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**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



# Market Watch 70

October 2014†

## HIGHLIGHTS

- **Retail prices of most food commodities monitored in 12 markets across Nepal were stable in October 2014 due to the ongoing summer crop harvest and better road access and food supply with the start of the winter season.**
- **Overall inflation rate in October 2014 was 7.5 percent. The food and beverage group was higher at 10.6 percent, as were several sub-groups: vegetables (20.0 percent), fruits (14.3 percent), cereal grains (10.6 percent), and milk and dairy products (10.5 percent).**

## NATIONAL MARKET DEVELOPMENT

### Price

In October 2014, retail prices of most food commodities monitored across the country showed a mixed trend. On a month-on-month basis, the retail price of coarse rice increased by 1.5 percent, while that of wheat flour marginally declined by 0.2 percent. Prices of black gram and broken lentil marginally increased by 0.3 percent and 0.6 percent respectively, while that of soybean oil and chicken meat decreased by 0.9 percent and 2.8 percent respectively. However, the price of red potato increased by 3.3 percent. Compared to three months earlier, most prices showed an upward trend with the exception of soybean oil and chicken meat. Similarly, compared to the same period last year, most prices showed an upward trend (with the exception of soybean oil).

Prices in regional markets showed somewhat different trends than national averages, with an upward trend of coarse rice in all markets, but the price of wheat flour remained stable in all markets with the exception of a declining trend in the Terai markets. The price of broken lentil showed an upward trend in the major consumer markets of Kathmandu and Pokhara, remained stable in Terai markets and a downward trend in the mountain and hill markets with access to roads.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed a mixed trend over the past one month. Wholesale prices monitored in the Kalimati Fruits and Vegetables Market showed a high seasonal fluctuation: prices of bitter gourd, smooth gourd, cabbage, okra and radish increased by more than 9 percent due to a reduction in supply, while that of tomato, christophine, French bean, cauliflower and pumpkin decreased by more than 10 percent over the past one month.

The overall consumer price index (CPI) released by Nepal Rastra Bank in October 2014 was 210.7, an increase of 0.8 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 7.5 percent. The food and beverage group of the CPI was 261.2, an increase of 0.5 percent month-on-month, but an increase of 10.6 percent year-on-year; several sub-groups showed higher year-on-year increases: vegetables (20.0 percent), fruits (14.3 percent), cereal grains (10.6 percent), and milk and dairy products (10.5 percent). The non-food and services group of the CPI was 174.8, a decrease of 0.9 percent month-on-month and an increase of 4.9 percent year-on-year.

### Supply

The supply situation across the country is normal due to increased road access and smooth operation of transportation services with the start of the winter season. According to NeKSAP cluster and district coordinators, the supply situation in Khotang, Okhaldhunga and Solukhumbu districts has not yet fully resumed due to the interruption of ferry services in Ghurmi and Jayramghat over the Koshi River.

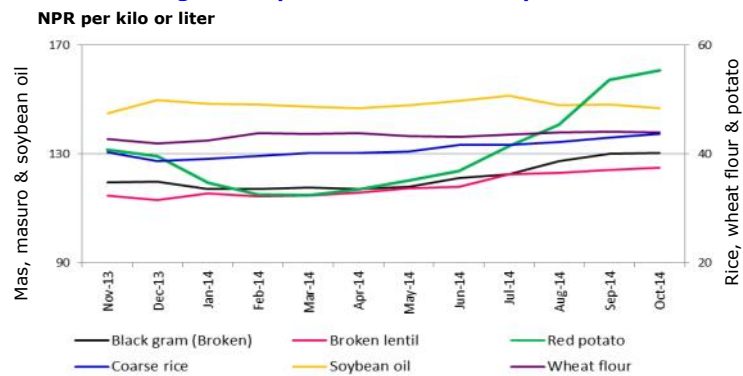
### Outlook

Most food prices are likely to remain stable or decrease in the next month as a result of the harvest of summer crops, the increased supply of food in the markets and the recent fall of fuel (petrol and diesel) prices, which will keep transport costs stable.

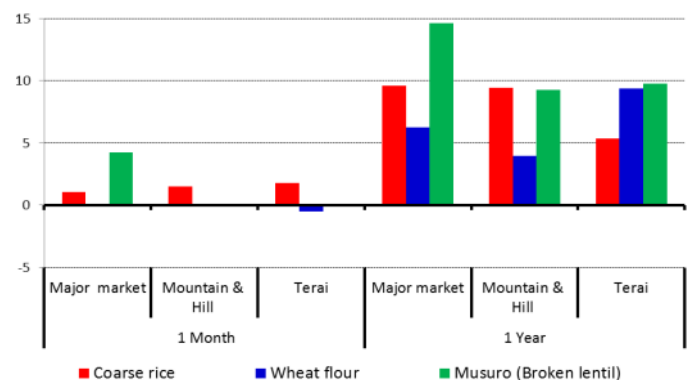
The paddy harvest is expected to be normal or marginally below normal compared to last year.

Largest changes in commodity prices (month-on-month)			
Commodity	Price NPR/kg or liter	% change 1 month	Observations
Bitter gourd, smooth gourd, cabbage, okra and radish	various	> 9	Decrease in supply due to lean season
Petrol, diesel and kerosene oil	various	>-1.6	Fall in the price of crude oil in the world market

### Average retail price over 12 months period\*



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



† Prices relate to the Nepali month of Ashwin 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	0.0	0.0	12.5	▶	▶	▶
	Wheat flour	45.0	0.0	0.0	12.5	▶	▶	▶
	Soybean oil	135.0	-6.9	-8.2	-5.6	▼	▶	▶
	Chicken	280.0	-5.1	-24.3	0.0	▼	▼	▶
	Mustard oil	165.0	-1.2	-1.2	-1.2	▶	▶	▶
	Mas (black gram)	123.0	-1.6	2.5	5.1	▶	▶	▶
	Musuro	120.0	-4.0	-4.0	12.1	▶	▶	▶
	Potato	72.0	2.9	30.9	75.6	▶	▲	▲

Pokhara	Coarse rice	48.0	2.1	0.0	6.7	▶	▶	▶
	Wheat flour	45.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	135.0	-3.6	-3.6	-11.8	▶	▶	▶
	Chicken	320.0	3.2	3.2	14.3	▶	▶	▶
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	140.0	-6.7	7.7	12.0	▼	▶	▶
	Musuro	135.0	12.5	12.5	19.5	▲	▲	▲
	Potato	55.0	-8.3	14.6	57.1	▼	▲	▲

**Regional Terai markets**

Biratnagar	Coarse rice	45.0	0.0	12.5	12.5	▶	▲	▶
	Wheat flour	40.0	0.0	-4.8	14.3	▶	▶	▶
	Soybean oil	130.0	0.0	-3.7	-7.1	▶	▶	▶
	Chicken	280.0	-12.5	-12.5	1.8	▼	▼	▶
	Mustard oil	165.0	0.0	0.0	-2.9	▶	▶	▶
	Mas (black gram)	135.0	0.0	12.5	26.2	▶	▲	▲
	Musuro	130.0	4.0	8.3	21.5	▶	▶	▶
	Potato	60.0	13.2	50.0	71.4	▲	▲	▲

Birgunj	Coarse rice	44.0	0.0	4.8	10.0	▶	▶	▶
	Wheat flour	35.0	-12.5	-16.7	0.0	▼	▼	▶
	Soybean oil	150.0	0.0	0.0	-2.0	▶	▶	▶
	Chicken	220.0	0.0	-33.3	-12.0	▶	▼	▶
	Mustard oil	190.0	0.0	0.0	5.6	▶	▶	▶
	Mas (black gram)	118.0	0.0	2.6	18.0	▶	▶	▲
	Musuro	118.0	-1.7	0.0	4.4	▶	▶	▶
	Potato	50.0	0.0	25.0	66.7	▶	▲	▲

Nepalgunj	Coarse rice	37.0	0.0	5.7	-5.1	▶	▶	▶
	Wheat flour	38.0	0.0	8.6	8.6	▶	▶	▶
	Soybean oil	160.0	0.0	8.1	18.5	▶	▶	▲
	Chicken	310.0	-3.1	19.2	24.0	▶	▲	▲
	Mustard oil	200.0	0.0	5.3	17.6	▶	▶	▲
	Mas (black gram)	107.0	-2.7	7.0	-14.4	▶	▶	▶
	Musuro	87.0	-3.3	-8.4	-17.1	▶	▶	▼
	Potato	52.0	4.0	73.3	40.5	▶	▲	▲

Dhangadhi	Coarse rice	47.0	11.9	27.0	17.5	▲	▲	▲
	Wheat flour	37.0	-2.6	5.7	5.7	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	288.0	-12.7	-15.3	-4.0	▼	▼	▶
	Mustard oil	160.0	0.0	0.0	-5.9	▶	▶	▶
	Mas (black gram)	148.0	3.5	12.1	18.4	▶	▲	▲
	Musuro	121.0	-3.2	-0.8	10.0	▶	▶	▶
	Potato	57.0	14.0	90.0	50.0	▲	▲	▲

▲ 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	34.0	-2.9	-2.9	-8.1	▶	▶	▶
	Wheat flour	45.0	12.5	25.0	18.4	▲	▲	▲
	Soybean oil	125.0	-10.7	-16.7	-3.8	▼	▼	▶
	Chicken	300.0	0.0	-14.3	7.1	▶	▼	▶
	Mustard oil	180.0	0.0	2.9	12.5	▶	▶	▶
	Mas (black gram)	120.0	-7.7	9.1	14.3	▼	▶	▶
	Musuro	130.0	4.0	18.2	30.0	▶	▲	▲
	Potato	55.0	22.2	57.1	83.3	▲	▲	▲

**Hill and Mountain markets with road access**

Dhankuta	Coarse rice	43.0	2.4	2.4	-2.3	▶	▶	▶
	Wheat flour	48.0	2.1	2.1	-4.0	▶	▶	▶
	Soybean oil	170.0	3.0	3.0	13.3	▶	▶	▶
	Chicken	240.0	-27.3	-25.0	-26.2	▼	▼	▼
	Mas (black gram)	125.0	4.2	4.2	0.0	▶	▶	▶
	Musuro	115.0	4.5	4.5	0.0	▶	▶	▶
	Potato	70.0	0.0	40.0	66.7	▶	▲	▲

Rolpa	Coarse rice	40.0	5.3	17.6	17.6	▲	▲	▲
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	-6.3	▶	▶	▶
	Chicken	330.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	140.0	7.7	27.3	27.3	▲	▲	▲
	Musuro	130.0	0.0	0.0	18.2	▶	▶	▶
	Potato	65.0	8.3	18.2	44.4	▲	▲	▲

Santebagar	Coarse rice	40.0	0.0	-11.1	0.0	▶	▼	▶
	Wheat flour	40.0	0.0	-4.8	0.0	▶	▶	▶
	Soybean oil	160.0	6.7	6.7	-	▶	▶	-
	Chicken	380.0	-5.0	0.0	8.6	▶	▶	▶
	Mas (black gram)	140.0	12.0	12.0	12.0	▲	▲	▶
	Musuro	140.0	7.7	7.7	16.7	▶	▶	▶
	Potato	60.0	0.0	20.0	9.1	▶	▲	▶

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	-15.8	-11.1	▶	▼	▶
	Chicken	550.0	25.0	25.0	37.5	▲	▲	▲
	Mas (black gram)	140.0	0.0	-12.5	-6.7	▶	▼	▶
	Musuro	140.0	-12.5	-12.5	-6.7	▼	▼	▶
	Potato	40.0	0.0	33.3	33.3	▶	▲	▲

Bajura	Coarse rice	42.0	0.0	0.0	20.0	▶	▶	▶
	Wheat flour	45.0	-2.2	-2.2	7.1	▶	▶	▶
	Beans	130.0	0.0	0.0	18.2	▶	▶	▶
	Mas (black gram)	130.0	0.0	0.0	18.2	▶	▶	▶
	Musuro	130.0	0.0	0.0	18.2	▶	▶	▶
	Potato	35.0	0.0	0.0	16.7	▶	▶	▶

**Mountain markets without road access**

Humla	Coarse rice*	47.0	0.0	0.0	11.9	▶	▶	▶
	Wheat flour	180.0	50.0	-10.0	-10.0	▶	▶	▶
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	120.0	-7.7	0.0	0.0	▶	▶	▶
	Mas (black gram)	200.0	0.0	0.0	-	▶	▶	-
	Musuro	0.0	-	-	-	-	-	-
	Potato	80.0	33.3	-20.0	0.0	▶	▼	▶

Dolpa	Coarse rice	130.0	-10.3	-7.1	-7.1	▶	▶	▶
	Wheat flour	120.0	-33.3	0.0	-7.7	▶	▶	▶
	Soybean oil	240.0	0.0	0.0	0.0	▶	▶	▶
	Beans	150.0	0.0	-6.3	0.0	▶	▶	▶
	Mas (black gram)	200.0	0.0	0.0	-20.0	▶	▶	▶
	Musuro	200.0	0.0	0.0	-20.0	▶	▶	▶
	Potato	40.0	14.3	-33.3	14.3	▶	▼	▶

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>

