



Market Watch 61

January 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 January 2014, retail prices of most food commodities monitored in 12 markets across Nepal were relatively stable with some marginal fluctuations.
- Overall inflation rate in January 2014 was 9.7 percent. The food and beverage group was higher at 12.9 percent as were several sub-groups: meat and fish (24.5 percent), vegetables (19.0 percent), fruits (14.5 percent) and cereal grains (12.7 percent).

NATIONAL MARKET DEVELOPMENT

Price

Retail prices of food commodities monitored across the country were relatively stable with some marginal fluctuations in January 2014. On a month-on-month basis, retail prices of coarse rice, wheat flour and broken lentil increased by 1.2, 1.2 and 1.7 percent respectively, while that of black gram, soybean oil and chicken meat declined by 1.0, 1.3 and 3.3 percent respectively. However, the price of red potato sharply declined by 12.3 percent; this is mainly due to the increased supply of recently harvested winter potato crop. Prices, as compared to three months earlier, indicated an upward trend for wheat flour, broken lentil, soybean oil and chicken meat, and a downward trend for coarse rice, black gram and red potato. Compared to the same period last year, most prices showed an upward trend (with the exception of mustard oil).

Prices in regional markets showed a trend similar to that seen in the national average, with an upward trend of the price of coarse rice, wheat flour and broken lentil in all markets with the exception of the major consumer markets of Kathmandu and Pokhara.

Wholesale prices regularly monitored by FNCCI/AEC in the five large markets of Birtamod, Kathmandu, Butwal, Surkhet and Dhangadhi showed an upward trend over the past month for most commodities with the exception of soybean oil. In the Kalimati Fruits and Vegetables Market, the wholesale price of some winter season vegetables showed a sharp decline: prices of cauliflower, cabbage, carrot, tomato, dry onion, radish and spinach decreased by more than 10 percent. On the other hand, the price of off-season vegetables, such as pumpkin, bitter gourd, pointed gourd and christophine, increased by more than 12 percent.

According to the recent macroeconomic situation report by Nepal Rastra Bank, the overall consumer price index (CPI) in January 2014 was 197.6, a decline of 0.4 percent month-on-month. The inflation rate, as measured by the year-on-year increase in the CPI, was 9.7 percent. The food and beverage group of the CPI was 236.2, a decline of 2.4 percent month-on-month, but an increase of 12.9 percent year-on-year; several sub-groups showed high year-on-year increases: meat and fish (24.5 percent), vegetables (19.0 percent), fruits (14.5 percent), cereal grains (12.7 percent) and spices (10.8 percent). The non-food and services group of the CPI was 169.1, an increase of 1.3 percent month-on-month and 6.9 percent year-on-year.

Supply

The supply situation across the country is reported as normal with the smooth functioning of markets and transport services. Food stocks in most markets—specifically those with fair weather road access—in the Hill and Mountain regions are reported to be sufficient for a month.

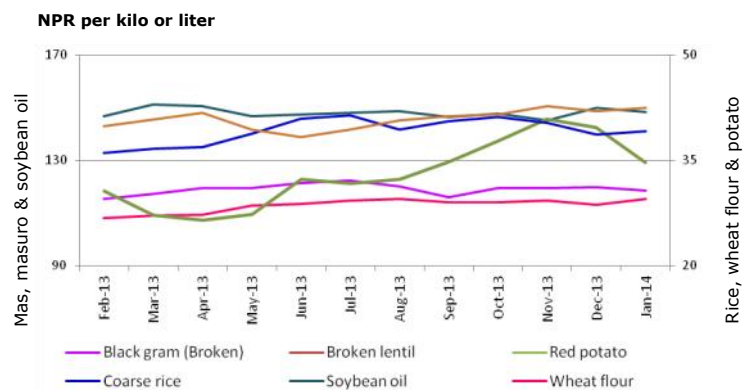
Outlook

Food prices are likely to remain stable in the next month due to improved supplies across the country. However, the price of lean season commodities, mainly vegetables, are expected to increase. The outlook of the winter crop harvest—e.g., wheat and barley—is expected to be good due to recent rainfall across the country.

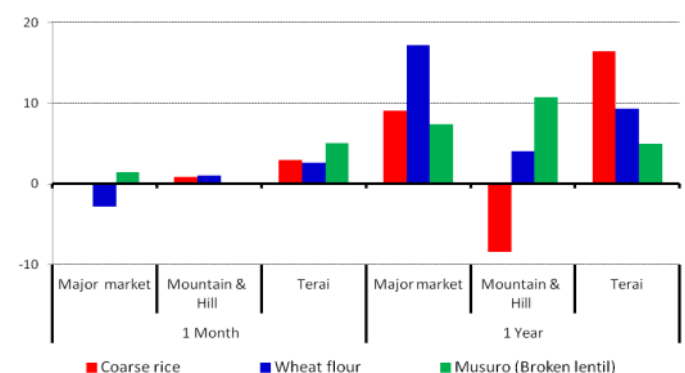
Largest changes in commodity prices (month-on-month)

Commodity	Price NPR/kg or liter	% change 1 month	Observations
Bitter gourd, pumpkin, pointed gourd and christophine.	various	>12	Decrease in supply due to lean season
Cabbage, tomato, cauliflower, dry onion, carrot, potato and radish.	various	>-10	Increase in supply due to harvest season

Average retail price over 12 month 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 Poush 2070.

* 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	41.0	0.0	2.5	13.9	▶	▶	▶
	Wheat flour	43.0	0.0	7.5	26.5	▶	▶	▲
	Soybean oil	145.0	1.4	1.4	5.8	▶	▶	▶
	Chicken	300.0	-14.3	7.1	33.3	▼	▶	▲
	Mustard oil	180.0	1.7	7.8	4.0	▶	▶	▶
	Mas (black gram)	115.0	-1.7	-1.7	1.8	▶	▶	▶
	Musuro	110.0	2.8	2.8	10.0	▶	▶	▶
	Potato	35.0	12.9	-14.6	2.9	▲	▼	▶
Pokhara	Coarse rice	43.8	0.0	-2.8	4.2	▶	▶	▶
	Wheat flour	42.0	-5.6	-6.7	20.0	▼	▶	▲
	Soybean oil	145.0	0.0	-5.2	0.0	▶	▶	▶
	Chicken	395.0	0.0	41.1	46.3	▶	▲	▲
	Mustard oil	180.0	-0.6	0.0	0.0	▶	▶	▶
	Mas (black gram)	120.0	-4.0	-4.0	0.0	▶	▶	▶
	Musuro	110.0	0.0	-2.7	4.8	▶	▶	▶
	Potato	40.0	-31.7	14.3	14.3	▼	▲	▶
Regional Terai markets								
Biratnagar	Coarse rice	38.0	0.0	-5.0	26.7	▶	▶	▲
	Wheat flour	40.0	0.0	14.3	11.1	▶	▲	▶
	Soybean oil	140.0	-3.4	0.0	3.7	▶	▶	▶
	Chicken	280.0	-6.7	1.8	2.6	▼	▶	▶
	Mustard oil	165.0	0.0	-2.9	-8.3	▶	▶	▶
	Mas (black gram)	110.0	10.0	2.8	22.2	▲	▶	▲
	Musuro	115.0	21.1	7.5	4.5	▲	▶	▶
Potato	26.0	-39.5	-25.7	-13.3	▼	▼	▶	
Birgunj	Coarse rice	36.0	0.0	-10.0	5.9	▶	▶	▶
	Wheat flour	38.0	0.0	8.6	8.6	▶	▶	▶
	Soybean oil	145.0	0.0	-5.2	-4.6	▶	▶	▶
	Chicken	280.0	0.0	12.0	16.7	▶	▲	▲
	Mustard oil	165.0	-2.9	-8.3	-8.3	▶	▶	▶
	Mas (black gram)	100.0	0.0	0.0	0.0	▶	▶	▶
	Musuro	110.0	0.0	-2.7	0.0	▶	▶	▶
Potato	30.0	0.0	0.0	36.4	▶	▶	▲	
Nepalgunj	Coarse rice	35.0	0.0	-10.3	9.4	▶	▼	▶
	Wheat flour	35.0	0.0	0.0	9.38	▶	▶	▶
	Soybean oil	148.0	9.6	9.6	5.7	▲	▶	▶
	Chicken	300.0	-14.3	20.0	7.1	▼	▲	▶
	Mustard oil	165.0	11.5	-2.9	-17.5	▲	▶	▼
	Mas (black gram)	120.0	0.0	-4.0	-14.3	▶	▶	▶
	Musuro	100.0	-4.8	-4.8	11.1	▶	▶	▶
Potato	20.0	-20.0	-45.9	-33.3	▼	▼	▼	
Dhangadhi	Coarse rice	36.5	1.4	-8.8	4.3	▶	▶	▶
	Wheat flour	33.6	1.8	-4.0	3.1	▶	▶	▶
	Soybean oil	140.0	0.0	0.0	3.7	▶	▶	▶
	Chicken	300.0	0.0	0.0	5.6	▶	▶	▶
	Mustard oil	160.0	-7.0	-5.9	-9.1	▼	▶	▶
	Mas (black gram)	127.0	-0.8	1.6	-5.2	▶	▶	▶
	Musuro	110.0	0.0	0.0	0.0	▶	▶	▶
Potato	25.0	-37.5	-34.2	0.0	▼	▼	▶	

▲ 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.

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	13.3	-8.1	36.0	▲	▶	▲
	Wheat flour	40.0	11.1	5.3	14.3	▲	▶	▶
	Soybean oil	130.0	-13.3	0.0	-7.1	▼	▶	▶
	Chicken	280.0	-6.67	0.00	7.69	▼	▶	▶
	Mustard oil	180.0	5.9	12.5	5.9	▲	▲	▶
	Mas (black gram)	120.0	0.0	14.3	-4.0	▶	▲	▶
	Musuro	120.0	9.1	20.0	9.1	▲	▲	▶
	Potato	25.0	-24.2	-16.7	13.6	▼	▼	▶
Hill and Mountain markets with road access								
Dhankuta	Coarse rice	40.0	0.0	-9.1	21.2	▶	▶	▲
	Wheat flour	46.0	0.0	-8.0	31.4	▶	▶	▲
	Soybean oil	175.0	0.0	16.7	16.7	▶	▲	▲
	Chicken	300.0	0.0	-7.7	15.4	▶	▶	▲
	Mas (black gram)	120.0	0.0	-4.0	0.0	▶	▶	▶
	Musuro	110.0	0.0	-4.3	-4.3	▶	▶	▶
	Potato	60.0	9.1	42.9	20.0	▲	▲	▲
Rolpa	Coarse rice	34.0	0.0	0.0	-15.0	▶	▶	▶
	Wheat flour	40.0	0.0	0.0	-27.3	▶	▶	▼
	Soybean oil	150.0	-6.3	-6.3	7.1	▼	▶	▶
	Chicken	330.0	0.0	0.0	22.2	▶	▶	▲
	Mas (black gram)	110.0	0.0	0.0	10.0	▶	▶	▶
	Musuro	120.0	0.0	9.1	9.1	▶	▶	▶
Sanjebagar	Coarse rice	35.0	-12.5	-12.5	0.0	▼	▼	▶
	Wheat flour	40.0	0.0	0.0	11.1	▶	▶	▶
	Chicken	380.0	8.6	8.6	26.7	▲	▶	▲
	Mustard oil	170.0	0.0	-5.6	-5.6	▶	▶	▶
	Mas (black gram)	120.0	0.0	-4.0	0.0	▶	▶	▶
	Musuro	120.0	0.0	0.0	9.1	▶	▶	▶
Jumla	Coarse rice	60.0	0.0	0.0	20.0	▶	▶	▲
	Wheat flour	70.0	0.0	16.7	0.0	▶	▲	▶
	Soybean oil	160.0	0.0	-11.1	-11.1	▶	▼	▶
	Chicken	400.0	0.0	0.0	5.3	▶	▶	▶
	Mas (black gram)	140.0	0.0	-6.7	40.0	▶	▶	▲
	Musuro	140.0	0.0	-6.67	40.0	▶	▶	▲
Bajura	Coarse rice	35.0	16.7	0.0	0.0	▲	▶	▶
	Wheat flour	42.0	5.0	0.0	5.0	▶	▶	▶
	Beans	120.0	0.0	9.1	0.0	▶	▶	▶
	Mas (black gram)	110.0	-8.3	0.0	-8.3	▼	▶	▶
	Musuro	120.0	0.0	9.1	0.0	▶	▶	▶
	Potato - red	40.0	0.0	33.3	33.3	▶	▲	▲
Mountain markets without road access								
Humla	Coarse rice*	42.0	0.0	0.0	5.0	▶	▶	▶
	Wheat flour	200.0	0.0	0.0	33.3	▶	▶	▲
	Soybean oil	300.0	0.0	0.0	0.0	▶	▶	▶
	Beans	120.0	9.1	0.0	-	▲	▶	-
	Mas (black gram)	0.0	-	-	-	-	-	-
	Musuro	0.0	-	-	-	-	-	-
	Potato	120.0	9.1	50.0	140.0	▲	▲	▲
Dolpa	Coarse rice	140.0	0.0	0.0	40.0	▶	▶	▲
	Wheat flour	130.0	0.0	0.0	0.0	▶	▶	▶
	Soybean oil	240.0	0.0	0.0	0.0	▶	▶	▶
	Beans	150.0	-6.3	0.0	-31.8	▼	▶	▼
	Mas (black gram)	250.0	0.0	0.0	13.6	▶	▶	▶
	Musuro	250.0	0.0	0.0	13.64	▶	▶	▶
Potato	30.0	0.0	-14.3	0.0	▶	▼	▶	

