



**HIGHLIGHTS**

- Prices of the basic food commodities monitored in 15 major markets across the country increased marginally compared to the first week of March and April 2020. A notable rise was however recorded for vegetable and fruit prices. In the meantime, the price of food staples continued to be significantly higher in Karnali province compared to other parts of Nepal, although in line with the seasonal trend.
- Due to the COVID-19 crisis, demand for commodities in markets across Nepal is low and declining, as reported by a majority of interviewed traders. Food availability in markets was considered to be insufficient by 53 percent of traders. Similarly, 48 percent of traders in the assessed districts found the availability of non-food commodities to be inadequate. As the demand is reported low and availability of commodities insufficient in large parts of the country, households in these areas might face challenges in securing adequate food and essential items, if the current situation continues.
- 90 percent of 117 interviewed traders reported low and declining supply of commodities to markets. Correspondingly, a significant reduction in transportation of goods across the country was observed by all interviewed traders.
- In line with the reduction in supply and transportation, more than half of traders stated that demand for labour was low. This is raising concerns for exacerbating vulnerability of daily wage labourers who depend on stable flow of income to secure their basic needs.
- The Government of Nepal has taken measures to facilitate the transportation of goods from farmers to markets in several provinces. Anecdotal evidence from the last week of April suggests that vegetable prices in some provinces stabilized, likely due to Government measures and the ongoing harvest. Continued efforts toward ensuring distribution systems are functioning properly under the COVID-19 measures recommended to safeguard adequate availability of food and essential commodities in markets. Likewise, assistance to farmers with the sale and transportation of their produce to markets is recommended to facilitate supply of goods and protect these vulnerable livelihoods.



Prices of food staples increased marginally, vegetable and fruit prices increased sharply



Insufficient availability of food reported by 53% of traders



Low demand for commodities reported by 3 out of 5 traders

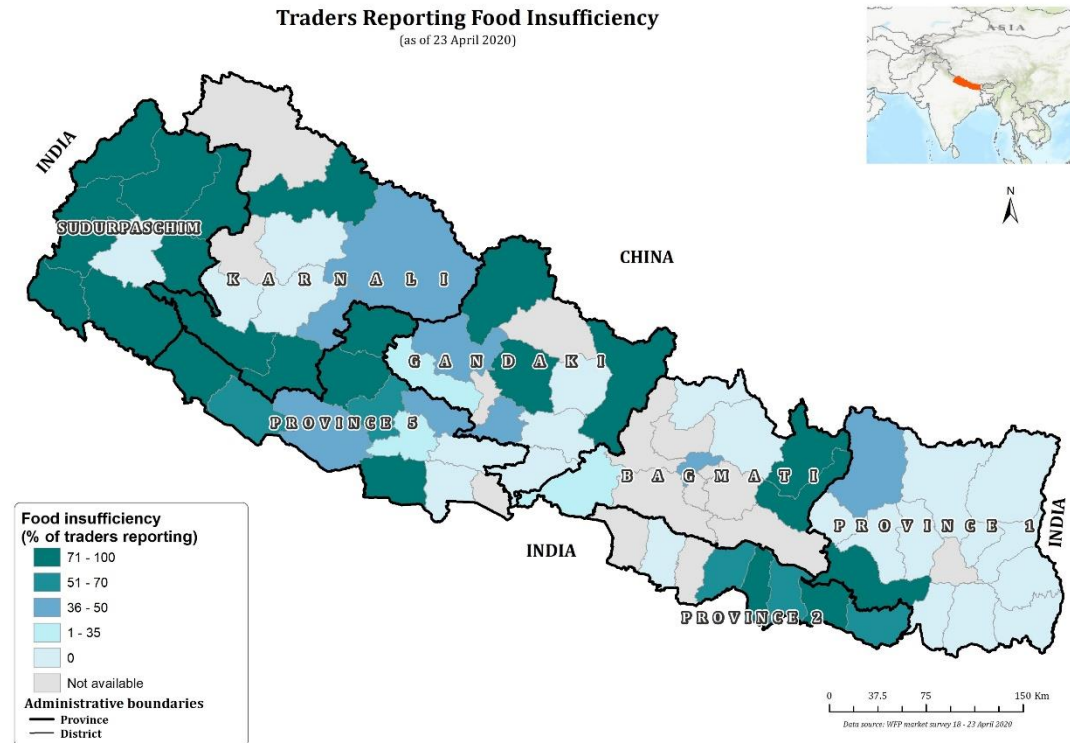


Low and declining supply and transportation of goods to markets observed by nearly all traders



Low demand for labour reported by 3 out of 5 traders

15-21 April 2020





## MARKET OVERVIEW

**More than half of the interviewed traders reported food commodities were insufficient in markets across the 62 surveyed districts.** In addition, all interviewed traders in nearly one third of the surveyed districts stated that food commodities are not available in sufficient volumes during the reporting period.

The reported availability of food commodities stood out in markets across Sudurpashchim Province, with 90 percent of interviewed traders assessing current levels as insufficient. Similarly, 71 percent of interviewed traders in Province 2 considered food availability in markets inadequate. On the other hand, Province 1 and Bagmati province show the highest number of traders reporting sufficient levels of food in the market, with 79 and 71 percent of traders respectively.

Availability of non-food items was slightly more favorable, with 52 percent of all interviewed traders reporting sufficient volume of non-food items in markets. Pockets of scarcity are however likely, as all traders in 27 percent of assessed markets considered non-food items insufficient during the reporting period.

**The majority of traders found that demand for food and non-food commodities was low and declining.**

The current demand for food and non-food items was considered low by 57 and 58 percent of interviewed traders respectively. In the meantime, 90 percent of interviewed traders across assessed districts indicated a decrease in demand compared to the previous week.

**Low and decreasing supply of goods to the market was found across all assessed districts.** All traders in 88 percent of the surveyed districts found that the supply of goods to markets was low during the reporting period. No high level of goods supply was mentioned by any traders across the country, while some traders in 11 percent of the surveyed districts reported the supply of goods to be of medium level. In addition, due to the ongoing lockdown and very limited availability of transporting vehicles and staff, all interviewed traders across the surveyed districts found that the supply of goods had declined compared to the previous week (second week of April).

**Traders in the surveyed districts reported that transportation of goods is low and on the decline.** The reported low supply of goods is in line with the observed trend in transportation of goods, with all traders in 95 percent of surveyed districts mentioning low levels of transportation. Similarly, all traders across the surveyed districts pointed out a decline in transportation of goods compared to the previous week (second week of April). All traders across all assessed districts in Sudurpashchim province and Province 2 stated that transportation and supply of goods were low and decreasing. As mentioned above, a large majority of traders in these two provinces reported insufficient volume of food commodities in the market.

As many provinces in Nepal are largely dependent on the stable movement of people and goods to ensure adequate quantities of commodities in markets, the country is currently facing a significant challenge in ensuring distribution systems function properly under the COVID-19 measures and restrictions.

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

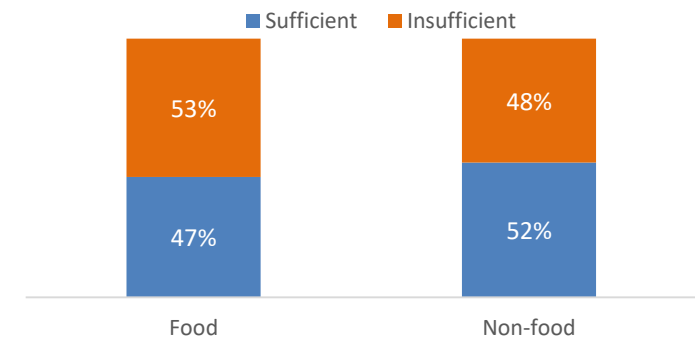


Figure 2: Demand for food and non-food items in the markets (% of traders)

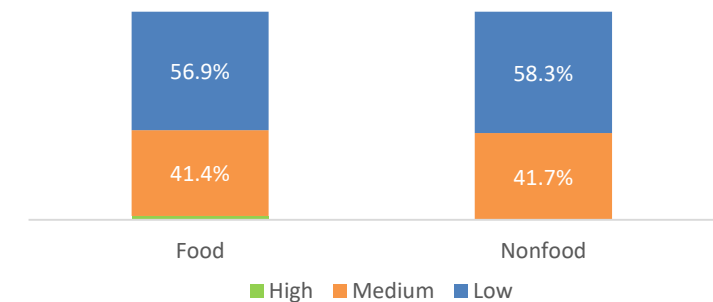
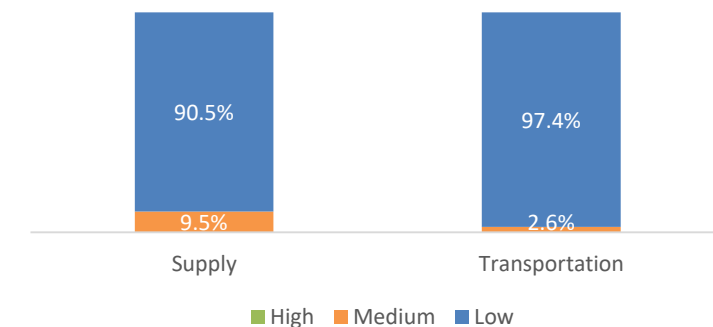


Figure 3: Supply and transportation situation (level) in the markets (% of traders)





## LABOUR MARKET

The COVID-19 related lockdown led to a substantial impact on labour demand, affecting casual labour in particular. The assessment revealed that 58 percent of traders reported low demand for labour (see Graph 4). In addition, in half of the assessed districts, all traders considered demand for labour low. On the other hand, 39 percent of traders reported a high demand for labour. The interviewed traders stated that they did not find casual labourers when needed, contrary to the situation before the COVID-19 crisis.

## PRICE SITUATION

Retail prices of most food commodities collected in the third week of April 2020 across the country indicated an upward trend, with a relatively sharp increase of vegetable and fruit prices. Compared to March 2020, retail prices of cereals, pulses and edible oils marginally increased. In the meantime, prices of vegetable and fruits- mainly red potato, cabbage, apple and orange- showed a significant increase. Compared to three months earlier and the same time last year, most prices showed an upward trend with high increase of tomato, apple, cabbage and red potato prices as shown in Table 1.

The current trend indicates that households were likely stockpiling and depleting stocks in the market, mainly due to the continuous lockdown. Likewise, the limited movement of trucks and transportation, and reduction in supply of goods are likely contributing to the price increase, particularly in big cities, where demand tends to be higher.

The retail prices of both food and non-food commodities monitored in 53 districts across the country in the third week of April 2020 showed relatively higher price fluctuation in Province 1 and 2, Bagmati and Gandaki province compared to Province 5 and Karnali. Prices of most food commodities remained high in Karnali - for example, prices of cereals are 25 - 65 percent higher in Karnali than they are in Province 2. Remoteness of the province, poor road networks and high transportation costs are normally the key drivers behind the high food prices in Karnali.

Retail prices of non-food essential items such as soap, toothpaste and toothbrushes were relatively stable compared to the first week of April 2020. Nevertheless, the retail price of cooking gas in Karnali was double the price compared to other provinces, as shown in Table 2.

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

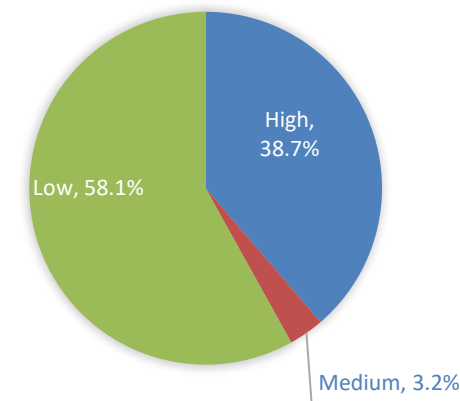


Table 1: Average retail price of food commodities (NPR/kg or ltr or doz.)

Commodity	Average price (NPR/kg, ltr, doz)	Price change (%)			
		1 week	1 month	3 month	1 year
Rice coarse	48	0%	1%	3%	8%
Rice ( <i>Sona Mansuli</i> )	63	6%	7%	9%	13%
Wheat Flour ( <i>atta</i> )	58	1%	2%	3%	18%
Lentil Broken	129	7%	6%	8%	19%
Chickpea	126	1%	1%	1%	3%
Soybean Oil	166	1%	3%	1%	7%
Milk	78	-2%	1%	3%	7%
Chicken meat	350	2%	-1%	8%	-5%
Red Potato	53	22%	29%	20%	76%
Cabbage	44	22%	43%	11%	70%
Tomato	94	8%	56%	59%	80%
Apple	296	12%	29%	58%	70%
Orange	135	15%	23%	9%	7%
Banana	103	6%	3%	5%	16%



**METHODOLOGY**

This mVAM market survey was conducted in markets in 68 districts in the first round and in 62 districts in the second round across the country with an aim to monitor the prices of essential commodities. During the second round, presented in this report, 117 traders were interviewed. This survey was conducted from the third week of April 2020 by telephone to assess the markets during the COVID-19 related national lockdown. 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 wage rate of skilled and unskilled labour. The information on prices was reported directly by the traders, and therefore might 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)**

Commodity	Province 1	Province 2	Bagmati	Gandaki	Province 3	Karnali	Sudurpaschim
Rice coarse	43.6	44.5	49.0	55.8	43.1	70.6	44.5
Rice (Sona/Mansuli)	51.9	48.3	60.6	63.2	53.0	79.7	60.8
Wheat Flour (atta)	63.8	58.3	59.4	57.7	52.8	79.2	52.4
Lentil Broken	119.7	121.9	120.8	126.9	110.4	147.2	131.8
Chickpea	116.8	112.5	115.8	128.3	113.0	148.8	131.5
Peas	107.1	91.7	115.4	125.0	83.3	121.9	86.7
Soyabean Oil	167.0	167.5	158.6	160.0	155.7	186.4	165.6
Milk	NA	85.0	80.0	85.0	78.1	120.0	73.9
Apple	300.0	277.5	308.3	308.0	255.7	208.8	285.6
Orange	120.0	135.0	137.5	140.0	108.3	100.0	121.7

For further information



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