



# Market Watch 96

February 2020<sup>†</sup>

**Jointly produced by:**  
**WFP**-World Food Programme, Evidence, Policy and Innovation Unit, Nepal  
**MoALD**-Ministry of Agriculture and Livestock Development (MoALD), Department of Agriculture (DoA), Market Development, Economic Analysis and Statistics Section  
**FNCCI/AEC**-Federation of Nepalese Chamber of Commerce and Industries/Agro Enterprise Centre  
**CIPF**-Consumer's Interest Protection Forum



## HIGHLIGHTS

- **In February 2020, retail prices of most food commodities monitored in 15 major markets across Nepal remained relatively stable or experienced marginal increases, thanks to sufficient availability of food commodities and an overall smooth supply.**
- **The overall inflation rate in February 2020 was 6.9 percent. The food and beverage group was at 9.8 percent, although several food sub-groups were relatively higher: vegetables (38.4%), spices (17.5%), pulses (10.9%), and meat & fish (8.6%).**

## Prices

Retail prices of most food commodities monitored in 15 major markets across Nepal remained generally stable or marginally increased in February 2020 (see **Fig. 1**):

- On a month-on-month basis, retail prices of coarse rice, broken lentil and chicken meat increased by 1.2, 1.1 and 10.9 percent respectively, while those of black gram and red potato decreased by 2.0 and 9.7 percent respectively. However, retail prices of edible oils and wheat flour remained relatively stable.
- Compared to three months earlier, most prices indicated an increasing trend with the exception of a declining trend of black gram and red potato. The largest change was red potato at -11.6 percent.
- On a year-on-year basis, most prices showed an increasing trend (with the exception of coarse rice). The largest change was red potato at 35.0 percent.

Factors behind these relatively stable price trends include smooth supply associated with stable transportation services and seasonal fluctuations.

Retail prices in regional markets (see **Fig. 2**) mostly showed a trend similar to the national average. Compared to last month, the price of food commodities mostly showed an increasing trend in all markets with the exception of a downward trend in wheat flour in the Terai and hill & mountain markets. Compared to the same period last year, most prices indicated an increasing trend in all markets.

Wholesale prices monitored in the Kalimati Fruits and Vegetables Market showed relatively high month-on-month fluctuations (see **Table 1**): prices of dry garlic, bitter gourd and pumpkin increased by more than 6 percent due to a reduction in supply relative to demand, while cauliflower, cabbage, carrot, tomato, radish, dry onion and spinach prices decreased by more than 17 percent due to a surge in supply from the harvest season.

The overall consumer price index (CPI) released by the Nepal Rastra Bank was 132.8 in February 2020, an increase of 0.3 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 6.9 percent. The food and beverage group of the CPI was 128.4, a decrease of 0.6 percent month-on-month and an increase of 9.8 percent year-on-year; several sub-groups showed relatively high year-on-year increases: vegetables (38.4%), spices (17.5%), pulses (10.9%), and meat & fishes (8.6%). The non-food and services group of the CPI was 136.3, an increase of 0.1 percent month-on-month and 4.7 percent year-on-year.

## Supply

The overall supply of food and non-food commodities is likely to be limited as precautionary measures are taken to curb the increased risk of contamination of corona virus (COVID-19) which has spread across the world. This will likely reduce the smooth movement of transportation services which will likely reduce the supply of commodities. Market closure, even in the presence of ample supply, could affect availability if enacted. Indian border closure or limits on imports could also have severe effects in especially high-volume urban markets in the Terai and mid-hill areas of the country.

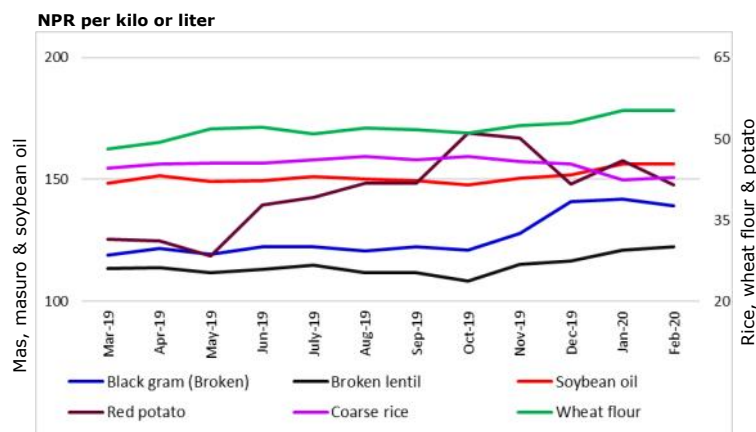
## Outlook

Food price trend and volatility are expected to increase over at least the next two months with the decision to limit the smooth transportation services as preventive measure to protect from possible outbreak of coronavirus (COVID-19) in the country. This will likely affect the smooth supply and availability of commodities. The outlook of the winter crops mainly wheat is expected to be better than last year due to timely rainfall during plantation, growing and maturity period.

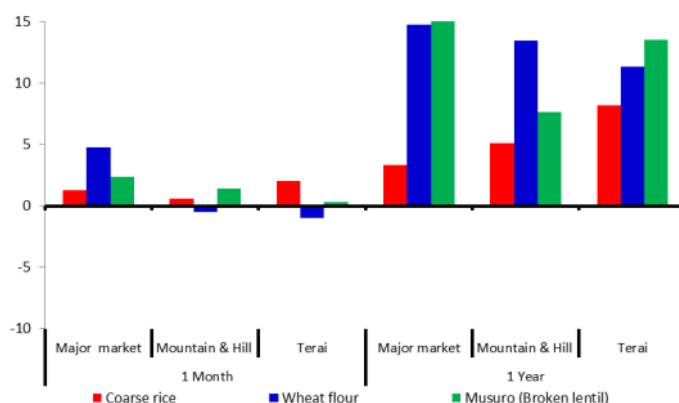
**Table 1: Largest changes in commodity prices (month-on-month)**

Commodity	Price NPR/kg or liter	% change 1 month	Observations
Dry garlic, bitter gourd and pumpkin	various	> 6	Decrease in supply due to lean season
Cauliflower, cabbage, carrot, tomato, radish, dry onion and spinach	various	> -17	Increase in supply due to harvest season

**Figure 1: Average retail price over 12-month period\***



**Figure 2: Percentage change in retail prices\*\* (1 month & 1 year)**



<sup>†</sup> Prices related to the Nepali month of Magh 2076.

\* 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 (%) <sup>*</sup>			Average change over			Market	Commodity	Current price (NRS per Kg/Lt.)	Change in price (%) <sup>*</sup>			Average change over		
			1 m	3 m	1 yr	1m	3m	1yr				1 m	3 m	1 yr	1m	3m	1yr
<b>Major consumer markets</b>																	
Kathmandu	Coarse rice	47.0	0.0	0.0	0.0	▶	▶	▶	Bhairahawa	Coarse rice	42.0	5.0	20.0	13.5	▶	▶	▶
	Wheat flour	60.0	0.0	0.0	25.0	▶	▶	▶		Wheat flour	46.0	0.0	4.5	4.5	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	-12.5	▶	▶	▶		Soybean oil	147.0	0.0	11.4	7.3	▶	▶	▶
	Chicken	400.0	14.3	14.3	14.3	▶	▶	▶		Chicken	380.0	26.7	18.8	20.6	▶	▶	▶
	Broken lentil	110.0	0.0	0.0	19.6	▶	▶	▶		Broken lentil	92.0	2.2	15.0	22.7	▶	▶	▶
	Potato	50.0	0.0	0.0	66.7	▶	▶	▶		Potato	40.0	0.0	5.3	33.3	▶	▶	▶
<b>Hill and Mountain markets with road access</b>																	
Pokhara	Coarse rice	55.0	3.8	5.8	0.0	▶	▶	▶	Makwanpur	Coarse rice	46.0	0.0	0.0	2.2	▶	▶	▶
	Wheat flour	60.0	0.0	15.4	9.1	▶	▶	▶		Wheat flour	60.0	0.0	0.0	39.5	▶	▶	▶
	Soybean oil	155.0	0.0	10.7	14.8	▶	▶	▶		Soybean oil	140.0	0.0	0.0	-12.5	▶	▶	▶
	Chicken	380.0	15.2	13.4	-7.3	▶	▶	▶		Chicken	340.0	0.0	3.0	0.0	▶	▶	▶
	Broken lentil	130.0	0.0	30.0	30.0	▶	▶	▶		Broken lentil	115.0	0.0	4.5	35.3	▶	▶	▶
	Potato	50.0	0.0	0.0	25.0	▶	▶	▶		Potato	45.0	0.0	-25.0	98.0	▶	▶	▶
Surkhet	Coarse rice	55.0	0.0	0.0	10.0	▶	▶	▶	Dhankuta	Coarse rice	40.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	52.0	0.0	4.0	4.0	▶	▶	▶		Wheat flour	60.0	0.0	9.1	9.1	▶	▶	▶
	Soybean oil	160.0	-5.9	0.0	0.0	▶	▶	▶		Soybean oil	150.0	0.0	0.0	7.1	▶	▶	▶
	Chicken	400.0	5.3	14.3	14.3	▶	▶	▶		Chicken	370.0	15.6	23.3	19.4	▶	▶	▶
	Broken lentil	150.0	7.1	15.4	15.4	▶	▶	▶		Broken lentil	110.0	10.0	15.8	10.0	▶	▶	▶
	Potato	55.0	0.0	22.2	83.3	▶	▶	▶		Potato	35.0	-22.2	-30.0	75.0	▶	▶	▶
<b>Regional Terai markets</b>																	
Biratnagar	Coarse rice	40.0	0.0	0.0	5.3	▶	▶	▶	Sanfebagar	Coarse rice	44.0	0.0	0.0	12.8	▶	▶	▶
	Wheat flour	55.0	0.0	0.0	10.0	▶	▶	▶		Wheat flour	55.0	0.0	5.8	22.2	▶	▶	▶
	Soybean oil	160.0	0.0	10.3	18.5	▶	▶	▶		Soybean oil	170.0	0.0	3.0	3.0	▶	▶	▶
	Chicken	340.0	13.3	13.3	13.3	▶	▶	▶		Chicken	420.0	5.0	5.0	5.0	▶	▶	▶
	Broken lentil	115.0	4.5	15.0	21.1	▶	▶	▶		Broken lentil	140.0	0.0	0.0	-17.6	▶	▶	▶
	Potato	40.0	0.0	-11.1	99.0	▶	▶	▶		Potato	45.0	12.5	28.6	12.5	▶	▶	▶
Janakpur	Coarse rice	42.0	5.0	5.0	0.0	▶	▶	▶	Jumla	Coarse rice	55.0	0.0	0.0	10.0	▶	▶	▶
	Wheat flour	60.0	0.0	0.0	20.0	▶	▶	▶		Wheat flour	55.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	160.0	0.0	6.7	14.3	▶	▶	▶		Soybean oil	180.0	0.0	0.0	12.5	▶	▶	▶
	Chicken	340.0	6.3	13.3	13.3	▶	▶	▶		Chicken	450.0	0.0	0.0	2.3	▶	▶	▶
	Broken lentil	140.0	0.0	16.7	27.3	▶	▶	▶		Broken lentil	150.0	0.0	0.0	25.0	▶	▶	▶
	Potato	40.0	0.0	-20.0	60.0	▶	▶	▶		Potato	65.0	0.0	0.0	62.5	▶	▶	▶
Biratnagar	Coarse rice	45.0	0.0	0.0	12.5	▶	▶	▶	Bajura	Coarse rice	45.0	0.0	0.0	12.5	▶	▶	▶
	Wheat flour	55.0	0.0	0.0	22.2	▶	▶	▶		Wheat flour	60.0	0.0	9.1	30.4	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	3.7	▶	▶	▶		Soybean oil	170.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	400.0	25.0	25.0	25.0	▶	▶	▶		Chicken	400.0	0.0	0.0	-9.1	▶	▶	▶
	Broken lentil	110.0	0.0	0.0	22.2	▶	▶	▶		Broken lentil	150.0	0.0	0.0	-14.3	▶	▶	▶
	Potato	40.0	0.0	-11.1	97.0	▶	▶	▶		Potato	40.0	0.0	14.3	14.3	▶	▶	▶
Dhangadhi	Coarse rice	40.0	0.0	0.0	5.3	▶	▶	▶	<b>Mountain markets without road access</b>								
	Wheat flour	40.0	0.0	0.0	17.6	▶	▶	▶	Dolpa	Coarse rice	80.0	0.0	0.0	-20.0	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	0.0	▶	▶	▶		Wheat flour	120.0	0.0	33.3	33.3	▶	▶	▶
	Chicken	300.0	0.0	0.0	0.0	▶	▶	▶		Soybean oil	250.0	0.0	38.9	-3.8	▶	▶	▶
	Broken lentil	110.0	0.0	0.0	10.0	▶	▶	▶		Chicken	600.0	0.0	0.0	20.0	▶	▶	▶
	Potato	50.0	0.0	0.0	66.7	▶	▶	▶		Broken lentil	250.0	25.0	25.0	0.0	▶	▶	▶
								Potato		60.0	9.1	20.0	96.0	▶	▶	▶	
Nepalgunj	Coarse rice	45.0	2.3	18.4	12.5	▶	▶	▶	Humla	Coarse rice	150.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	48.0	0.0	0.0	0.0	▶	▶	▶		Wheat flour	140.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	158.0	0.0	12.9	12.9	▶	▶	▶		Soybean oil	280.0	0.0	7.7	7.7	▶	▶	▶
	Chicken	380.0	26.7	18.8	26.7	▶	▶	▶		Chicken	900.0	0.0	12.5	80.0	▶	▶	▶
	Broken lentil	100.0	-4.8	5.3	2.0	▶	▶	▶		Broken lentil	300.0	0.0	0.0	0.0	▶	▶	▶
	Potato	35.0	-12.5	-7.9	75.0	▶	▶	▶		Potato	60.0	0.0	0.0	20.0	▶	▶	▶

▶ 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
<b>Major consumer markets</b>								
Kathmandu	Coarse rice	47.0	0.0	0.0	-14.5	▶	▶	▶
	Wheat flour	60.0	0.0	20.0	25.0	▶	▲	▲
	Soybean oil	140.0	0.0	0.0	-15.2	▶	▶	▼
	Chicken	350.0	0.0	-2.8	6.1	▶	▶	▶
	Broken lentil	110.0	0.0	22.2	-4.3	▶	▲	▶
	Potato	50.0	0.0	-28.6	11.1	▶	▼	▶
	Pokhara	Coarse rice	53.0	1.9	-3.6	3.9	▶	▶
Wheat flour		60.0	9.1	9.1	20.0	▲	▶	▲
Soybean oil		155.0	10.7	14.8	14.8	▲	▲	▶
Chicken		330.0	-1.5	-15.4	0.0	▶	▼	▶
Broken lentil		115.0	4.5	27.8	21.1	▶	▲	▲
Potato		50.0	0.0	-9.1	11.1	▶	▶	▶
Surkhet		Coarse rice	55.0	0.0	0.0	10.0	▶	▶
	Wheat flour	52.0	4.0	4.0	13.0	▶	▶	▶
	Soybean oil	170.0	6.3	6.3	13.3	▲	▶	▶
	Chicken	380.0	8.6	0.0	11.8	▲	▶	▶
	Broken lentil	140.0	7.7	7.7	0.0	▲	▶	▶
Potato	55.0	22.2	-21.4	83.3	▲	▼	▲	
<b>Regional Terai markets</b>								
Biratnagar	Coarse rice	40.0	0.0	-9.1	5.3	▶	▶	▶
	Wheat flour	60.0	9.1	9.1	33.3	▲	▶	▲
	Soybean oil	160.0	10.3	14.3	18.5	▲	▲	▲
	Chicken	300.0	0.0	-11.8	-6.3	▶	▼	▶
	Broken lentil	110.0	10.0	10.0	0.0	▲	▶	▶
	Potato	40.0	-11.1	-38.5	100.0	▼	▼	▲
Janakpur	Coarse rice	40.0	0.0	0.0	-4.8	▶	▶	▶
	Wheat flour	60.0	0.0	0.0	33.3	▶	▶	▲
	Soybean oil	160.0	6.7	14.3	6.7	▲	▲	▶
	Chicken	320.0	6.7	6.7	0.0	▲	▶	▶
	Broken lentil	140.0	16.7	16.7	16.7	▲	▲	▲
	Potato	40.0	-20.0	14.3	60.0	▼	▲	▲
Birgunj	Coarse rice	45.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	55.0	0.0	14.6	22.2	▶	▲	▲
	Soybean oil	140.0	0.0	3.7	-6.7	▶	▶	▶
	Chicken	320.0	0.0	-5.9	6.7	▶	▶	▶
	Broken lentil	110.0	0.0	22.2	22.2	▶	▲	▲
Potato	40.0	-11.1	-27.3	0.0	▼	▼	▶	
Dhangadhi	Coarse rice	40.0	0.0	0.0	5.3	▶	▶	▶
	Wheat flour	40.0	0.0	0.0	17.6	▶	▶	▲
	Soybean oil	140.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	300.0	0.0	-14.3	0.0	▶	▼	▶
	Broken lentil	110.0	0.0	0.0	10.0	▶	▶	▶
Potato	50.0	0.0	0.0	66.7	▶	▶	▲	
Nepalgunj	Coarse rice	42.0	5.0	-6.7	5.0	▶	▶	▶
	Wheat flour	48.0	0.0	2.1	2.1	▶	▶	▶
	Soybean oil	158.0	12.9	17.0	12.9	▲	▲	▶
	Chicken	300.0	-6.3	-11.8	0.0	▼	▼	▶
	Broken lentil	105.0	10.5	16.7	5.0	▲	▲	▶
Potato	40.0	5.3	42.9	60.0	▲	▲	▲	
<b>Major consumer markets (continued)</b>								
Bhairahawa	Coarse rice	36.0	-18.2	-10.0	-	▼	▶	-
	Wheat flour	44.0	-2.2	-2.2	10.0	▶	▶	▶
	Soybean oil	132.0	1.5	-2.2	-2.2	▶	▶	▶
	Chicken	300.0	-11.8	-23.1	3.4	▼	▼	▶
	Broken lentil	78.0	-13.3	-22.0	-3.7	▼	▼	▶
	Potato	40.0	42.9	33.3	0.0	▲	▲	▶
	<b>Hill and Mountain markets with road access</b>							
Makwanpur	Coarse rice	46.0	-2.1	-4.2	-8.0	▶	▶	▶
	Wheat flour	60.0	20.0	20.0	36.4	▲	▲	▲
	Soybean oil	140.0	0.0	7.7	-12.5	▶	▶	▶
	Chicken	350.0	0.0	0.0	16.7	▶	▶	▶
	Broken lentil	110.0	22.2	37.5	0.0	▲	▲	▶
	Potato	60.0	-25.0	33.3	50.0	▼	▲	▲
	Dhankuta	Coarse rice	40.0	-11.1	-11.1	0.0	▼	▼
Wheat flour		55.0	-1.8	-1.8	22.2	▶	▶	▲
Soybean oil		150.0	-3.2	-14.3	7.1	▶	▼	▶
Chicken		360.0	5.9	9.1	20.0	▲	▶	▲
Broken lentil		110.0	0.0	0.0	10.0	▶	▶	▶
Potato	50.0	-16.7	-16.7	-9.1	▼	▼	▶	
Rolpa	Coarse rice	42.0	-6.7	-6.7	-6.7	▼	▶	▶
	Wheat flour	60.0	20.0	20.0	33.3	▲	▲	▲
	Soybean oil	150.0	3.4	0.0	0.0	▶	▶	▶
	Chicken	360.0	0.0	0.0	2.9	▶	▶	▶
	Broken lentil	120.0	20.0	0.0	20.0	▲	▶	▲
	Potato	60.0	71.4	71.4	20.0	▲	▲	▲
Sanfebagar	Coarse rice	44.0	-2.2	-2.2	15.8	▶	▶	▲
	Wheat flour	50.0	0.0	0.0	11.1	▶	▶	▶
	Soybean oil	160.0	-5.9	-3.0	0.0	▼	▶	▶
	Chicken	400.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	130.0	-7.1	-3.7	-21.2	▼	▶	▼
	Potato	40.0	-11.1	14.3	0.0	▼	▲	▶
Jumla	Coarse rice	55.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	55.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	450.0	0.0	0.0	0.0	▶	▶	▶
	Broken lentil	150.0	0.0	0.0	0.0	▶	▶	▶
Potato	60.0	0.0	0.0	20.0	▶	▶	▲	
Bajura	Coarse rice	45.0	-2.2	0.0	12.5	▶	▶	▶
	Wheat flour	52.0	4.0	4.0	13.0	▶	▶	▶
	Soybean oil	160.0	-11.1	-5.9	-5.9	▼	▶	▶
	Chicken	400.0	0.0	0.0	-9.1	▶	▶	▶
	Broken lentil	130.0	-10.3	-7.1	-23.5	▼	▶	▼
Potato	35.0	-12.5	16.7	0.0	▼	▲	▶	
<b>Mountain markets without road access</b>								
Dolpa	Coarse rice	80.0	0.0	0.0	6.7	▶	▶	▶
	Wheat flour	90.0	0.0	0.0	-5.3	▶	▶	▶
	Soybean oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	600.0	20.0	20.0	20.0	▲	▲	▲
	Broken lentil	200.0	0.0	0.0	11.1	▶	▶	▶
Potato	43.0	7.5	7.5	-14.0	▲	▶	▶	
Humla	Coarse rice	150.0	0.0	0.0	-	▶	▶	-
	Wheat flour	140.0	0.0	0.0	-6.7	▶	▶	▶
	Soybean oil	260.0	0.0	0.0	-7.1	▶	▶	▶
	Chicken	800.0	33.3	33.3	60.0	▲	▲	▲
	Broken lentil	300.0	0.0	0.0	-6.3	▶	▶	▶
Potato	55.0	1.9	10.0	-8.3	▶	▶	▶	

▲ 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.