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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



# Market Watch 83

August 2016<sup>†</sup>

## HIGHLIGHTS

- **In August 2016, retail prices of most food commodities monitored in 12 markets across Nepal showed an upward trend due to the lean season of most cereal crops and limited access to roads, mainly in the hill and mountain districts.**
- **Overall inflation rate in August 2016 was 8.6 percent. The food and beverage group was 9.3 percent. Several food sub-groups were higher: sugar and sugar products (19.5 percent), pulses and legumes (18.7 percent), vegetables (17.9 percent) and fruit (12.6 percent).**

## Prices

Retail prices of most food commodities monitored across the country showed an upward trend in August 2016. On a month-on-month basis, retail prices of coarse rice and wheat flour increased by 2.6 and 2.1 percent respectively, while that of black gram and broken lentil remained relatively stable. Prices of red potato and mustard oil increased by 3.0 and 0.3 percent respectively, while that of soybean oil and chicken meat declined by 2.5 and 2.0 percent respectively. Compared to three months earlier, most prices showed an increasing trend with the exception of soybean oil. Compared to the same period last year, most prices showed an upward trend. Overall, the price of most food commodities over the past 12 months showed an upward trend with expected seasonal fluctuations (see **Figure 1**).

Prices in regional markets (see **Figure 2**) showed somewhat similar trends to the national averages, with an upward trend of prices of coarse rice, wheat flour and broken lentil in most markets with the exception of broken lentil in the Terai markets. Compared to the same period last year, prices of most food commodities showed an upward trend (with the exception of the price of broken lentil in the Terai and the major consumer markets of Kathmandu and Pokhara, and the price of coarse rice in the Terai 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 black gram) over the past one month. Wholesale prices monitored in the Kalimati Fruits and Vegetables Market mostly showed high seasonal fluctuations month-on-month (see **Table 1**): prices of radish, pointed gourd, pumpkin, spinach and broad leaf mustard increased by more than 20 percent due to a reduction in supply, while that of tomato, cabbage, christophine and okra decreased by more than 13 percent due to the harvest season.

In August 2016, the overall consumer price index (CPI) released by Nepal Rastra Bank was 115.7, an increase of 2.5 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 8.6 percent. The food and beverage group of the CPI was 116.9, an increase of 2.6 percent month-on-month and 9.3 percent year-on-year; several sub-groups showed higher year-on-year increases: sugar and sugar products (19.5 percent), pulses and legumes (18.7 percent), vegetables (17.9 percent) and fruits (12.6 percent). The non-food and services group of the CPI was 114.8, an increase of 2.5 percent month-on-month and 8.1 percent year-on-year.

## Supply

With the gradual decrease in monsoon rains, road access and the supply of food to markets has started to improve in many hill and mountain districts, although the threat of small-scale floods and landslides remain in some areas.

## Outlook

Most food prices are expected to increase next month due to the rise in demand for commodities for the upcoming festivals.

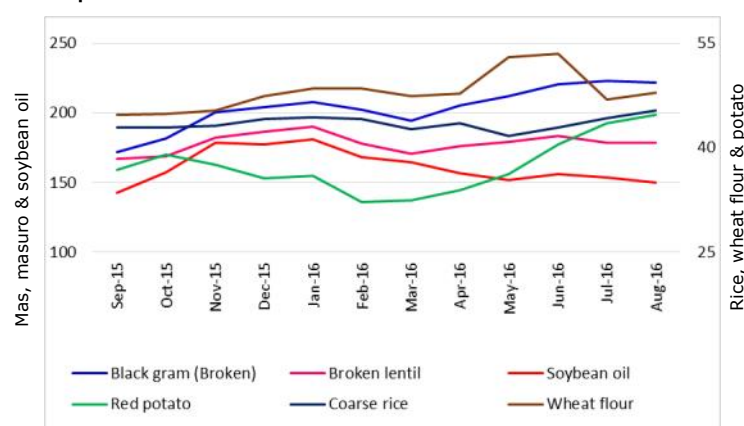
The outlook of summer crops (paddy and maize) is favorable and is expected to improve compared to last year due to timely rainfall during the plantation and maturity periods.

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

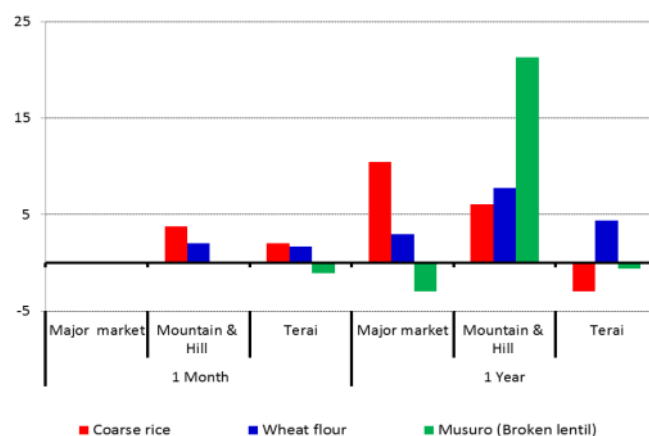
Commodity	Price NPR/kg or liter	% change 1 month	Observations
Radish, pointed gourd, pumpkin, spinach and broad leaf mustard	various	> 20	Decrease in supply due to lean season
Tomato, cabbage, christophine and okra	various	<-13	Increase in supply due to harvest season

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

NPR per kilo or liter



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



<sup>†</sup> Prices relate to the Nepali month of Shrawan 2073.

\* 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
<b>Major consumer markets</b>								
Kathmandu	Coarse rice	50.0	0.0	0.0	6.4	▶	▶	▶
	Wheat flour	53.0	0.0	0.0	6.0	▶	▶	▶
	Soybean oil	136.0	-8.1	-15.0	-4.9	▼	▼	▶
	Chicken	340.0	-0.6	0.0	-10.5	▶	▶	▶
	Mustard oil	229.0	0.9	4.1	32.4	▶	▶	▲
	Mas (black gram)	220.0	0.0	15.8	20.2	▶	▲	▲
	Musuro	180.0	0.0	2.9	4.0	▶	▶	▶
	Potato	41.0	-12.8	36.7	20.6	▼	▲	▲
Pokhara	Coarse rice	55.0	0.0	3.8	14.6	▶	▶	▶
	Wheat flour	50.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	7.7	▶	▶	▶
	Chicken	390.0	0.0	0.0	18.2	▶	▶	▲
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	240.0	0.0	4.3	14.3	▶	▶	▶
	Musuro	180.0	0.0	-10.0	-10.0	▶	▶	▶
	Potato	50.0	0.0	11.1	11.1	▶	▲	▶
<b>Regional Terai markets</b>								
Biratnagar	Coarse rice	40.0	0.0	14.3	0.0	▶	▲	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	120.0	-7.7	-14.3	-4.0	▼	▼	▶
	Chicken	280.0	-12.5	-12.5	-12.5	▼	▼	▶
	Mustard oil	170.0	0.0	0.0	4.9	▶	▶	▶
	Mas (black gram)	220.0	0.0	0.0	19.6	▶	▶	▲
	Musuro	130.0	-12.2	0.0	-23.5	▼	▶	▼
	Potato	48.0	4.3	37.1	37.1	▶	▲	▲
Birgunj	Coarse rice	37.0	2.8	5.7	5.7	▶	▶	▶
	Wheat flour	39.0	8.3	-2.5	5.4	▲	▶	▶
	Soybean oil	154.0	-0.6	-0.6	2.7	▶	▶	▶
	Chicken	320.0	-5.9	0.0	0.0	▼	▶	▶
	Mustard oil	200.0	0.0	-4.8	5.3	▶	▶	▶
	Mas (black gram)	160.0	0.0	3.2	14.3	▶	▶	▶
	Musuro	164.0	-0.6	-2.4	9.3	▶	▶	▶
	Potato	40.0	14.3	33.3	60.0	▲	▲	▲
Nepalgunj	Coarse rice	38.0	4.6	8.6	2.7	▶	▶	▶
	Wheat flour	41.7	-3.8	1.6	12.6	▶	▶	▶
	Soybean oil	142.7	-2.1	-1.6	-10.8	▶	▶	▶
	Chicken	325.0	-11.0	15.2	8.3	▼	▲	▶
	Mustard oil	205.0	-12.1	-17.3	2.5	▼	▼	▶
	Mas (black gram)	237.7	-14.4	-12.9	58.4	▼	▼	▲
	Musuro	180.0	-1.3	2.9	20.0	▶	▶	▲
	Potato	39.3	4.4	35.6	57.3	▶	▲	▲
Dhangadhi	Coarse rice	41.4	0.0	-3.7	-1.0	▶	▶	▶
	Wheat flour	39.6	1.0	1.0	9.4	▶	▶	▶
	Soybean oil	142.0	0.0	-1.4	1.4	▶	▶	▶
	Chicken	320.0	0.0	11.1	2.6	▶	▲	▶
	Mustard oil	164.0	-3.5	-8.9	6.5	▶	▶	▶
	Mas (black gram)	270.0	3.1	9.8	42.1	▶	▶	▲
	Musuro	167.0	-5.6	-0.6	-2.9	▼	▶	▶
	Potato	46.0	0.0	53.3	130.0	▶	▲	▲

▲ 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	2.9	15.7	-22.2	▶	▲	▼	
	Wheat flour	35.0	2.9	0.0	-5.4	▶	▶	▶	
	Soybean oil	140.0	0.0	16.7	7.7	▶	▲	▶	
	Chicken	335.0	-1.5	4.7	-1.5	▶	▶	▶	
	Mustard oil	200.0	5.3	11.1	33.3	▲	▲	▲	
	Mas (black gram)	230.0	-4.2	21.1	27.8	▶	▲	▲	
	Musuro	160.0	14.3	3.2	-5.9	▲	▶	▶	
	Potato	40.0	33.3	60.0	60.0	▲	▲	▲	
<b>Hill and Mountain markets with road access</b>									
Dhankuta	Coarse rice	43.0	0.0	1.7	2.4	▶	▶	▶	
	Wheat flour	48.0	0.0	5.0	6.7	▶	▶	▶	
	Soybean oil	170.0	0.0	2.4	2.4	▶	▶	▶	
	Chicken	360.0	0.0	12.5	12.5	▶	▲	▶	
	Mas (black gram)	255.0	13.3	41.7	41.7	▲	▲	▲	
	Musuro	170.0	0.0	13.3	6.3	▶	▲	▶	
	Potato	50.0	0.0	25.0	66.7	▶	▲	▲	
	Rolpa	Coarse rice	50.0	19.0	42.9	4.2	▲	▲	▶
Wheat flour		45.0	0.0	0.0	-10.0	▶	▶	▶	
Soybean oil		145.0	0.0	3.6	11.5	▶	▶	▶	
Chicken		350.0	0.0	-2.8	-12.5	▶	▶	▶	
Mas (black gram)		180.0	0.0	0.0	-21.7	▶	▶	▼	
Musuro		170.0	0.0	-5.6	6.3	▶	▶	▶	
Potato		60.0	0.0	50.0	20.0	▶	▲	▲	
Sanjebagar		Coarse rice	40.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	43.0	-2.3	-2.3	2.4	▶	▶	▶	
	Soybean oil	150.0	-11.8	-11.8	0.0	▼	▼	▶	
	Chicken	450.0	12.5	12.5	15.4	▲	▲	▲	
	Mas (black gram)	220.0	0.0	0.0	22.2	▶	▶	▲	
	Musuro	200.0	0.0	0.0	17.6	▶	▶	▲	
	Potato	60.0	20.0	20.0	20.0	▲	▲	▲	
	Jumla	Coarse rice	70.0	0.0	16.7	16.7	▶	▲	▲
Wheat flour		90.0	12.5	50.0	28.6	▲	▲	▲	
Soybean oil		180.0	0.0	12.5	12.5	▶	▲	▶	
Chicken		440.0	2.3	-20.0	0.0	▶	▼	▶	
Mas (black gram)		180.0	0.0	-18.2	20.0	▶	▼	▲	
Musuro		180.0	0.0	0.0	20.0	▶	▶	▲	
Potato		25.0	-16.7	-37.5	0.0	▼	▼	▶	
Bejura		Coarse rice	45.0	0.0	9.8	7.1	▶	▶	▶
	Wheat flour	50.0	0.0	16.3	11.1	▶	▲	▶	
	Beans	180.0	0.0	0.0	12.5	▶	▶	▶	
	Mas (black gram)	250.0	0.0	13.6	56.3	▶	▲	▲	
	Musuro	250.0	0.0	13.6	56.3	▶	▲	▲	
	Potato	40.0	0.0	0.0	33.3	▶	▶	▲	
	<b>Mountain markets without road access</b>								
	Humla	Coarse rice	130.0	0.0	0.0	4.0	▶	▶	▶
Wheat flour		140.0	0.0	0.0	-30.0	▶	▶	▼	
Soybean oil		260.0	0.0	-13.3	-7.1	▶	▼	▶	
Beans		200.0	0.0	17.6	33.3	▶	▲	▲	
Mas (black gram)		380.0	0.0	8.6	8.6	▶	▶	▶	
Musuro		370.0	0.0	5.7	5.7	▶	▶	▶	
Potato		80.0	0.0	33.3	33.3	▶	▲	▲	
Dolpa		Coarse rice	140.0	0.0	7.7	0.0	▶	▶	▶
	Wheat flour	140.0	0.0	16.7	7.7	▶	▲	▶	
	Soybean oil	240.0	0.0	0.0	0.0	▶	▶	▶	
	Beans	200.0	0.0	0.0	33.3	▶	▶	▲	
	Mas (black gram)	220.0	0.0	10.0	10.0	▶	▶	▶	
	Musuro	250.0	8.7	25.0	25.0	▲	▲	▲	
	Potato	50.0	0.0	-9.1	25.0	▶	▶	▲	

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average change over		
			1 m	3 m	1 yr	1m	3m	1yr
<b>Major consumer markets</b>								
Kathmandu	Coarse rice	50.0	0.0	0.0	11.1	▶	▶	▶
	Wheat flour	53.0	0.0	0.0	6.0	▶	▶	▶
	Soybean oil	148.0	-7.5	-7.5	3.5	▼	▶	▶
	Chicken	342.0	-2.3	0.6	-10.0	▶	▶	▶
	Mustard oil	227.0	3.2	3.2	31.2	▶	▶	▲
	Mas (black gram)	220.0	15.8	12.8	20.2	▲	▲	▲
	Musuro	180.0	0.0	0.0	5.9	▶	▶	▶
	Potato	47.0	-6.0	67.9	56.7	▼	▲	▲
Pokhara	Coarse rice	55.0	0.0	5.8	12.2	▶	▶	▶
	Wheat flour	50.0	0.0	0.0	2.0	▶	▶	▶
	Soybean oil	140.0	-3.4	-6.7	6.7	▶	▶	▶
	Chicken	390.0	0.0	-4.9	21.9	▶	▶	▲
	Mustard oil	180.0	0.0	-5.3	0.0	▶	▶	▶
	Mas (black gram)	240.0	0.0	6.7	33.3	▶	▶	▲
	Musuro	180.0	0.0	-10.0	0.0	▶	▶	▶
	Potato	50.0	0.0	42.9	42.9	▶	▲	▲
<b>Regional Terai markets</b>								
Biratnagar	Coarse rice	40.0	0.0	14.3	0.0	▶	▲	▶
	Wheat flour	40.0	0.0	-3.8	0.0	▶	▶	▶
	Soybean oil	130.0	-3.7	-3.7	-0.8	▶	▶	▶
	Chicken	320.0	0.0	6.7	0.0	▶	▶	▶
	Mustard oil	170.0	-2.9	-2.9	1.8	▶	▶	▶
	Mas (black gram)	220.0	10.0	4.8	25.7	▲	▶	▲
	Musuro	148.0	-17.8	-7.5	2.8	▼	▶	▶
Potato	46.0	17.9	64.3	58.6	▲	▲	▲	
Birgunj	Coarse rice	36.0	2.9	5.9	9.1	▶	▶	▶
	Wheat flour	36.0	-10.0	-10.0	2.9	▼	▶	▶
	Soybean oil	155.0	2.0	0.0	3.3	▶	▶	▶
	Chicken	340.0	3.0	21.4	13.3	▶	▲	▶
	Mustard oil	200.0	-4.8	-7.0	5.3	▶	▶	▶
	Mas (black gram)	160.0	3.2	-3.0	23.1	▶	▶	▲
	Musuro	165.0	-0.6	-2.9	10.0	▶	▶	▶
Potato	35.0	9.4	40.0	75.0	▲	▲	▲	
Nepaigunj	Coarse rice	36.3	0.9	4.8	-1.8	▶	▶	▶
	Wheat flour	43.3	0.8	0.8	14.0	▶	▶	▶
	Soybean oil	145.7	-1.6	-19.8	-9.0	▶	▼	▶
	Chicken	365.0	2.2	-2.7	21.7	▶	▶	▲
	Mustard oil	233.3	2.3	-6.0	16.7	▶	▶	▲
	Mas (black gram)	277.7	-0.1	10.3	85.1	▶	▲	▲
	Musuro	182.3	2.4	-3.2	21.6	▶	▶	▲
Potato	37.7	29.9	48.7	25.6	▲	▲	▲	
Dhangadhi	Coarse rice	41.4	0.5	-3.7	-1.4	▶	▶	▶
	Wheat flour	39.2	0.0	0.0	8.9	▶	▶	▶
	Soybean oil	142.0	0.0	-13.4	7.6	▶	▼	▶
	Chicken	320.0	0.0	14.3	2.6	▶	▲	▶
	Mustard oil	170.0	0.0	-5.6	10.4	▶	▶	▶
	Mas (black gram)	262.0	0.0	6.5	37.9	▶	▶	▲
	Musuro	177.0	0.0	5.4	2.9	▶	▶	▶
Potato	46.0	0.0	53.3	84.0	▶	▲	▲	

▲ 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	34.0	-2.9	-15.0	6.3	▶	▼	▶
	Wheat flour	34.0	0.0	-15.0	-2.9	▶	▼	▶
	Soybean oil	140.0	0.0	12.0	16.7	▶	▲	▲
	Chicken	340.0	13.3	0.0	0.0	▲	▶	▶
	Mustard oil	190.0	5.6	5.6	46.2	▲	▶	▲
	Mas (black gram)	240.0	0.0	9.1	33.3	▶	▶	▲
	Musuro	140.0	-6.7	0.0	-12.5	▼	▶	▶
	Potato	30.0	0.0	20.0	20.0	▶	▲	▲
<b>Hill and Mountain markets with road access</b>								
Dhankuta	Coarse rice	43.0	0.0	0.0	0.5	▶	▶	▶
	Wheat flour	48.0	0.0	0.0	5.0	▶	▶	▶
	Soybean oil	170.0	0.0	0.0	2.4	▶	▶	▶
	Chicken	360.0	0.0	0.0	12.5	▶	▶	▶
	Mas (black gram)	225.0	12.5	73.1	51.1	▲	▲	▶
	Musuro	170.0	0.0	0.0	34.9	▶	▶	▲
	Potato	50.0	0.0	42.9	25.0	▶	▲	▲
Rolpa	Coarse rice	42.0	20.0	-6.7	-12.5	▲	▶	▶
	Wheat flour	45.0	0.0	12.5	0.0	▶	▲	▶
	Soybean oil	145.0	3.6	11.5	11.5	▶	▲	▶
	Chicken	350.0	-2.8	9.4	-12.5	▶	▶	▶
	Mas (black gram)	180.0	0.0	-21.7	-21.7	▶	▼	▼
	Musuro	170.0	-5.6	13.3	13.3	▼	▲	▶
Potato	60.0	50.0	20.0	20.0	▲	▲	▲	
Sanjebagar	Coarse rice	40.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	44.0	0.0	0.0	4.8	▶	▶	▶
	Soybean oil	170.0	0.0	0.0	13.3	▶	▶	▶
	Chicken	400.0	0.0	0.0	2.6	▶	▶	▶
	Mas (black gram)	220.0	10.0	10.0	46.7	▲	▶	▲
Musuro	200.0	0.0	5.3	17.6	▶	▶	▲	
Potato	50.0	0.0	0.0	0.0	▶	▶	▶	
Jumla	Coarse rice	70.0	16.7	0.0	16.7	▲	▶	▲
	Wheat flour	80.0	33.3	-11.1	14.3	▲	▼	▶
	Soybean oil	180.0	12.5	12.5	12.5	▲	▲	▶
	Chicken	430.0	-14.0	-2.3	-2.3	▼	▶	▶
	Mas (black gram)	180.0	-18.2	20.0	20.0	▼	▲	▲
	Musuro	180.0	0.0	20.0	20.0	▶	▲	▲
	Potato	30.0	0.0	0.0	0.0	▶	▶	▶
Bejura	Coarse rice	45.0	0.0	25.0	12.5	▶	▲	▶
	Wheat flour	46.0	2.2	4.5	4.5	▶	▶	▶
	Beans	160.0	-11.1	-11.1	-	▼	▼	-
	Mas (black gram)	300.0	15.4	20.0	100.0	▲	▲	▲
	Musuro	250.0	-3.8	0.0	66.7	▶	▶	▲
	Potato	40.0	0.0	-11.1	0.0	▶	▼	▶
<b>Mountain markets without road access</b>								
Humla	Coarse rice	130.0	0.0	0.0	150.0	▶	▶	▲
	Wheat flour	140.0	0.0	0.0	-30.0	▶	▶	▼
	Soybean oil	260.0	-13.3	-18.8	-7.1	▼	▼	▶
	Beans	180.0	0.0	5.9	20.0	▶	▶	▲
	Mas (black gram)	380.0	8.6	8.6	8.6	▲	▶	▶
	Musuro	370.0	5.7	5.7	5.7	▲	▶	▶
Potato	150.0	-6.3	150.0	114.3	▼	▲	▲	
Dolpa	Coarse rice	130.0	-7.1	0.0	-10.3	▼	▶	▶
	Wheat flour	130.0	8.3	8.3	0.0	▲	▶	▶
	Soybean oil	240.0	0.0	0.0	0.0	▶	▶	▶
	Beans	200.0	0.0	17.6	25.0	▶	▲	▲
	Mas (black gram)	220.0	-26.7	10.0	10.0	▼	▶	▶
	Musuro	220.0	-26.7	10.0	10.0	▼	▶	▶
Potato	70.0	0.0	16.7	16.7	▶	▲	▲	