



Market Watch 28

March 2011†

Jointly produced by:

- WFP – World Food Programme Nepal
- MoAC – 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 Interest Protection Forum



HIGHLIGHTS

- **National food price inflation remains of significant concern. Nepal Rastra Bank's latest data indicates year-on-year food price inflation of 16.6 percent, this comes on top of food price inflation of 17.5 percent in the corresponding period last year.**
- **The harvest of winter crops (in particular wheat and barley) is expected to be good and this will improve market supply from mid April onwards.**
- **The overall supply situation in the country is good and markets in the hills, mountains and Terai remain relatively well stocked.**

NATIONAL MARKET DEVELOPMENTS

Price

In the markets regularly monitored by WFP and MoAC, the average price of most commodities has remained relatively stable over the past 3 months. However, compared to the same period last year, the average price of coarse rice has increased by 9% to Npr 34, the average price of soybean oil has increased by 13% to Npr 113, and the price of wheat flour has increased by 13% to Npr 36.

Year on year (y-o-y) food price inflation, as measured by the consumer price index, increased to 16.6 percent in March 2010 on top of 17.5 percent inflation during the same period last year.

Since December 2010, the price of fuel has increased due to rising international oil prices. The price of petrol increased from Npr 88 in December to Npr 97 in March. Continued fuel price increases are leading to corresponding increases in food transportation costs, 10% of traders reported that the price of transport had increased compared to last month.

During April, vegetable prices decreased due to increased supply from India, and the Terai. However, severe hail storms at the end of April may cause prices to increase during May.

Supply

The food supply situation remained fairly stable across the country. Hill and mountain markets with poor road and trail infrastructure are stocking supplies in preparation for the monsoon period when access routes may be impaired or cut off, only 10% of hill markets and 25% of mountain markets reported that supplies were not sufficient to meet demand.

Availability of cooking gas and kerosene in hill and mountain markets declined between February and March. Approximately 50% of retailers in hill and mountain markets reported that they had reduced supplies. The main reason cited by retailers was that as the product had increased in price they were unable to buy sufficient quantities or thought that they would sell less than normal.

In late March, a trade union led industrial strike closed more than 1,500 industries and factories in major industrial areas of the Terai for eight days. The closure of around 1,000 industries in Birgunj-Pathalaya and over 500 industries in Morang-Sunsari industrial corridors disrupted the supply of some processed and packaged food items.

Outlook

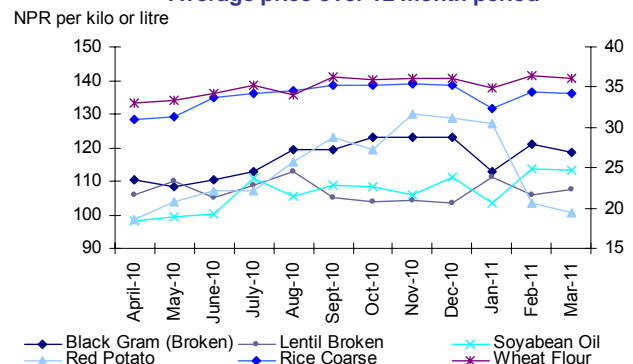
The price of staple food items in rural markets will likely increase until the winter crop harvest is complete in April/ May. The winter crop outlook is good, with production likely to be higher than last year due to favorable weather conditions.

At the time of writing the Federal Limbuwan State Council (FLSC) had enforced a bandh in nine eastern districts of Nepal. Ilam, Panchthar and Taplejung had been particularly affected with markets closed.

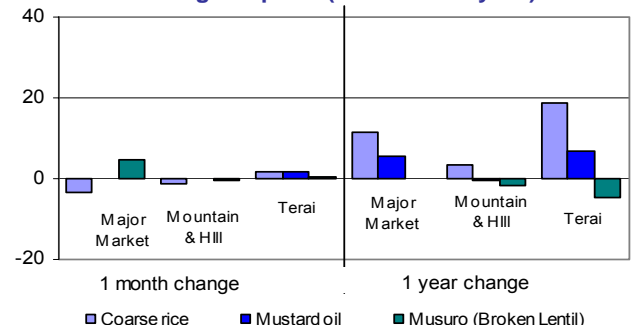
Largest increases in prices of key commodities

District or Commodity	Price NRs/kg/L	% change 1 month	Observation
Cooking Gas/Kerosene	various	10-20%	Increases in kerosene prices in India, and expected increases in the official Nepalese price are pushing up retail prices in Nepal

Average price over 12 month period*



% Change in price (1 month & 1 year)**



† Prices relate to the Nepali month of Falgun.

* 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 Watch - 28 Major retail commodity prices for January.

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Major consumer markets								
Kathmandu	Coarse rice	34.0	-2.9	-2.9	6.3	▶	▶	▶
	Wheat flour	34.0	0.0	0.0	21.4	▶	▶	▲
	Soybean oil	106.0	-0.9	9.3	9.3	▶	▶	▶
	Chicken	225.0	12.5	-11.8	-10.0	▲	▼	▶
	Mustard oil	113.0	0.0	7.6	5.6	▶	▶	▶
	Mas (black gram)	123.0	2.5	5.1	-7.5	▶	▶	▶
	Musuro	100.0	3.1	7.5	-6.5	▶	▶	▶
	Potato	25.0	-41.9	-40.5	-21.9	▼	▼	▼
Pokhara	Coarse rice	42.0	0.0	0.0	22.1	▶	▶	▲
	Wheat flour	34.0	0.0	0.0	6.3	▶	▶	▶
	Soybean oil	115.0	4.5	9.5	4.5	▶	▶	▶
	Chicken	260.0	4.0	-7.1	-7.1	▶	▶	▶
	Mustard oil	140.0	0.0	-3.4	0.0	▶	▶	▶
	Mas (black gram)	120.0	-4.0	-7.7	-1.6	▶	▶	▶
	Musuro	95.0	-5.0	-5.0	-11.2	▶	▶	▶
	Potato	30.0	-9.1	0.0	-14.3	▼	▶	▶

Regional Terai markets

Biratnagar	Coarse rice	32.2	-5.3	-5.3	28.8	▼	▶	▲
	Wheat flour	28.0	-	-	16.7	-	-	▲
	Soybean oil	110.0	4.8	22.2	18.3	▶	▲	▲
	Chicken	292.0	5.8	19.7	16.8	▲	▲	▲
	Mustard oil	115.0	-6.5	0.0	-10.2	▼	▶	▶
	Mas (black gram)	86.0	-32.8	-28.3	-28.3	▼	▼	▼
	Musuro	80.0	-2.4	-4.8	-20.0	▶	▶	▼
Biratnagar	Coarse rice	31.0	-24.4	-23.3	14.8	▼	▼	▶
	Wheat flour	36.0	-	-	50.0	-	-	▲
	Soybean oil	110.0	0.0	0.0	17.0	▶	▶	▶
	Chicken	200.0	-23.1	-23.1	0.0	▼	▼	▶
	Mustard oil	125.0	0.0	4.2	13.6	▶	▶	▶
	Mas (black gram)	112.0	-3.4	0.0	43.6	▶	▶	▲
	Musuro	80.0	-14.9	-11.1	-23.1	▼	▼	▼
Nepalgunj	Coarse rice	28.3	-8.6	-	-5.6	▼	-	▶
	Wheat flour	32.3	4.3	-	34.7	▶	-	▲
	Soybean oil	91.7	1.9	-	1.9	▶	-	▶
	Chicken	233.3	-2.8	-	9.5	▶	-	▶
	Mustard oil	118.3	-1.4	-	18.3	▶	-	▲
	Mas (black gram)	86.7	2.0	-	-8.8	▶	-	▶
	Musuro	90.0	5.9	-	-10.0	▲	-	▶
Dhangadhi	Coarse rice	32.1	2.2	3.5	18.5	▶	▶	▲
	Wheat flour	30.0	11.1	14.5	15.4	▲	▲	▲
	Soybean oil	100.0	0.0	0.0	42.9	▶	▶	▶
	Chicken	225.0	-10.0	-10.0	-6.3	▼	▶	▶
	Mustard oil	130.0	4.0	12.7	8.3	▶	▶	▶
	Mas (black gram)	135.0	-13.7	-15.6	12.5	▼	▼	▶
	Musuro	100.0	0.0	0.0	-9.1	▶	▶	▶

▲ 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.

* This is the price of NFC subsidized rice, as there is virtually no other stock

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Bhairahawa	Coarse rice	20.0	-25.9	-	-16.7	▼	-	▼
	Wheat flour	25.0	-7.4	-	0.0	▼	-	▶
	Soybean oil	90.0	-5.3	-	-5.3	▼	-	▶
	Chicken	220.0	-15.4	-	10.0	▼	-	▶
	Mustard oil	160.0	6.7	-	6.7	▲	-	▶
	Mas (black gram)	145.0	0.0	-	31.8	▶	-	▲
	Musuro	125.0	-3.8	-	0.0	▶	-	▶
	Potato	10.0	-50.0	-	-50.0	▼	-	▼

Hill and mountain markets with road access

Dhankuta	Coarse rice	33.0	0.0	-8.6	23.1	▶	▶	▲
	Wheat flour	36.0	-8.1	0.0	9.7	▼	▶	▶
	Soybean oil	110.0	0.0	12.1	20.0	▶	▲	▲
	Chicken	320.0	1.5	9.5	-1.4	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	20.0	▶	▶	▲
	Musuro	85.0	5.9	-2.2	-18.2	▲	▶	▼
	Potato	25.0	-20.0	-33.3	0.0	▼	▼	▶
Rolpa	Coarse rice	30.0	0.0	16.7	0.0	▶	▲	▶
	Wheat flour	50.0	0.0	10.0	37.5	▶	▶	▲
	Soybean oil	130.0	0.0	0.0	18.2	▶	▶	▲
	Chicken	270.0	0.0	0.0	-25.0	▶	▶	▼
	Mas (black gram)	120.0	0.0	-7.7	0.0	▶	▶	▶
	Musuro	130.0	0.0	18.2	8.3	▶	▲	▶
Sanfebagar	Coarse rice	30.0	0.0	-11.1	6.7	▶	▼	▶
	Wheat flour	36.0	0.0	0.0	9.4	▶	▶	▶
	Soybean oil	-	-	-	-	-	-	-
	Chicken	280.0	0.0	-15.2	-6.7	▶	▼	▶
	Musuro	120.0	0.0	4.2	4.2	▶	▶	▶
Jumla	Coarse rice	45.0	0.0	0.0	-10.0	▶	▶	▶
	Wheat flour	60.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	160.0	0.0	0.0	14.3	▶	▶	▶
	Chicken	320.0	-6.3	-6.3	0.0	▼	▶	▶
	Mas (black gram)	140.0	0.0	27.3	27.3	▶	▲	▲

Hill and Mountain markets without road access

Humla	Coarse rice*	40.0	0.0	0.0	14.3	▶	▶	▶
	Wheat flour	140.0	-44.0	-36.4	-	▼	▼	-
	Soybean oil	280.0	0.0	0.0	-6.7	▶	▶	▶
	Beans	80.0	6.7	14.3	0.0	▲	▲	▶
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
Dolpa	Coarse rice	30.0	0.0	20.0	-25.0	▶	▲	▼
	Wheat flour	130.0	0.0	0.0	23.8	▶	▶	▲
	Soybean oil	200.0	0.0	0.0	0.0	▶	▶	▶
	Beans	150.0	0.0	25.0	20.0	▶	▲	▲
	Mas (black gram)	170.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	200.0	0.0	0.0	0.0	▶	▶	▶
Bejura	Coarse rice*	38.0	-	-	-	-	-	-
	Wheat flour	46.0	-	-	-	-	-	-
	Soybean oil	-	-	-	-	-	-	-
	Beans	120.0	-	-	-	-	-	-
	Mas (black gram)	130.0	-	-	-	-	-	-
	Musuro	130.0	-	-	-	-	-	-



Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Major consumer markets								
Kathmandu	Coarse rice	34.0	0.0	-2.9	6.3	▶	▶	▶
	Wheat flour	34.0	0.0	0.0	17.2	▶	▶	▲
	Soybean oil	117.0	10.4	9.3	20.6	▲	▶	▲
	Chicken	235.0	4.4	17.5	-13.9	▶	▲	▶
	Mustard oil	127.0	12.4	12.4	18.7	▲	▲	▲
	Mas (black gram)	120.0	-2.4	0.0	-9.8	▶	▶	▶
	Musuro	93.0	-7.0	-4.1	-13.1	▼	▶	▶
	Potato	25.0	0.0	-41.9	19.0	▶	▼	▲
Pokhara	Coarse rice	45.0	7.1	7.1	25.0	▲	▶	▲
	Wheat flour	36.0	5.9	5.9	5.9	▲	▶	▶
	Soybean oil	115.0	0.0	4.5	17.3	▶	▶	▲
	Chicken	280.0	7.7	12.0	12.0	▲	▲	▶
	Mustard oil	140.0	0.0	0.0	-3.4	▶	▶	▶
	Mas (black gram)	115.0	-4.2	-8.0	-4.2	▶	▶	▶
	Musuro	95.0	0.0	-5.0	-5.0	▶	▶	▶
	Potato	25.0	-16.7	-7.4	13.6	▼	▶	▶

Regional Terai markets								
Biratnagar	Coarse rice	31.0	-3.7	-8.8	34.8	▶	▶	▲
	Wheat flour	29.0	3.6	-3.3	7.4	▶	▶	▶
	Soybean oil	-	-	-	-	-	-	-
	Chicken	300.0	2.7	8.7	11.1	▶	▶	▶
	Mustard oil	125.0	8.7	1.6	4.2	▲	▼	▶
	Mas (black gram)	109.0	26.7	-14.8	-5.2	▲	▼	▶
	Musuro	80.0	0.0	-2.4	-20.0	▶	▶	▼
Biratnagar	Coarse rice	33.0	6.5	-19.5	17.9	▲	▼	▲
	Wheat flour	36.0	0.0	2.9	44.0	▶	▶	▲
	Soybean oil	115.0	4.5	4.5	17.3	▶	▶	▶
	Chicken	220.0	10.0	-15.4	0.0	▲	▼	▶
	Mustard oil	130.0	4.0	4.0	8.3	▶	▶	▶
	Mas (black gram)	104.0	-7.1	-10.3	40.5	▼	▼	▲
	Musuro	84.0	5.0	-10.6	-20.8	▶	▼	▼
Nepalgunj	Coarse rice	28.3	0.0	-8.6	-5.6	▶	▶	▶
	Wheat flour	32.3	0.0	4.3	29.3	▶	▶	▲
	Soybean oil	91.7	0.0	1.9	-3.5	▶	▶	▶
	Chicken	233.3	0.0	-2.8	6.1	▶	▶	▶
	Mustard oil	118.33	0.0	2.0	18.3	▶	▶	▲
	Mas (black gram)	86.7	0.0	5.9	-13.2	▶	▶	▶
	Musuro	90.0	0.0	5.9	-18.3	▶	▶	▼
Dhangadhi	Coarse rice	33.0	2.8	5.1	26.4	▶	▶	▲
	Wheat flour	30.0	0.0	11.1	13.2	▶	▶	▶
	Soybean oil	100.0	0.0	0.0	42.9	▶	▶	▲
	Chicken	250.0	11.1	0.0	25.0	▲	▶	▲
	Mustard oil	130.0	0.0	4.0	8.3	▶	▶	▶
	Mas (black gram)	140.0	3.7	-10.5	7.7	▶	▼	▶
	Musuro	110.0	10.0	10.0	0.0	▲	▶	▶
Dhangadhi	Coarse rice	33.0	2.8	5.1	26.4	▶	▶	▲
	Wheat flour	30.0	0.0	11.1	13.2	▶	▶	▶
	Soybean oil	100.0	0.0	0.0	42.9	▶	▶	▲
	Chicken	250.0	11.1	0.0	25.0	▲	▶	▲
	Mustard oil	130.0	0.0	4.0	8.3	▶	▶	▶
	Mas (black gram)	140.0	3.7	-10.5	7.7	▶	▼	▶
	Musuro	110.0	10.0	10.0	0.0	▲	▶	▶
Dhangadhi	Coarse rice	33.0	2.8	5.1	26.4	▶	▶	▲
	Wheat flour	30.0	0.0	11.1	13.2	▶	▶	▶
	Soybean oil	100.0	0.0	0.0	42.9	▶	▶	▲
	Chicken	250.0	11.1	0.0	25.0	▲	▶	▲
	Mustard oil	130.0	0.0	4.0	8.3	▶	▶	▶
	Mas (black gram)	140.0	3.7	-10.5	7.7	▶	▼	▶
	Musuro	110.0	10.0	10.0	0.0	▲	▶	▶

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Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Bhairahawa	Coarse rice	28.0	40.0	-	0.0	▲	-	▶
	Wheat flour	25.0	0.0	-	-3.8	▶	-	▶
	Soybean oil	95.0	5.6	-	5.6	▲	-	▶
	Chicken	260.0	18.2	-	62.5	▲	-	▲
	Mustard oil	155.0	-3.1	-	3.3	▶	-	▶
	Mas (black gram)	142.0	-2.1	-	13.6	▶	-	▶
	Musuro	130.0	4.0	-	4.0	▶	-	▶
	Potato	15.0	50.0	-	0.0	▲	-	▶

Hill and mountain markets with road access								
Dhankuta	Coarse rice	32.0	-3.0	-8.6	23.1	▶	▶	▲
	Wheat flour	37.0	2.8	8.8	19.4	▶	▶	▲
	Soybean oil	120.0	9.1	12.1	14.3	▲	▲	▶
	Chicken	340.0	6.3	7.9	0.0	▲	▶	▶
	Mas (black gram)	120.0	0.0	0.0	20.0	▶	▶	▲
	Musuro	85.0	0.0	-7.6	-22.7	▶	▶	▼
	Potato	25.0	0.0	-16.7	0.0	▶	▼	▶
Rolpa	Coarse rice	35.0	16.7	16.7	0.0	▲	▲	▶
	Wheat flour	55.0	10.0	10.0	57.1	▲	▶	▲
	Soybean oil	130.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	270.0	0.0	0.0	3.8	▶	▶	▶
	Mas (black gram)	120.0	0.0	-7.7	26.3	▶	▶	▲
	Musuro	130.0	0.0	18.2	4.0	▶	▲	▶
	Potato	30.0	0.0	0.0	0.0	▶	▶	▶
Sanfebagar	Coarse rice	32.0	6.7	-11.1	6.7	▲	▼	▶
	Wheat flour	35.0	-2.8	0.0	9.4	▶	▶	▶
	Soybean oil	-	-	-	-	-	-	-
	Chicken	280.0	0.0	-15.2	-6.7	▶	▼	▶
	Mas (black gram)	125.0	4.2	4.2	4.2	▶	▶	▶
	Musuro	120.0	0.0	0.0	0.0	▶	▶	▶
	Potato	30.0	0.0	-25.0	0.0	▶	▼	▶
Jumla	Coarse rice	45.0	0.0	-	-10.0	▶	-	▶
	Wheat flour	60.0	0.0	-	0.0	▶	-	▶
	Soybean oil	160.0	0.0	-	14.3	▶	-	▶
	Chicken	320.0	0.0	-	6.7	▶	-	▶
	Mas (black gram)	140.0	0.0	-	27.3	▶	-	▲
	Musuro	140.0	0.0	-	7.7	▶	-	▶
	Potato	20.0	0.0	-	0.0	▶	-	▶

Hill and Mountain markets without road access								
Humla	Coarse rice*	40.0	0.0	-	14.3	▶	-	▶
	Wheat flour	240.0	71.4	-	9.1	▲	-	▶
	Soybean oil	280.0	0.0	-	-6.7	▶	-	▶
	Beans	100.0	25.0	-	0.0	▲	-	▶
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	30.0	0.0	-	-14.3	▶	-	▶
Dolpa	Coarse rice	95.0	0.0	0.0	5.6	▶	▶	▶
	Wheat flour	110.0	-15.4	-15.4	10.0	▼	▼	▶
	Soybean oil	200.0	0.0	0.0	0.0	▶	▶	▶
	Beans	150.0	0.0	25.0	0.0	▶	▲	▶
	Mas (black gram)	170.0	0.0	0.0	-	▶	▶	-
	Musuro	200.0	0.0	0.0	0.0	▶	▶	▶
	Potato	35.0	16.7	-12.5	-30.0	▲	▼	▼
Bajura	Coarse rice*	38.0	0.0	-5.0	13.8	▶	▶	▶
	Wheat flour	45.0	-2.2	7.1	-2.2	▶	▶	▶
	Soybean oil	-	-	-	-	-	-	-
	Beans	120.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	130.0	0.0	8.3	0.0	▶	▶	▶
	Musuro	130.0	0.0	8.3	0.0	▶	▶	▶
	Potato	30.0	20.0	20.0	0.0	▲	▲	▶

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>



