



Market Watch 66

June 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 June 2014, retail prices of most food commodities monitored in 12 markets across Nepal showed an upward trend due to the lean season of most crops and the onset of the monsoon period.
- Overall inflation rate in June 2014 was 9.5 percent. The food and beverage group was higher at 12.2 percent, as were several sub-groups: vegetables (27.5 percent), meat and fish (16.1 percent), fruits (14.0 percent), and milk and dairy products (11.2 percent).

NATIONAL MARKET DEVELOPMENT

Price

Retail prices of most food commodities monitored across the country in June 2014 showed an upward trend. On a month-on-month basis, the retail price of coarse rice and wheat flour increased by 4.2 percent and 0.7 percent respectively, while that of black gram and broken lentil went up by 2.9 percent and 0.5 percent respectively. Likewise, prices of red potato and soybean oil climbed by 5.0 percent and 1.1 percent respectively. However, the price of chicken meat decreased by 0.9 percent. As compared to three months earlier, most prices showed an upward trend with the exception of wheat flour. 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 mostly showed trends similar to that seen in national averages, with an upward trend of coarse rice. The price of wheat flour 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.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed an upward trend with the exception of soybean oil. In the Kalimati Fruits and Vegetables Market, the wholesale price of most monitored vegetables showed a high seasonal fluctuation: prices of dry onion, cabbage, green peas, radish, and carrot increased by more than 10 percent due to a reduction in supply because of the lean season, while that of bitter gourd, pointed gourd, French bean, okra, and broad mustard leaf went down by more than 13 percent over the past one month.

The overall consumer price index (CPI) released by Nepal Rastra Bank in May 2014 was 201.6, an increase of 0.6 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 9.5 percent. The food and beverage group of the CPI was 244.9, an increase of 1.3 percent month-on-month, but an increase of 12.2 percent year-on-year; several sub-groups showed higher year-on-year increases: vegetables (27.5 percent), meat and fish (16.1 percent), fruits (14.0 percent), and milk and dairy products (11.2 percent). The non-food and services group of the CPI was 170.2, an increase of 0.1 percent month-on-month and 7.0 percent year-on-year.

Supply

The supply situation across Nepal is reported as normal. However, NeKSAP cluster and district coordinators report that regional highways leading to the hill and mountain areas (including Mahakali, Karnali, Beni-Jomson, Leguwa-Bhojpur, Jayramghat-Diktel) were partially disrupted due to high river water levels and landslides caused by the monsoon; this has resulted in an increase in transportation costs and time.

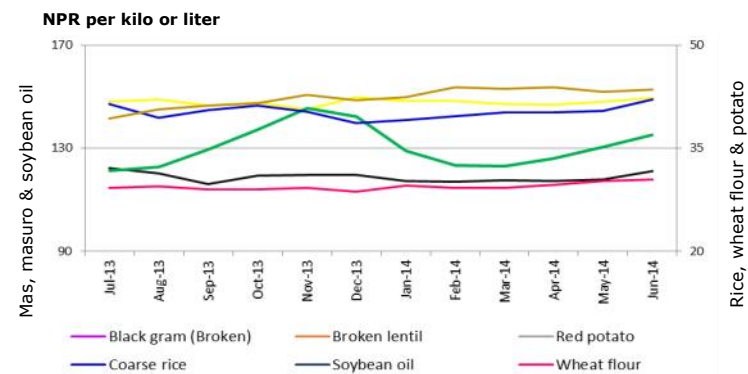
Outlook

Most food prices are expected to remain high or increase next month due to the lean season and monsoon period. Moreover, prices of seasonal vegetables are likely to decline and off-season vegetables are expected to rise.

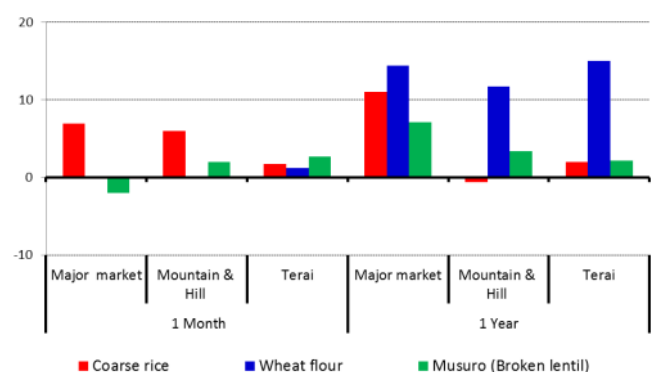
Paddy transplantation is late, with roughly half completed due to the delay in the monsoon and below normal rainfall. This indicates a moderate outlook for summer crops.

Largest changes in commodity prices (month-on-month)			
Commodity	Price NPR/kg or liter	% change 1 month	Observations
Dry onion, radish, cabbage, green peas, and carrot.	various	>10	Decrease in supply due to lean season
Bitter gourd, okra, pointed gourd, and French bean.	various	>-13	Increase in supply due to harvest season

Average retail price over 12 months 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/nefoodsec>

† Prices relate to the Nepali month of Jetha 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	45.0	7.1	9.8	15.4	▲	▶	▲
	Wheat flour	43.0	0.0	0.0	30.3	▶	▶	▲
	Soybean oil	150.0	2.0	3.4	12.8	▶	▶	▶
	Chicken	350.0	0.0	14.8	16.7	▶	▲	▲
	Mustard oil	167.0	0.0	0.0	-1.8	▶	▶	▶
	Mas (black gram)	120.0	0.0	2.6	5.3	▶	▶	▶
	Musuro	110.0	0.0	2.8	0.0	▶	▶	▶
	Potato	35.0	0.0	9.4	20.7	▶	▶	▲

Pokhara	Coarse rice	48.0	6.7	4.3	6.7	▲	▶	▶
	Wheat flour	45.0	0.0	0.0	12.5	▶	▶	▶
	Soybean oil	140.0	0.0	7.7	-6.7	▶	▶	▶
	Chicken	350.0	-12.5	-2.8	20.7	▼	▶	▲
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	140.0	7.7	7.7	9.4	▲	▶	▶
	Musuro	120.0	-4.0	0.0	14.3	▶	▶	▶
	Potato	48.0	37.1	60.0	60.0	▲	▲	▲

Regional Terai markets

Biratnagar	Coarse rice	40.0	0.0	0.0	17.6	▶	▶	▲
	Wheat flour	40.0	0.0	0.0	14.3	▶	▶	▶
	Soybean oil	130.0	-3.7	-3.7	-17.7	▶	▶	▼
	Chicken	290.0	-5.2	-9.4	-3.3	▼	▶	▶
	Mustard oil	165.0	0.0	0.0	-13.2	▶	▶	▶
	Mas (black gram)	110.0	0.0	0.0	-4.3	▶	▶	▶
	Musuro	115.0	0.0	15.0	0.0	▶	▲	▶
	Potato	35.0	0.0	34.6	0.0	▶	▶	▶

Birgunj	Coarse rice	38.0	0.0	0.0	8.6	▶	▶	▶
	Wheat flour	40.0	0.0	5.3	25.0	▶	▶	▲
	Soybean oil	150.0	0.0	3.4	-6.3	▶	▶	▶
	Chicken	320.0	0.0	14.3	6.7	▶	▲	▶
	Mustard oil	175.0	0.0	-2.8	-3.8	▶	▶	▶
	Mas (black gram)	100.0	0.0	5.3	0.0	▶	▶	▶
	Musuro	110.0	0.0	0.0	-4.3	▶	▶	▶
	Potato	25.0	-16.7	19.0	25.0	▼	▲	▲

Nepalgunj	Coarse rice	36.0	0.0	0.0	-2.7	▶	▶	▶
	Wheat flour	38.0	0.0	5.6	8.6	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	11.1	▶	▶	▶
	Chicken	300.0	0.0	0.0	0.0	▶	▶	▶
	Mustard oil	200.0	0.0	11.1	0.0	▶	▲	▶
	Mas (black gram)	110.0	0.0	-2.7	-12.0	▶	▶	▶
	Musuro	95.0	0.0	-3.1	-9.5	▶	▶	▶
	Potato	30.0	36.4	50.0	50.0	▲	▲	▲

Dhangadhi	Coarse rice	40.2	8.6	8.6	0.5	▲	▶	▶
	Wheat flour	35.4	1.1	-0.6	7.3	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	6.1	▶	▶	▶
	Chicken	308.0	10.0	2.7	2.7	▲	▶	▶
	Mustard oil	160.0	0.0	-1.2	-5.9	▶	▶	▶
	Mas (black gram)	130.0	4.8	6.6	-3.0	▶	▶	▶
	Musuro	126.0	3.3	3.3	14.5	▶	▶	▶
	Potato	40.0	0.0	33.3	2.6	▶	▲	▶

▲ 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.

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	0.0	-11.8	-14.3	▶	▼	▶
	Wheat flour	42.0	5.0	5.0	20.0	▶	▶	▲
	Soybean oil	140.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	300.0	-6.3	7.1	15.4	▼	▶	▲
	Mustard oil	170.0	0.0	6.3	13.3	▶	▶	▶
	Mas (black gram)	110.0	0.0	0.0	-12.0	▶	▶	▶
	Musuro	110.0	10.0	10.0	10.0	▲	▶	▶
Potato	35.0	0.0	40.0	40.0	▶	▲	▲	

Hill and Mountain markets with road access

Dhankuta	Coarse rice	42.0	0.0	5.0	16.7	▶	▶	▲
	Wheat flour	47.0	0.0	2.2	34.3	▶	▶	▲
	Soybean oil	165.0	0.0	-5.7	10.0	▶	▶	▶
	Chicken	320.0	0.0	6.7	14.3	▶	▶	▶
	Mas (black gram)	120.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	110.0	0.0	0.0	0.0	▶	▶	▶
	Potato	45.0	0.0	12.5	50.0	▶	▲	▲

Rolpa	Coarse rice	34.0	0.0	0.0	-32.0	▶	▶	▼
	Wheat flour	40.0	0.0	-11.1	0.0	▶	▼	▶
	Soybean oil	150.0	0.0	0.0	-3.2	▶	▶	▶
	Chicken	330.0	0.0	0.0	10.0	▶	▶	▶
	Mas (black gram)	110.0	0.0	4.8	-4.3	▶	▶	▶
	Musuro	130.0	8.3	8.3	8.3	▲	▶	▶
	Potato	50.0	0.0	0.0	0.0	▶	▶	▶

Sanjebagar	Coarse rice	50.0	25.0	25.0	38.9	▲	▲	▲
	Wheat flour	42.0	0.0	0.0	5.0	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	-	▶	▶	-
	Chicken	380.0	0.0	-5.0	8.6	▶	▶	▶
	Mas (black gram)	125.0	4.2	4.2	4.2	▶	▶	▶
	Musuro	130.0	8.3	8.3	8.3	▲	▶	▶
	Potato	40.0	0.0	0.0	-20.0	▶	▶	▼

Jumla	Coarse rice	60.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	70.0	0.0	0.0	16.7	▶	▶	▲
	Soybean oil	180.0	12.5	12.5	12.5	▲	▲	▶
	Chicken	400.0	0.0	0.0	25.0	▶	▶	▲
	Mas (black gram)	140.0	0.0	-6.7	7.7	▶	▶	▶
	Musuro	140.0	-6.7	-6.7	0.0	▼	▶	▶
	Potato	30.0	0.0	0.0	0.0	▶	▶	▶

Bajura	Coarse rice	42.0	5.0	13.5	5.0	▶	▲	▶
	Wheat flour	42.0	0.0	-4.5	2.4	▶	▶	▶
	Beans	120.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	140.0	16.7	16.7	16.7	▲	▲	▲
	Musuro	120.0	0.0	0.0	0.0	▶	▶	▶
	Potato	35.0	0.0	-12.5	16.7	▶	▼	▶

Mountain markets without road access

Humla	Coarse rice*	42.0	0.0	-10.6	0.0	▶	▼	▶
	Wheat flour	240.0	0.0	0.0	20.0	▶	▶	▲
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	120.0	0.0	0.0	-60.0	▶	▶	▼
	Mas (black gram)	-	-	-	-	-	-	-
	Musuro	-	-	-	-	-	-	-
	Potato	100.0	-33.3	-16.7	66.7	▼	▼	▲

Dolpa	Coarse rice	120.0	-14.3	-	0.0	▼	-	▶
	Wheat flour	120.0	0.0	-	0.0	▶	-	▶
	Soybean oil	110.0	0.0	-	-52.2	▶	-	▼
	Beans	-	-	-	-	-	-	-
	Mas (black gram)	250.0	0.0	-	8.7	▶	-	▶
	Musuro	250.0	0.0	-	0.0	▶	-	▶
	Potato	85.0	-	-	-	-	-	-

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