



# Market Watch 77

August 2015<sup>†</sup>

Jointly produced by:

WFP-World Food Programme, Nepal

MoAD-Department of Agriculture, Agribusiness Promotion and Marketing Development Directorate (ABPMD)

FNCCI/AEC-Federation of Nepalese Chamber of Commerce and Industries/Agro Enterprise Centre

CIPF-Consumer's Interest Protection Forum



## HIGHLIGHTS

- In August 2015, retail prices of most food commodities monitored in 12 markets across Nepal showed an upward trend due to the lean season and the interruption of food supplies because of prolonged general strikes (bandhs).**
- Overall inflation rate in August 2015 was 6.9 percent. The food and beverage group was higher at 7.3 percent, as were several sub-groups: legume varieties (26.4 percent), spices (9.8 percent), milk products and eggs (9.3 percent) and cereal grains (9.1 percent).**

## Prices

In August 2015, retail prices of food commodities monitored across the country showed an upward trend. On a month-on-month basis, retail prices of coarse rice and wheat flour increased by 4.8 and 3.4 percent respectively. Prices of black gram and broken lentil increased by 7.5 and 6.9 percent respectively. Prices of soybean oil and chicken meat went up by 0.3 and 3.9 percent respectively. However, the price of red potato remained relatively stable. Compared to three months earlier, most prices showed an upward trend with the exception of edible oils and red potato. Compared to the same period last year, most prices showed an upward trend (with the exception of edible oils and red potato). Overall, the price of most commodities over the past 12 months showed an upward trend with expected seasonal fluctuations, while that of black gram and broken lentil continued to rise since May 2015 (see **Figure 1**).

Prices in regional markets (see **Figure 2**) showed similar trends as that seen in the national averages, with an upward trend in nearly all commodities in all markets. However, the price of wheat flour showed a marginal decline in the Terai markets compared to the same period last year.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed an upward trend. Wholesale prices monitored in the Kalimati Fruits and Vegetables Market mostly showed a sharp increase month-on-month (see **Table 1**): prices of green peas, dry onion, pumpkin, pointed gourd, arum, cabbage, smooth gourd, cowpea, carrot and broad mustard leaf increased by more than 15 percent due to a reduction in supply, while that of radish, French bean and christophine decreased by more than 7 percent due to the harvest season.

In August 2015, the overall consumer price index (CPI) released by Nepal Rastra Bank was 106.6 (base year 2014/15=100), an increase of 4.8 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 106.8, an increase of 3.4 percent month-on-month and 7.3 percent year-on-year; several sub-groups showed higher year-on-year increases: legume varieties (26.4 percent), spices (9.8 percent), milk products and eggs (9.3 percent) and cereal grains (9.1 percent). The non-food and services group of the CPI was 106.5, an increase of 5.9 percent month-on-month and 6.6 percent year-on-year.

## Supply

The food supply situation across the country has been frequently disrupted because of the impact of monsoon-induced floods and landslides on roads and transportation services. Moreover, prolonged general strikes (*bandhs*) called by various political parties and ethnic groups, mainly in the Terai region, have disrupted cross-border trade and the supply of fuel, food and non-food commodities from India and overseas, resulting in a shortage of fuel and daily consumer goods.

## Outlook

Most food prices are expected to increase next month due to the continuing lean season and supply disturbances caused by the prolonged general strikes (*bandhs*) in the Terai and disruptions to cross-border trade.

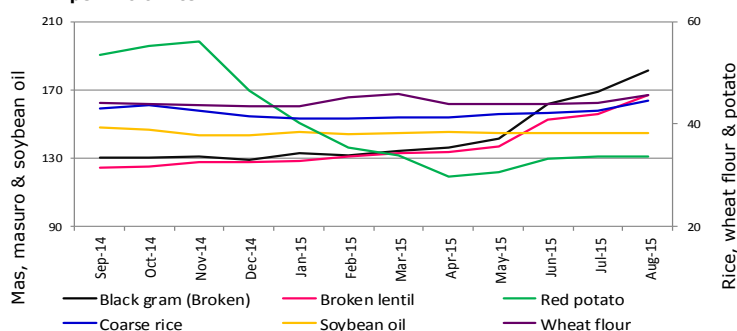
Despite an increase of planted area overall, paddy production is expected to be lower this year compared to last year due to insufficient rainfall and unavailability of chemical fertilizers during the growing period.

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

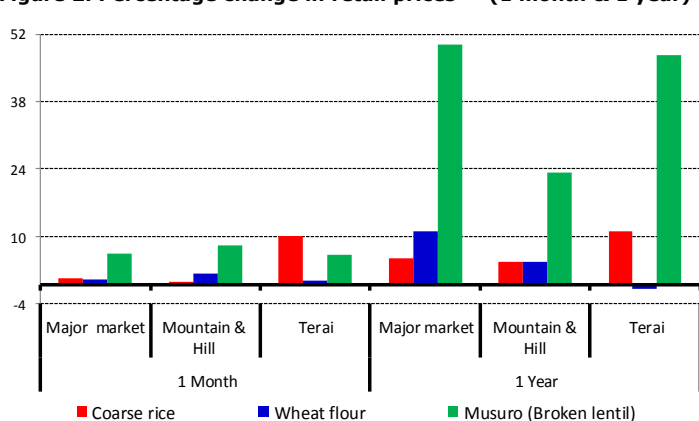
Commodity	Price NPR/kg or liter	% change 1 month	Observations
Green peas, dry onion, pumpkin, pointed gourd, arum, cabbage, smooth gourd, cowpea, carrot and broad mustard leaf	various	> 15	Decrease in supply due to lean season
Radish, French bean and christophine	various	<-7	Increase in supply due to harvest season

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

NPR per kilo or liter



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



<sup>†</sup> Prices relate to the Nepali month of Shrawan 2072.

\* 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.



नेपाल खाद्य सुरक्षा अनुगमन प्रणाली  
Nepal Khadya Surakhya Anugaman Pranali (NeKSAP)  
Nepal Food Security Monitoring System

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
Major consumer markets								
Kathmandu	Coarse rice	47.0	4.4	4.4	4.4	▶	▶	▶
	Wheat flour	50.0	0.0	6.4	11.1	▶	▶	▶
	Soybean oil	143.0	0.0	4.4	-2.7	▶	▶	▶
	Chicken	380.0	0.0	31.0	2.7	▶	▲	▶
	Mustard oil	173.0	0.0	3.6	3.6	▶	▶	▶
	Mas (black gram)	183.0	0.0	26.2	40.8	▶	▲	▲
	Musuro	173.0	1.8	21.0	33.1	▶	▲	▲
	Potato	34.0	13.3	13.3	-38.2	▲	▲	▼
Pokhara	Coarse rice	48.0	-2.0	0.0	6.7	▶	▶	▶
	Wheat flour	50.0	2.0	4.2	11.1	▶	▶	▶
	Soybean oil	130.0	-1.0	-7.1	-7.1	▶	▶	▶
	Chicken	330.0	3.1	-17.5	6.5	▶	▼	▶
	Mustard oil	180.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	210.0	16.7	40.0	50.0	▲	▲	▲
	Musuro	200.0	11.1	37.9	66.7	▲	▲	▲
	Potato	45.0	28.6	28.6	12.5	▲	▲	▶
Regional Terai markets								
Biratnagar	Coarse rice	40.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	40.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	125.0	-4.6	0.0	-3.8	▶	▶	▶
	Chicken	320.0	0.0	14.3	0.0	▶	▲	▶
	Mustard oil	162.0	-3.0	-1.8	-1.8	▶	▶	▶
	Mas (black gram)	184.0	5.1	31.4	41.5	▲	▲	▲
	Musuro	170.0	18.1	21.4	41.7	▲	▲	▲
	Potato	35.0	20.7	75.0	-36.4	▲	▲	▼
Birgunj	Coarse rice	n/a						
	Wheat flour	n/a						
	Soybean oil	n/a						
	Chicken	n/a						
	Mustard oil	n/a						
	Mas (black gram)	n/a						
	Musuro	n/a						
	Potato	n/a						
Nepalgunj	Coarse rice	37.0	0.0	-2.6	5.7	▶	▶	▶
	Wheat flour	37.0	-2.6	-2.6	5.7	▶	▶	▶
	Soybean oil	160.0	0.0	0.0	6.7	▶	▶	▶
	Chicken	300.0	0.0	0.0	11.1	▶	▶	▶
	Mustard oil	200.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	150.0	0.0	30.4	36.4	▶	▲	▲
	Musuro	150.0	0.0	42.9	66.7	▶	▲	▲
	Potato	25.0	-16.7	25.0	-16.7	▼	▲	▼
Dhangadhi	Coarse rice	41.8	-0.5	-0.5	13.0	▶	▶	▶
	Wheat flour	36.2	0.6	-4.7	-2.2	▶	▶	▶
	Soybean oil	140.0	6.1	2.9	0.0	▲	▶	▶
	Chicken	312.0	0.0	5.4	-8.2	▶	▶	▶
	Mustard oil	154.0	0.0	-3.8	-3.8	▶	▶	▶
	Mas (black gram)	190.0	0.0	15.2	43.9	▶	▲	▲
	Musuro	172.0	0.0	11.7	41.0	▶	▲	▲
	Potato	20.0	-20.0	-13.0	-60.0	▼	▼	▼

▲ 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 (%) <sup>*</sup>			Average change over		
			1 m	3 m	1 yr	1m	3m	1yr
Bhairahawa	Coarse rice	45.0	40.6	28.6	25.7	▲	▲	▲
	Wheat flour	37.0	5.7	5.7	-7.5	▲	▶	▶
	Soybean oil	130.0	8.3	13.0	-7.1	▲	▲	▶
	Chicken	340.0	0.0	13.3	3.0	▶	▲	▶
	Mustard oil	150.0	15.4	-9.1	-11.8	▲	▶	▶
	Mas (black gram)	180.0	0.0	38.5	50.0	▶	▲	▲
	Musuro	170.0	6.3	25.9	41.7	▲	▲	▲
	Potato	25.0	0.0	25.0	-30.6	▶	▲	▼
<b>Hill and Mountain markets with road access</b>								
Dhankuta	Coarse rice	42.0	-1.9	-0.6	0.0	▶	▶	▶
	Wheat flour	45.0	-1.5	-4.0	-4.3	▶	▶	▶
	Soybean oil	166.0	0.0	0.0	-2.4	▶	▶	▶
	Chicken	320.0	0.0	0.0	-3.0	▶	▶	▶
	Mas (black gram)	180.0	20.9	20.9	44.0	▲	▲	▲
	Musuro	160.0	27.0	27.0	45.5	▲	▲	▲
	Potato	30.0	-25.0	-25.0	-40.0	▼	▼	▼
Rolpa	Coarse rice	48.0	0.0	20.0	37.1	▶	▲	▲
	Wheat flour	50.0	11.1	25.0	25.0	▲	▲	▲
	Soybean oil	130.0	0.0	-3.7	-13.3	▶	▶	▶
	Chicken	400.0	0.0	25.0	21.2	▶	▲	▲
	Mas (black gram)	230.0	0.0	53.3	91.7	▶	▲	▲
	Musuro	160.0	6.7	10.3	23.1	▲	▲	▲
	Potato	50.0	0.0	25.0	-16.7	▶	▲	▼
Sanetabagar	Coarse rice	40.0	0.0	0.0	-11.1	▶	▶	▶
	Wheat flour	42.0	0.0	0.0	5.0	▶	▶	▶
	Soybean oil	150.0	0.0	0.0	0.0	▶	▶	▶
	Chicken	390.0	0.0	0.0	-2.5	▶	▶	▶
	Mas (black gram)	180.0	20.0	20.0	44.0	▲	▲	▲
	Musuro	170.0	0.0	13.3	30.8	▶	▲	▲
	Potato	50.0	0.0	0.0	-16.7	▶	▶	▼
Jumla	Coarse rice	60.0	0.0	0.0	0.0	▶	▶	▶
	Wheat flour	70.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	160.0	0.0	-11.1	0.0	▶	▼	▶
	Chicken	440.0	0.0	0.0	0.0	▶	▶	▶
	Mas (black gram)	150.0	0.0	0.0	-6.3	▶	▶	▶
	Musuro	150.0	0.0	0.0	-6.3	▶	▶	▶
	Potato	25.0	-16.7	-16.7	-16.7	▼	▼	▼
Bajura	Coarse rice	42.0	5.0	10.5	-2.3	▶	▲	▶
	Wheat flour	45.0	2.3	7.1	-2.2	▶	▶	▶
	Beans	160.0	-	23.1	23.1	-	▲	▲
	Mas (black gram)	160.0	6.7	23.1	23.1	▲	▲	▲
	Musuro	160.0	6.7	23.1	23.1	▲	▲	▲
	Potato	30.0	-25.0	-25.0	-14.3	▼	▼	▶
<b>Mountain markets without road access</b>								
Humla	Coarse rice <sup>*</sup>	125.0	140.4	140.4	166.0	▲	▲	▲
	Wheat flour	200.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	280.0	0.0	-6.7	-6.7	▶	▶	▶
	Beans	150.0	0.0	0.0	25.0	▶	▶	▲
	Mas (black gram)	350.0	0.0	-	75.0	▶	-	▲
	Musuro	350.0	0.0	133.3	-	▶	▲	-
	Potato	60.0	-14.3	-14.3	-40.0	▼	▼	▼
Dolpa	Coarse rice	140.0	-3.4	27.3	0.0	▶	▲	▶
	Wheat flour	130.0	0.0	13.0	8.3	▶	▲	▶
	Soybean oil	240.0	0.0	4.3	0.0	▶	▶	▶
	Beans	150.0	-6.3	0.0	-6.3	▼	▶	▶
	Mas (black gram)	200.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	200.0	0.0	33.3	0.0	▶	▲	▶
	Potato	40.0	-33.3	-20.0	-33.3	▼	▼	▼