



Market Watch 47

November 2012[†]

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

- **Food prices monitored in various markets across the country remained relatively stable in November 2012 due to recent harvest of summer crops and smooth operation of transport services.**
- **The year-on-year inflation released by the Nepal Rastra Bank in October 2012 remained at 10.5 percent and the price index of food and beverage stood at 9.1 percent as compared to 9.6 percent over the same period last year.**
- **Supply situation across the country is so far normal due to an increased access to roads and trails in the hill and mountain markets.**

NATIONAL MARKET DEVELOPMENT

Price

Food prices regularly monitored by MoAD and WFP in various retail markets across the country mostly remained stable over the past one month. The national average price of coarse rice marginally declined by 0.1 percent to Rs. 35.4 per kilo while that of wheat flour slightly increased by 0.7 percent to Rs. 37.8 per kilo. Retail prices of pulses such as black gram and broken lentil went down by 0.6 percent and 2.2 percent respectively. Likewise, prices of red potato and soybean oil also marginally declined by 2.8 percent and 1.9 percent respectively over the past one month. Compared to August 2012, prices showed a mixed trend while as compared to same period last year, most prices indicated an upward trend.

In the regional markets, price of coarse rice declined in the Terai markets, while it remained the same in the major consumer and the hill & mountain markets with road access. As the harvest of summer crops such as paddy has almost completed, price of coarse rice declined seasonally in most paddy producing districts of Terai.

Wholesale prices monitored in the five large markets (Birtamode, Kathmandu, Butwal, Surkhet and Dhangadhi) by FNCCI/AEC declined in November 2012 as compared to last month. For example, price of coarse rice went down by 7.4 percent over the past one month. Wholesale prices of vegetable and fruits in the Kalimati Fruits and Vegetables market showed an upward trend of off-season vegetables such as bitter gourd, onion and pumpkin, while seasonal vegetables and fruits such as cabbage, cauliflower, spinach, radish, broad leaf mustard and orange indicated a declining trend over the past one month.

As per the latest release of macroeconomic situation report by Nepal Rastra Bank, inflation remained at 10.5 percent in October 2012 as compared to 8.9 percent over the same period last year. The price index of food and beverage increased by 9.1 percent against the 9.6 percent of last year while that of cereal grains increased by 5.3 percent compared to an increase of 1.8 percent over the same period last year. The price index of transport continuously increased by 15.1 percent as compared to 13.3 percent over the same period last year.

Supply

Supply situation across the country is so far normal due to the smooth operation of transport services without any major disturbances. This has led to an increase of food supply in the hill and mountain markets. However, transport services will likely disrupt in the mountain markets such as Manang and Mustang due to recent snowfall, thereby obstructing food supplies in these markets. The situation needs to be monitored closely.

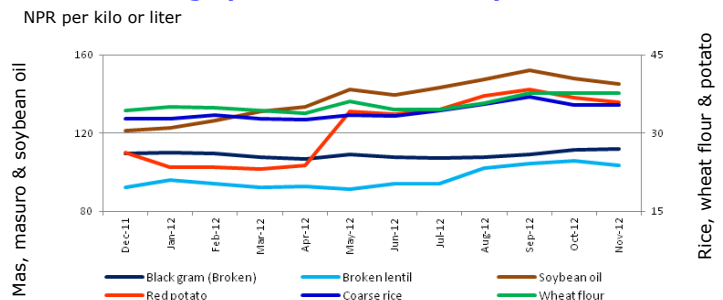
Outlook

Food prices of recently harvest summer crops such as rice and other seasonal vegetables (e.g. cauliflower, cabbages and brinjal) are likely to decline in the next month. However, lean season commodities such as wheat flour and other vegetables will likely remain high until the next harvest.

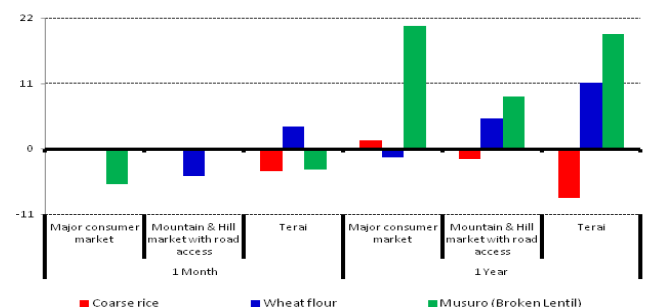
Preliminary estimates of the 2012 summer crops showed 11.3 percent and 8.3 percent decline in paddy and maize production respectively as compared to last year. This will likely contribute to the rise of food prices because of decline in total food availability compared to last year, thereby affecting the food security situation mainly in the hill and mountain districts.

| Largest changes in prices of key commodities | | | |
|--|----------------------|-----------------|--|
| Commodity | Price Rs/kg or liter | % change 1month | Observation |
| Orange and apple | Various | - (>20) | Increase in supply due to harvest season of these fruits. |
| Garlic, ginger & pumpkin | Various | + more than 9 | Decline in supply due to lean season and high demand in markets. |

Average price over 12 month period*



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



| Market | Commodity | Current price (NRS per Kg/Lt.) | Change in price (%)* | | | Average monthly change over | | | |
|---|---|--------------------------------|----------------------|-------|-------|-----------------------------|----|-----|---|
| | | | 1 m | 3 m | 1 yr | 1m | 3m | 1yr | |
| Major consumer markets | | | | | | | | | |
| Kathmandu | Coarse rice | 36.0 | 0.0 | -10.0 | 2.9 | ▶ | ▶ | ▶ | |
| | Wheat flour | 34.0 | 0.0 | -2.9 | -2.9 | ▶ | ▶ | ▶ | |
| | Soybean oil | 145.0 | 1.4 | 3.6 | 17.9 | ▶ | ▶ | ▲ | |
| | Chicken | 250.0 | -9.1 | -2.0 | 6.4 | ▼ | ▶ | ▶ | |
| | Mustard oil | 193.0 | 0.0 | 1.6 | 45.1 | ▶ | ▶ | ▲ | |
| | Mas (black gram) | 113.0 | 0.0 | 7.6 | 7.6 | ▶ | ▶ | ▶ | |
| | Musuro | 103.0 | 0.0 | 0.0 | 33.8 | ▶ | ▶ | ▲ | |
| | Potato | 46.0 | 15.0 | 35.3 | 7.0 | ▲ | ▲ | ▶ | |
| | Pokhara | Coarse rice | 45.0 | 0.0 | 0.0 | 0.0 | ▶ | ▶ | ▶ |
| | | Wheat flour | 35.0 | 0.0 | -2.8 | 0.0 | ▶ | ▶ | ▶ |
| Soybean oil | | 150.0 | -3.2 | -5.1 | 25.0 | ▶ | ▶ | ▲ | |
| Chicken | | 280.0 | -13.6 | -9.7 | 13.8 | ▼ | ▶ | ▶ | |
| Mustard oil | | 185.0 | 2.8 | 3.9 | 27.6 | ▶ | ▶ | ▲ | |
| Mas (black gram) | | 120.0 | 4.3 | 1.7 | 4.3 | ▶ | ▶ | ▶ | |
| Musuro | | 97.0 | -11.8 | -4.0 | 7.8 | ▼ | ▶ | ▶ | |
| Potato | | 50.0 | 0.0 | 11.1 | 77.3 | ▶ | ▲ | ▲ | |
| Regional Terai markets | | | | | | | | | |
| Biratnagar | | Coarse rice | 30.0 | 0.0 | -2.2 | -9.1 | ▶ | ▶ | ▶ |
| | Wheat flour | 30.0 | -3.2 | 7.1 | 0.0 | ▶ | ▶ | ▶ | |
| | Soybean oil | 140.0 | -3.4 | -1.2 | 12.0 | ▶ | ▶ | ▶ | |
| | Chicken | 200.0 | -23.1 | -25.5 | -16.7 | ▼ | ▼ | ▼ | |
| | Mustard oil | 180.0 | -2.7 | 2.9 | 28.6 | ▶ | ▶ | ▲ | |
| | Mas (black gram) | 100.0 | 0.0 | 11.1 | 0.0 | ▶ | ▲ | ▶ | |
| | Musuro | 100.0 | 5.3 | 17.6 | 33.3 | ▲ | ▲ | ▲ | |
| Potato | 41.7 | 19.1 | 15.8 | 19.1 | ▲ | ▲ | ▲ | | |
| Birgunj | Coarse rice | 33.0 | -5.7 | -5.7 | 6.5 | ▼ | ▶ | ▶ | |
| | Wheat flour | 38.0 | 26.7 | 31.0 | 26.7 | ▲ | ▲ | ▲ | |
| | Soybean oil | 150.0 | 0.0 | 0.0 | 15.4 | ▶ | ▶ | ▲ | |
| | Chicken | 260.0 | 0.0 | 0.0 | 8.3 | ▶ | ▶ | ▶ | |
| | Mustard oil | 180.0 | 0.0 | 0.0 | 28.6 | ▶ | ▶ | ▲ | |
| | Mas (black gram) | 100.0 | 5.3 | 4.2 | 8.7 | ▲ | ▶ | ▶ | |
| | Musuro | 110.0 | 0.0 | 18.3 | 46.7 | ▶ | ▲ | ▲ | |
| Potato | 40.0 | 33.3 | 33.3 | 11.1 | ▲ | ▲ | ▶ | | |
| Nepalgunj | Coarse rice | 29.0 | -3.3 | -3.3 | -3.3 | ▶ | ▶ | ▶ | |
| | Wheat flour | 30.0 | -6.3 | -6.3 | 23.3 | ▼ | ▶ | ▲ | |
| | Soybean oil | 115.0 | -17.9 | -17.9 | -1.4 | ▼ | ▼ | ▶ | |
| | Chicken | 200.0 | -28.6 | -28.6 | -20.0 | ▼ | ▼ | ▼ | |
| | Mustard oil | 180.0 | 0.0 | 0.0 | 24.1 | ▶ | ▶ | ▲ | |
| | Mas (black gram) | 70.0 | -22.2 | -22.2 | -17.6 | ▼ | ▼ | ▼ | |
| | Musuro | 70.0 | -22.2 | -22.2 | 0.0 | ▼ | ▼ | ▶ | |
| Potato | 25.0 | -16.7 | -16.7 | -16.7 | ▼ | ▼ | ▼ | | |
| Dhangadhi | Coarse rice | 33.4 | 4.4 | 19.3 | -4.6 | ▶ | ▲ | ▶ | |
| | Wheat flour | 32.6 | 1.9 | 13.2 | 8.7 | ▶ | ▲ | ▶ | |
| | Soybean oil | 127.0 | 4.1 | 5.8 | 27.0 | ▶ | ▶ | ▲ | |
| | Chicken | 250.0 | 0.0 | 2.9 | 2.5 | ▶ | ▶ | ▶ | |
| | Mustard oil | 168.0 | 6.3 | -4.0 | 24.4 | ▲ | ▶ | ▲ | |
| | Mas (black gram) | 132.0 | -2.8 | 3.9 | 1.5 | ▶ | ▶ | ▶ | |
| | Musuro | 110.0 | 4.8 | 22.5 | 11.1 | ▶ | ▲ | ▶ | |
| Potato | 25.0 | -28.6 | -42.9 | -16.7 | ▼ | ▼ | ▼ | | |
| Major consumer markets (continued) | | | | | | | | | |
| Bhairahawa | Coarse rice | 25.0 | -13.8 | -16.7 | -30.6 | ▼ | ▼ | ▼ | |
| | Wheat flour | 35.0 | 0.0 | 29.6 | -2.8 | ▶ | ▲ | ▶ | |
| | Soybean oil | 150.0 | 3.4 | 0.0 | 66.7 | ▶ | ▶ | ▲ | |
| | Chicken | 260.0 | 0.0 | 8.3 | 8.3 | ▶ | ▶ | ▶ | |
| | Mustard oil | 190.0 | -2.6 | 5.6 | 26.7 | ▶ | ▶ | ▲ | |
| | Mas (black gram) | 115.0 | -4.2 | 25.0 | 4.5 | ▶ | ▲ | ▶ | |
| | Musuro | 95.0 | -5.0 | -9.5 | 5.6 | ▶ | ▶ | ▶ | |
| | Potato | 22.0 | -26.7 | -21.4 | 46.7 | ▼ | ▼ | ▲ | |
| | Hill and mountain markets with road access | | | | | | | | |
| Dhankuta | Coarse rice | 33.0 | 0.0 | 6.5 | 6.5 | ▶ | ▶ | ▶ | |
| | Wheat flour | 35.0 | 0.0 | 0.0 | 9.4 | ▶ | ▶ | ▶ | |
| | Soybean oil | 150.0 | 0.0 | 3.4 | 20.0 | ▶ | ▶ | ▲ | |
| | Chicken | 280.0 | 0.0 | 7.7 | -6.7 | ▶ | ▶ | ▶ | |
| | Mas (black gram) | 120.0 | 0.0 | 0.0 | 0.0 | ▶ | ▶ | ▶ | |
| | Musuro | 115.0 | 0.0 | 4.5 | 35.3 | ▶ | ▶ | ▲ | |
| | Potato | 43.0 | 0.0 | 22.9 | 7.5 | ▶ | ▲ | ▶ | |
| Rolpa | Coarse rice | | | | | | | | |
| | Wheat flour | | | | | | | | |
| | Soybean oil | | | | | | | | |
| | Chicken | | | | | | | | |
| | Mas (black gram) | | | | | | | | |
| | Musuro | | | | | | | | |
| Potato | | | | | | | | | |
| Sanjibpur | Coarse rice | 35.0 | 0.0 | -2.8 | -7.9 | ▶ | ▶ | ▶ | |
| | Wheat flour | 35.0 | 0.0 | -12.5 | 0.0 | ▶ | ▼ | ▶ | |
| | Chicken | 300.0 | 0.0 | -14.3 | 7.1 | ▶ | ▼ | ▶ | |
| | Mustard oil | 170.0 | -5.6 | -5.6 | 21.4 | ▼ | ▶ | ▲ | |
| | Mas (black gram) | 130.0 | 8.3 | 0.0 | 8.3 | ▲ | ▶ | ▶ | |
| | Musuro | 110.0 | 0.0 | -8.3 | 0.0 | ▶ | ▶ | ▶ | |
| Potato | 39.0 | -22.0 | -2.5 | -2.5 | ▼ | ▶ | ▶ | | |
| Jumla | Coarse rice | 50.0 | 0.0 | 11.1 | 11.1 | ▶ | ▶ | ▶ | |
| | Wheat flour | 70.0 | 0.0 | 16.7 | 16.7 | ▶ | ▶ | ▲ | |
| | Soybean oil | 180.0 | 0.0 | 0.0 | 28.6 | ▶ | ▶ | ▲ | |
| | Chicken | 350.0 | - | - | 9.4 | - | - | ▶ | |
| | Mas (black gram) | - | - | - | - | - | - | - | |
| | Musuro | 100.0 | 0.0 | 0.0 | 0.0 | ▶ | ▶ | ▶ | |
| Potato | 30.0 | 0.0 | -25.0 | -14.3 | ▶ | ▼ | ▶ | | |
| Bajura | Coarse rice | 40.0 | 0.0 | -11.1 | 29.0 | ▶ | ▼ | ▶ | |
| | Wheat flour | 36.0 | -18.2 | -10.0 | -5.3 | ▼ | ▶ | ▶ | |
| | 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 - red | 25.0 | -16.7 | -50.0 | -16.7 | ▼ | ▼ | ▼ | |
| Mountain markets without road access | | | | | | | | | |
| Humla | Coarse rice* | 40.0 | 0.0 | 0.0 | 0.0 | ▶ | ▶ | ▶ | |
| | Wheat flour | 230.0 | 0.0 | 4.5 | 0.0 | ▶ | ▶ | ▶ | |
| | Soybean oil | 300.0 | 0.0 | 7.1 | 7.1 | ▶ | ▶ | ▶ | |
| | Beans | 110.0 | -8.3 | -8.3 | 10.0 | ▼ | ▶ | ▶ | |
| | Mas (black gram) | 210.0 | - | - | - | - | - | - | |
| | Musuro | - | - | - | - | - | - | - | |
| | Potato | 40.0 | -20.0 | -33.3 | 33.3 | ▼ | ▼ | ▲ | |
| Dolpa | Coarse rice | 110.0 | 0.0 | 10.0 | 10.0 | ▶ | ▶ | ▶ | |
| | Wheat flour | 130.0 | 0.0 | -7.1 | 0.0 | ▶ | ▶ | ▶ | |
| | Soybean oil | 240.0 | 0.0 | 14.3 | 4.3 | ▶ | ▶ | ▶ | |
| | Beans | 200.0 | 0.0 | -13.0 | 0.0 | ▶ | ▼ | ▶ | |
| | Mas (black gram) | - | - | - | - | - | - | - | |
| | Musuro | 200.0 | -4.8 | -4.8 | 0.0 | ▶ | ▶ | ▶ | |
| Potato | 30.0 | -14.3 | -40.0 | -25.0 | ▼ | ▼ | ▼ | | |

▲ 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.

* This is the price of NFC subsidized rice, as there is virtually no other stock.

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>

