



Market Watch 93

August 2019[†]

Jointly produced by:
WFP-World Food Programme, Evidence, Policy and Innovation Unit, Nepal
MoALD-Ministry of Agriculture and Livestock Development (MoALD), Department of Agriculture (DoA), Market Development, Economic Analysis and Statistics Section
FNCCI/AEC-Federation of Nepalese Chamber of Commerce and Industries/Agro Enterprise Centre
CIPF-Consumer's Interest Protection Forum



HIGHLIGHTS

- **In August 2019, retail prices of most food commodities monitored in 15 major markets across Nepal showed marginal fluctuations as compared to last month, indicating a relatively stable market with smooth supply and transportation services.**
- **The overall inflation rate in August 2019 was 6.9 percent. The food and beverage group was stable at 8.02 percent, although several food sub-groups were relatively higher: vegetables (23.4%), fruits (20.2%), spices (13.2%) and meat and fish (10.2%).**

Prices

In August 2019, retail prices of most food commodities monitored in 15 major markets across Nepal showed a mixed trend (see **Fig. 1**):

- On a month-on-month basis, retail prices of coarse rice, wheat flour, chicken meat and red potato increased by 1.1, 2.1, 1.0 and 6.4 percent respectively, while those of black gram, broken lentil and soybean oil decreased by 1.5, 2.5, and 0.6 percent respectively.
- Compared to three months earlier, most prices indicated an upward trend. The largest change was red potato at +12.3 percent.
- On a year-on-year basis, most prices showed an increasing trend (with the exception of broken lentil and red potato). The largest change was wheat flour at +17.7 percent.

Factors behind current price trends include seasonal fluctuations and smooth supply with stable transportation services.

Retail prices in regional markets (see **Fig. 2**) mostly showed a trend similar to national averages. Compared to last month, the price of food commodities mostly showed increased in all markets with the exception of a decreasing trend of coarse rice in the Terai and broken lentil in all markets. Compared to the same period last year, most prices indicated an increasing trend in all markets with the exception of the price of broken lentil in mountain and hill markets.

Wholesale prices monitored in the Kalimati Fruits and Vegetables Market showed relatively high month-on-month fluctuations (see **Table 1**): prices of carrot, cabbage, dry onion and cauliflower increased by more than 5 percent due to a reduction in supply relative to demand, while pumpkin, brinjal, bitter gourd, smooth gourd, radish and French bean prices decreased by more than 13 percent due to a surge in supply from the harvest season.

The overall consumer price index (CPI) released by Nepal Rastra Bank was 131.9 in August 2019, an increase of 2.6 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 6.9 percent. The food and beverage group of the CPI was 128.7, an increase of 3.1 percent month-on-month and 8.02 percent year-on-year; several sub-groups showed relatively high year-on-year increases: vegetables (23.4%), fruits (20.2%), spices (13.2%) and meat and fish (10.2%). The non-food and services group of the CPI was 134.4, an increase of 2.2 percent month-on-month and 6.1 percent year-on-year.

Supply

The overall supply of food and non-food commodities in most markets remains sufficient and stable with smooth transportation services. However, the supply of food commodities in some markets with unpaved roads is limited due to partial obstruction of roads and transportation services during the monsoon season.

Outlook

Most food prices are expected to remain stable or increase over the next two months with festival-season-induced increases in demand.

Overall rice planation, one of Nepal's major crops, is estimated at about 94 percent through the second week of August 2019, lower than last year, which is ascribed to this year's delay as well as insufficient rains during plantation period.

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

Commodity	Price NPR/kg or liter	% change 1 month	Observations
Carrot, cabbage, dry onion and cauliflower	various	> 5	Decrease in supply due to lean season
Pumpkin, brinjal, bitter gourd, smooth gourd, radish and French bean	various	>-13	Increase in supply due to harvest season

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

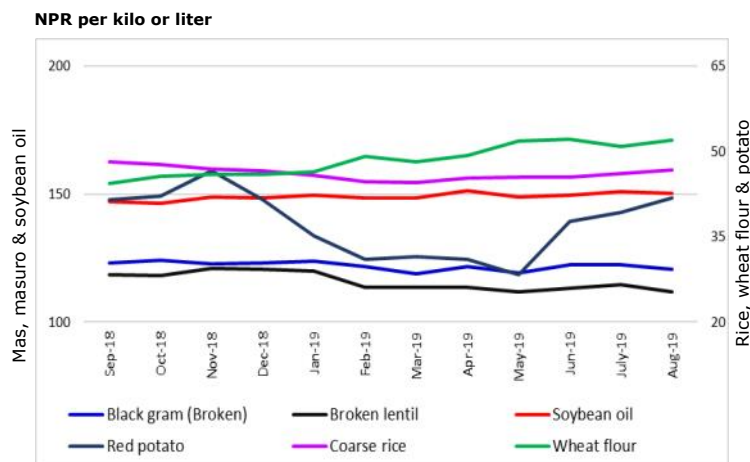
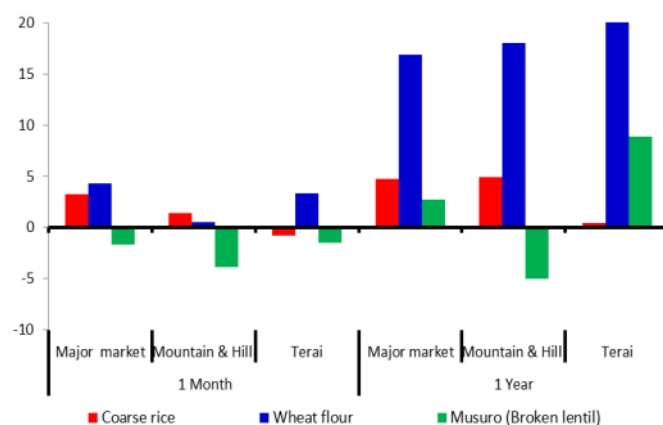


Figure 2: Percentage change in retail prices (1 month & 1 year)**



[†] Prices related to the Nepali month of Shrawan 2076.

* 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	48.0	0.0	2.1	-14.3	▶	▶	▶
	Wheat flour	55.0	10.0	14.6	22.2	▲	▲	▲
	Soybean oil	160.0	0.0	0.0	6.7	▶	▶	▶
	Chicken	360.0	0.0	0.0	9.1	▶	▶	▶
	Broken lentil	100.0	-9.1	-9.1	-9.1	▼	▶	▶
	Potato	45.0	0.0	12.5	-10.0	▶	▲	▶
	Pokhara	Coarse rice	55.0	5.8	10.0	5.8	▲	▶
Wheat flour		55.0	-8.3	-8.3	14.6	▼	▶	▶
Soybean oil		135.0	8.0	3.8	3.8	▲	▶	▶
Chicken		410.0	0.0	5.1	0.0	▶	▶	▶
Broken lentil		100.0	0.0	0.0	4.2	▶	▶	▶
Potato		40.0	0.0	0.0	-9.1	▶	▶	▶
Surkhet		Coarse rice	54.0	3.8	12.5	22.7	▶	▲
	Wheat flour	50.0	11.1	11.1	13.6	▲	▲	▶
	Soybean oil	160.0	0.0	0.0	6.7	▶	▶	▶
	Chicken	390.0	11.4	14.7	14.7	▲	▲	▶
	Potato	55.0	10.0	10.0	57.1	▲	▶	▲
Regional Terai markets								
Biratnagar	Coarse rice	40.0	-4.8	-4.8	-4.8	▶	▶	▶
	Wheat flour	60.0	20.0	20.0	33.3	▲	▲	▲
	Soybean oil	140.0	0.0	3.7	7.7	▶	▶	▶
	Chicken	320.0	6.7	0.0	6.7	▲	▶	▶
	Broken lentil	90.0	-18.2	0.0	0.0	▼	▶	▶
	Potato	40.0	0.0	33.3	0.0	▶	▲	▶
Janakpur	Coarse rice	42.0	0.0	5.0	0.0	▶	▶	▶
	Wheat flour	55.0	0.0	0.0	22.2	▶	▶	▲
	Soybean oil	150.0	7.1	7.1	7.1	▲	▶	▶
	Chicken	300.0	-6.3	0.0	0.0	▼	▶	▶
	Broken lentil	120.0	9.1	9.1	-4.0	▲	▶	▶
	Potato	40.0	0.0	33.3	14.3	▶	▲	▶
Biratnagar	Coarse rice	45.0	0.0	7.1	0.0	▶	▶	▶
	Wheat flour	50.0	0.0	8.7	25.0	▶	▶	▲
	Soybean oil	140.0	-17.6	-6.7	-1.4	▼	▶	▶
	Chicken	330.0	-5.7	-2.9	10.0	▼	▶	▶
	Broken lentil	110.0	0.0	10.0	22.2	▶	▶	▲
	Potato	40.0	0.0	14.3	5.3	▶	▲	▶
Dhangadhi	Coarse rice	40.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	40.0	0.0	0.0	17.6	▶	▶	▲
	Soybean oil	140.0	-6.7	-6.7	0.0	▼	▶	▶
	Chicken	350.0	0.0	16.7	16.7	▶	▲	▲
	Broken lentil	110.0	0.0	0.0	10.0	▶	▶	▶
	Potato	50.0	25.0	66.7	66.7	▲	▲	▲
Nepalgunj	Coarse rice	45.0	0.0	12.5	7.1	▶	▲	▶
	Wheat flour	50.0	0.0	0.0	19.0	▶	▶	▲
	Soybean oil	138.0	0.0	-1.4	-1.4	▶	▶	▶
	Chicken	380.0	2.7	18.8	26.7	▶	▲	▲
	Potato	28.0	12.0	27.3	-30.0	▲	▲	▼
Hill and Mountain markets with road access								
Bhairahawa	Coarse rice	40.0	0.0	14.3	-	▶	▲	-
	Wheat flour	45.0	0.0	0.0	12.5	▶	▶	▶
	Soybean oil	135.0	0.0	0.0	3.8	▶	▶	▶
	Chicken	390.0	2.6	25.8	14.7	▶	▲	▶
	Broken lentil	100.0	0.0	25.0	25.0	▶	▲	▲
	Potato	30.0	7.1	36.4	-14.3	▲	▲	▶
Makwanpur	Coarse rice	48.0	0.0	6.7	-7.7	▶	▶	▶
	Wheat flour	50.0	0.0	8.7	13.6	▶	▶	▶
	Soybean oil	130.0	-18.8	-18.8	-11.0	▼	▼	▶
	Chicken	350.0	-2.8	0.0	9.4	▶	▶	▶
	Broken lentil	80.0	-27.3	-27.3	-23.8	▼	▼	▼
	Potato	45.0	0.0	-	12.5	▶	-	▶
Dhankuta	Coarse rice	45.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	56.0	1.8	7.7	24.4	▶	▶	▲
	Soybean oil	175.0	25.0	25.0	34.6	▲	▲	▲
	Chicken	330.0	3.1	3.1	-2.9	▶	▶	▶
	Potato	60.0	100.0	100.0	33.3	▲	▲	▲
Rolpa	Coarse rice	45.0	0.0	0.0	7.1	▶	▶	▶
	Wheat flour	50.0	0.0	-3.8	25.0	▶	▶	▲
	Soybean oil	150.0	0.0	0.0	7.1	▶	▶	▶
	Chicken	360.0	5.9	5.9	2.9	▲	▶	▶
	Broken lentil	120.0	0.0	9.1	9.1	▶	▶	▶
	Potato	35.0	-12.5	16.7	0.0	▼	▲	▶
Sanfebagar	Coarse rice	45.0	0.0	2.3	4.7	▶	▶	▶
	Wheat flour	50.0	2.0	2.0	11.1	▶	▶	▶
	Soybean oil	165.0	0.0	6.5	3.1	▶	▶	▶
	Chicken	400.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	135.0	0.0	3.8	-10.0	▶	▶	▶
	Potato	35.0	-12.5	-22.2	-22.2	▼	▼	▼
Jumla	Coarse rice	55.0	0.0	0.0	10.0	▶	▶	▶
	Wheat flour	55.0	0.0	0.0	10.0	▶	▶	▶
	Soybean oil	180.0	0.0	0.0	20.0	▶	▶	▶
	Chicken	450.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	150.0	0.0	0.0	7.1	▶	▶	▶
	Potato	60.0	0.0	71.4	50.0	▶	▲	▲
Bajura	Coarse rice	45.0	0.0	0.0	12.5	▶	▶	▶
	Wheat flour	50.0	0.0	0.0	11.1	▶	▶	▶
	Soybean oil	170.0	0.0	6.3	-5.6	▶	▶	▶
	Chicken	400.0	0.0	0.0	-11.1	▶	▶	▶
	Potato	30.0	0.0	-33.3	-25.0	▶	▼	▼
Mountain markets without road access								
Dolpa	Coarse rice	80.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	90.0	0.0	0.0	-10.0	▶	▶	▶
	Soybean oil	180.0	0.0	0.0	-5.3	▶	▶	▶
	Chicken	500.0	0.0	0.0	-	▶	▶	-
	Potato	40.0	0.0	0.0	-	▶	▶	▼
Humla	Coarse rice	150.0	0.0	0.0	-	▶	▶	-
	Wheat flour	140.0	0.0	0.0	-6.7	▶	▶	▶
	Soybean oil	260.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	600.0	0.0	20.0	20.0	▶	▲	▲
	Potato	55.0	0.0	10.0	-8.3	▶	▶	▶

▲ 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
Major consumer markets								
Kathmandu	Coarse rice	48.0	2.1	2.1	-12.7	▶	▶	▶
	Wheat flour	50.0	4.2	8.7	8.7	▶	▶	▶
	Soybean oil	160.0	0.0	0.0	6.7	▶	▶	▶
	Chicken	360.0	2.9	2.9	5.9	▶	▶	▶
	Broken lentil	110.0	0.0	15.8	3.8	▶	▲	▶
	Potato	45.0	0.0	50.0	-6.3	▶	▲	▶
	Pokhara	Coarse rice	52.0	4.0	4.0	0.0	▶	▶
Wheat flour		60.0	-7.7	9.1	25.0	▼	▶	▲
Soybean oil		125.0	0.0	-7.4	-3.8	▶	▶	▶
Chicken		410.0	5.1	5.1	-2.4	▲	▶	▶
Broken lentil		100.0	0.0	-4.8	5.3	▶	▶	▶
Potato		40.0	0.0	14.3	-11.1	▶	▲	▶
Surkhet		Coarse rice	52.0	8.3	4.0	13.0	▲	▶
	Wheat flour	45.0	0.0	-10.0	2.3	▶	▶	▶
	Soybean oil	160.0	0.0	0.0	6.7	▶	▶	▶
	Chicken	350.0	0.0	0.0	2.9	▶	▶	▶
	Potato	50.0	11.1	66.7	25.0	▲	▲	▲
Regional Terai markets								
Biratnagar	Coarse rice	42.0	5.0	5.0	0.0	▶	▶	▶
	Wheat flour	50.0	0.0	-3.8	25.0	▶	▶	▲
	Soybean oil	140.0	0.0	3.7	3.7	▶	▶	▶
	Chicken	300.0	-6.3	-6.3	-11.8	▼	▶	▶
	Broken lentil	110.0	22.2	22.2	15.8	▲	▲	▲
	Potato	40.0	0.0	100.0	14.3	▶	▲	▶
Janakpur	Coarse rice	42.0	5.0	0.0	0.0	▶	▶	▶
	Wheat flour	55.0	0.0	10.0	22.2	▶	▶	▲
	Soybean oil	140.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	320.0	6.7	6.7	6.7	▲	▶	▶
	Broken lentil	110.0	0.0	0.0	10.0	▶	▶	▶
	Potato	40.0	33.3	100.0	25.0	▲	▲	▲
Biratnagar	Coarse rice	45.0	7.1	9.8	0.0	▲	▶	▶
	Wheat flour	50.0	8.7	11.1	19.0	▲	▲	▲
	Soybean oil	170.0	13.3	21.4	21.4	▲	▲	▲
	Chicken	110.0	10.0	25.0	37.5	▲	▲	▲
	Broken lentil	110.0	10.0	22.2	32.5	▲	▲	▲
	Potato	40.0	0.0	100.0	14.3	▶	▲	▶
Dhangadhi	Coarse rice	40.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	40.0	0.0	0.0	17.6	▶	▶	▲
	Soybean oil	150.0	0.0	0.0	7.1	▶	▶	▶
	Chicken	350.0	16.7	16.7	16.7	▲	▲	▲
	Broken lentil	110.0	0.0	0.0	10.0	▶	▶	▶
	Potato	40.0	33.3	33.3	33.3	▲	▲	▲
Nepalgunj	Coarse rice	45.0	12.5	12.5	7.1	▲	▲	▶
	Wheat flour	50.0	0.0	4.2	19.0	▶	▶	▲
	Soybean oil	138.0	-1.4	-1.4	-1.4	▶	▶	▶
	Chicken	370.0	8.8	15.6	15.6	▲	▲	▲
	Potato	25.0	0.0	13.6	-16.7	▶	▲	▼
Hill and Mountain markets with road access								
Bhairahawa	Coarse rice	40.0	8.1	8.1	-20.0	▲	▶	▼
	Wheat flour	45.0	0.0	0.0	12.5	▶	▶	▶
	Soybean oil	135.0	0.0	0.0	3.8	▶	▶	▶
	Chicken	380.0	15.2	18.8	11.8	▲	▲	▶
	Broken lentil	100.0	25.0	25.0	25.0	▲	▲	▲
	Potato	28.0	12.0	12.0	-17.6	▲	▲	▼
	Makwanpur	Coarse rice	48.0	6.7	9.1	-7.7	▲	▶
Wheat flour		50.0	8.7	19.0	13.6	▲	▲	▶
Soybean oil		160.0	0.0	2.6	10.3	▶	▶	▶
Chicken		360.0	9.1	2.9	12.5	▲	▶	▶
Broken lentil		110.0	10.0	22.2	4.8	▲	▲	▶
Potato		45.0	12.5	80.0	28.6	▲	▲	▲
Dhankuta		Coarse rice	45.0	3.4	12.5	0.0	▶	▲
	Wheat flour	55.0	10.0	10.0	22.2	▲	▶	▲
	Soybean oil	140.0	0.0	0.0	7.7	▶	▶	▶
	Chicken	320.0	0.0	-5.9	0.0	▶	▶	▶
	Potato	30.0	0.0	20.0	-14.3	▶	▲	▶
Rolpa	Coarse rice	45.0	0.0	4.7	12.5	▶	▶	▶
	Wheat flour	50.0	-3.8	-3.8	25.0	▶	▶	▲
	Soybean oil	150.0	0.0	0.0	7.1	▶	▶	▶
	Chicken	340.0	-2.9	-2.9	0.0	▶	▶	▶
	Broken lentil	120.0	14.3	4.3	0.0	▲	▶	▶
	Potato	40.0	33.3	5.3	14.3	▲	▶	▶
Sanfebagar	Coarse rice	45.0	0.0	4.7	7.1	▶	▶	▶
	Wheat flour	49.0	0.0	0.0	8.9	▶	▶	▶
	Soybean oil	165.0	3.1	3.1	3.1	▶	▶	▶
	Chicken	400.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	135.0	0.0	-10.0	-3.6	▶	▶	▶
	Potato	40.0	-11.1	-11.1	-11.1	▼	▼	▶
Jumla	Coarse rice	55.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	55.0	0.0	0.0	10.0	▶	▶	▶
	Soybean oil	180.0	0.0	0.0	28.6	▶	▶	▶
	Chicken	450.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	150.0	0.0	0.0	0.0	▶	▶	▶
	Potato	60.0	20.0	71.4	-14.3	▲	▲	▶
Bajura	Coarse rice	45.0	0.0	0.0	12.5	▶	▶	▶
	Wheat flour	50.0	0.0	0.0	11.1	▶	▶	▶
	Soybean oil	170.0	3.0	0.0	0.0	▶	▶	▶
	Chicken	400.0	0.0	-9.1	-9.1	▶	▶	▶
	Potato	30.0	-33.3	-25.0	-25.0	▼	▼	▼
Mountain markets without road access								
Dolpa	Coarse rice	80.0	0.0	0.0	-40.7	▶	▶	▼
	Wheat flour	90.0	0.0	0.0	-10.0	▶	▶	▶
	Soybean oil	180.0	0.0	0.0	-5.3	▶	▶	▶
	Chicken	500.0	0.0	0.0	-9.1	▶	▶	▶
	Broken lentil	200.0	0.0	0.0	-20.0	▶	▶	▼
	Potato	40.0	0.0	0.0	0.0	▶	▶	▶
Humla	Coarse rice	150.0	0.0	0.0	-9.1	▶	▶	▶
	Wheat flour	140.0	0.0	0.0	-6.7	▶	▶	▶
	Soybean oil	260.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	600.0	20.0	20.0	20.0	▲	▲	▲
	Potato	300.0	0.0	0.0	-14.3	▶	▶	▶

▲ 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.