

HIGHLIGHTS

- In July 2014, retail prices of most food commodities monitored in 12 markets across Nepal showed an upward trend due to the lean season and the monsoon period.
- Overall inflation rate in July 2014 was 8.1 percent. The food and beverage group was higher at 11.1 percent, as were several sub-groups: fruits (25.5 percent), vegetables (21.2 percent), meat and fish (15.9 percent), and milk and dairy products (10.9 percent).

NATIONAL MARKET DEVELOPMENT

Price

In July 2014, retail prices of food commodities monitored across the country showed an upward trend. On a month-onmonth basis, the retail price of coarse rice and wheat flour marginally increased by 0.4 percent and 0.9 percent respectively, while that of black gram and broken lentil went up by 1.2 percent and 3.8 percent respectively. Likewise, prices of chicken meat and soybean oil climbed by 3.5 percent and 1.2 percent respectively, while the price of red potato increased sharply by 12.4 percent. As compared to three months earlier, most prices showed an upward trend with the exception of wheat flour. 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 somewhat similar trends as the national averages, with an upward trend of wheat flour and broken lentil in all markets. The price of coarse rice remained stable in the hill and mountain markets and the major consumer markets of Kathmandu and Pokhara, while in the Terai markets there was an upward trend in the price of coarse rice.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed an upward trend 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 dry onion, carrot, cauliflower, French bean, ginger and tomato increased by more than 13 percent due to a reduction in supply because of the lean season, while that of radish, smooth gourd, christophine and okra went down by more than 15 percent over the past one month.

The overall consumer price index (CPI) released by Nepal Rastra Bank in July 2014 was 205.9, an increase of 2.1 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 8.1 percent. The food and beverage group of the CPI was 251.0, an increase of 2.5 percent month-on-month, but an increase of 11.1 percent year-on-year; several sub-groups showed higher year-onyear increases: fruits (25.5 percent), vegetables (21.2 percent), meat and fish (15.9 percent), and milk and dairy products (10.9 percent). The non-food and services group of the CPI was 173.2, an increase of 1.8 percent month-onmonth and 5.3 percent year-on-year.

Supply

According to NeKSAP cluster and district coordinators, the normal supply of food across some parts of Nepal has been disrupted, mainly in the Mid-Western and Eastern regions and the Central Terai, due to landslides in the hills and floods in the Terai caused by heavy rainfall. This situation should be monitored closely.

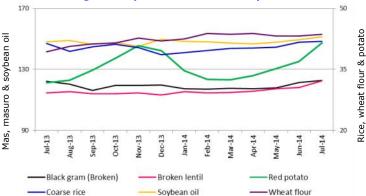
Outlook

Most food prices are likely to remain high or increase in the next month due to a decline in supply as a result of road obstruction in many parts of the country and the lean season.

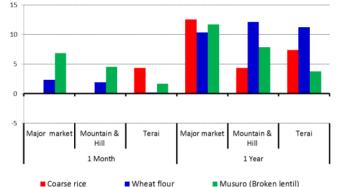
Paddy transplantation is late due to the delay in the monsoon; however, more than 80 percent has been completed to date. Recent floods due to excessive rainfall have damaged paddy in many Terai districts which indicate a below moderate outlook for summer crops.

Largest changes in	n commodity prices (month-on-month)							
Commodity	Price NPR/kg or liter	% change 1 month	Observations					
Dry onion, carrot, cauliflower, French bean, and ginger	various	>13	Decrease in supply due to lean season					
Radish, christophine, okra, and smooth gourd	various	>-15	Increase in supply due to harvest season					

Average retail price over 12 months period*



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



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Musuro (Broken lentil)

वेपाल खाद्य सुरक्षा अनुगमन प्रणाली

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⁺ Prices relate to the Nepali month of Asar 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 Watch - 67 Major Retail Commodity Prices for July 2014

lex	Commodity	Cur- rent price	Chan	nge in price (%) [*]		Average change over		et		Current price	Change in price (%)*			Average change over			
Market		(NRS per Kg/Lt.)	1 m	3 m	1 yr	1m	3m	1yr	Market	Commodity	(NRS per Kg/ Lt.)	1 m	3 m	1 yr	1m	3m	1y
Majo	or consumer i	markets								Coarse rice	35.0	16.7	2.9	0.0		•)
		45.0	0.0	0.0	10.4					Wheat flour	36.0	0.0	-10.0	2.9			
	Coarse rice	45.0	0.0	9.8	18.4				g	Soybean oil	150.0	7.1	15.4	15.4			
Kathmandu	Wheat flour	45.0	4.7	4.7	18.4				Bhairahawa	Chicken	350.0	16.7	12.9	34.6			
	Soybean oil	147.0	-2.0	1.4	5.0				haira	Mustard oil	175.0	2.9	9.4	9.4			
	Chicken	370.0	5.7	10.4	45.1			A	ш	Mas (black gram)	110.0	0.0	0.0	-12.0			
	Mustard oil Mas (black	167.0	0.0	0.0	1.2					Musuro	110.0	0.0	10.0	10.0			
	gram)	120.0	0.0	2.6	0.0					Potato	35.0	0.0	40.0	40.0			
	Musuro	125.0	13.6	16.8	19.0			A	Hill a	nd Mountain m		road acc					
	Potato	55.0	57.1	71.9	120.0					Coarse rice	42.0	0.0	5.0	13.5			
	Coarse rice	48.0	0.0	0.0	6.7		•	•		Wheat flour	47.0	0.0	2.2	34.3			
	Wheat flour	45.0	0.0	0.0	2.3			•	ta -	Soybean oil Chicken	165.0 320.0	0.0 0.0	-5.7 6.7	10.0 14.3			
_	Soybean oil	140.0	0.0	7.7	-3.4				Dhankuta	Mas (black							
Рокпага	Chicken	310.0	-11.4	-18.4	0.0	•	•		Dha	gram) Musuro	120.0 110.0	0.0 0.0	0.0 -4.3	0.0 0.0			
Ď	Mustard oil	180.0	0.0	0.0	0.0			•									
	Mas (black gram)	130.0	-7.1	0.0	0.0	•		•		Potato	50.0	11.1	25.0	66.7			
	Musuro	120.0	0.0	-1.6	4.3		•	•		Coarse rice	34.0	0.0	0.0	-32.0			
	Potato	48.0	0.0	37.1	37.1					Wheat flour	40.0	0.0	-11.1	0.0			
Regi	onal Terai ma	arkets							Rolpa	Soybean oil	150.0	0.0	0.0	-3.2			
	Coarse rice	40.0	0.0	0.0	25.0				ŭ	Chicken Mas (black	330.0	0.0	0.0	3.1			
	Wheat flour	42.0	5.0	5.0	20.0			A		gram)	110.0	0.0	0.0	-4.3			
.	Soybean oil	135.0	3.8	-3.6	-12.9					Musuro	130.0	0.0	8.3	8.3			
n lag	Chicken	320.0	10.3	6.7	14.3					Potato	55.0	10.0	10.0	10.0			
Biratnagar	Mustard oil	165.0	0.0	0.0	-13.2			•		Coarse rice	45.0	0.0	12.5	25.0			
	Mas (black gram)	120.0	9.1	9.1	4.3				-	Wheat flour	42.0	0.0	0.0	5.0			
	Musuro	120.0	4.3	9.1	0.0				bage	Soybean oil	150.0	0.0	0.0	-			
	Potato	40.0	14.3	14.3	33.3				Sanfebagar	Chicken Mas (black	380.0	0.0	8.6	8.6			
	Coarse rice	44.0	15.8	15.8	22.2				Ś	gram)	125.0	0.0	4.2	4.2			
	Wheat flour	42.0	5.0	10.5	27.3			A		Musuro	130.0	0.0	8.3	8.3			
	Soybean oil	150.0	0.0	0.0	-5.1			•		Potato	50.0	25.0	25.0	11.1		_	
-	Chicken	330.0	3.1	10.0	26.9			A		Coarse rice	60.0	0.0	0.0	0.0			
Rirgunj	Mustard oil	190.0	8.6	-5.0	5.6					Wheat flour	70.0	0.0	0.0	16.7			
ö	Mas (black	115.0	15.0	01.1	10.7				<u>a</u>	Soybean oil	190.0	5.6	18.8	5.6			
	gram)	115.0	15.0	21.1	12.7	•	•	•	Jumla	Chicken Mas (black	440.0	10.0	0.0	10.0			
	Musuro	118.0	7.3	7.3	7.3					gram)	160.0	14.3	10.3	14.3			
	Potato	40.0	60.0	60.0	81.8					Musuro	160.0	14.3	6.7	14.3			
	Coarse rice	35.0	-2.8	-2.8	-2.8			•		Potato	30.0	0.0	-14.3	0.0		▼	
	Wheat flour	35.0	-7.9	-7.9	0.0	•				Coarse rice	42.0	0.0	13.5	0.0			
dhi Nepalgunj										Wheat flour	46.0	9.5	4.5	4.5			
	Soybean oil	148.0	-1.3	-1.3	9.6				Bajura	Beans Mas (black	130.0	8.3	8.3	8.3			
	Chicken	260.0	-13.3	-13.3	8.3	•	•	•	Ba	gram)	130.0	-7.1	8.3	-3.7	▼		
	Mustard oil	190.0	-5.0	-5.0	-5.0			•		Musuro	130.0	8.3	8.3	8.3			
	Mas (black gram)	100.0	-9.1	-9.1	-16.7	•		•		Potato	35.0	0.0	-12.5	40.0		V	_
	Musuro	95.0	0.0	0.0	-9.5			•	Mour	ntain markets w	ithout roa	d access					
	Potato	30.0	0.0	20.0	20.0					Coarse rice*	47.0	11.9	0.0	11.9			
	Coarse rice	30.0	-8.0	5.7	-7.5					Wheat flour	200.0 300.0	-16.7 0.0	-16.7	0.0 0.0			
		35.0	-0.0	0.0	6.1				Humla	Soybean oil Beans	300.0 120.0	0.0	-	0.0 -7.7		-	
	Wheat flour								Η̈́	Mas (black gram)	200.0	-	-	33.3	_	-	
allya	Soybean oil Chicken	140.0 340.0	0.0 10.4	7.7 13.3	5.3 13.3					gram) Musuro	200.0	-	-	- 50.0	-	-	
Dhangadhi	Mustard oil	340.0 160.0	0.0	0.0	-5.9					Potato	100.0	0.0	-23.1	0.0		▼	
	Mas (black					Ĩ	-			Coarse rice	140.0	16.7	-	7.7		-	
	gram)	132.0	1.5	10.0	1.5					Wheat flour	120.0	0.0	-	-7.7		-	
Price	Musuro Potato	122.0	-3.2	1.7	10.9					Soybean oil	240.0	118.2	-	0.0		-	
	increase a	30.0 above no	-25.0	0.0 rice fluct	-23.1	•		•	Dolpa	Beans	160.0	-	-	-	-	-	
	nal price fl			nee nucl	Junion				Ó	Mas (black gram)	200.0	-20.0	-	48.1	▼	-	
	decrease	below n	ormal p							Musuro	200.0	-20.0	-	-23.1	▼	-	
				price chang													

Market Watch is produced by WFP Nepal as part of the Nepal Food Security Monitoring System (NeKSAP) in collaboration with the Agri-business Promotion and Marketing Development Directorate, Federation of Nepalese Chambers of Commerce and Industries (FNCCI) and Consumer's Interest Protection Forum. All information products produced by NeKSAP are available on http://www.sites.google.com/site/nefoodsec and http://www.neksap.org.np . For more information please contact Post Box 107, Tel 5260607 ext 2420-5 and 2441.

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