



Market Watch 58

October 2013†

Jointly produced by:

WFP-World Food Programme, Nepal
 MoAD-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's Interest Protection Forum



HIGHLIGHTS

- **Retail prices of most food commodities monitored in 12 markets across Nepal slightly increased in October 2013 due to an increase in demand during the Dashain and Tihar festivals.**
- **Supply of food and non-food commodities has improved across the country—even in the Hills and Mountains—as a result of increased access to roads and trails.**

NATIONAL MARKET DEVELOPMENT

Price

In October 2013, most retail prices of food commodities monitored across the country showed a declining trend as compared to three months earlier (with the exception of red potato and wheat flour) and an upward trend as compared to the same period last year (with the exception of edible oils). Retail prices of food commodities showed an increase month-on-month: coarse rice and wheat flour increased by 1.4 and 0.7 percent respectively; black gram and broken lentil went up by 3.5 and 0.1 percent respectively; and red potato and chicken meat increased by 8.5 and 0.5 percent respectively.

Price trends in regional markets indicated a somewhat different trend than the national average, with an upward trend of the price of coarse rice and wheat flour in the Terai markets and the major consumer markets of Kathmandu and Pokhara, and a declining trend in the Hills and Mountain markets. This is mainly due to resumption of transportation services.

Most 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 month. In the Kalimati Fruits and Vegetables Market, the wholesale price of fresh vegetables showed a seasonal fluctuation: prices of pumpkin, cabbage, broad leaf mustard and French bean declined due to increasing production, while that of dry onion, bitter gourd, okra, smooth gourd and carrot went up with the start of the lean season.

As per the latest macroeconomic situation report released by Nepal Rastra Bank in October 2013, the overall consumer price index (CPI) was 196.0, an increase of 0.8 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 8.4 percent. The food and beverage group of the CPI was 236.2, an increase of 0.7 percent month-on-month and 10.0 percent year-on-year; several sub-groups showed high year-on-year increases: meat and fish (18.5 percent), vegetables (14.0 percent), cereal grains (11.5 percent), fruits (9.2 percent) and spices (8.6 percent). The non-food and services group of the CPI was 166.6, an increase of 0.8 percent month-on-month and 6.9 percent year-on-year.

Supply

The supply situation across the country is normal due to the smooth operation of transportation services with the start of the winter season. However, the food supply in the Eastern region, mainly Khotang, Okhaldhunga and Solukhumbu, has not yet resumed fully as a result of the interruption of ferry services in Jayramghat and Ghurmi over the Koshi River. This has partially hampered the supply of food and also increased the cost of transportation and the delivery time.

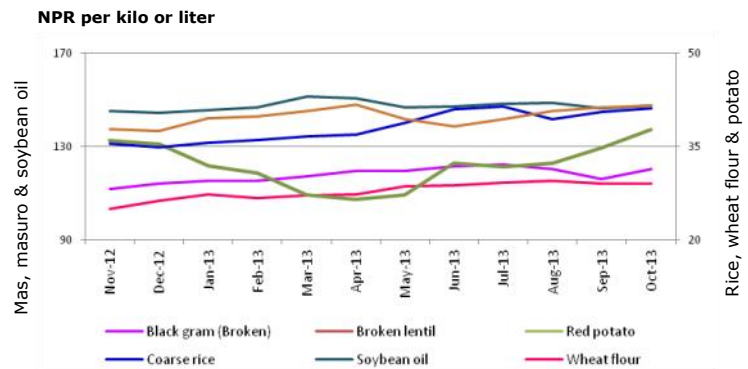
Outlook

Prices of food commodities are likely to remain stable or decrease as a result of the ongoing harvest of summer crops. Prices of non-food commodities, which had increased during the festival and election periods, are expected to remain stable or decrease due to a decline in demand.

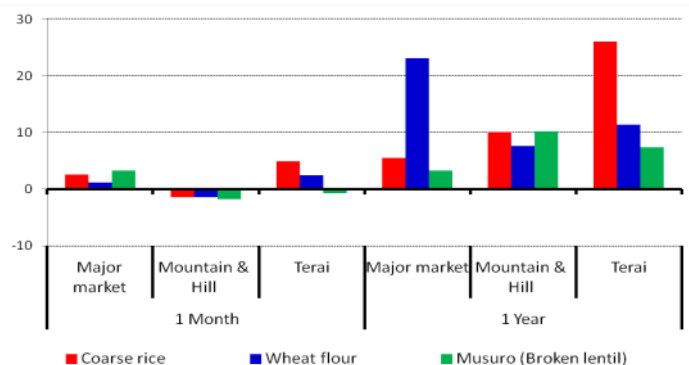
The paddy harvest is expected to be better than last year's. This will increase the availability of a key staple food, thereby contributing to an improvement in the food security situation in Nepal.

Largest changes in commodity prices (month-on-month)			
Commodity	Price NPR/kg or liter	% change 1 month	Observation
Dry onion, okra, smooth gourd, and bitter gourd	various	>8	Decrease in supply with the start of the lean season
Pumpkin, cabbage and French bean	various	>-5	Increase in supply due to the harvest season

Average retail price over 12 month period*



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



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/neksap>

† Prices relate to the Nepali month of Asoj 2070.

* 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	40.0	5.3	5.3	11.1	▲	▶	▶
	Wheat flour	40.0	0.0	5.3	17.6	▶	▶	▲
	Soybean oil	143.0	-1.4	2.1	0.0	▶	▶	▶
	Chicken	280.0	-6.7	9.8	1.8	▼	▶	▶
	Mustard oil	167.0	1.2	1.2	-13.5	▶	▶	▶
	Mas (black gram)	117.0	3.5	-2.5	3.5	▶	▶	▶
	Musuro	107.0	3.9	1.9	3.9	▶	▶	▶
	Potato	41.0	10.8	64.0	2.5	▲	▲	▶
Pokhara	Coarse rice	45.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	45.0	2.3	2.3	28.6	▶	▶	▲
	Soybean oil	153.0	5.5	5.5	-1.3	▲	▶	▶
	Chicken	280.0	0.0	-9.7	-13.6	▶	▶	▶
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	125.0	0.0	-3.8	8.7	▶	▶	▶
	Musuro	113.0	2.7	-1.7	2.7	▶	▶	▶
	Potato	35.0	52.2	0.0	-30.0	▲	▶	▼
Regional Terai markets								
Biratnagar	Coarse rice	40.0	5.3	25.0	33.3	▲	▲	▲
	Wheat flour	35.0	-12.5	0.0	12.9	▼	▶	▶
	Soybean oil	140.0	3.7	-9.7	-3.4	▶	▶	▶
	Chicken	275.0	19.6	-1.8	5.8	▲	▶	▶
	Mustard oil	170.0	25.9	-10.5	-8.1	▲	▼	▶
	Mas (black gram)	107.0	7.0	-7.0	7.0	▲	▶	▶
	Musuro	107.0	-5.3	-10.8	12.6	▼	▼	▶
Potato	35.0	16.7	16.7	0.0	▲	▲	▶	
Biratnagar	Coarse rice	40.0	5.3	11.1	14.3	▲	▲	▶
	Wheat flour	35.0	2.9	6.1	16.7	▶	▶	▲
	Soybean oil	153.0	2.0	-3.2	2.0	▶	▶	▶
	Chicken	250.0	56.3	-3.8	-3.8	▲	▶	▶
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	110.0	10.0	7.8	15.8	▲	▶	▲
	Musuro	113.0	2.7	2.7	2.7	▶	▶	▶
Potato	30.0	30.4	36.4	0.0	▲	▲	▶	
Nepalgunj	Coarse rice	39.0	11.4	8.3	30.0	▲	▶	▲
	Wheat flour	35.0	3.9	0.0	9.4	▶	▶	▶
	Soybean oil	135.0	-3.6	0.0	-3.6	▶	▶	▶
	Chicken	250.0	-	4.2	-10.7	-	▶	▶
	Mustard oil	170.0	-15.0	-15.0	-5.6	▼	▼	▶
	Mas (black gram)	125.0	2.5	4.2	38.9	▶	▶	▲
	Musuro	105.0	-0.9	0.0	16.7	▶	▶	▶
Potato	37.0	-1.9	48.0	23.3	▶	▲	▲	
Dhangadhi	Coarse rice	40.0	2.6	0.0	25.0	▶	▶	▲
	Wheat flour	35.0	2.9	6.1	9.4	▶	▶	▶
	Soybean oil	140.0	0.0	5.3	14.8	▶	▶	▶
	Chicken	300.0	0.0	0.0	20.0	▶	▶	▲
	Mustard oil	170.0	3.7	0.0	7.6	▶	▶	▶
	Mas (black gram)	125.0	1.6	-3.8	-8.0	▶	▶	▶
	Musuro	110.0	0.0	0.0	4.8	▶	▶	▶
Potato	38.0	0.0	-2.6	8.6	▶	▶	▶	

- ▲ 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 change over		
			1 m	3 m	1 yr	1m	3m	1yr
Bhairahawa	Coarse rice	37.0	0.0	5.7	27.6	▶	▶	▲
	Wheat flour	38.0	15.2	8.6	8.6	▲	▶	▶
	Soybean oil	130.0	-7.1	0.0	-10.3	▼	▶	▶
	Chicken	280.0	0.0	7.7	7.7	▶	▶	▶
	Mustard oil	160.0	-15.8	0.0	-17.9	▼	▶	▼
	Mas (black gram)	105.0	5.0	-16.0	-12.5	▶	▼	▶
	Musuro	100.0	0.0	0.0	0.0	▶	▶	▶
	Potato	30.0	57.9	20.0	0.0	▲	▲	▶
Hill and mountain markets with road access								
Dhankuta	Coarse rice	44.0	10.0	18.9	33.3	▲	▲	▲
	Wheat flour	50.0	8.7	42.9	42.9	▲	▲	▲
	Soybean oil	150.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	325.0	8.3	16.1	16.1	▲	▲	▲
	Mas (black gram)	125.0	4.2	4.2	4.2	▶	▶	▶
	Musuro	115.0	4.5	4.5	0.0	▶	▶	▶
	Potato	42.0	-6.7	40.0	-2.3	▼	▲	▶
Rolpa	Coarse rice	34.0	0.0	-32.0	0.0	▶	▼	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	160.0	0.0	3.2	6.7	▶	▶	▶
	Chicken	330.0	0.0	3.1	17.9	▶	▶	▲
	Mas (black gram)	110.0	0.0	-4.3	0.0	▶	▶	▶
	Musuro	110.0	-8.3	-8.3	0.0	▼	▶	▶
Sanjibagar	Coarse rice	40.0	5.3	11.1	14.3	▲	▲	▶
	Wheat flour	40.0	0.0	0.0	14.3	▶	▶	▶
	Chicken	350.0	0.0	0.0	16.7	▶	▶	▲
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	125.0	4.2	4.2	4.2	▶	▶	▶
	Musuro	120.0	0.0	0.0	9.1	▶	▶	▶
Jumla	Coarse rice	60.0	0.0	0.0	20.0	▶	▶	▲
	Wheat flour	60.0	0.0	0.0	-14.3	▶	▶	▶
	Soybean oil	180.0	12.5	0.0	0.0	▲	▶	▶
	Chicken	400.0	0.0	0.0	-	▶	▶	-
	Mas (black gram)	150.0	11.1	7.1	50.0	▲	▶	▲
	Musuro	150.0	3.4	7.1	50.0	▶	▶	▲
Bajura	Coarse rice	35.0	-22.2	-16.7	-12.5	▼	▼	▶
	Wheat flour	42.0	-16.0	-4.5	-4.5	▼	▶	▶
	Beans	110.0	-8.3	-8.3	-8.3	▼	▶	▶
	Mas (black gram)	110.0	-8.3	-18.5	-8.3	▼	▼	▶
	Musuro	110.0	-8.3	-8.3	-8.3	▼	▼	▶
	Potato - red	30.0	-14.3	20.0	0.0	▼	▲	▶
Mountain markets without road access								
Humla	Coarse rice*	42.0	0.0	0.0	5.0	▶	▶	▶
	Wheat flour	200.0	0.0	0.0	-13.0	▶	▶	▶
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	120.0	0.0	-7.7	0.0	▶	▶	▶
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	80.0	14.3	-20.0	60.0	▲	▼	▲
Dolpa	Coarse rice	140.0	0.0	7.7	27.3	▶	▶	▲
	Wheat flour	130.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	240.0	0.0	0.0	0.0	▶	▶	▶
	Beans	150.0	-	-	-25.0	-	-	▼
	Mas (black gram)	250.0	0.0	85.2	25.0	▶	▲	▲
	Musuro	250.0	0.0	-3.8	19.0	▶	▶	▲
Potato	35.0	16.7	0.0	0.0	▲	▶	▶	

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