



# Market Watch 31

July 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

- **Prices of most monitored commodities showed a nominal increase in the last month. The average prices of coarse rice and wheat flour have increased by 1.0 percent and 0.8 percent respectively, while that of black gram and broken lentils have increased by less than 0.5 percent in the past one month.**
- **Fuel prices (diesel and kerosene) have increased by Rs. 5 each per liter effective from 10 July 2011.**
- **Food supply in the markets of the Mid-Western hill and mountain districts have been affected by frequent obstructions in parts of the Karnali highway due to landslides caused by monsoon rain.**

## NATIONAL MARKET DEVELOPMENT

### Price

In the markets regularly monitored by MoAC and WFP, the national average price of most food commodities has increased marginally over the past one month. The average prices of coarse rice and wheat flour increased by 1.0% to Rs. 36.1 per kilo and 0.8% to Rs. 36.9 per kilo respectively, while that of broken lentils and black gram increased by 0.5% to Rs. 96.8 per kilo and 0.2% to Rs. 109.8 per kilo respectively. However, the price of red potato has increased by 5.7% to 23.5 per kilo. In comparison to April 2011, the average price of coarse rice has increased by 4.7%, while that of wheat flour has declined by 2.9%.

Price trends in regional markets reflect a somewhat different picture compared to the trend in national average price. The average price of coarse rice in major consumer markets has increased by 2.6%, while the price of wheat flour remained same in the last one month. In the Terai markets, the average prices of wheat flour and coarse rice increased by 2.5% and 0.6% respectively. However, the average prices of coarse rice and wheat flour remained same in mountain & hill markets with and without road access. In the wholesale market monitored by FNCCI/AEC, the prices of most commodities in the five large markets (Birtamod, Kathmandu, Butwal, Surkhet and Dhangadi) showed a trend similar to that seen in the retail markets.

In July 2011, prices of vegetables in the Kathmandu valley have marginally declined due to sudden improvement in vegetable supply. The price of vegetables had increased by 15-20% in the last month (June).

The prices of both diesel and kerosene increased from Rs. 68.5 (price level since December 6, 2010) to Rs. 73.5 per liter (effective from July 10, 2011). Such a rise in fuel prices is likely to increase the cost of transportation thereby raising food prices.

### Supply

As of now, the supply situation across the country is good due to a good winter crop production. However, the hill and mountain districts which have only fair weather road access are likely to be affected by the monsoon rain. As recently reported by WFP Field Monitors, the Karnali highway has been blocked in many parts due to landslides. Such a disruption is likely to affect the supply situation in the region. The impact of Karnali highway obstruction on food supply and on price situation in the region needs to be monitored closely.

### Outlook

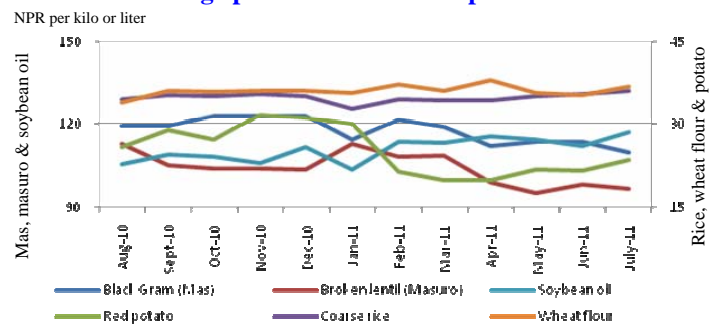
Food prices are likely to remain high until the next harvest which is normally expected in October/November. Moreover, the recent rise of fuel prices in Nepal will likely affect the food prices.

As a result of timely and adequate rainfall so far, the progress of paddy plantation has been reportedly good, thus indicating a positive outlook for paddy production this year.

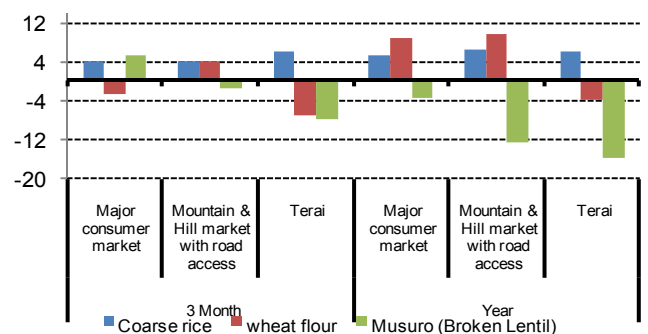
### Largest increases in prices of key commodities

Commodity	Price Rs/ kg or liter	% change 1 month	Observation
Potato	23.5	5.7%	Reduction in supply due to off-season.
Diesel and Kerosene	73.5	7.3%	Increase in global petroleum prices.

### Average price over 12 month period\*



### Percentage change in prices\*\* (3 month & year)



† Prices relate to the Nepali month of Ashad.

\* 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 monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
<b>Major consumer markets</b>								
Kathmandu	Coarse rice	35.0	0.0	2.9	0.0	▶	▶	▶
	Wheat flour	36.0	0.0	0.0	5.9	▶	▶	▶
	Soybean oil	123.0	26.8	6.0	29.5	▲	▶	▲
	Chicken	215.0	3.9	-12.2	22.9	▶	▼	▲
	Mustard oil	130.0	21.5	8.3	8.3	▲	▶	▶
	Mas (black gram)	105.0	-7.1	-8.7	-8.7	▼	▶	▶
	Musuro	105.0	5.0	10.5	2.9	▶	▲	▶
	Potato	20.0	5.3	-13.0	-33.3	▲	▼	▼
Pokhara	Coarse rice	44.0	4.8	4.8	10.0	▶	▶	▶
	Wheat flour	38.0	0.0	-5.0	11.8	▶	▶	▶
	Soybean oil	120.0	0.0	0.0	14.3	▶	▶	▶
	Chicken	260.0	0.0	-10.3	-18.8	▶	▼	▼
	Mustard oil	140.0	0.0	3.7	3.7	▶	▶	▶
	Mas (black gram)	115.0	0.0	4.5	-11.5	▶	▶	▶
	Musuro	95.0	0.0	0.0	-9.5	▶	▶	▶
	Potato	25.0	19.0	25.0	0.0	▲	▲	▶
<b>Regional Terai markets</b>								
Biratnagar	Coarse rice	28.0	-9.7	-9.7	-12.5	▼	▶	▶
	Wheat flour	30.0	0.0	7.1	3.4	▶	▶	▶
	Soybean oil	-	-	-	-	-	-	-
	Chicken	220.0	-17.0	-17.0	-11.3	▼	▼	▶
	Mustard oil	130.0	0.0	3.2	13.0	▶	▶	▶
	Mas (black gram)	96.0	6.7	-4.0	-2.0	▲	▶	▶
	Musuro	75.0	0.0	0.0	-14.8	▶	▶	▶
Potato	16.0	0.0	17.6	-36.0	▶	▲	▼	
Biratnagar	Coarse rice	36.0	2.9	9.1	5.9	▶	▶	▶
	Wheat flour	27.0	3.8	-25.0	-26.2	▶	▼	▼
	Soybean oil	117.0	-0.8	1.7	-32.8	▶	▶	▼
	Chicken	240.0	0.0	0.0	0.0	▶	▶	▶
	Mustard oil	130.0	0.0	0.0	8.3	▶	▶	▶
	Mas (black gram)	94.0	4.4	-1.1	-6.0	▶	▶	▶
	Musuro	78.0	-2.5	-7.1	-25.7	▶	▶	▼
Potato	20.0	11.1	42.9	0.0	▲	▲	▶	
Nepalgunj	Coarse rice	30.0	3.4	5.9	5.3	▶	▶	▶
	Wheat flour	24.0	-2.7	-25.8	-15.0	▶	▼	▼
	Soybean oil	115.0	0.0	25.4	27.8	▶	▶	▲
	Chicken	250.0	0.0	7.1	13.6	▶	▶	▶
	Mustard oil	135.0	0.0	14.1	17.4	▶	▶	▶
	Mas (black gram)	87.0	2.4	0.4	0.0	▶	▶	▶
	Musuro	70.0	-6.7	-22.2	-17.6	▼	▼	▼
Potato	20.0	0.0	15.4	53.8	▶	▶	▶	
Dhangadhi	Coarse rice	38.0	0.0	7.3	26.7	▶	▶	▶
	Wheat flour	31.0	3.3	0.0	19.2	▶	▶	▲
	Soybean oil	100.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	240.0	20.0	-4.0	-4.0	▲	▶	▶
	Mustard oil	127.0	-5.2	-5.2	5.8	▼	▶	▶
	Mas (black gram)	140.0	4.5	0.0	-3.4	▶	▶	▶
	Musuro	100.0	0.0	-9.1	-23.1	▶	▶	▼
Potato	30.0	66.7	130.8	87.5	▲	▲	▲	

▲ 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	30.0	7.1	20.0	7.1	▲	▲	▶
	Wheat flour	27.0	8.0	22.7	8.0	▲	▲	▶
	Soybean oil	90.0	-18.2	-5.3	-5.3	▼	▶	▶
	Chicken	260.0	8.3	8.3	30.0	▶	▶	▶
	Mustard oil	150.0	0.0	20.0	0.0	▶	▶	▶
	Mas (black gram)	122.0	-6.2	-6.2	10.9	▼	▶	▶
	Musuro	118.0	-1.7	-1.7	2.6	▶	▶	▶
	Potato	15.0	-6.3	0.0	0.0	▼	▶	▶

**Hill and mountain markets with road access**

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Dhankuta	Coarse rice	35.0	0.0	6.1	6.1	▶	▶	▶
	Wheat flour	32.0	0.0	-11.1	-3.0	▶	▼	▶
	Soybean oil	120.0	0.0	0.0	20.0	▶	▶	▶
	Chicken	230.0	0.0	-4.2	-30.3	▶	▶	▼
	Mas (black gram)	124.0	0.0	2.5	18.1	▶	▶	▶
	Musuro	79.0	0.0	-4.8	-21.8	▶	▶	▼
	Potato	22.0	0.0	-4.3	-18.5	▶	▶	▼

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Rolpa	Coarse rice	-	-	-	-	-	-	-
	Wheat flour	-	-	-	-	-	-	-
	Soybean oil	-	-	-	-	-	-	-
	Chicken	-	-	-	-	-	-	-
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Santebagar	Coarse rice	-	-	-	-	-	-	-
	Wheat flour	-	-	-	-	-	-	-
	Soybean oil	-	-	-	-	-	-	-
	Chicken	-	-	-	-	-	-	-
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Jumla	Coarse rice	45.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	60.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	140.0	0.0	-12.5	0.0	▶	▼	▶
	Chicken	320.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	100.0	0.0	0.0	-9.1	▶	▶	▶
	Musuro	100.0	0.0	0.0	-23.1	▶	▶	▼
	Potato	40.0	33.3	166.7	233.3	▲	▲	▲

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Bajura	Coarse rice	38.0	2.7	11.8	-24.0	▶	▶	▼
	Wheat flour	36.0	0.0	0.0	-20.0	▶	▶	▼
	Soybean oil	120.0	9.1	20.0	-	▶	▶	-
	Mas (black gram)	115.0	9.5	9.5	-17.9	▶	▶	▼
	Musuro	115.0	9.5	9.5	-17.9	▶	▶	▼
	Potato	25.0	0.0	-16.7	25.0	▶	▼	▶

**Hill and Mountain markets without road access**

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Humla	Coarse rice*	40.0	0.0	0.0	2.6	▶	▶	▶
	Wheat flour	-	-	-	-	-	-	-
	Soybean oil	280.0	0.0	0.0	-6.7	▶	▶	▶
	Beans	110.0	10.0	10.0	10.0	▶	▶	▶
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
Potato	40.0	33.3	33.3	14.3	▶	▶	▶	

Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%)*			Average monthly change over		
			1 m	3 m	1 yr	1m	3m	1yr
Dolpa	Coarse rice	95.0	0.0	0.0	5.6	▶	▶	▶
	Wheat flour	110.0	0.0	-	0.0	▶	-	▶
	Soybean oil	200.0	0.0	0.0	0.0	▶	▶	▶
	Beans	150.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	170.0	0.0	0.0	30.8	▶	▶	▶
	Musuro	200.0	0.0	0.0	0.0	▶	▶	▶
Potato	40.0	0.0	14.3	-20.0	▶	▶	▼	

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>

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