



Market Watch 92

June 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 June 2019, retail prices of most food commodities monitored in 15 major markets across Nepal showed an upward trend or held relatively stable, as the start of lean season and monsoon rains worked to limit supply in rural markets with unpaved roads.**
- **The overall inflation rate in June 2019 was 6.2 percent. The food and beverage group was stable at 6.7 percent, although several food sub-groups were relatively higher: vegetables (14.6%), spices (12.2%) and fruits (10.8%).**

Prices

Retail prices of most food commodities monitored in 15 major markets across Nepal showed an upward trend in June 2019 (see **Fig. 1**):

- On a month-on-month basis, retail prices of black gram, broken lentil, red potato and wheat flour increased by 2.7, 1.2, 33.0 and 0.6 percent respectively, while that of coarse rice, soybean oil and chicken meat remained relatively stable.
- Compared to three months earlier, most prices indicated an upward trend with the exception of a declining trend in the price of coarse rice and chicken meat. The largest change was red potato (+19.9 percent).
- On a year-on-year basis, most prices showed a decreasing trend (with the exception of wheat flour and soybean oil). The largest change was wheat flour (+17.8 percent).

Factors behind current price trends include seasonal fluctuations and the partial reduction in supplies due to some obstructions in transportation services caused by monsoon-induced floods and landslides, mainly in rural markets.

Retail prices in regional markets (see **Fig. 2**) mostly showed a different trend as compared to the national averages. Compared to last month, the prices of food commodities mostly showed an increasing trend or remained relatively stable in all markets with the exception of a decreasing trend in the mountain and hill markets. Compared to the same period last year, price of wheat flour indicated an increasing trend in all markets, while that of coarse rice increased in major markets but decreased elsewhere. The price of broken lentil showed a declining trend in all markets with the exception of the major consumer markets of Kathmandu, Pokhara and Surkhet.

Wholesale prices monitored in the Kalimati Fruits and Vegetables Market showed relatively high month-on-month fluctuations (see **Table 1**): prices of carrot, cabbage, French bean, cauliflower, radish, cucumber, radish, dry onion and cow pea increased by more than 25 percent due to reduction in supply as compared to demand, while that of pumpkin, bitter gourd, pointed gourd and broad leaf mustard decreased by more than 4 percent due to a surge in supply from the harvest season.

The overall consumer price index (CPI) released by Nepal Rastra Bank was 127.7 in June 2019, an increase of 1.1 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 6.2 percent. The food and beverage group of the CPI was 123.1, an increase of 2.5 percent month-on-month and 6.7 percent year-on-year; several sub-groups showed relatively high year-on-year increases: vegetables (14.6%), spices (12.2%), fruits (10.8%) and ghee and oils (6.1%). The non-food and services group of the CPI was 131.5, an increase of 0.1 percent month-on-month and 5.7 percent year-on-year.

Supply

The supply of food and non-food commodities in some areas with unpaved roads is limited due to partial obstructions in transportation services at the start of the monsoon season. However food commodities are sufficiently available in major markets.

Outlook

Most food prices are expected to increase over the next two months due to lean season of most food commodities with the exception of few seasonal vegetable crops.

Overall rice planation, a major cereal crop in Nepal, is estimated at 40 percent through 15 July 2019, 50 percent lower than last year, ascribed to this year's delay in monsoon rains.

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

Commodity	Price NPR/kg or liter	% change 1 month	Observations
Carrot, cabbage, French bean, cauliflower, radish, cucumber, radish, dry onion and cow pea	various	> 25	Decrease in supply due to lean season
Bitter gourd, pointed gourd, pumpkin and broad leaf mustard	various	>-4	Increase in supply due to harvest season

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

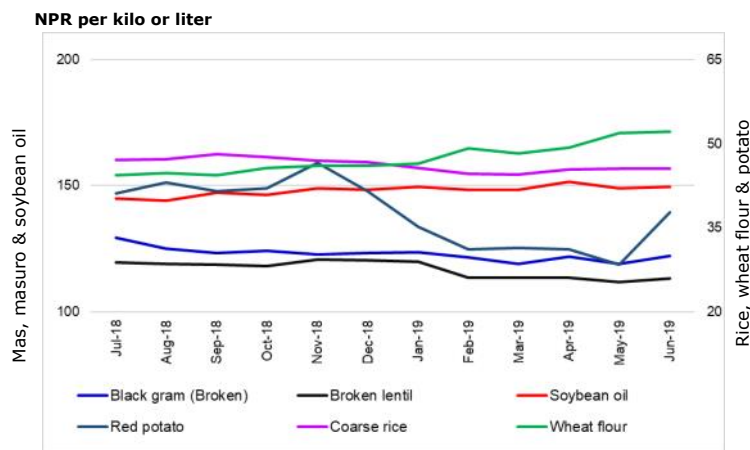
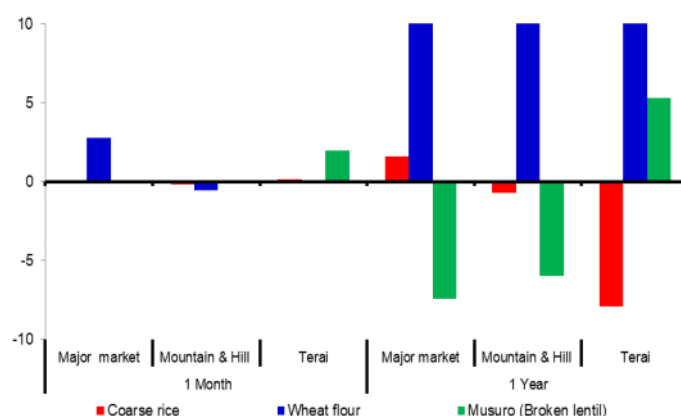


Figure 2: Percentage change in retail prices (1 month & 1 year)**



† Prices related to the Nepali month of Jetha 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	47.0	0.0	0.0	-6.0	▶	▶	▶
	Wheat flour	48.0	0.0	4.3	6.7	▶	▶	▶
	Soybean oil	160.0	0.0	6.7	14.3	▶	▶	▶
	Chicken	350.0	-2.8	6.1	2.9	▶	▶	▶
	Broken lentil	110.0	0.0	22.2	-8.3	▶	▲	▶
	Potato	45.0	12.5	50.0	0.0	▲	▲	▶
	Pokhara	Coarse rice	50.0	0.0	0.0	4.2	▶	▶
Wheat flour		65.0	8.3	18.2	35.4	▲	▲	▲
Soybean oil		125.0	-3.8	-7.4	-3.8	▶	▶	▶
Chicken		390.0	0.0	-4.9	-9.3	▶	▶	▶
Broken lentil		100.0	0.0	0.0	-23.1	▶	▶	▼
Potato		40.0	0.0	5.3	-11.1	▶	▶	▶
Surkhet		Coarse rice	48.0	0.0	-4.0	6.7	▶	▶
	Wheat flour	45.0	0.0	-10.0	2.3	▶	▶	▶
	Soybean oil	160.0	0.0	0.0	14.3	▶	▶	▶
	Chicken	350.0	2.9	2.9	2.9	▶	▶	▶
	Broken lentil	120.0	0.0	-7.7	9.1	▶	▶	▶
Potato	45.0	-10.0	0.0	12.5	▼	▶	▶	
Regional Terai markets								
Biratnagar	Coarse rice	40.0	-4.8	0.0	-11.1	▶	▶	▶
	Wheat flour	50.0	0.0	0.0	19.0	▶	▶	▲
	Soybean oil	140.0	3.7	3.7	18.6	▶	▶	▲
	Chicken	320.0	0.0	0.0	-1.8	▶	▶	▶
	Broken lentil	90.0	0.0	0.0	5.9	▶	▶	▶
	Potato	40.0	33.3	100.0	21.2	▲	▲	▲
Janakpur	Coarse rice	40.0	0.0	-4.8	-4.8	▶	▶	▶
	Wheat flour	55.0	0.0	10.0	22.2	▶	▶	▲
	Soybean oil	140.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	120.0	9.1	-20.0	-20.0	▲	▼	▼
	Broken lentil	110.0	0.0	10.0	10.0	▶	▶	▶
	Potato	30.0	0.0	50.0	-14.3	▶	▲	▶
Birgunj	Coarse rice	42.0	0.0	5.0	-6.7	▶	▶	▶
	Wheat flour	46.0	0.0	2.2	15.0	▶	▶	▶
	Soybean oil	150.0	0.0	11.1	11.1	▶	▲	▶
	Chicken	320.0	-5.9	0.0	6.7	▼	▶	▶
	Broken lentil	100.0	0.0	11.1	11.1	▶	▲	▶
	Potato	40.0	14.3	100.0	14.3	▲	▲	▶
Dhangadhi	Coarse rice	40.0	0.0	5.3	-11.1	▶	▶	▶
	Wheat flour	40.0	0.0	17.6	17.6	▶	▲	▲
	Soybean oil	150.0	0.0	7.1	15.4	▶	▶	▲
	Chicken	300.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	110.0	0.0	10.0	10.0	▶	▶	▶
	Potato	30.0	0.0	0.0	0.0	▶	▶	▶
Nepalgunj	Coarse rice	40.0	0.0	0.0	-20.0	▶	▶	▼
	Wheat flour	50.0	0.0	2.0	19.0	▶	▶	▲
	Soybean oil	140.0	0.0	-3.4	0.0	▶	▶	▶
	Chicken	340.0	6.3	1.5	6.3	▲	▶	▶
	Broken lentil	95.0	11.8	5.6	-5.0	▲	▶	▶
	Potato	25.0	13.6	38.9	-16.7	▲	▲	▼
Hill and Mountain markets with road access								
Bhairahawa	Coarse rice	37.0	5.7	0.0	-17.8	▲	▶	▼
	Wheat flour	45.0	0.0	0.0	18.4	▶	▶	▲
	Soybean oil	135.0	0.0	-1.5	14.4	▶	▶	▶
	Chicken	330.0	6.5	1.5	-2.9	▲	▶	▶
	Broken lentil	80.0	0.0	2.6	0.0	▶	▶	▶
	Potato	25.0	13.6	0.0	-28.6	▲	▶	▼
	Makwanpur	Coarse rice	45.0	0.0	0.0	-10.0	▶	▶
Wheat flour		46.0	0.0	0.0	4.5	▶	▶	▶
Soybean oil		160.0	0.0	0.0	14.3	▶	▶	▶
Chicken		330.0	-5.7	3.1	3.1	▼	▶	▶
Broken lentil		100.0	-9.1	13.6	-9.1	▼	▶	▶
Potato		40.0	-	42.9	25.0	-	▲	▲
Dhankuta		Coarse rice	43.5	-3.3	8.8	-3.3	▶	▶
	Wheat flour	50.0	-3.8	0.0	11.1	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	16.7	▶	▶	▲
	Chicken	320.0	0.0	0.0	-11.1	▶	▶	▶
	Broken lentil	100.0	0.0	0.0	0.0	▶	▶	▶
	Potato	30.0	0.0	36.4	0.0	▶	▲	▶
Rolpa	Coarse rice	45.0	0.0	4.7	-16.7	▶	▶	▼
	Wheat flour	52.0	0.0	-5.5	30.0	▶	▶	▲
	Soybean oil	150.0	0.0	0.0	15.4	▶	▶	▶
	Chicken	350.0	2.9	0.0	0.0	▶	▶	▶
	Broken lentil	105.0	-4.5	-12.5	-8.7	▶	▼	▶
	Potato	30.0	0.0	-25.0	-14.3	▶	▼	▶
Sanfebagar	Coarse rice	45.0	2.3	9.8	12.5	▶	▶	▶
	Wheat flour	49.0	0.0	8.9	8.9	▶	▶	▶
	Soybean oil	160.0	3.2	-3.0	6.7	▶	▶	▶
	Chicken	400.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	135.0	3.8	-15.6	-3.6	▶	▼	▶
	Potato	45.0	0.0	0.0	0.0	▶	▶	▶
Jumla	Coarse rice	55.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	55.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	180.0	0.0	12.5	28.6	▶	▶	▶
	Chicken	450.0	0.0	4.7	4.7	▶	▶	▶
	Broken lentil	150.0	0.0	-6.3	0.0	▶	▶	▶
	Potato	50.0	42.9	42.9	-	▶	▶	▶
Bajura	Coarse rice	45.0	0.0	7.1	12.5	▶	▶	▶
	Wheat flour	50.0	0.0	4.2	13.6	▶	▶	▶
	Soybean oil	165.0	3.1	-2.9	3.1	▶	▶	▶
	Chicken	400.0	0.0	-9.1	-9.1	▶	▶	▶
	Broken lentil	140.0	3.7	-17.6	-6.7	▶	▼	▶
	Potato	45.0	0.0	12.5	12.5	▶	▶	▶
Mountain markets without road access								
Dolpa	Coarse rice	80.0	0.0	0.0	-40.7	▶	▶	▼
	Wheat flour	90.0	0.0	-5.3	-10.0	▶	▶	▶
	Soybean oil	180.0	0.0	0.0	-2.7	▶	▶	▶
	Chicken	500.0	0.0	-16.7	0.0	▶	▼	▶
	Broken lentil	200.0	0.0	0.0	-9.1	▶	▶	▶
	Potato	40.0	0.0	0.0	14.3	▶	▶	▶
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	500.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	300.0	0.0	0.0	-14.3	▶	▶	▶
	Potato	55.0	10.0	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	47.0	0.0	0.0	-2.1	▶	▶	▶
	Wheat flour	48.0	4.3	0.0	-4.0	▶	▶	▶
	Soybean oil	160.0	0.0	0.0	-15.8	▶	▶	▼
	Chicken	360.0	2.9	2.9	5.9	▶	▶	▶
	Broken lentil	110.0	15.8	19.6	-52.2	▲	▲	▼
	Potato	40.0	33.3	33.3	0.0	▲	▲	▶
	Pokhara	Coarse rice	50.0	0.0	-9.1	0.0	▶	▶
Wheat flour		60.0	9.1	9.1	25.0	▲	▶	▲
Soybean oil		130.0	-3.7	-3.7	0.0	▶	▶	▶
Chicken		390.0	0.0	-4.9	-13.3	▶	▶	▶
Broken lentil		100.0	-4.8	0.0	-28.6	▶	▶	▼
Potato		40.0	14.3	0.0	-11.1	▲	▶	▶
Surkhet		Coarse rice	48.0	-4.0	-4.0	6.7	▶	▶
	Wheat flour	45.0	-10.0	-10.0	2.3	▼	▶	▶
	Soybean oil	160.0	0.0	0.0	6.7	▶	▶	▶
	Chicken	340.0	-2.9	-2.9	0.0	▶	▶	▶
	Broken lentil	120.0	-7.7	-7.7	0.0	▼	▶	▶
Potato	50.0	66.7	66.7	100.0	▲	▲	▲	
Regional Terai markets								
Biratnagar	Coarse rice	42.0	5.0	10.5	5.0	▶	▲	▶
	Wheat flour	50.0	-3.8	0.0	11.1	▶	▶	▶
	Soybean oil	135.0	0.0	0.0	8.0	▶	▶	▶
	Chicken	320.0	0.0	6.7	0.0	▶	▶	▶
	Broken lentil	90.0	0.0	-5.3	-18.2	▶	▶	▼
	Potato	30.0	50.0	50.0	20.0	▲	▲	▲
Janakpur	Coarse rice	40.0	-4.8	-4.8	-11.1	▶	▶	▶
	Wheat flour	55.0	10.0	10.0	22.2	▲	▶	▲
	Soybean oil	140.0	0.0	0.0	-3.4	▶	▶	▶
	Chicken	300.0	0.0	0.0	-6.3	▶	▶	▶
	Broken lentil	110.0	0.0	0.0	-24.1	▶	▶	▼
	Potato	30.0	50.0	20.0	11.1	▲	▲	▶
Biratnagar	Coarse rice	42.0	2.4	5.0	5.0	▶	▶	▶
	Wheat flour	46.0	2.2	2.2	-8.0	▶	▶	▶
	Soybean oil	150.0	7.1	11.1	0.0	▲	▲	▶
	Chicken	340.0	3.0	6.3	13.3	▶	▶	▶
	Broken lentil	100.0	11.1	11.1	0.0	▲	▲	▶
	Potato	35.0	75.0	75.0	75.0	▲	▲	▲
Dhangadhi	Coarse rice	40.0	0.0	5.3	-11.1	▶	▶	▶
	Wheat flour	40.0	0.0	17.6	17.6	▶	▲	▲
	Soybean oil	150.0	0.0	7.1	15.4	▶	▶	▲
	Chicken	300.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	110.0	0.0	10.0	10.0	▶	▶	▶
	Potato	30.0	0.0	0.0	20.0	▶	▶	▲
Nepalgunj	Coarse rice	40.0	0.0	0.0	-25.9	▶	▶	▼
	Wheat flour	50.0	4.2	4.2	17.6	▶	▶	▲
	Soybean oil	140.0	0.0	0.0	-3.4	▶	▶	▶
	Chicken	320.0	0.0	6.7	6.7	▶	▶	▶
	Broken lentil	85.0	0.0	-13.3	-22.7	▶	▼	▼
	Potato	22.0	0.0	10.0	10.0	▶	▶	▶
Hill and Mountain markets with road access								
Bhairahawa	Coarse rice	35.0	-5.4	-5.4	-30.0	▼	▶	▼
	Wheat flour	45.0	0.0	2.3	28.6	▶	▶	▲
	Soybean oil	135.0	0.0	-1.5	22.7	▶	▶	▲
	Chicken	310.0	-3.1	-1.6	-3.1	▶	▶	▶
	Broken lentil	80.0	0.0	6.7	2.6	▶	▶	▶
	Potato	22.0	-12.0	-26.7	-12.0	▼	▼	▶
	Makwanpur	Coarse rice	45.0	2.3	0.0	7.1	▶	▶
Wheat flour		46.0	9.5	7.0	2.2	▲	▶	▶
Soybean oil		160.0	2.6	0.0	-11.1	▶	▶	▶
Chicken		350.0	0.0	2.9	9.4	▶	▶	▶
Broken lentil		110.0	22.2	29.4	-47.6	▲	▲	▼
Potato		30.0	20.0	50.0	-14.3	▲	▲	▶
Dhankuta		Coarse rice	45.0	12.5	12.5	0.0	▲	▲
	Wheat flour	52.0	4.0	-5.5	15.6	▶	▶	▲
	Soybean oil	140.0	0.0	0.0	16.7	▶	▶	▲
	Chicken	320.0	-5.9	3.2	-11.1	▼	▶	▶
	Broken lentil	100.0	11.1	0.0	0.0	▲	▶	▶
	Potato	30.0	20.0	50.0	0.0	▲	▲	▶
Rolpa	Coarse rice	45.0	4.7	0.0	-15.1	▶	▶	▼
	Wheat flour	52.0	0.0	-3.7	30.0	▶	▶	▲
	Soybean oil	150.0	0.0	0.0	15.4	▶	▶	▲
	Chicken	340.0	-2.9	0.0	0.0	▶	▶	▶
	Broken lentil	110.0	-4.3	-8.3	-8.3	▶	▶	▶
	Potato	30.0	-21.1	-40.0	-14.3	▼	▼	▶
Sanfebagar	Coarse rice	44.0	2.3	12.8	10.0	▶	▲	▶
	Wheat flour	49.0	0.0	8.9	22.5	▶	▶	▲
	Soybean oil	155.0	-3.1	-6.1	-6.1	▶	▶	▶
	Chicken	400.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	130.0	-13.3	-23.5	-23.5	▼	▼	▼
	Potato	45.0	0.0	12.5	0.0	▶	▲	▶
Jumla	Coarse rice	55.0	0.0	10.0	-26.7	▶	▶	▼
	Wheat flour	55.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	180.0	0.0	12.5	28.6	▶	▲	▲
	Chicken	450.0	0.0	2.3	4.7	▶	▶	▶
	Broken lentil	150.0	0.0	25.0	0.0	▶	▶	▶
	Potato	35.0	0.0	-12.5	-	▶	▼	-
Bajura	Coarse rice	45.0	0.0	12.5	25.0	▶	▶	▲
	Wheat flour	50.0	0.0	8.7	19.0	▶	▶	▶
	Soybean oil	160.0	-5.9	-5.9	-5.9	▼	▶	▶
	Chicken	400.0	-9.1	-9.1	-9.1	▼	▶	▶
	Broken lentil	135.0	-20.6	-22.9	-25.0	▼	▼	▼
Potato	45.0	12.5	28.6	12.5	▲	▲	▶	
Mountain markets without road access								
Dolpa	Coarse rice	80.0	0.0	-20.0	-42.9	▶	▼	▼
	Wheat flour	90.0	0.0	0.0	-30.8	▶	▶	▼
	Soybean oil	180.0	0.0	-30.8	-18.2	▶	▼	▼
	Chicken	500.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	200.0	0.0	-20.0	-13.0	▶	▼	▶
	Potato	40.0	0.0	33.3	-20.0	▶	▲	▼
Humla	Coarse rice	150.0	0.0	0.0	-9.1	▶	▶	▶
	Wheat flour	140.0	0.0	0.0	-17.6	▶	▶	▼
	Soybean oil	260.0	0.0	0.0	-13.3	▶	▶	▶
	Chicken	500.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	300.0	0.0	0.0	-21.1	▶	▶	▼
Potato	50.0	0.0	0.0	-16.7	▶	▶	▼	

▲ 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.