3	0.0	▶	▶	▶	
	Mas (black gram)	230.0	0.0	15.0	15.0	▶	▲	▶	
	Musuro	220.0	-4.3	10.0	10.0	▶	▶	▶	
	Potato	40.0	0.0	-33.3	0.0	▶	▼	▶	

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	47.0	0.0	4.4	4.4	▶	▶	▶
	Wheat flour	50.0	0.0	6.4	11.1	▶	▶	▶
	Soybean oil	143.0	0.0	2.1	-1.4	▶	▶	▶
	Chicken	380.0	0.0	58.3	28.8	▶	▲	▲
	Mustard oil	173.0	0.0	3.6	3.6	▶	▶	▶
	Mas (black gram)	185.0	1.1	20.9	48.0	▶	▲	▲
	Musuro	173.0	0.0	15.3	38.4	▶	▲	▲
	Potato	32.0	-5.9	6.7	-54.3	▼	▶	▼

Pokhara	Coarse rice	50.0	4.2	2.0	6.4	▶	▶	▶
	Wheat flour	50.0	0.0	2.0	11.1	▶	▶	▶
	Soybean oil	120.0	-7.7	-8.4	-14.3	▼	▶	▶
	Chicken	360.0	9.1	12.5	16.1	▶	▲	▲
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	210.0	0.0	16.7	40.0	▶	▲	▲
	Musuro	200.0	0.0	11.1	66.7	▶	▲	▲
	Potato	45.0	0.0	28.6	-25.0	▶	▲	▼

Regional Terai markets

Biratnagar	Coarse rice	40.0	0.0	0.0	-11.1	▶	▶	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	125.0	0.0	-4.6	-3.8	▶	▶	▶
	Chicken	300.0	-6.3	-6.3	-6.3	▼	▶	▶
	Mustard oil	170.0	4.9	1.8	3.0	▶	▶	▶
	Mas (black gram)	184.0	0.0	5.1	36.3	▶	▶	▲
	Musuro	170.0	0.0	18.1	36.0	▶	▲	▲
	Potato	42.0	20.0	44.8	-20.8	▶	▲	▼

Birgunj	Coarse rice	36.0	2.9	9.1	-18.2	▶	▶	▼
	Wheat flour	37.0	0.0	5.7	-7.5	▶	▶	▶
	Soybean oil	148.0	-1.3	-1.3	-1.3	▶	▶	▶
	Chicken	320.0	0.0	6.7	45.5	▶	▶	▲
	Mustard oil	186.0	-2.1	-2.1	-2.1	▶	▶	▶
	Mas (black gram)	155.0	10.7	19.2	31.4	▶	▲	▲
	Musuro	160.0	6.7	6.7	33.3	▶	▶	▲
	Potato	25.0	0.0	25.0	-50.0	▶	▲	▼

Nepalgunj	Coarse rice	38.3	3.6	3.6	3.6	▶	▶	▶
	Wheat flour	36.0	-2.7	-5.3	-5.3	▶	▶	▶
	Soybean oil	138.3	-13.5	-13.5	-13.5	▼	▼	▶
	Chicken	375.0	25.0	25.0	17.2	▶	▲	▲
	Mustard oil	186.7	-6.7	-6.7	-6.7	▼	▶	▶
	Mas (black gram)	185.0	23.3	23.3	68.2	▶	▲	▲
	Musuro	185.0	23.3	23.3	105.6	▶	▲	▲
	Potato	30.0	20.0	0.0	-40.0	▶	▶	▼

Dhangadhi	Coarse rice	41.8	0.0	10.0	-0.5	▶	▶	▶
	Wheat flour	36.2	0.0	-4.7	-4.7	▶	▶	▶
	Soybean oil	132.0	-5.7	-2.9	-5.7	▼	▶	▶
	Chicken	312.0	0.0	9.1	-5.5	▶	▶	▶
	Mustard oil	154.0	0.0	4.1	-3.8	▶	▶	▶
	Mas (black gram)	196.0	3.2	10.1	37.1	▶	▲	▲
	Musuro	176.0	2.3	0.0	40.8	▶	▶	▲
	Potato	38.0	90.0	52.0	-24.0	▶	▲	▼

▲ 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	35.0	-22.2	16.7	0.0	▼	▲	▶
	Wheat flour	36.0	-2.7	2.9	-10.0	▶	▶	▶
	Soybean oil	124.0	-4.6	3.3	-11.4	▶	▶	▶
	Chicken	340.0	0.0	13.3	13.3	▶	▲	▶
	Mustard oil	140.0	-6.7	7.7	-22.2	▼	▶	▼
	Mas (black gram)	170.0	-5.6	0.0	30.8	▼	▶	▲
	Musuro	160.0	-5.9	6.7	28.0	▼	▶	▲
	Potato	25.0	0.0	0.0	-44.4	▶	▶	▼

Hill and Mountain markets with road access

Dhankuta	Coarse rice	43.0	2.4	0.5	2.4	▶	▶	▶
	Wheat flour	48.0	6.7	5.0	2.1	▶	▶	▶
	Soybean oil	170.0	2.4	2.4	3.0	▶	▶	▶
	Chicken	330.0	3.1	3.1	0.0	▶	▶	▶
	Mas (black gram)	120.0	-33.3	-19.4	0.0	▼	▼	▶
	Musuro	110.0	-31.3	-12.7	0.0	▼	▼	▶
	Potato	50.0	66.7	42.9	-28.6	▶	▶	▼

Rolpa	Coarse rice	38.0	-20.8	-20.8	0.0	▼	▼	▶
	Wheat flour	50.0	0.0	11.1	25.0	▶	▶	▲
	Soybean oil	140.0	7.7	7.7	-6.7	▶	▶	▶
	Chicken	330.0	-17.5	-17.5	0.0	▼	▼	▶
	Mas (black gram)	160.0	-30.4	-30.4	23.1	▼	▼	▶
	Musuro	160.0	0.0	6.7	23.1	▶	▶	▶
	Potato	50.0	0.0	0.0	-16.7	▶	▶	▼

Sanjebagar	Coarse rice	40.0	0.0	0.0	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	2.6	2.6	0.0	▶	▶	▶
	Mas (black gram)	180.0	0.0	20.0	44.0	▶	▶	▶
	Musuro	180.0	5.9	5.9	38.5	▶	▶	▶
	Potato	50.0	0.0	0.0	-16.7	▶	▶	▼

Jumla	Coarse rice	60.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	65.0	-7.1	-7.1	-7.1	▼	▶	▶
	Soybean oil	180.0	12.5	12.5	12.5	▶	▶	▶
	Chicken	400.0	-9.1	-9.1	-9.1	▼	▶	▶
	Mas (black gram)	160.0	6.7	6.7	14.3	▶	▶	▶
	Musuro	170.0	13.3	13.3	6.3	▶	▶	▶
	Potato	25.0	0.0	-16.7	-37.5	▶	▼	▼

Bajura	Coarse rice	45.0	7.1	12.5	7.1	▶	▶	▶
	Wheat flour	50.0	11.1	19.0	8.7	▶	▶	▶
	Beans	150.0	-6.3	-	15.4	▼	-	▶
	Mas (black gram)	160.0	0.0	28.0	23.1	▶	▶	▶
	Musuro	160.0	0.0	28.0	23.1	▶	▶	▶
	Potato	30.0	0.0	-25.0	-14.3	▶	▼	▶

Mountain markets without road access

Humla	Coarse rice*	125.0	0.0	140.4	166.0	▶	▶	▶
	Wheat flour	200.0	0.0	0.0	66.7	▶	▶	▶
	Soybean oil	260.0	-7.1	-7.1	-13.3	▼	▶	▶
	Beans	150.0	0.0	0.0	15.4	▶	▶	▶
	Mas (black gram)	350.0	0.0	0.0	75.0	▶	▶	▶
	Musuro	350.0	0.0	0.0	-	▶	▶	-
	Potato	60.0	0.0	-14.3	0.0	▶	▼	▶

Dolpa	Coarse rice	140.0	0.0	0.0	-3.4	▶	▶	▶
	Wheat flour	120.0	-7.7	0.0	-33.3	▼	▶	▼
	Soybean oil	240.0	0.0	0.0	0.0	▶	▶	▶
	Beans	150.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	230.0	15.0	15.0	15.0	▶	▶	▶
	Musuro	230.0	15.0	15.0	15.0	▶	▶	▶
	Potato	40.0	0.0	0.0	14.3	▶	▶	▶