



Market Watch 65

May 2014[†]

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

- In May 2014, retail prices of most food commodities monitored in 12 markets across Nepal showed a marginal increase due to the onset of the lean season of most crops.
- Overall inflation rate in May 2014 was 9.7 percent. The food and beverage group was higher at 12.9 percent, as were several sub-groups: vegetables (31.6 percent), fruits (15.8 percent), meat and fish (13.7 percent) and cereal grains (10.3 percent).

NATIONAL MARKET DEVELOPMENT

Price

Retail prices of most food commodities monitored across the country in May 2014 showed a marginal increase. On a month-on-month basis, the retail price of coarse rice increased by 0.2 percent, while that of wheat flour went down by 1.3 percent due to an increase in supply of recently harvested crops. Prices of black gram, broken lentil, and soybean oil nominally increased by 0.2, 0.4, and 0.2 percent respectively. Likewise, prices of red potato and chicken meat went up by 4.9 and 1.3 percent respectively. As compared to three months earlier, most prices showed an upward trend with the exception of wheat flour and soybean oil. Compared to the same period last year, most prices showed an upward trend (with the exception of black gram and mustard oil).

Prices in regional markets showed somewhat different trends than the national average, with an upward trend of coarse rice in the hill and mountain markets and a downward trend in the Terai and the major consumer markets (of Kathmandu and Pokhara). Likewise, the price of wheat flour showed a downward trend in the hill and mountain markets and the major consumer markets and an upward trend in the Terai markets.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed a trend similar to that seen in retail prices. In the Kalimati Fruits and Vegetables Market, the wholesale price of most monitored vegetables showed a high seasonal fluctuation: prices of cauliflower, arum, cabbage, spinach, green peas, and radish increased by more than 15 percent due to a reduction in supply because of the lean season, while that of bitter gourd, pointed gourd, cow pea, okra, and smooth gourd went down by more than 25 percent over the past one month.

The overall consumer price index (CPI) released by Nepal Rastra Bank in May 2014 was 200.4, an increase of 0.8 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 9.7 percent. The food and beverage group of the CPI was 241.9, an increase of 1.6 percent month-on-month, but an increase of 12.9 percent year-on-year; several sub-groups showed higher year-on-year increases: vegetables (31.6 percent), fruits (15.8 percent), meat and fish (13.7 percent), and cereal grains (10.6 percent). The non-food and services group of the CPI was 170.1, an increase of 0.1 percent month-on-month and 7.0 percent year-on-year.

Supply

The supply situation across the country is reported as normal, although NeKSAP Cluster and District Coordinators report that the supply of food and non-food commodities has started to be disrupted in some hill and mountain markets due to difficulties with transportation (e.g., an increase in river water levels and landslides caused by the monsoon).

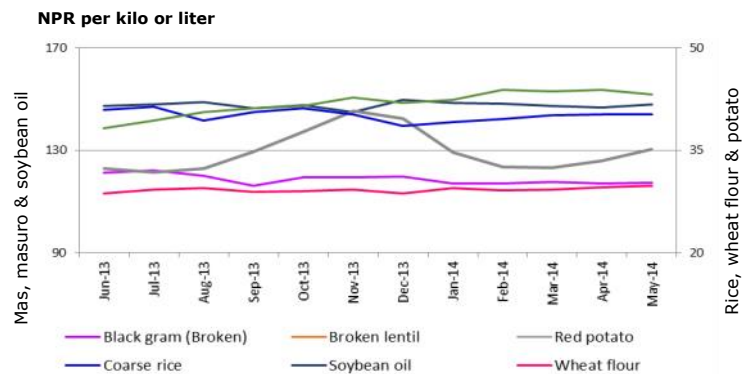
Outlook

Most food prices are expected to rise next month with the onset of the lean season. Moreover, the delay in the start of the monsoon, and the potential impact this may have on summer crop production, could also lead to price increases.

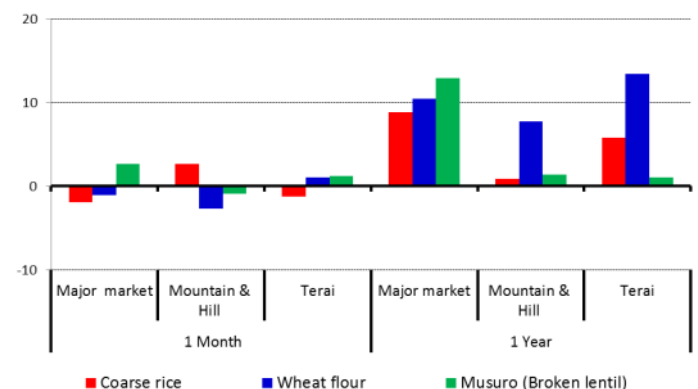
Summer crop production is expected to be moderate this year due to the delay, and likely weakening, of the monsoon.

Largest changes in commodity prices (month-on-month)			
Commodity	Price NPR/kg or liter	% change 1 month	Observations
Cauliflower, radish, cabbage, green peas, and arum	various	>15	Decrease in supply due to lean season
Bitter gourd, okra, pointed gourd, smooth gourd, okra and cow pea	various	>-25	Decline in prices after sharp increase

Average retail price over 12 months period*



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



[†] Prices relate to the Nepali month of Baishakh 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	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	42.0	2.4	0.0	10.5	▶	▶	▶
	Wheat flour	43.0	0.0	-4.4	16.2	▶	▶	▲
	Soybean oil	147.0	1.4	1.4	5.0	▶	▶	▶
	Chicken	350.0	4.5	20.7	34.6	▶	▲	▲
	Mustard oil	167.0	0.0	-7.2	1.2	▶	▶	▶
	Mas (black gram)	120.0	2.6	9.1	6.2	▶	▶	▶
	Musuro	110.0	2.8	0.0	6.8	▶	▶	▶
	Potato	35.0	9.4	16.7	66.7	▲	▲	▲
Pokhara	Coarse rice	45.0	-6.3	2.9	7.1	▼	▶	▶
	Wheat flour	45.0	0.0	5.9	7.1	▶	▶	▶
	Soybean oil	140.0	7.7	0.0	-6.7	▲	▶	▶
	Chicken	400.0	5.3	29.0	33.3	▶	▶	▶
	Mustard oil	180.0	0.0	-0.7	0.0	▶	▶	▶
	Mas (black gram)	130.0	0.0	4.0	1.6	▶	▶	▶
	Musuro	125.0	2.5	13.6	19.0	▶	▲	▲
	Potato	35.0	0.0	21.7	40.0	▶	▲	▲
Regional Terai markets								
Biratnagar	Coarse rice	40.0	0.0	5.3	25.0	▶	▶	▲
	Wheat flour	40.0	0.0	0.0	13.3	▶	▶	▶
	Soybean oil	135.0	-3.6	3.8	-6.9	▶	▶	▶
	Chicken	306.0	2.0	17.7	5.5	▶	▶	▶
	Mustard oil	165.0	0.0	0.0	-5.7	▶	▶	▶
	Mas (black gram)	110.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	115.0	4.5	4.5	9.5	▶	▶	▶
	Potato	35.0	0.0	45.8	133.3	▶	▲	▲
Biratnagar	Coarse rice	38.0	0.0	5.6	8.6	▶	▶	▶
	Wheat flour	40.0	5.3	5.3	33.3	▶	▶	▶
	Soybean oil	150.0	0.0	7.1	-6.3	▶	▶	▶
	Chicken	320.0	6.7	14.3	6.7	▶	▶	▶
	Mustard oil	175.0	-12.5	2.9	-2.8	▼	▶	▶
	Mas (black gram)	100.0	5.3	5.3	0.0	▶	▶	▶
	Musuro	110.0	0.0	5.8	1.9	▶	▶	▶
	Potato	30.0	20.0	66.7	66.7	▶	▶	▶
Nepalgunj	Coarse rice	36.0	0.0	0.0	2.9	▶	▶	▶
	Wheat flour	38.0	0.0	5.6	0.0	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	7.1	▶	▶	▶
	Chicken	300.0	0.0	0.0	0.0	▶	▶	▶
	Mustard oil	200.0	0.0	17.6	11.1	▶	▶	▶
	Mas (black gram)	110.0	0.0	-8.3	-8.3	▶	▶	▶
	Musuro	95.0	0.0	-5.0	-7.8	▶	▶	▶
	Potato	22.0	-12.0	-26.7	4.8	▼	▼	▶
Dhangadhi	Coarse rice	37.0	5.7	0.0	-7.5	▶	▶	▶
	Wheat flour	35.0	0.0	0.0	6.1	▶	▶	▶
	Soybean oil	140.0	7.7	0.0	5.3	▶	▶	▶
	Chicken	280.0	-6.7	-6.7	-6.7	▼	▶	▶
	Mustard oil	160.0	0.0	-1.2	-4.2	▶	▶	▶
	Mas (black gram)	124.0	3.3	-0.8	-7.5	▶	▶	▶
	Musuro	122.0	1.7	1.7	10.9	▶	▶	▶
	Potato	40.0	33.3	33.3	100.0	▶	▶	▶

▲ 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.

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	30.0	-11.8	-6.3	0.0	▼	▶	▶	
	Wheat flour	40.0	0.0	-11.1	14.3	▶	▼	▶	
	Soybean oil	140.0	7.7	0.0	0.0	▶	▶	▶	
	Chicken	320.0	3.2	14.3	14.3	▶	▶	▶	
	Mustard oil	170.0	6.3	6.3	0.0	▶	▶	▶	
	Mas (black gram)	110.0	0.0	0.0	-12.0	▶	▶	▶	
	Musuro	100.0	0.0	-9.1	-9.1	▶	▶	▶	
	Potato	35.0	40.0	40.0	75.0	▶	▶	▶	
Hill and Mountain markets with road access									
Dhankuta	Coarse rice	42.0	5.0	5.0	27.3	▶	▶	▶	
	Wheat flour	47.0	2.2	2.2	11.9	▶	▶	▶	
	Soybean oil	165.0	-5.7	-5.7	10.0	▼	▶	▶	
	Chicken	320.0	6.7	6.7	10.3	▶	▶	▶	
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶	
	Musuro	110.0	-4.3	0.0	-4.3	▶	▶	▶	
	Potato	45.0	12.5	-10.0	50.0	▶	▶	▶	
	Rolpa	Coarse rice	34.0	0.0	0.0	-32.0	▶	▶	▼
Wheat flour		40.0	-11.1	-11.1	0.0	▼	▶	▶	
Soybean oil		150.0	0.0	0.0	0.0	▶	▶	▶	
Chicken		330.0	0.0	0.0	10.0	▶	▶	▶	
Mas (black gram)		110.0	0.0	0.0	-4.3	▶	▶	▶	
Musuro		120.0	0.0	0.0	4.3	▶	▶	▶	
Potato		50.0	0.0	11.1	11.1	▶	▶	▶	
Sanjibpur		Coarse rice	40.0	0.0	0.0	11.1	▶	▶	▶
	Wheat flour	42.0	0.0	5.0	5.0	▶	▶	▶	
	Soybean oil	150.0	0.0	0.0	-	▶	▶	-	
	Chicken	380.0	8.6	0.0	8.6	▶	▶	▶	
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶	
	Musuro	120.0	0.0	0.0	0.0	▶	▶	▶	
	Potato	40.0	0.0	0.0	0.0	▶	▶	▶	
	Jumla	Coarse rice	60.0	0.0	0.0	0.0	▶	▶	▶
Wheat flour		70.0	0.0	0.0	16.7	▶	▶	▶	
Soybean oil		160.0	0.0	0.0	0.0	▶	▶	▶	
Chicken		400.0	-9.1	0.0	0.0	▼	▶	▶	
Mas (black gram)		140.0	-3.4	0.0	7.7	▶	▶	▶	
Musuro		150.0	0.0	7.1	7.1	▶	▶	▶	
Potato		30.0	-14.3	0.0	-25.0	▼	▶	▶	
Bajura		Coarse rice	40.0	8.1	8.1	11.1	▶	▶	▶
	Wheat flour	42.0	-4.5	-4.5	5.0	▶	▶	▶	
	Beans	120.0	0.0	0.0	0.0	▶	▶	▶	
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶	
	Musuro	120.0	0.0	0.0	0.0	▶	▶	▶	
	Potato	35.0	-12.5	-12.5	0.0	▼	▶	▶	
	Mountain markets without road access								
	Humla	Coarse rice*	42.0	-10.6	-2.3	0.0	▼	▶	▶
Wheat flour		240.0	0.0	0.0	20.0	▶	▶	▶	
Soybean oil		300.0	-	0.0	0.0	-	▶	▶	
Beans		120.0	-	0.0	0.0	-	▶	▶	
Mas (black gram)		-	-	-	-	-	-	-	
Musuro		-	-	-	-	-	-	-	
Potato		150.0	15.4	25.0	200.0	▶	▶	▶	
Dolpa		Coarse rice	140.0	-	-	16.7	-	-	▶
	Wheat flour	120.0	-	-	0.0	-	-	▶	
	Soybean oil	110.0	-	-	-52.2	-	-	▼	
	Beans	-	-	-	-	-	-	-	
	Mas (black gram)	250.0	-	-	8.7	-	-	▶	
	Musuro	250.0	-	-	0.0	-	-	▶	
	Potato	-	-	-	-	-	-	-	

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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