

HIGHLIGHTS

- ◆ Market monitoring was carried out from 6-10 April covering markets in 68 districts across Nepal.
- ◆ Retail prices of food commodities monitored in 15 markets across the country in the first week of April 2020 showed a **marginal increase** with some **notable fluctuations in vegetable prices** as compared to March 2020. Price variations across Provinces were observed with relatively high food and non-food prices in remote-area markets with poorer road density compared to Provinces with better road networks and infrastructure.
- ◆ 60 percent of traders reported a sufficient availability of food goods, 80 percent in Province 1, the highest, and just 33 percent in Sudurpaschim (lowest) following a similar trend for non-food essential items. Most traders (50%) reported a **low demand for food and non-food items**, together with a significant decrease in demand for food and non-food items (65% of traders) compared to the previous week.
- ◆ More than 85 percent of traders reported a **decrease in the supply of food and non-food commodities** with the limited movement of transporting trucks and other means of transportation, causing a drop in the demand for labour and leading to higher vulnerability for daily wage labourers due to the lockdown caused by the novel coronavirus (COVID-19).

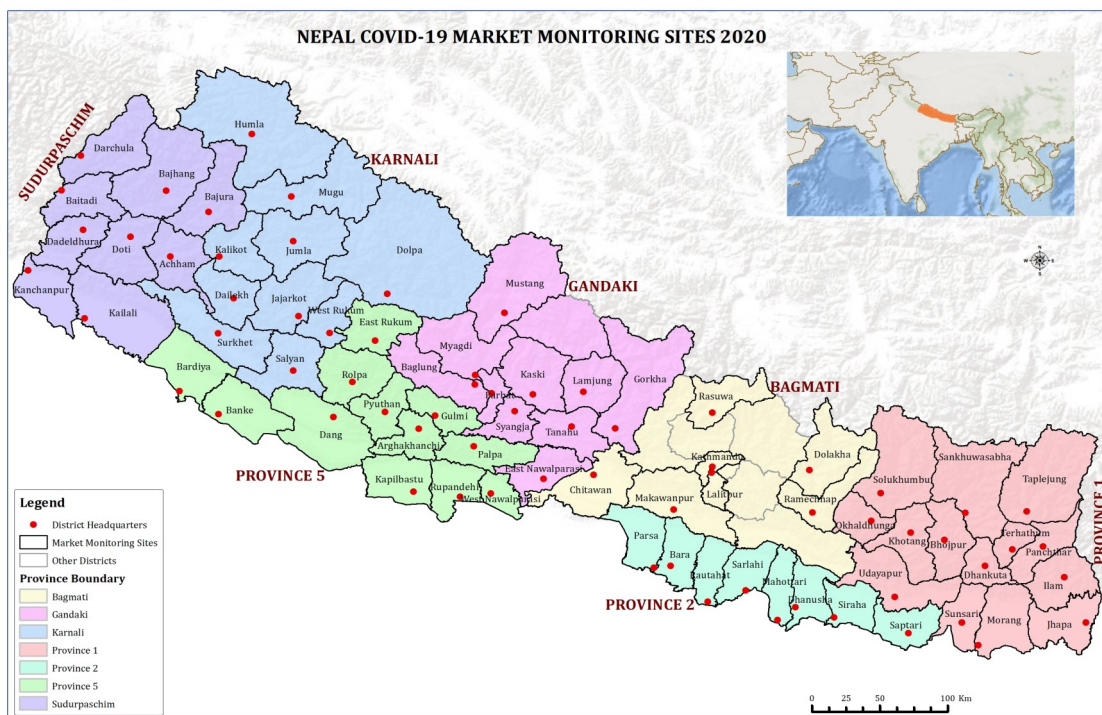


Table 1: Average retail price of food commodities (NPR/kg or ltr or doz.)

Commodity	Average price (NPR/ kg, litre, dozen)	Price change (%)		
		1 month	3 month	1 year
Rice coarse	48	1%	3%	8%
Rice (Sona Mansuli)	60	1%	3%	6%
Wheat Flour (atta)	57	1%	4%	16%
Lentil Broken	121	0%	1%	12%
Chickpea	125	0%	0%	3%
Soybean Oil	163	1%	0%	5%
Chicken meat	343	-3%	5%	-7%
Milk	80	3%	4%	9%
Red Potato	43	5%	-1%	44%
Cabbage	36	17%	-10%	41%
Apple	263	15%	40%	52%
Banana	97	-3%	-1%	9%
Tomato	86	44%	48%	65%

PRICE SITUATION

- ◆ Retail prices of most food commodities collected in the first week of April 2020 from 15 markets showed an upward trend with marginal fluctuations (Table 1). Compared to March 2020, retail prices of cereal foods such as rice and wheat increased by 1 percent, following a similar trend in the price of soybean oil. The price of broken lentils and chickpeas remained relatively stable. However, prices of vegetables such as cabbage and tomato increased sharply by 17 and 44 percent respectively, while the price of red potato mildly increased by 5 percent. Compared to same period last year, most prices indicated an upward trend, with increases ranging from 3 to 65 percent.
- ◆ The present trend of food prices could be influenced by stockpiling of food commodities at household level as early preparation for the lockdown, low demand in the market caused by movement restrictions and a declining purchasing power among low-income people and daily wage earners.
- ◆ Retail prices of both food and non-food commodities monitored in 68 districts across the country from the first week of April 2020 showed a geographical variation across



provinces with relatively lower prices in those Provinces with major market centres, good road networks and better supply chains—namely Province 1, 2 and 5 as compared to Karnali Province, the country’s most underdeveloped and chronic food insecure Province (Table 2). Prices of cereal foods and pulses are 15 to 40 percent higher in Karnali than they are in Provinces 2 and 5.

- ◆ The increase in price for perishable food items such as vegetables decreases economic access to these nutritious foods for the poorest households, and could restrict dietary diversity.
- ◆ Prices of essential non-food items such as soap, toothpaste and toothbrushes showed some Provincial variations with relatively higher prices in more developed Provinces such as Bagmati and Gandaki, this could be the variation of quality products. However, the retail price of cooking gas as one of the essential items is found to be high in Karnali, followed by Sudurpaschim compared to other Provinces.

Market situation

- ◆ Overall 60 percent of traders reported food commodities to be sufficient in quantity and 67 percent of traders reported sufficient non-food items in the monitored markets in 68 districts. However only 33 and 48 percent of traders in Sudurpaschim and Bagmati Provinces reported sufficiency of food in the markets respectively (Graph 1). A majority of traders (62%) reported a decrease in the demand for food and non-food items, followed by same (20% of traders) compare to last week (see Graph 2).
- ◆ In the present situation, most traders (73%) reported a lower supply of goods, while 26 percent of them described a medium level of supply. Compared to the previous week, most traders (85%) said that the supply of goods decreased due to the ongoing lockdown, while some (14%) reported supply to be the same as before (see Graph 3).
- ◆ Information shows that the lockdown limited public movement, but vehicles carrying goods are partially allowed to circulate from one place to another. The market survey shows a low or limited movement of trucks for the time being and indicates a decrease of carrying goods as compared to the week before data was collected.

Labour market

- ◆ Labour demand, mainly that of casual labour, has been heavily affected by the lockdown. About 43 percent of traders reported that the demand for labour was low in the present situation, while 22 percent of them reported a ‘moderate’ demand for labour (see Graph 4).
- ◆ It is also interesting to highlight that 35 percent of traders reported a high demand for labour. According to them, traders are not able to find casual labourers when needed, which has not been the case in the past. This is ascribed to a more limited supply of labour as a result of workers returning to their homes and as the nationwide lockdown places restrictions on the movement of

Traders Reporting Food Insufficiency and Supply Decreases
(as of 9 April 2020)

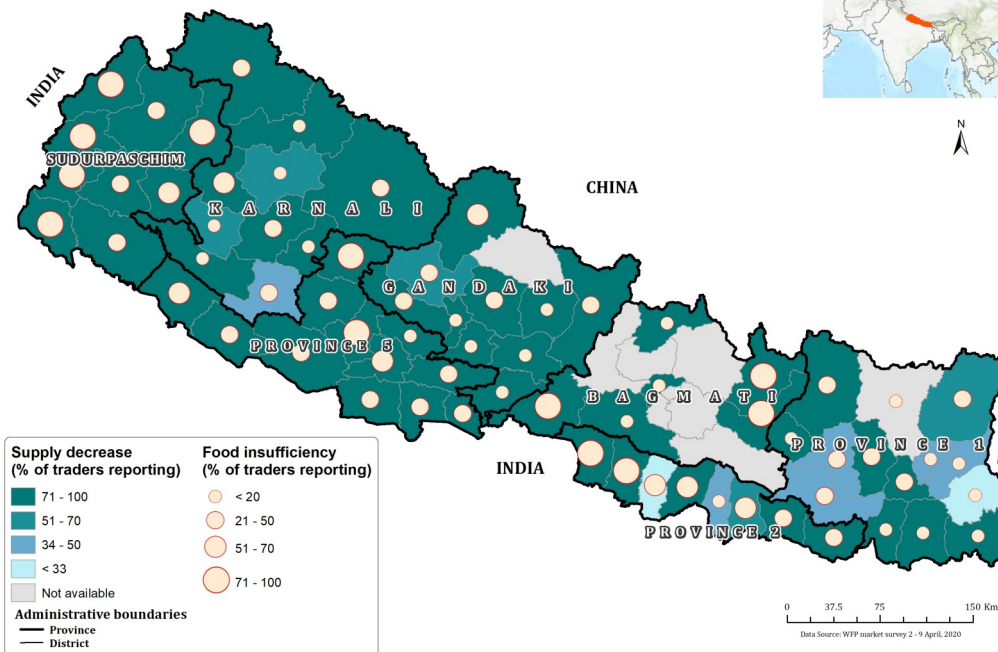


Figure 1: Availability of food and non-food commodities in the markets labor, especially across municipal lines.
(% of traders)

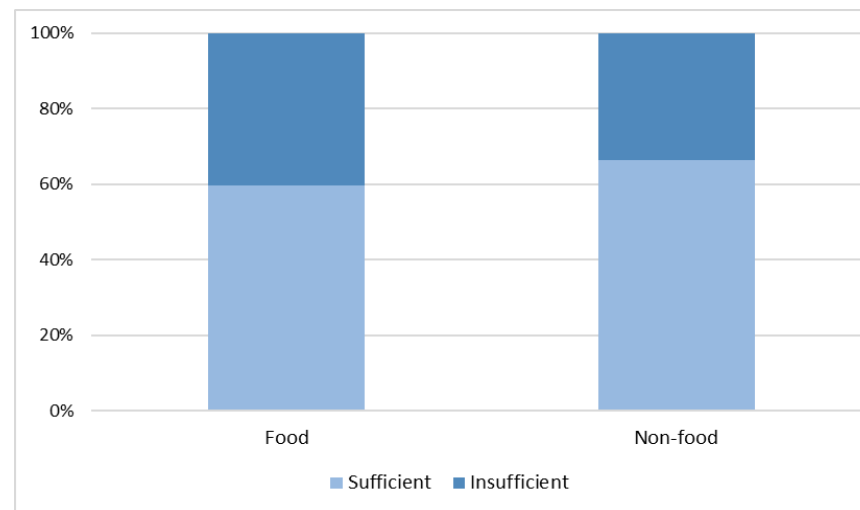




Table 2: Average retail prices of essential commodities by Province (NPR/kg or litre or dozen or gram or day or cylinder)

Commodity	Province 1	Province 2	Bagmati	Gandaki	Province 5	Karnali	Sudurpaschim
Rice coarse	45	43	55	48	43	71	46
Rice (Sona Mansuli)	48	48	61	57	53	80	59
Wheat Flour (atta)	64	62	59	60	53	79	50
Lentil Broken	112	112	99	104	110	147	120
Chickpea	115	95	108	110	113	149	123
Soyabean Oil	163	160	145	147	156	186	163
Apple	256	200	250	270	256	209	281
Orange	131	134	100	130	108	100	126
Red Potato	45	42	43	50	46	41	48
Cauliflower	48	46	43	51	58	60	67
Cabbage	32	34	32	43	36	40	39
Chicken meat	366	280	298	362	328	483	339
Egg	133	165	130	129	133	163	122
Iodized salt	24	21	22	21	22	18	21
Toothpaste	27	51	28	25	41	27	49
Toothbrush	20	19	38	42	22	27	15
Bathing soap	26	28	31	34	26	26	22
Washing soap	26	28	31	34	26	28	22
Unskilled labour wage	603	516	500	554	573	601	539
LP Gas	1,522	1,371	1,439	1,418	1,464	3,216	1,580



For further information

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Methodology

This mVAM market survey was conducted in markets in 68 districts across the country with an aim to monitor the prices of essential commodities and market functionality. This survey was conducted from the first week of April 2020 by telephone to assess the markets during the COVID-19-caused national lockdown. The information includes availability of food and non-food essential items, demand and supply, transportation and labour demand, including the retail prices of basic food and non-food items and wage rate of skilled and unskilled labour.

Figure 2: Demand for food and non-food items in the markets (% of traders)

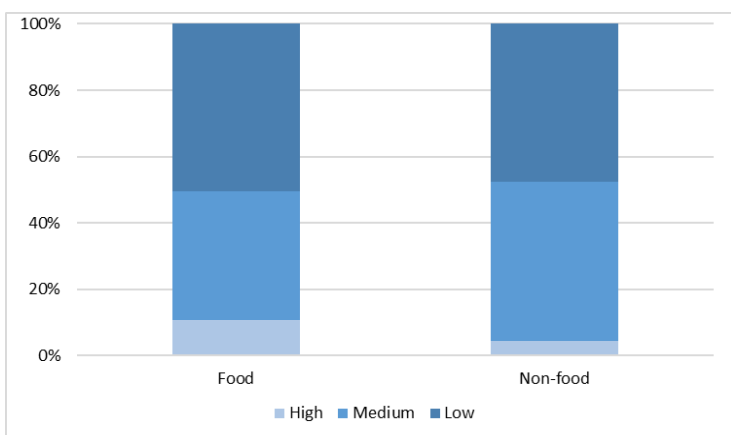


Figure 3: Supply and transportation situation (level) in the markets (% of traders)

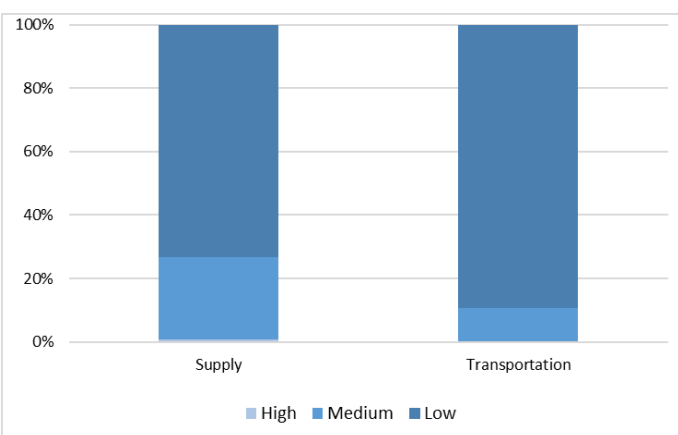


Figure 4: Labour demand in the markets (% of traders)

