



Market Watch 68

August 2014†

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 August 2014, retail prices of most food commodities monitored in 12 markets across Nepal increased due to the ongoing rainy season and lean season period.**
- Overall inflation rate in August 2014 was 7.5 percent. The food and beverage group was higher at 10.6 percent, as were several sub-groups: fruits (24.3 percent), vegetables (13.9 percent), meat and fish (11.1 percent), and cereal grains (10.9 percent).**

NATIONAL MARKET DEVELOPMENT

Price

Retail prices of most food commodities monitored across the country showed an upward trend in August 2014. On a month-on-month basis, the retail price of coarse rice and wheat flour increased by 1.2 percent and 1.0 percent respectively, while that of black gram and broken lentil went up by 4.2 percent and 0.5 percent respectively. Likewise, prices of potato and soybean oil climbed up by 9.4 percent and 0.1 percent respectively. However, the price of chicken meat went down by 0.9 percent. As compared to three months earlier, prices showed an upward trend. Similarly, compared to the same period last year, most prices showed an upward trend (with the exception of mustard oil).

Prices in regional markets showed similar trends to national averages, with an upward trend of coarse rice and wheat flour in all markets. However, the price of broken lentil showed a marginal decline in the Terai markets.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed a marginal decline over the past one month. In the Kalimati Fruits and Vegetables Market, the wholesale price of most monitored vegetables showed a high seasonal fluctuation: prices of pumpkin, tomato, cow pea and spinach increased by more than 11 percent due to a reduction in supply, while that of cabbage, christophine, brinjal, radish, French bean, smooth gourd and okra went down by more than 14 percent over the past one month.

The overall consumer price index (CPI) released by Nepal Rastra Bank in August 2014 was 207.9, an increase of 1.0 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 7.5 percent. The food and beverage group of the CPI was 257.1, an increase of 2.4 percent month-on-month, but an increase of 10.6 percent year-on-year; several sub-groups showed higher year-on-year increases: fruits (24.3 percent), vegetables (13.9 percent), meat and fish (11.1 percent), and cereal grains (10.9 percent). The non-food and services group of the CPI was 173.0, a decrease of 0.1 percent month-on-month and an increase of 5.0 percent year-on-year.

Supply

The supply situation across the country has still not normalized due to the obstruction of roads by landslides and floods. According to NeKSAP cluster and district coordinators, transportation services have yet to resume to some hill and mountain markets with seasonal access to roads.

Outlook

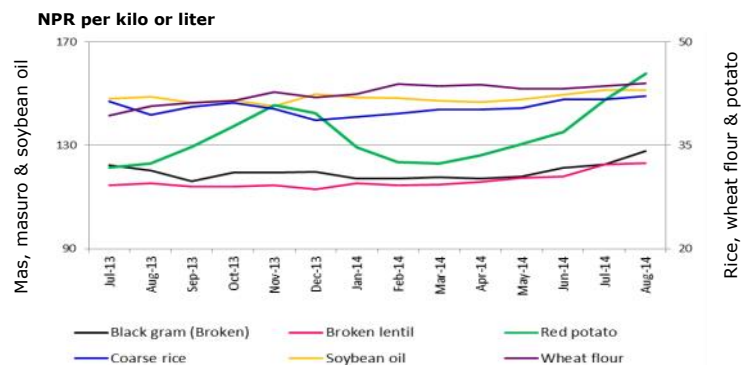
Prices of most food items are likely to increase or remain high in the next month due to the high demand before the festival period.

Recent floods in the mid- and far-western Terai and hills, and excessive rainfall in other areas, have badly affected paddy crops. This indicates a moderate outlook for the paddy crop.

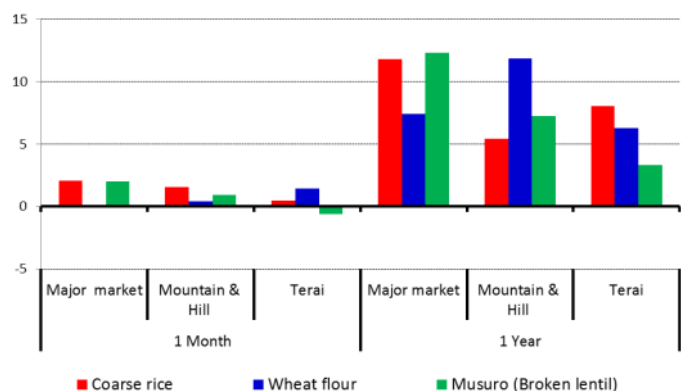
Largest changes in commodity prices (month-on-month)

Commodity	Price NPR/ kg or liter	% change 1 month	Observations
Pumpkin, tomato, cow pea and spinach	various	>11	Decrease in supply due to lean season
Cabbage, brinjal, radish, christophine, French bean, smooth gourd and okra	various	>-14	Increase in supply due to harvest season

Average retail price over 12 months period*



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



† Prices relate to the Nepali month of Shrawan 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	7.1	18.4	▶	▶	▲
	Wheat flour	45.0	0.0	4.7	12.5	▶	▶	▶
	Soybean oil	147.0	0.0	0.0	2.8	▶	▶	▶
	Chicken	370.0	0.0	5.7	76.2	▶	▶	▲
	Mustard oil	167.0	0.0	0.0	-4.6	▶	▶	▶
	Mas (black gram)	130.0	8.3	8.3	15.0	▲	▶	▲
	Musuro	130.0	4.0	18.2	26.2	▶	▲	▲
	Potato	55.0	0.0	57.1	48.6	▶	▲	▲

Pokhara	Coarse rice	50.0	4.2	11.1	11.1	▶	▲	▶
	Wheat flour	45.0	0.0	0.0	2.3	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	-3.4	▶	▶	▶
	Chicken	310.0	0.0	-22.5	0.0	▶	▼	▶
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	140.0	7.7	7.7	12.0	▲	▶	▶
	Musuro	120.0	0.0	-4.0	4.3	▶	▶	▶
	Potato	40.0	-16.7	14.3	14.3	▼	▶	▶

Regional Terai markets

Biratnagar	Coarse rice	40.0	0.0	0.0	29.0	▶	▶	▲
	Wheat flour	40.0	-4.8	0.0	8.1	▶	▶	▶
	Soybean oil	130.0	-3.7	-3.7	-16.1	▶	▶	▼
	Chicken	320.0	0.0	4.6	39.1	▶	▶	▲
	Mustard oil	165.0	0.0	0.0	-13.2	▶	▶	▶
	Mas (black gram)	130.0	8.3	18.2	13.0	▲	▲	▶
	Musuro	120.0	0.0	4.3	0.0	▶	▶	▶
	Potato	55.0	37.5	57.1	71.9	▲	▲	▲

Birgunj	Coarse rice	42.0	0.0	10.5	16.7	▶	▲	▲
	Wheat flour	40.0	-4.8	0.0	0.0	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	-3.2	▶	▶	▶
	Chicken	300.0	-9.1	-6.3	25.0	▼	▶	▲
	Mustard oil	180.0	-5.3	2.9	0.0	▼	▶	▶
	Mas (black gram)	107.0	-7.0	7.0	4.9	▼	▶	▶
	Musuro	110.0	-6.8	0.0	0.0	▼	▶	▶
	Potato	34.0	-15.0	13.3	30.8	▼	▲	▲

Nepalgunj	Coarse rice	35.0	0.0	-2.8	-2.8	▶	▶	▶
	Wheat flour	35.0	0.0	-7.9	0.0	▶	▶	▶
	Soybean oil	150.0	1.4	0.0	11.1	▶	▶	▶
	Chicken	270.0	3.8	-10.0	14.9	▶	▶	▶
	Mustard oil	200.0	5.3	0.0	0.0	▲	▶	▶
	Mas (black gram)	110.0	10.0	0.0	-8.3	▲	▶	▶
	Musuro	90.0	-5.3	-5.3	-14.3	▼	▶	▶
	Potato	30.0	0.0	36.4	20.0	▶	▲	▲

Dhangadhi	Coarse rice	37.0	0.0	0.0	-5.1	▶	▶	▶
	Wheat flour	37.0	5.7	5.7	8.8	▲	▶	▶
	Soybean oil	140.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	340.0	0.0	21.4	13.3	▶	▲	▶
	Mustard oil	160.0	0.0	0.0	-2.4	▶	▶	▶
	Mas (black gram)	132.0	0.0	6.5	8.2	▶	▶	▶
	Musuro	122.0	0.0	0.0	10.9	▶	▶	▶
	Potato	50.0	66.7	25.0	31.6	▲	▲	▲

▲ 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	35.8	2.3	19.3	2.3	▶	▲	▶
	Wheat flour	40.0	11.1	0.0	14.3	▲	▶	▶
	Soybean oil	140.0	-6.7	0.0	7.7	▼	▶	▶
	Chicken	330.0	-5.7	3.1	32.0	▼	▶	▲
	Mustard oil	170.0	-2.9	0.0	6.3	▶	▶	▶
	Mas (black gram)	120.0	9.1	9.1	4.3	▲	▶	▶
	Musuro	120.0	9.1	20.0	20.0	▲	▲	▲
	Potato	36.0	2.9	2.9	44.0	▶	▶	▲

Hill and Mountain markets with road access

Dhankuta	Coarse rice	43.0	2.4	2.4	13.2	▶	▶	▶
	Wheat flour	48.0	2.1	2.1	45.5	▶	▶	▲
	Soybean oil	170.0	3.0	3.0	13.3	▶	▶	▶
	Chicken	330.0	3.1	3.1	37.5	▶	▶	▶
	Mas (black gram)	125.0	4.2	4.2	4.2	▶	▶	▶
	Musuro	115.0	4.5	4.5	4.5	▶	▶	▶
	Potato	50.0	0.0	11.1	66.7	▶	▲	▲

Rolpa	Coarse rice	35.0	2.9	2.9	2.9	▶	▶	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	-3.2	▶	▶	▶
	Chicken	330.0	0.0	0.0	3.1	▶	▶	▶
	Mas (black gram)	120.0	9.1	9.1	14.3	▲	▶	▶
	Musuro	130.0	0.0	8.3	8.3	▶	▶	▶
	Potato	60.0	9.1	20.0	50.0	▲	▲	▲

Sanjibpur	Coarse rice	45.0	0.0	12.5	25.0	▶	▲	▲
	Wheat flour	42.0	0.0	0.0	5.0	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	-	▶	▶	-
	Chicken	400.0	5.3	5.3	14.3	▲	▶	▶
	Mas (black gram)	130.0	4.0	8.3	8.3	▶	▶	▶
	Musuro	130.0	0.0	8.3	8.3	▶	▶	▶
	Potato	60.0	20.0	50.0	33.3	▲	▲	▲

Jumla	Coarse rice	60.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	70.0	0.0	0.0	16.7	▶	▶	▲
	Soybean oil	200.0	5.3	25.0	25.0	▲	▲	▲
	Chicken	440.0	0.0	10.0	25.7	▶	▶	▲
	Mas (black gram)	160.0	0.0	14.3	6.7	▶	▲	▶
	Musuro	160.0	0.0	6.7	6.7	▶	▶	▶
	Potato	30.0	0.0	0.0	0.0	▶	▶	▶

Bajura	Coarse rice	43.0	2.4	7.5	-4.4	▶	▶	▶
	Wheat flour	46.0	0.0	9.5	-8.0	▶	▶	▶
	Beans	130.0	0.0	8.3	8.3	▶	▶	▶
	Mas (black gram)	130.0	0.0	8.3	-3.7	▶	▶	▶
	Musuro	130.0	0.0	8.3	8.3	▶	▶	▶
	Potato	35.0	0.0	0.0	40.0	▶	▶	▲

Mountain markets without road access

Humla	Coarse rice*	47.0	0.0	11.9	11.9	▶	▲	▶
	Wheat flour	200.0	0.0	-16.7	0.0	▶	▼	▶
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	120.0	0.0	0.0	-7.7	▶	▶	▶
	Mas (black gram)	200.0	0.0	-	-	▶	-	-
	Musuro	0.0	-	-	-	▶	-	-
	Potato	100.0	0.0	-33.3	25.0	▶	▼	▲

Dolpa	Coarse rice	140.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	120.0	0.0	0.0	-7.7	▶	▶	▶
	Soybean oil	240.0	0.0	118.2	0.0	▶	▲	▶
	Beans	160.0	0.0	-	-	▶	-	-
	Mas (black gram)	200.0	0.0	-20.0	-20.0	▶	▼	▼
	Musuro	200.0	0.0	-20.0	-20.0	▶	▼	▼
	Potato	60.0	0.0	-	100.0	▶	-	▲

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>

