

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

- As per the report released by Nepal Rastra Bank in mid-April 2011, the year-on-year (y-o-y) price index of food and beverage increased by 17.3 percent of which the index of vegetable groups increased by a highest rate of 61.1 percent. The overall inflation, as measured by the consumer price index, remained at 10.6 percent in the same period.
- A significant increase in wheat (by 12.2% compared to last year) and barley (9.6%) production across the country has improved market supply.
- Despite some transport disturbances in the recent period, the overall supply situation remains good and markets in the hills, mountain and Terai have relatively good stock of essential commodities.

NATIONAL MARKET DEVELOPMENTS

Price

In the markets regularly monitored by MoAC and WFP, the average price of most commodities has remained relatively stable over the past three months. The average price of coarse rice has increased by 5% and soybean oil by 2.4%, while that of black gram, broken lentil and potato have decreased by 5.2%, 3.9% and 8.8% respectively. The wheat flour price has remained almost same with a nominal decrease of 0.1%. In compared to May last year, the average price of soybean oil has increased by 13.0% to Rs.113. Likewise, the average price of coarse rice has increased by 11.6% to Rs.35 and that of wheat flour by 7.1% to Rs. 37.5. Wholesale prices in some large markets (Birtamod, Kathmandu, Butwal, Surkhet and Dhangadi) monitored by AEC also show trends similar to that of retail prices.

As of mid-April 2011, y-o-y price inflation has been at 10.6 % compared to 14.3 % in the same period previous year. The food and beverage index shows an increase of 17.3%, while the index of vegetable groups has reached at highest level of 61.1% in the same period. Such a high inflation in food prices thus remains of significant concern.

Fuel prices in the world market continue to rise. Recent fuel price increase in India could have a direct impact on fuel prices in Nepal. As a result of soaring fuel prices, the price index of transport shows an increase of 11.4% compared to 0.7% decrease in the same period previous year.

Supply

A significant increase in the production of winter crops such as wheat (12.2%) and barley (9.6%) has improved the food stock at least for a couple of months across the country. Moreover, commodity supply continues unhindered in many hill and mountain markets with seasonal road access. Traders in some hill and mountain markets have reportedly stockpiled commodities in order to avoid possible food scarcity in the upcoming monsoon period due to expected disruption in transport likely to be caused by rainfall and landslides.

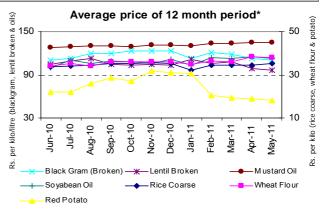
Strikes by various political and ethnic organizations both at national and regional levels, especially during 15 to 30 May at the time of constituent assembly deadline affected vehicle movement thus disrupting the supply of essential commodities across the country. This led to high increase in prices of perishable commodities such as vegetables, particularly in Kathmandu valley. It is now reported that hill and mountain districts in the Far and Mid-Western regions have adequate stock of food to meet the current demand.

Outlook

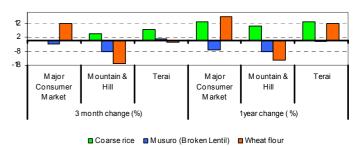
Price of winter crops such as wheat is likely to be stable in the next few months, mainly due to a good recent harvest. The price of vegetables may decrease to some extent, as the monsoon season approaches. However, the price of rice is likely to continue rising until the next major harvest expected in October/November.

Possible strikes due to political instability may affect food supply and prices. In addition, prices of food items will likely be affected by the monsoon due to disruption in transportation, particularly in remote hill and mountain markets. Any further increase in fuel prices may also put further pressure on the food prices.

Largest increases in prices of key commodities								
District or Commodity	Price Rs/kg	% change 1 month	Observation					
Vegetables (Kathmandu valley)	Various	30-40%	Increases in fuel prices and disruption of supply due to strikes carried out by political parties pushed up retail prices					



Percentage change in price** (3 month & 1 year)



+ Prices relate to the Nepali month of Baishak

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 - 29 Major retail commodity prices for April.

		Current price	Chang	e in price	2 (%)*		erage m change (
Markot	Commodity	(NRS per Kg/Lt.)	1 m	e in price 3 m	1 yr	1n		over 1yr
	r consume		ts					
	Coarse rice	34.0	0.0	0.0	6.3	•	•	•
	Wheat flour	36.0	2.9	5.9	16.1	•	•	A
пр	Soybean oil	116.0	2.7	9.4	28.9			A
Kathmandu	Chicken	245.0	0.0	8.9	-9.3			
Η̈́	Mustard oil	120.0	-5.5	6.2	20.0	•		A
Kat	Mas (black gram)	115.0	-8.0	-6.5	-4.2	•	•	•
	Musuro	95.0	-9.5	-5.0	-5.0	•	•	•
	Potato	23.0	0.0	-8.0	27.8	•	•	A
	Coarse rice	42.0	0.0	0.0	20.0	•	•	A
	Wheat flour	40.0	11.1	17.6	17.6	A	A	A
_	Soybean oil	120.0	4.3	4.3	9.1	•	•	•
ara	Chicken	290.0	-6.5	11.5	-17.1	•	A	V
Pokhara	Mustard oil	135.0	-3.6	-3.6	0.0	•	•	•
P	Mas (black							
	gram)	110.0	0.0	-8.3	-12.0			
	Musuro	95.0 20.0	3.3	0.0 -33.3	-9.5 42.9		>	_
Don!-	Potato	20.0	4.2	-33.3	42.9		▼	_
regio	nal Terai ma							
	Coarse rice	31.0	0.0	-3.7	17.0			A
	Wheat flour	28.0	-3.4	0.0	-3.4			
gar	Soybean oil	105.0	0.0	-4.5	16.7			A
nac	Chicken	265.0	-11.7	-9.2	-11.7			
Biratnagar	Mustard oil Mas (black	126.0	0.8	9.6	9.6			
ш	gram)	100.0	-8.3	16.3	11.1	•	A	•
	Musuro	75.0	-6.3	-6.3	-19.4	•		▼
	Potato	13.6	13.3	-12.8	23.6	A	▼	A
	Coarse rice	33.0	0.0	6.5	15.4	•	•	
	Wheat flour	36.0	5.9	0.0	36.4	A		A
	Soybean oil	115.0	0.0	4.5	15.9			A
Ju.	Chicken	240.0	9.1	20.0	-7.7	A	A	
Birgunj	Mustard oil	130.0	0.0	4.0	8.3			
	Mas (black gram)	95.0	-5.0	-15.2	28.4	•	•	A
	Musuro	84.0	-2.3	5.0	-15.0	•	•	•
	Potato	14.0	0.0	-22.2	16.7		▼	A
	Coarse rice	28.3	0.0	0.0	-2.3	•	•	•
	Wheat flour	32.3	0.0	0.0	32.0	•	•	A
.E	Soybean oil	91.7	0.0	0.0	-3.5	•	•	•
Nepalgunj	Chicken	233.3	0.0	0.0	3.7	•	•	•
эра	Mustard oil	118.3	0.0	0.0	7.6		•	•
ž	Mas (black gram)	86.7	0.0	0.0	-11.6	•	•	•
	Musuro	90.0	0.0	0.0	-9.1	•		•
	Potato	17.3	-30.7	-55.9	-13.4	•	▼	•
	Coarse rice	35.4	1.1	10.3	31.1	•		<u> </u>
	Wheat flour	31.0	3.3	3.3	10.7	•	•	•
·=	Soybean oil	100.0	0.0	0.0	25.0	•	•	A
adh	Chicken	250.0	-3.8	11.1	-16.7	•	A	<u> </u>
Dhangadhi	Mustard oil	134.0	-2.9	3.1	11.7	•	•	•
Οĥ	Mas (black							
	gram)	140.0	16.7	3.7	3.7	A		
	Musuro	110.0	0.0	10.0	37.5			A
	Potato	13.0	-13.3	-27.8	30.0			

- ▲ 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

- Bajura has fair weather road access and road is only accessible to carry goods by tractor.

		Current price Cha		je in pric	Average monthly change over				
Market	Commodity	(NRS per Kg/Lt.)	1 m	3 m	1 yr	1m	3m	1yr	
	Coarse rice	25.0	-10.7	25.0	4.2	V	A	•	
	Wheat flour	22.0	-12.0	-12.0	-15.4	▼	▼	•	
× 8	Soybean oil	95.0	0.0	5.6	9.2	>			
ha	Chicken	240.0	-7.7	9.1	20.0	▼			
Bhairahawa	Mustard oil Mas (black	125.0	-19.4	-21.9	-16.7	•	•	•	
ā	gram)	130.0	-8.5	-10.3	6.6	▼	▼		
	Musuro	120.0	-7.7	-4.0	1.7	▼			
	Potato	15.0	0.0	50.0	25.0	>	A	\blacktriangle	
Hill and mountain markets with road access									
	Coarse rice	33.0	3.1	0.0	26.9	•	•		
	Wheat flour	36.0	5.9	0.0	12.5	A			

	mili and mountain markets with road access									
		Coarse rice	33.0	3.1	0.0	26.9	•	•	A	
		Wheat flour	36.0	5.9	0.0	12.5				
	uta	Soybean oil	120.0	0.0	9.1	20.0				
	Dhankuta	Chicken	240.0	-30.4	-25.0	-31.4	•	•	•	
	Б	Mas (black gram)	121.0	0.8	0.8	21.0	•	•	A	
		Musuro	83.0	-7.8	-2.4	-17.0	V		V	
		Potato	23.0	15.0	-8.0	-17.9	A	•	V	
		Coarse rice	38.0	8.6	26.7	8.6	A	A		
		Wheat flour	65.0	18.2	30.0	62.5		A		
	m.	Soybean oil	130.0	0.0	0.0	18.2				
	Rolpa	Chicken	280.0	3.7	3.7	-22.2		•	▼	
	ď	Mas (black gram)	120.0	0.0	0.0	0.0	•	•	•	
		Musuro	130.0	0.0	0.0	8.3				
		Potato	25.0	-16.7	-16.7	-16.7	V	V	▼	
Ī		Coarse rice	35.0	9.4	16.7	29.6	A	A	A	
	_	Wheat flour	35.0	0.0	-2.8	9.4	•	•	•	
	īgai	Soybean oil	-	-	-	-	-	-	-	
	Sanfebagar	Chicken	280.0	0.0	0.0	-6.7		•		
	anf	Mas (black gram)	120.0	-4.0	0.0	0.0				
	S	Musuro	120.0	0.0	0.0	0.0				
		Potato	30.0	0.0	0.0	0.0				
Ī		Coarse rice	45.0	0.0	0.0	-10.0	<u> </u>		<u> </u>	
		Wheat flour	60.0	0.0	0.0	0.0				
	_	Soybean oil	160.0	0.0	0.0	33.3			A	
	Jumla	Chicken	320.0	6.7	0.0	6.7	<u> </u>	•	<u> </u>	
	Ju	Mas (black					•	_		
		gram)	100.0	-28.6	-28.6	-9.1	Ž	Ž		
		Musuro	100.0	-28.6	-28.6	-23.1	Ž	Ž	Ž	
		Potato	15.0	0.0	-25.0	-25.0				

Hill and Mountain markets without road access Coarse rice* 40.0 0.0 0.0 5.3 Wheat flour Soybean oil 280.0 0.0 0.0 -6.7 Beans 100.0 -16.7 25.0 0.0 Mas (black gram) Musuro Potato 30.0 0.0 0.0 -33.30.00 Coarse rice 95.00 0.00 5.56 Wheat flour 110 0 0.00 -15 4 48 Soybean oil 200.00 0.00 0.00 0.00 Beans 150.0 0.0 0.0 0.0 Mas (black 170.0 0.0 0.0 0.0 gram) Musuro 200.0 0.0 0.0 0.0 Potato 35.0 0.0 16.7 -30.0 Coarse rice 34.0 -2.9 -10.5 4.6 Wheat flour 36.0 0.0 -21.7 -35.7 Soybean oil Bajura Beans 100.0 0.0 -16.7 -16.7Mas (black 105.0 -19.2 gram) -12.5 -19.2

-12.5

20.0

-19.2

20.0

-192

20.0

105.0

30.0

Musuro Potato

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 Interest Protection Forum. All Information product produced by the NeKSAP are available on http://www.sites.google.com/site/nefoodsec. For more information please contact the ox 107, Tel 5542607 ext 2420-5



1m

Change in price (%)³
1 m | 3 m | 1 yr

(NRS per

Market Commodity

Major consumer markets

Average monthly

change over

\blacktriangle	Price	increase	above	normal	price	fluctuation
_	11100	ii ici cusc	above	Horman	price	Hactaation

[►] 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.

		Current	Change in price (%)*			Average monthly change over		
Market	Commodity	(NRS per Kg/Lt.)	1 m	3 m	1 yr	1m	3m	1yr
	Coarse rice	26.5	12.0	0.0	12.0	A	•	•
	Wheat flour	23.5	13.6	0.0	0.0	A		
s S	Soybean oil	110.0	15.8	15.8	22.2	A		
ha	Chicken	240.0	0.0	-7.7	20.0	•		
Bhairahawa	Mustard oil	150.0	20.0	-3.2	0.0	A		
듑	Mas (black gram)	130.0	0.0	-8.5	3.2	•	•	•
	Musuro	120.0	0.0	-7.7	4.3			
	Potato	16.0	6.7	6.7	6.7	A	•	

Hill and mountain markets with	road	access
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	Coarse rice	33.0	0.0	3.1	17.9		•	
	Wheat flour	35.0	-2.8	-5.4	2.9	•	•	•
<u>ta</u>	Soybean oil	120.0	0.0	0.0	20.0		•	
Dhankuta	Chicken Mas (black	240.0	0.0	-29.4	-31.4	•	•	•
百	gram)	120.0	-0.8	0.0	20.0			
	Musuro	80.0	-3.6	-5.9	-20.0			•
	Potato	20.0	-13.0	-20.0	-20.0	▼	▼	▼
	Coarse rice	38.0	0.0	8.6	8.6	•	•	•
	Wheat flour	65.0	0.0	18.2	62.5	•		
Œ	Soybean oil	130.0	0.0	0.0	18.2			
Rolpa	Chicken Mas (black	280.0	0.0	3.7	-22.2	•	•	•
	gram)	120.0	0.0	0.0	0.0			
	Musuro	130.0	0.0	0.0	8.3			
	Potato	40.0	60.0	33.3	33.3	A	A	A
	Coarse rice	-	-	-	-	-	-	-
L	Coarse rice Wheat flour	-	-	-	-	-	-	-
agar		- - -	- - -	- - -	- - -	- - -	- - -	- - -
nfebagar	Wheat flour Soybean oil Chicken Mas (black	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Sanfebagar	Wheat flour Soybean oil Chicken Mas (black gram)	- - - -	- - -	- - - -	- - -	- - - -	- - - -	-
Sanfebagar	Wheat flour Soybean oil Chicken Mas (black gram) Musuro	- - - -	- - - -	- - - -	- - - -	- - - -	-	-
Sanfebagar	Wheat flour Soybean oil Chicken Mas (black gram)	- - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - - -	- - - - -
Sanfebagar	Wheat flour Soybean oil Chicken Mas (black gram) Musuro Potato Coarse rice	- - - - - -	- - - - -	- - - - - -	- - - - - -	- - - - -		
Sanfebagar	Wheat flour Soybean oil Chicken Mas (black gram) Musuro Potato	- - - - - -	- - - - - -	- - - - - - -	- - - - - - -	- - - - -		-
	Wheat flour Soybean oil Chicken Mas (black gram) Musuro Potato Coarse rice	- - - - - - - -	-		-	- - - - - - -	-	- - - - - - - -
Jumla Sanfebagar	Wheat flour Soybean oil Chicken Mas (black gram) Musuro Potato Coarse rice Wheat flour Soybean oil Chicken Mas (black	- - - - - - - - - -	-		-	-		-
	Wheat flour Soybean oil Chicken Mas (black gram) Musuro Potato Coarse rice Wheat flour Soybean oil Chicken	- - - - - - - - - - - -	-		-	- - - - - - - - - - - - - - - - - - -		-

Hill and Mountain markets without road access

	Coarse rice*	40.0	0.0	0.0	5.3		•	•
	Wheat flour	230.0	109.1	-4.2	-			-
<u> </u>	Soybean oil	280.0	0.0	0.0	-6.7			
Humla	Beans	100.0	0.0	0.0	0.0			
I	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	30.0	0.0	0.0	-40.0	•	•	▼
	Coarse rice	95.0	0.0	0.0	5.6		•	•
	Wheat flour	110.0	-	0.0	-8.3	-		
Ø	Soybean oil	200.0	0.0	0.0	0.0			
Dolpa	Beans	150.0	0.0	0.0	0.0			
	Mas (black gram)	170.0	0.0	0.0	0.0		•	•
	Musuro	200.0	0.0	0.0	0.0			
	Potato	40.0	14.3	14.3	-20.0	A	A	▼
	Coarse rice	36.0	5.9	-5.3	-5.3		•	•
	Wheat flour	36.0	0.0	-20.0	-21.7		•	•
, C	Soybean oil	-	-	-	-	-	-	-
BajuraČ	Beans	120.0	20.0	0.0	-	A		-
B	Mas (black gram)	105.0	0.0	-19.2	-19.2	•	•	•
	Musuro	105.0	0.0	-19.2	-19.2		•	•
	Potato	30.0	0.0	0.0	20.0			

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Price decrease below normal price fluctuation

[~] Bajura has fair weather road access and road is only accessible to carry goods by tractor.