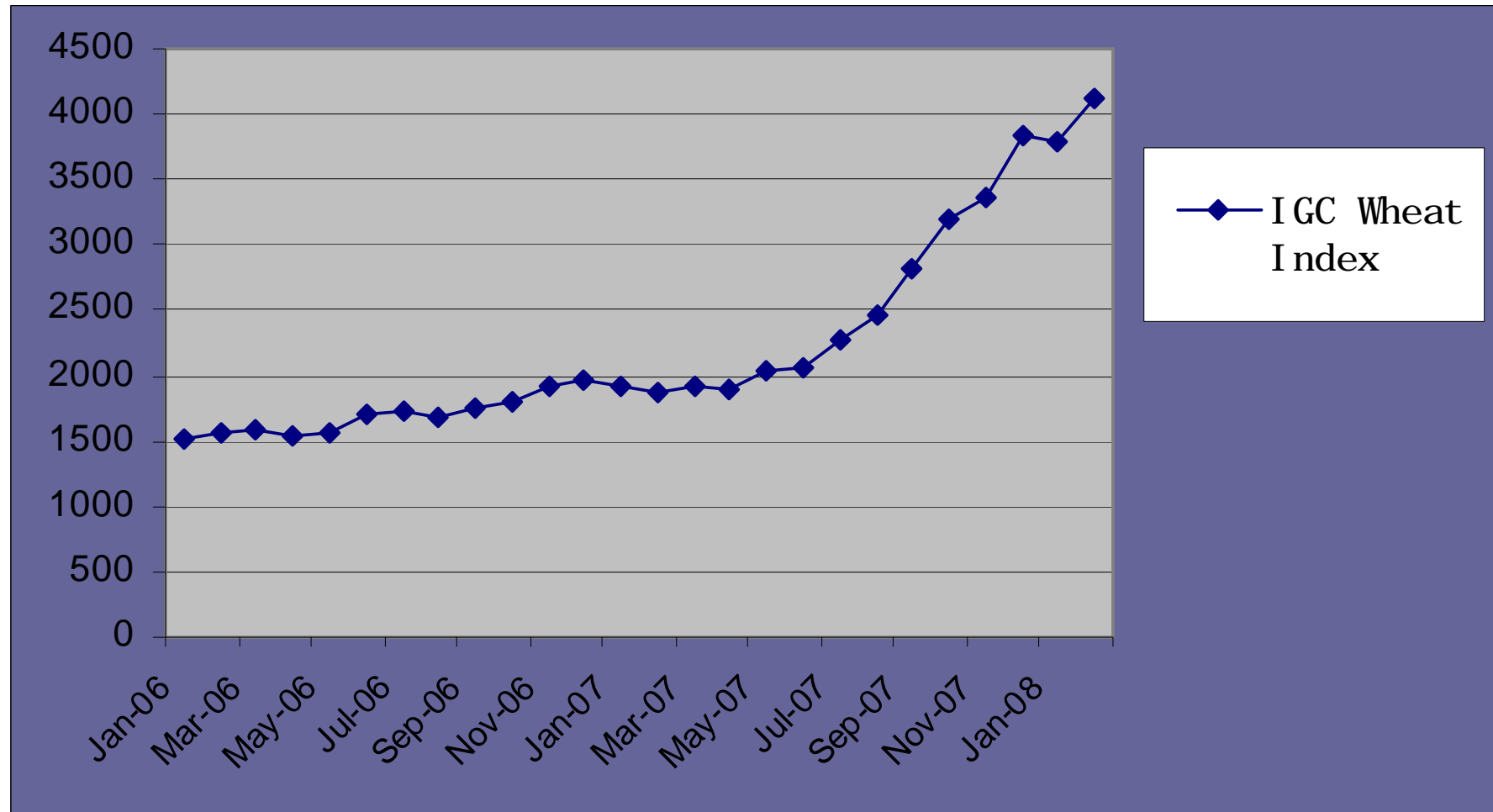


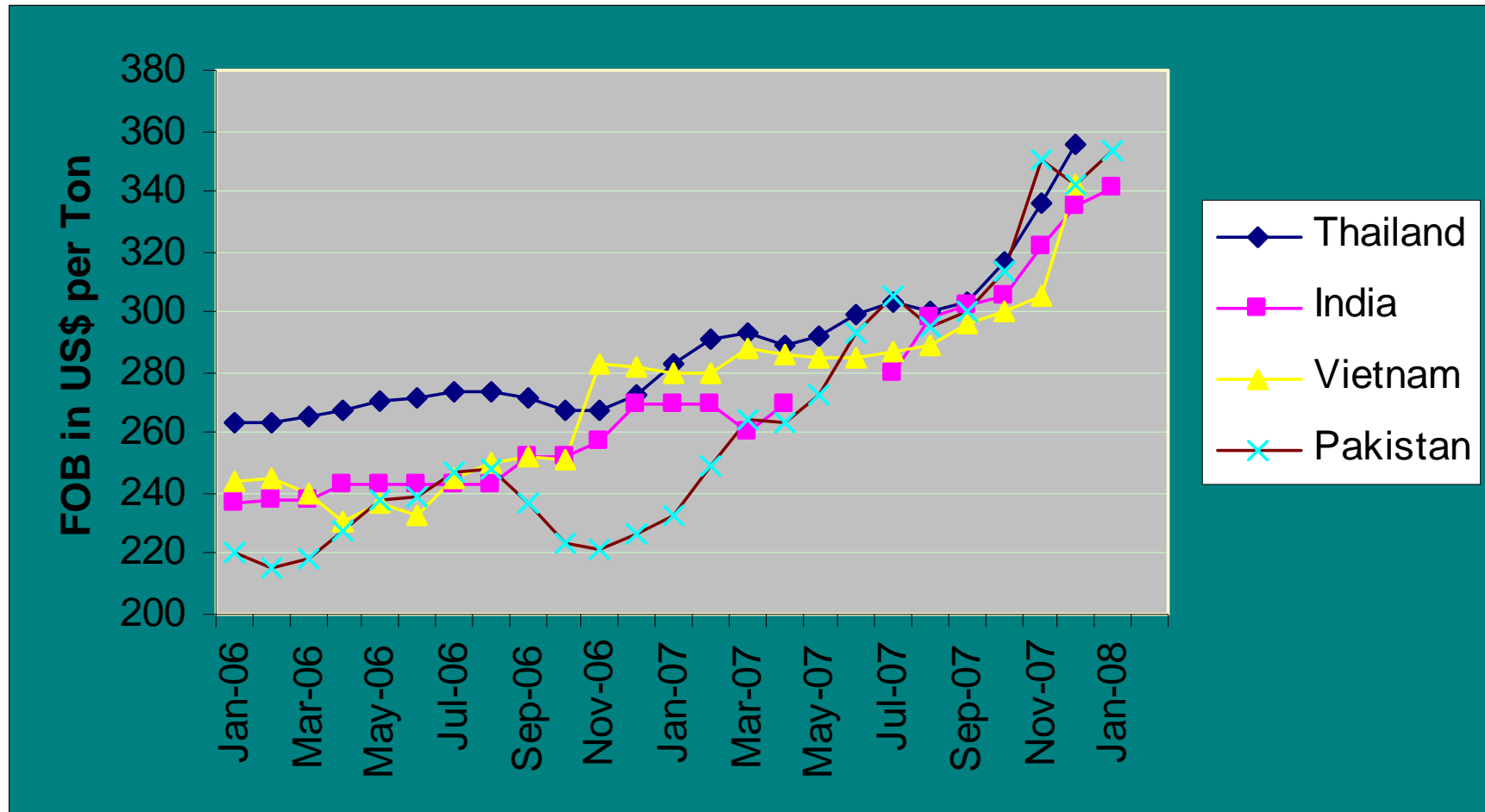
# International Grain Council

Wheat Index January 2006-January 2008



# Asia Rice Prices

January 2006-January 2008



Source: FAO

# The Kathmandu Post

Monday, February 4, 2008

## Commodity prices skyrocket

BY PRABHAKAR GHIMIRE  
KATHMANDU, FEB 3

Ganga Poudel, a house wife from Baneshwor does not know how to manage with her husband's modest salary as prices of consumable goods have skyrocketed in recent days. Her husband is a teacher at Snow Apex Academy in Putalisadak.

"We are helpless. With our income we can hardly afford basic food items, and sadly we do not know where to vent ire or lodge the complain," she complained.

Poudel is one among millions who are suffering from astounding price hike in the basic food items in the last three months. In the period the price of mustard oil has increased by 35 rupees per liter, soyabean oil has gone up by 40 rupees per liter and rice by over 5 rupees per kilogram (see the table).

Prices of food items have skyrocketed in the market over

the last three months. If the trend continues foods and oil will become unaffordable for the general public, say market analysts.

Ban imposed by India in its export of rice and paddy and

"The prices of rice, palm oil, sunflower oil, soybean oil have gone up by 20 to 30 percent over the past three months in the international market," points out Satish Bohara, joint-secretary of Nepali Rice, Oil and

in Bijulibazar of Kathmandu, admits that the prices of food items have gone up by more than 30 percent over the period of three months.

"Sad part is that sharp hike has come on commodities like rice, edible oils and ghee, which are very essential items of all Nepali kitchens," says Khadka.

On the paddy front too, the news is gloomy. Prices of newly harvested paddy have touched a record high over the past one month. "Once the effect reaches the retail stores, prices of rice would go up dramatically," said Bohara.

Moreover, decline by 50 percent in production volume of rice mills due to longer load shedding hours and unavailability of diesel, which powers generators, have caused the supply to dwindle and price to go up.

The price rise has mainly hit the poor consumers, whose income level has not seen any

improvement for last few years.

Retailers say that overall demands of those items have not dropped, indicating that people are so far managing to get hold of basic consumable items irrespective of the price rise.

"But the situation can fast turn worse," warns Puskar Bajracharya, an economist who has been doing extensive research in urban poverty. "With essential commodities becoming unaffordable, risks have increased for wage earners, unemployed and low income groups failing to meet their calorie requirement."

And this trend is very likely, according to a report of Food and Agriculture Organization. Its latest report shows that food prices in the international markets have gone up like never before. Worse is, the upward movement of the price is still going on.

### Rising prices

Items	Now	3 months ago
Mansuli Rice	Rs 37 per kg	Rs 33 per kg
Sano Mansuli Rice	Rs 30 per kg	Rs 27 per kg
Mustard oil	Rs 115 per liter	Rs 80 per liter
Soybean oil	Rs 110 per liter	Rs 70 per liter
Vegetable ghee	Rs 100 per kg	Rs 75 per kg
Beaten Rice	Rs 52 per kg	Rs 45 per kg

hike in the price of rapeseed, palm oil, soybean oil and sunflower in international market has directly affected the price of those commodities in the Nepali market. According to traders, Nepali paddy can fulfill hardly 50 percent of the local demand.

Ghee Producers Association.

Traders and grocery shopkeepers say the price of rice went up by 12 percent to 15 percent while price of edible oils and vegetable ghee shot up to 50 percent during the period.

Ram Hari Khadka, a grocer

# China Exports to DPRK

Cereals (tons)

