

### HIGHLIGHTS

**In June 2021, retail prices of food staples remained stable, while prices of vegetables and fruits showed an upward trend.** Prices of cabbage, tomato, and orange increased sharply, while prices of soybean oil, chicken meat, broken lentil, and apple increased marginally. In the meantime, prices of cereals, pulses, and milk remained relatively stable.

**Overall, markets functioned well across most of Nepal in June 2021, with slight improvement in supply and transportation of goods compared to May.** Localized scarcity of essential commodities and supply disruptions were observed in Karnali and Sudurpashim provinces. Most traders reported the demand for food and non-food items remained largely at medium level; however, more traders observed high demand for food and non-food items in June 2021.

**Supply and transportation of goods to markets showed an improvement and rose to medium and high levels in all provinces, except in Karnali and Sudurpashim.** Supply and transportation levels were reported low by majority of traders in Sudurpashim and by one third of traders in Karnali. On the other hand, Province 2 showed a reverse trend, where most traders noted high levels of supply and transportation of goods.

**In line with the supply and transportation, demand for labour increased in June compared to May 2021.** While in May 56 percent of traders found labour demand was low, in June, one third of traders observed medium demand, while 25 percent noted high demand for labour. The start of the paddy and maize planting season, and relatively more construction activities likely contributed to the increased labour demand.

**In June 2021, the overall inflation, measured by the Consumer Price Index (CPI), remained at 4.2 percent year-on-year and 0.43 percent month-on-month.** The CPI of food and beverage was 6.22 percent year-on-year and 0.88 percent month-on-month. The year-on-year inflation for non-food and services was 2.6 percent.

**The overall price trend and market situation showed an improvement in the functioning of markets in June 2021.** Relative easing of the COVID-19 lockdown, resulting in longer opening hours for markets and reviving of some economic activities, likely contributed to this improvement. However, uncertainty prevails, and the overall trend is dependent on how the COVID-19 situation evolves. Any further shocks could be detrimental for poor and vulnerable households, whose capacity to cope with prolonged crisis and shocks has been already stretched. Ensuring smooth market operations, availability and supply of goods is critical for prices stability, and in turn for food access.



**Prices of food staples and pulses remained stable.** Vegetable and fruit prices mostly increased.



**Sufficient availability of food** reported by majority of traders. Pockets of low food stocks.



**Medium to high demand for commodities** observed by majority of traders.

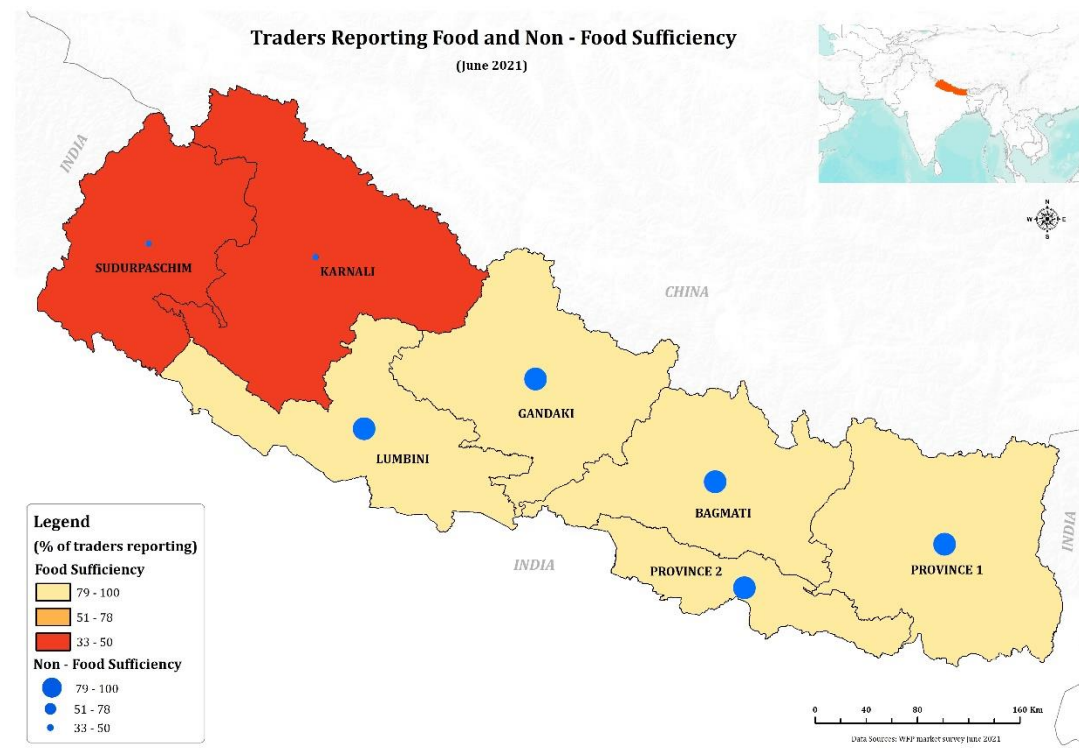


**Medium level of supply and transportation** reported by 67 and 54 % of traders.



**Medium level of demand for labour** noted by 75 % of traders.

27 June - 2 July 2021



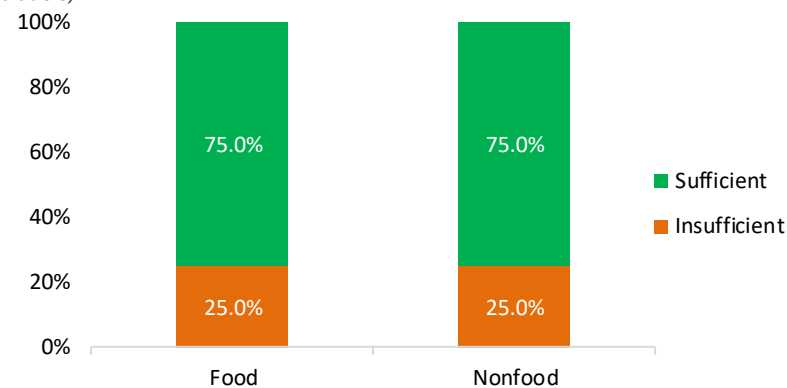
**MARKET OVERVIEW**

**Availability of food and non-food commodities was sufficient to meet demand across the 24 surveyed districts at the end of June 2021.** Two thirds of traders reported that food and non-food stocks were adequate in markets during the reporting period. However, one fourth of traders observed that food and non-food commodities were insufficient, while in May nearly 35 percent of traders reported insufficiency of non-food commodities in the monitored markets. Insufficient availability of food and non-food commodities was reported mainly in the remote districts in Karnali province- Mugu, Dolpa and Jumla- where the road network is poor and is frequently obstructed by floods and landslides. Likewise, traders in Sudurpashim province observed relative scarcity for both food and non-food commodities. Other provinces reported adequate volumes of food and nonfood items in markets. Despite the localized scarcity the June Market Monitor shows a relative improvement in terms of availability of food and non-food commodities, in line with the improved supply and transportation services during the reporting period.

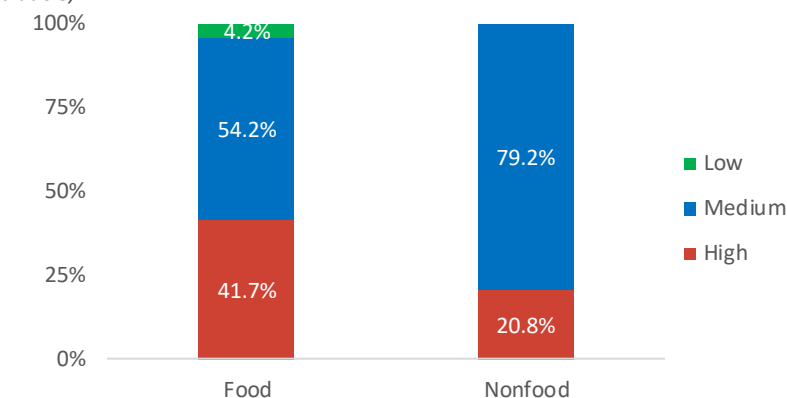
**Overall, demand for commodities remained medium, while more traders observed high demand for food and non-food items in June compared to May 2021.** Nearly 80 percent of traders reported medium demand for food commodities and 55 percent for non-food items across the 24 surveyed markets. The observed high demand food and non-food items rose in June compared to May 2021 as reported by 41.7 and 20.8 percent of traders, respectively. At provincial level, the demand for food was reported relatively high in Sudurpaschim, Karnali and Province 1, while the high demand for non-food commodities was found to be in Sudurpaschim, Karnali and Province 2. One third of traders reported high demand for food in Sudurpaschim, followed by 66.7 percent of traders in Karnali and Province 1. Likewise, 50 percent of traders said that the demand for non-food items was high in Sudurpaschim Province, followed by Karnali and Province 2 (33.3 percent).

**Supply and transportation of goods showed an improvement in June 2021.** Medium levels were observed by 66.7 and 54.2 percent of traders for supply and transportation of goods, respectively. At the same time, more traders noted high supply and transportation in June compared to May 2021: nearly 12.5 and 16.7 percent of traders reported that supply and transportation of commodities was high in June, against 8.7 and 4.3 percent in May, respectively. At provincial level, while most traders reported medium supply and transportation of goods in June 2021, two thirds of traders in Province 2, one third in Gandaki and one fourth of traders in Sudurpaschim Province perceived high levels of supply and transportation. On the other hand, one fourth and 75 percent of traders observed low supply of goods in Karnali and Sudurpaschim, respectively. Similarly, low transportation levels were noted by two thirds of traders in Karnali and 75 percent in Sudurpaschim province.

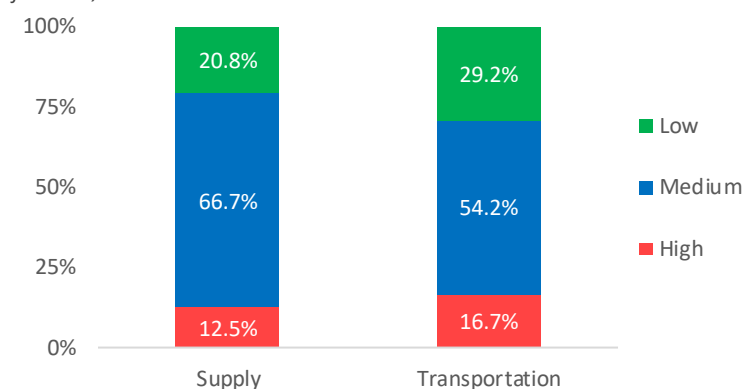
**Figure 1: Availability of food and non-food commodities in the markets (% of traders)**



**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)**



**LABOUR MARKET**

**In line with the supply and transportation, labour demand has increased in June compared to May 2021.** On average, 75 percent of traders reported that the demand for labour was at medium level, while one fourth of traders observed that the demand for labour was high. In comparison, 56 percent of traders reported low labor demand in May, while there were no reports of low demand for labour in June. High demand for labour was most notable in Gandaki and Sudurpaschim, as observed by 50 percent of traders, followed by 33 percent in Karnali and Province 2.

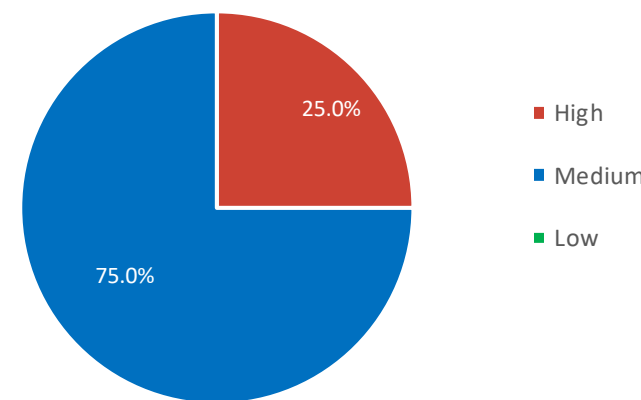
**PRICE SITUATION**

**In June 2021, retail prices of food staples remained stable, while prices of vegetables and fruits showed an upward trend.** The retail prices of most staple food commodities - such as coarse rice, medium rice (*Sona Mansuli*) wheat flour, pulses, and milk remained relatively stable. Soybean oil, broken lentil, chicken meat and apple prices showed a marginal increase as shown in Table 1. The price of tomato, orange and cabbage increased sharply by 17, 15 and 12 percent respectively compared to the last month, while prices of lentil broken, soybean oil, chicken meat and apple increased marginally by 3 and 2 percent respectively. Compared to the three-month earlier, retail prices of most food commodities showed an upward trend with a sharp increase in prices of fruits such as orange and apple and vegetables such as tomato, cabbage and red potato, together with prices of soyabean oil and broken lentil. Similarly, year-on-year changes in retail prices mostly showed an increasing trend, with relatively sharp increase in the prices of cabbage, soybean oil, orange, broken lentil and rice medium (*Sona Mansuli*) as shown in Table 1.

At provincial level, retail prices of most commodities in all provinces showed relatively similar trend with relatively higher fluctuations in Lumbini, Bagmati and Sudurpaschim Provinces compared to other provinces. Moreover, prices remained relatively higher in Karnali compared to the other provinces - prices of most food commodities are 10 - 30 percent higher in Karnali than in Lumbini and Province 1 as shown in Table 2.

Despite an overall improvement in markets, price increases and fluctuations put further pressure on poor and vulnerable people and those who have lost income and livelihood source. The overall food price trend in Nepal, increasing global food prices, combined with the continued pressure on income could exacerbate the food access and ultimately lead to higher further food insecurity, particularly for the vulnerable groups.

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



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

Commodity	Jun-2021	1 month	3 month	1 year
Rice coarse	48.9	1%	4%	5%
Rice medium ( <i>Sona Mansuli</i> )	65.6	1%	8%	21%
Wheat flour ( <i>atta</i> )	54.5	-1%	4%	-4%
Lentil broken	149.1	3%	17%	19%
Chickpea	129.7	0%	5%	10%
Soyabean oil	252.6	3%	17%	57%
Chicken meat	404.4	2%	4%	0%
Milk	87.8	0%	-2%	10%
Red potato	51.9	0%	35%	11%
Cabbage	56.6	12%	72%	55%
Tomato	72.2	17%	67%	6%
Apple	281.0	2%	24%	0%
Banana	114.0	0%	8%	9%
Orange	266.3	15%	109%	89%

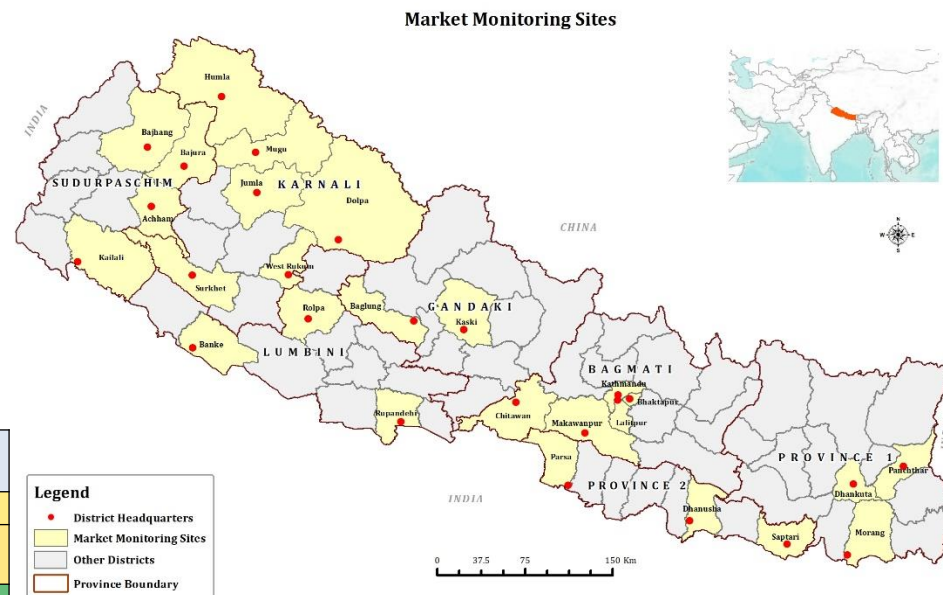
### METHODOLOGY

WFP Nepal regularly monitors and conducts market survey under mobile Vulnerability Assessment and Mapping (mVAM). This market survey was conducted in the fourth week of May 2021 across the country with the aim to monitor the prices of food commodities and assess the impact of the COVID-19 pandemic and other shocks.

During the period presented in this report (June-July 2021), 48 traders from 23 districts were interviewed through telephone. The information assessed includes availability of food and non-food essential items, demand and supply, transportation and labour demand, including the retail prices of basic food items and the wage rate of skilled and unskilled labour. The information on prices was reported directly by the traders, and therefore may not reflect the market price or the actual transaction value.

**Table 2: Retail prices of essential commodities by Province (NPR/kg or ltr or doz or gm)**

Commodities	Province 1	Province 2	Bagmati	Gandaki	Lumbini	Karnali	Sudurpaschim
Rice coarse	48.0	53.7	46.0	54.0	45.7	70.7	48.8
Rice medium ( <i>Sona Mansuli</i> )	59.3	63.3	70.0	72.5	56.7	102.0	71.0
Wheat flour ( <i>atta</i> )	63.0	61.7	59.3	58.5	47.7	79.8	47.8
Peas	145.0	126.7	151.7	155.0	131.7	161.7	156.3
Chickpeas	125.0	120.0	133.3	137.5	118.3	197.5	141.3
Lentil broken	138.3	151.7	151.7	140.0	145.0	185.0	166.3
Blackgram	171.7	173.3	173.3	170.0	166.7	228.3	168.8
Soybean oil	265.0	280.0	253.3	237.5	259.0	261.7	252.5
Mustard oil	306.7	326.7	360.0	270.0	258.3	319.2	207.5
Chicken meat	403.3	376.7	396.7	365.0	343.3	558.3	455.0
Fish	380.0	390.0	466.7	355.0	416.7	550.0	325.0
Egg	16.7	15.7	14.0	15.0	14.3	18.7	17.5
Milk	65.0	90.0	78.3	110.0	80.0	105.0	92.5
Red potato	45.0	45.0	55.3	62.5	43.3	70.0	50.0
Tomato	55.0	76.7	68.3	87.5	60.0	131.7	80.0
Cabbage	38.3	80.0	83.3	62.5	50.0	75.0	40.0
Green leaf ( <i>Rayo sag</i> )	56.7	63.3	41.7	72.5	48.3	165.0	80.0
Pumpkin (Yellow)	50.0	56.7	65.0	50.0	45.0	96.7	60.0
Carrot	66.7	90.0	71.7	110.0	75.0	138.3	60.0
Peanut	210.0	150.0	160.0	215.0	198.3	475.0	190.0
Orange	231.7	190.0	293.3	240.0	255.0	150.0	260.0
Apple	303.3	273.3	316.7	317.5	226.7	215.0	295.0
Banana	110.0	106.7	146.7	125.0	103.3	223.3	106.7
Market wage of unskilled labour	758.3	833.3	1066.7	775.0	800.0	808.3	775.0



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