



HIGHLIGHTS

- The retail prices of most food commodities monitored across 15 major markets fluctuated in November 2020. A sharp decline was recorded in the price of some vegetables, fruit, pulses and wheat flour, while the price of chicken meat, milk and bananas increased. The price of staple food commodities such as coarse rice, medium rice (*Sona Mansuli*), chickpeas and soybean oil remained relatively stable.
- Market monitoring showed markets functioning smoothly, with improved road access to rural areas and better supply of goods due to the recently harvested summer crops. Availability of food and non-food essential commodities was sufficient across the country, however demand for food and non-food items remained medium without any significant change compared to the previous reporting period. In November, the transportation of goods to markets improved with increased access to feather roads in remote and rural areas. Nearly 16 percent of traders from 70 monitored districts reported a high level of supply of commodities to markets and around 83 percent of traders reported medium level of transportation of goods to markets.
- The demand for labour showed continuous improvement, with almost all traders reporting moderate demand, and no traders reporting low labour demand. It is likely that the harvesting of summer crops and development and construction activities contributed to this improvement by providing increased labour opportunities compared to other seasons.
- Overall inflation, as measured by the Consumer Price Index (CPI), remained at 4.1 percent year-on-year and 0.4 percent month-on-month. The CPI of food and beverage was 5.7 percent year-on-year and 0.3 percent month-on-month. The year-on-year inflation of non-food and services was 2.8 percent.
- The prolonged impact of the COVID-19 crisis and resulting uncertainty has affected the functioning of markets in most parts of the country, thereby contributing to the volatility of the retail prices of food commodities and essential non-food items. This can also lead higher risks for poor and low-income households in terms to access food and non-food items, and increase overall food security vulnerability.



Prices of food staples remained relatively stable. Most vegetable prices decreased sharply; chicken meat and milk prices increased.



Sufficient availability of food reported by all traders.



Medium level of demand for commodities reported by 96 percent of traders.



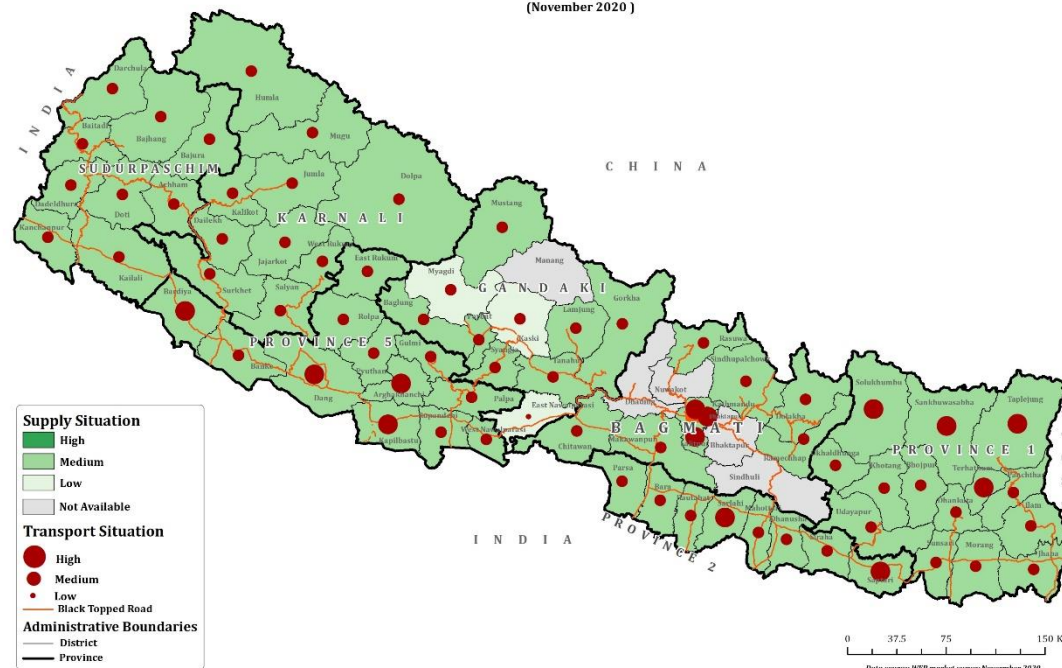
Medium level of supply and transportation of goods to markets observed by 97 and 83 percent of traders respectively.



Medium level of demand for labour reported by 99 percent of traders

26 - 30 November 2020

Traders Reporting Market Supply and Transportation Situation
(November 2020)





MARKET OVERVIEW

Sufficient food commodities were available for the current demand level in markets across the 70 surveyed districts at the end of November 2020. Almost all traders in the assessed districts reported adequate quantities of food and nonfood commodities in markets during the reporting period. This indicates relative stability in terms of availability of goods in markets compared to October 2020, when around 1 percent of traders reported scarcity of food and nonfood commodities. At the provincial level, almost all provinces reported adequate volumes of food and non-food items in markets, with markets and transportation services operating smoothly during the survey period.

Nearly 97 percent of traders reported that current demand for food and non-food commodities was at medium level across the surveyed markets. The demand for food items was reported medium by 96.7 percent of interviewed traders, with most remaining traders reporting low food demand. A similar response from traders was also found concerning demand for non-food items. However, around 13 and 3 percent of traders in Gandaki and Province 2 respectively reported a decrease in demand for food and non-food items compared to the previous week. Overall, demand for non-food commodities improved in November compared to October 2020, as 4.5 percent of traders reported low levels of demand for non-food goods in October, while only 2.8 percent of traders found demand low in November 2020.

Supply of goods to markets remained stable, while transportation of goods slightly improved in November 2020. Supply of goods to markets was reported to be medium by 97 percent of traders. An increase in supply of goods to markets compared to the week before the interview was reported by 4 percent of traders, while around 97 percent of traders considered that supply was higher than October. Similarly, medium volumes of transportation were observed by more than 81 percent of traders, and around 16 percent of traders reported a relative increase in the transportation of goods in the week before the interview. At provincial level, nearly 40, 31 and 24 percent of traders in Lumbini, Province 1 and Province 2 respectively reported an increase in transportation of goods. Overall, transportation of goods improved in November, with only a few traders, mainly from Gandaki Province, reporting a low and declining volume of goods compared to October 2020.

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

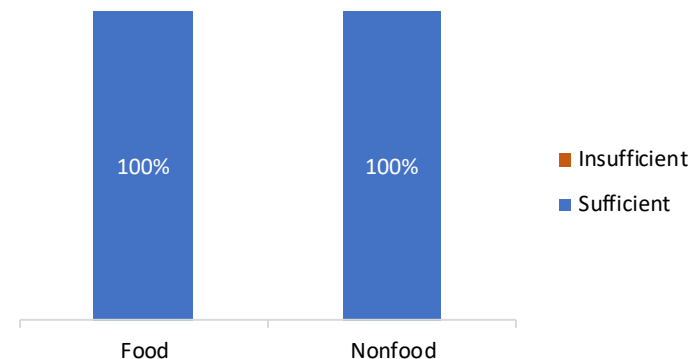


Figure 2: Demand for food and non-food items in the markets (% of traders)

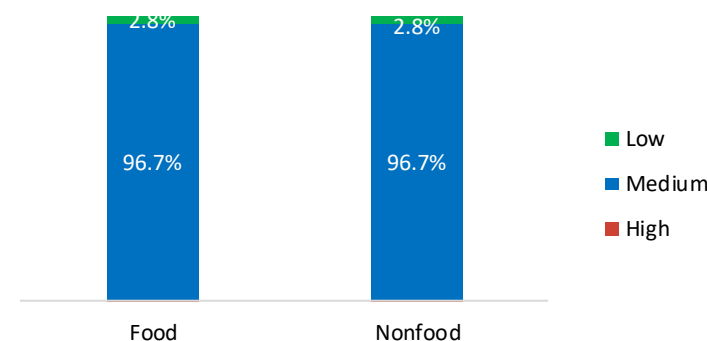
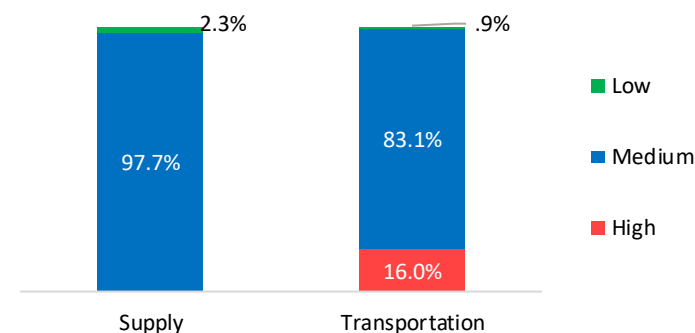


Figure 3: Supply and transportation situation (level) in the markets (% of traders)





LABOUR MARKET

In line with the overall functioning of markets, labour demand remained stable at medium level during the reporting period. Almost all traders reported medium demand for labour, as shown in Figure 4. The proportion of traders reporting high demand for labour was marginal. Compared to October 2020, no significant change was found in the demand for labour - in November, 99.5 percent of traders reported medium level of demand, and in October it was 99 percent. In terms of the wage rate, there has been a marginal increment in the market wage rate of casual labour in November compared to October 2020.

PRICE SITUATION

Retail prices of most food and nonfood commodities monitored in 70 districts across the country showed fluctuations in price during the reporting period.

- Compared to October 2020, retail prices of chicken meat, soybean oil, milk and bananas increased marginally, while retail prices of most staple food commodities - such as coarse rice and medium rice (Sona Mansuli) remained relatively stable, with marginal fluctuations as shown in Table 1. Prices of wheat flour and broken lentils showed a relatively sharp decline compared to October 2020. For example, the price of milk, chicken meat and soybean oil increased by 2.4, 2.1 and 1.6 percent respectively compared to last month, while the price of oranges, cabbage, tomatoes, wheat flour and broken lentils decreased sharply by 31.2, 7.7, 8.0, 8.2 and 8.1 percent respectively. In terms of the three-month change, retail prices of most food commodities showed a declining trend, with a sharp decline in the price of fruit such as apples, bananas and oranges, and an increase in price of red potatoes, soybean oil and rice. Similarly, year-on-year changes in retail prices indicate an increasing trend, with a relatively sharp increase in the price of potatoes, apples, tomatoes and soybean oil. The price of chicken meat, oranges and cabbage showed a downward trend year-on-year (Table 1).
- At the provincial level, retail prices of most commodities in all provinces showed an increasing trend or remained stable, with relatively higher fluctuations in Bagmati, Province 2 and Sudurpaschim Province compared to other provinces. Prices remained relatively high in Karnali Province compared to other provinces - with the price of most food commodities 5-20 percent higher in Karnali than in Province 2 and Province 1.
- Retail prices of non-food essential items such as toothpaste and toothbrushes showed an increasing trend, while the price of soap, hand sanitizer and torch lights declined marginally, as shown in Table 2. However, market wage rates of unskilled labour showed an upward trend in November compared to October 2020. This could be a result of the demand for labour during the harvesting season of summer crops and planting of winter crops, which is ongoing in most parts of the country.
- With the prolonged COVID-19 crisis, uncertainty concerning business operations and plans for investment to generate employment opportunities and increase revenue are likely to be affecting livelihoods, particularly poor and vulnerable households who rely on small-scale businesses and small-farm holders, which in turn contributes to the lower demand for goods and fluctuations in retail prices which have been observed since the beginning of the COVID-19 pandemic lockdown.

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

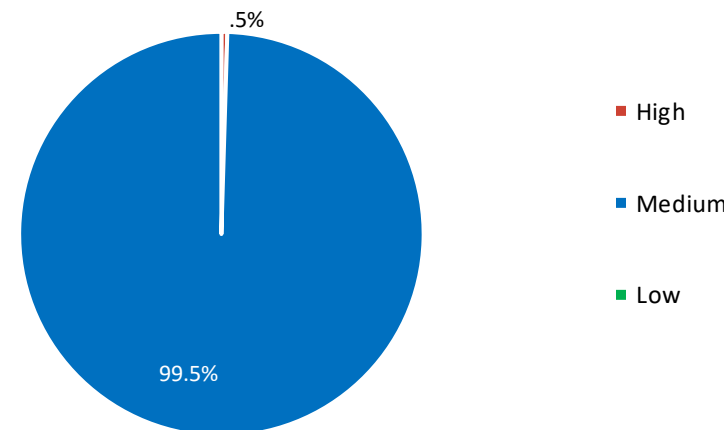


Table 1: Average retail price of food commodities (NPR/kg or ltr or doz.)

Commodities	Nov-20	Price change (%)		
		1 month	3 month	1 year
Rice (Coarse)	46.2	-0.3%	6.3%	4.3%
Rice (Sona Mansuli)	58.6	0.1%	-2.5%	-1.4%
Wheat Flour (atta)	54.2	-8.2%	-9.4%	1.6%
Lentil Broken	125.2	-8.1%	-7.3%	11.1%
Chickpeas	118.3	1.1%	2.3%	10.7%
Soyabean Oil	177.3	1.6%	8.5%	19.6%
Chicken Meat	316.7	2.1%	-14.5%	-10.2%
Milk	85.8	2.4%	5.2%	5.5%
Red Potato	80.3	-0.3%	21.8%	58.2%
Cabbage	54.5	-7.7%	-1.3%	-7.3%
Tomato	93.3	-8.0%	-8.5%	11.0%
Apples	204.0	0.8%	-18.9%	22.1%
Bananas	96.8	1.8%	-11.8%	2.2%
Oranges	91.4	-31.2%	-40.4%	-7.0%



METHODOLOGY

The Nepal COVID-19 mVAM market surveys have been conducted since April 2020 on a monthly basis across the country, with the aim of monitoring the price of essential food and nonfood commodities and assessing the impact of the COVID-19 pandemic on basic market functionality. During the period presented in this November report, 213 traders from 70 districts were interviewed. This survey was conducted during the last week of November 2020 by telephone to assess the current markets. 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 and non-food items, and the wage rate of skilled and unskilled labour. The information on prices was reported directly by 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 litre or dozen or gram)

Commodities	Province 1	Province 2	Bagmati	Gandaki	Lumbini	Karnali	Sudurpaschim
Rice (coarse)	45	42	48	46	43	51	44
Rice (Sona Mansuli)	56	54	57	57	56	65	57
Wheat Flour (atta)	61	55	54	54	49	66	58
Peas	119	99	99	106	96	119	101
Chickpeas	124	118	120	120	113	128	122
Lentil Broken	125	122	120	123	123	137	131
Soyabean Oil	181	175	170	178	180	185	190
Iodised salt	24	21	22	21	22	25	23
Chicken meat	350	274	312	340	300	363	380
Eggs	15	14	14	15	15	15	15
Milk	87	79	88	96	83	88	85
Red Potato	87	82	85	92	80	79	80
Tomato	99	100	98	100	88	98	91
Cauliflower	89	62	86	86	74	89	77
Cabbage	51	54	52	62	58	54	56
Oranges	101	116	86	95	104	92	80
Apples	223	229	239	163	237	208	195
Bananas	96	96	86	99	100	103	98
Bathing soap	37	36	39	40	36	39	40
Washing soap	37	33	39	40	33	37	40
LP Gas	1530	1376	1469	1418	1426	1823	1569
Toothpaste	69	61	112	97	56	82	61
Toothbrush	29	27	30	30	26	34	31
Unskilled labour wage	746	657	829	797	709	770	723

For further information



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