Initial Market Price Bulletin for the month of **May 2017** (Reported in June 2017)

**HIGHLIGHTS:**

- **Wheat:** The current average wheat price in main cities’ markets of Afghanistan (AFN 23.6/Kg) is slightly lower by 1.7% compared to the same time last year (May 2016), but slightly higher by 4.7% compared to the last 5-year average price of the same months (Mays 2012 - 2016).

- **Wheat flour (High Price):** The current retail price (AFN 28/kg) is slightly lower by 2% compared to the same month last year (May 2016), and negligibly higher by 1.5% compared to the last 5-year average price of the same months.

- **Rice:** is considered as the 2nd main staple food in Afghanistan. The current average retail price of Low Quality Rice (AFN 44.5/kg) is significantly higher by 11% compared to the same month last year (May 2016), and slightly higher by 8.6% compared to the last 5-year average price of the same months. The current average price of High Quality Rice (AFN 82/kg) is slightly higher by 7.1% compared to the same month last year (May 2016), and slightly higher by 5.6% compared to the last 5-year average price of the same months.

- **Pulses:** The current retail price (AFN 85.7/kg) is significantly higher by 21.4% compared to the same month last year (May 2016), and significantly higher by 39.2% compared to the last 5-year average price of the same months.

**Terms of Trade (ToT)**

**Casual Labor and Wheat (ToT):** The Terms of Trade (ToT) between casual Labor and wheat is a proxy indicator or the purchasing capacity of households mainly relying on casual labor as main income, and purchase of wheat in the market. This ToT reveals how many Kilograms of wheat can be purchased with one-day casual unskilled labor wage, but does not say how many days a month a laborer can get to cover the family food needs. Labor wage/Wheat average ToT for the reporting month was 13.9 Kgs of Wheat. On average, this ToT negligibly improved (by 5.7%) from April to May 2017, mainly due to increased labor wage by 6.1%. The highest improvement occurred in Mazar (by 30%), Maimana (15%) and Faizabad (12.5%) due to increase in labor wage. The variations in all other remaining main city markets were within normal range (-3.2% to 0.0%). In the last three proceeding years, this improvement was experienced in:

- April to May 2016 (by 8.7%)
- April to May 2015 (by 3.1%)
- April to May 2014 (by 0.5%)

- In comparison to the same month one year ago (May 2016), this ToT significantly improved by 13.0%, mainly due to increased labor wage (by 12.6%) as well slightly decreased of wheat price (by 1.7%).

- On the two-year comparison (May 2015), this ToT significantly improved by 11.4%.

- Compared to the 5-year average of the same months (May 2012-2016), this ToT slightly improved 2.2%.

**Casual Labor and High Price Wheat flour (ToT):** The Terms of Trade (ToT) between casual Labor and High Price Wheat Flour is a proxy indicator or the purchasing capacity of households mainly relying on casual labor as main income, and purchase of Wheat Flour in the market. This ToT reveals how many Kilograms of Wheat Flour (HP) can be purchased with one-day casual unskilled labor wage, but does not say how many days a month a laborer can get to cover the family food needs.

Labor wage/Wheat flour (HP) average ToT for the reporting month was 11.7Kgs of Wheat flour which slightly improved (by 4.3%) from April to May 2017, mainly due to increased labor wage by 6.1%. The highest improvement in labor wage occurred in Mazar (30%), Maimana (15%) and Faizabad (12.5%) due to increase in labor wage.. While this ToT has deteriorated for the reporting month for Kabul (-7.5%) and
Jalalabad (-5.7%) mainly due to increase of high wheat flour price by 1.4%. The variations in all other remaining main city markets were within normal range (-2.2% to 1.8%).

In the last three proceeding years, this improvement was experienced in;

- April to May 2016 (by 7%)
- April to May 2015 (by 1.5%)
- April to May 2014 (by 0.5%)

Compared to the same month one year ago (May 2016), this ToT significantly improved by 15.1%, mainly due to increased labor wage (by 12.6%) and decreased wheat flour price (by 2%).

- On the two-year comparison (May 2015), this ToT significantly improved by 14.6%.
- Compared to the 5-year average of the same months (Mays 2012 - 2016), this ToT slightly improved by 5.3%.

**Sheep and Wheat (ToT): The Terms of Trade between a one year old female sheep and Wheat is a proxy for the purchasing capacity of those households mainly relying on income from livestock (pastoralists). It says how many kilograms of Wheat can be obtained when selling a one year old female sheep.**

Sheep/Wheat average ToT for the reporting month was 271 Kgs of wheat against one-year alive female sheep, which slightly improved by 1.0% from April to May 2017, mainly due to increased sheep price (by 1.5%). The highest improvement only occurred in Faizabad (by 5%) due to increase in sheep price. While the variation all other main cities markets was within normal range (-0.8% to 4.7%).

In the last three proceeding years, this improvement was experienced in;

- April to May 2016 (by 2.4%)
- April to May 2015 (by 2.1%)

While deteriorated only during;

- April to May 2014 (by -0.4%)

- Compared to the same month one year ago (May 2016), this ToT significantly improved by 12.2%, which is mainly due to increased sheep price (by 12.9%) and decreased wheat price by 1.7%.
- On the two-year comparison (May 2015) this ToT significantly improved by 10.6%.
- Compared to 5-year average of the same months (May 2012 - 2016), this ToT negligibly improved by 3.7%.

**Sheep and High Price Wheat Flour (ToT): The Terms of Trade between a one year old female sheep and High Price Wheat Flour is a proxy for the purchasing capacity of those households mainly relying on income from livestock (pastoralists). It says how many kilograms of Wheat Flour can be obtained when selling a one year old female sheep.**

Sheep-Wheat flour (HP) average ToT for the reporting month was 228 Kgs of Wheat flour against one-year alive female sheep, which negligibly deteriorated by -0.4% from April to May 2017, mainly due to increased wheat flour by 1.4%. The highest deterioration occurred in Kabul (7.5%) and Jalalabad (5.7%) due to increase in wheat flour prices. The only improvement occurred in Faizabad (5%) due to increase sheep price, while the variation in all other markets was within normal range (0% to 4.4%). In the last three
In the last three proceeding years, this price increase was experienced only in:

- April to May 2014 (by 1.2%)

While the price decreased during:

- April to May 2016 (by 1.0%)
- April to May 2015 (by 1.8%)  

- Compared to the same month one year ago (May 2016), the average wheat price slightly decreased by 1.7%. The highest decrease only occurred in Nili (12.1%), which was mainly due to increased supply of local wheat from nearby provinces and imported wheat from Kazakhstan. The variation in other main cities was within a normal range (-7.7% to 7.0%).
- On the two-year comparison (May 2015), the average price negligibly increased by 3.1%.
- Compared to the last 5-year average price of the same months (May 2012 - 2016), the average price slightly increased by 4.7%.

Retail Price of Wheat Flour in Main Urban Cities:

Wheat flour (High Price):
The monthly average price of Wheat flour (High Price) in main cities’ markets was AFN 28/Kg in the reporting month (May 2017). The average price slightly increased by 1.4% compared to the previous month (April 2017). The highest increased occurred in Kabul (by 8.1%) and Jalalabad (6.0%), which was mainly due to increased demand and currency fluctuation. The variation in all main cities was within a normal limit (-1.8% to 2.3%). In the last three proceeding years, this increase was experienced only in:

- April to May 2014 (by 1.1%)

While the price decreased during:

- April to May 2016 (by 0.4%)
- April to May 2015 (by 0.6%)
• Compared to the same month last year (May 2016), the current average price negligibly decreased by 2.0%. The variation in all main cities was within a normal range (-7.4% to 1.9%).
• Compared to the same month two years ago (May 2015), the average price of wheat flour negligibly increased by 0.1%.
• Compared to 5-year average price of the same months (May 2012 - 2016), the average price negligibly increased by 1.5%.

Wheat flour (Low Price):  
The monthly average price of Wheat flour (Low Price) in main cities’ markets was AFN 25/Kg in the reporting month (May 2017). The average price slightly increased 0.2% compared to previous month (April 2017). The highest increase only occurred in Jalalabad (by 6.3%) due to high demand and currency fluctuation, and a decrease only occurred to Nili by 7.7% mainly due to increased supply of local low price wheat flour. The variation in all other main cities was within a normal range (0.4% to -4.2%). In the last three succeeding years, this increase was experienced only in;
  o April to May 2014 (by 0.4%)
While the price decreased during;
  o April to May 2016 (by 0.9%)
  o April to May 2015 (by 0.7%)

• Compared to the same month one year ago (May 2016), the current average price negligibly decreased by 1.6%. The highest decrease occurred in Nili (by 14.3%) and Maimana (by 12.5%) due to increased supply of wheat flour and largest increase only occurred in Jalalabad (10.9%) due to decreased supply, while the variation in other remaining main cities was within a normal range (-4.3% to 7.6%).
• Compared to the same month two years ago (May 2015), the average price negligibly decreased by 1.5%.
• Compared to 5-year average price of the same months (Mays 2012 - 2016), the average price negligibly increased by 1.4%.

Retail Price of Rice in Main Urban Cities:

Rice (High Quality):  
The monthly average price of Rice (High Quality) in main cities’ markets was AFN 82/Kg in the reporting month (May 2017) which negligibly increased by 1.1% compared to the previous month (April 2017). The variation in main cities was within a normal range (0.0% to 3.5%). In the last three preceding years, this price increase was not experienced; while decreased in;
  o April to May 2015 (by 0.7%)
  o April to May 2016 (by 0.6%) and remained unchanged in April to May 2014.

• Compared to the same month one year ago (May 2016), the average price slightly increased by 7.1%. The largest increase occurred in Kandahar (22.0%), Hirat (21.5%) and Maimana (10.7%), mainly due to decrease of supply. The variation in all main cities was within a normal range (-6.3% to 6.4%).
• Compared to the same month two years ago (May 2015), the average price negligibly increased by 3.0%.
• Compared to 5-year average price of the same months (May 2012 - 2016), the average price slightly increased by 5.6%. 

![Image of price chart]
Rice (Low Quality):
- The monthly average price of Rice (Low Quality) in main cities’ markets was AFN 44.5/Kg in the reporting month (May 2017), which negligibly increased by 0.8% compared to the previous month (April 2017). The variation in all main cities was within a normal range (0.0% to 4.0%) except decreased in Kandahar by 6.9% due to less demand by consumers.

In the last three proceeding years this increase was experienced in:
- April to May 2014 (by 0.5%)
- April to May 2015 (by 0.6%)

While the price decreased during:
- April to May 2016 (by 1.6%)

- Compared to the same month one year ago (May 2016), the average price significantly increased by 11%. The largest increase occurred in Faizabad (by 32.7%), Hirat (15.4%), Jalalabad (11%) and Nili (10.8%), mainly due to decreased supply of low quality rice from Pakistan this year. The variation in all main cities was within a normal range (0.0% to 8.3%).
- Compared to the same month two years ago (May 2015), the average price significantly increased by 14.7%.
- Compared to 5-year average price of same months (Mays 2012 - 2016), the average price slightly increased by 8.6%.

Retail Price of Cooking Oil in Main Urban Cities:

The monthly average price of cooking oil in main cities’ markets was AFN 82.3/Kg in the reporting month (May 2017), being negligibly increased by 0.9% compared to previous month (April 2017). The highest increase only occurred in Kandahar (by 5.8%) due to shortage of supply from Pakistan because of temporary border closure of Spinboldak. The variation in all other main cities was within a normal range (-0.9% to 1.3%). In the last three proceeding years this increase was experienced in:
- April to May 2016 (by 0.6%)
- April to May 2014 (by 0.1%)

While the price decreased during:
- April to May 2015 (by 0.5%)

- Compared to the same month one year ago (May 2016), the average price slightly increased by 4.5%. The largest increase occurred only in Nili (by 13.3%), main reason for the increase was increased price of oil by the traders and decreased supply of oil from source points. The variation in all other main cities was within a normal limit (-6.8% to 9.1%).
- Compared to the same month two years ago (May 2015), the average price slightly increased by 8.7%.
- Compared to 5-year average of the same months (Mays 2012 - 2016), the average price negligibly increased by 3.3%.

Retail Price of Pulses, Salt, Sugar and No. of days averagely worked by a labourer:

Pulses: The monthly average price of Pulses in May 2017 in main cities’ markets was AFN 85.7/Kg negligibly increased by 0.5% from last month (April 2017). The variation in all main cities markets was within a normal range (-2.5 to 1.7%).
- Compared to the same time last year (May 2016), the price of pulses significantly increased by 21.4%, the highest increase occurred in Jalalabad (46.4%), followed by Kandahar (24.1%), Mazar (21.7%), Faizabad (19.9%), Hirat (18.3%), Maimana (16.7%), Kabul (16.4%) and Nili (15.5%) mainly due to decreased supply.
- Compared to the same time two years ago (May 2015), the price of pulses significantly increased by 45.3%.
- Compared to 5-year average of the same months (May 2012 - 2016), the prices of pulses increased significantly by 39.2%.

Salt: The monthly average price of Salt in May 2017 in main cities’ markets was AFN 14/Kg negligibly increased by 0.2% compared to the previous month (April 2017). The current average price of salt negligibly increased by 0.6% compared to the same month last year (May 2016), and slightly increased by 6.8% compared to the same month two years ago (May 2015).
Sugar: The monthly average price of Sugar in May 2017 in main cities’ markets was AFN 54.5/Kg, being negligibly decreased by 0.8% compared to the previous month (April 2017). The highest decrease only occurred in Hirat (9.4%), mainly due to increase of supply. The current average price of Sugar is significantly increased by 14.7% compared to the same month last year (May 2016), and by 31.9% compared to the same month two years ago (May 2015) due to increased price in source points.

Number of days averagely worked by a labourer: The monthly average number of days worked by a laborer during May 2017 was reported at 12.2 days. The highest number of working days was in Kabul (19 days) followed by Nili (16 days), Jalalabad (14 days), Kandahar, Hirat (12 days), Mazar (10 days), Mainma (9 days) while it was least in Faizabad (5.5 days) compared to the previous month (April 2017). The significant increase occurred in Faizabad by 37.5% (1.5 days), Nili 33.3% (4 days), Mazar by 25.0% (2 days) and Mainma 12.5% (1 day), the variation in other main cities market remained unchanged.

- Compared to the same month last year (May 2016), the average number of working days in a month decreased by 1.5% (0.2 day). Decreased in Faizabad by 21.4% (1.5 days), Maimana by 18.2% (2 days), Mazar by 9.1% (1 day) and Kabul by 5% (1 day) and increased in Kandahar by 50% (4 days) and the variation in other main cities was zero.
- Compared to the same month two years ago (May 2015), the average number of working days for main cities decreased by 2.5% (0.3 day).

Market Watch:

<table>
<thead>
<tr>
<th>Markets</th>
<th>Major Comm</th>
<th>Current Price per Kg</th>
<th>Price change [%]</th>
<th>Average</th>
<th>Markets</th>
<th>Major Comm</th>
<th>Current Price in AFN</th>
<th>Price change</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehra</td>
<td>Kabul</td>
<td>24.0</td>
<td>+3.0 28.0 7.7</td>
<td>0.3</td>
<td>Kabul</td>
<td>Shop</td>
<td>6.390</td>
<td>-0.4 3.6 28.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Vehra</td>
<td>Kabul</td>
<td>20.0</td>
<td>-0.0 19.4 6.4</td>
<td>0.3</td>
<td>Kabul</td>
<td>Shop</td>
<td>7.938</td>
<td>20.7 22.5 36.6</td>
<td>4.7</td>
</tr>
<tr>
<td>Kandahar</td>
<td>Kabul</td>
<td>75.0</td>
<td>-5.5 65.3 0.3</td>
<td>0.3</td>
<td>Kandahar</td>
<td>Shop</td>
<td>8.000</td>
<td>8.7 14.3 143.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Nili</td>
<td>Kabul</td>
<td>68.0</td>
<td>+25.1 8.4 0.0</td>
<td>0.3</td>
<td>Nili</td>
<td>Shop</td>
<td>8.000</td>
<td>-14.0 0.9 143.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Hirat</td>
<td>Kabul</td>
<td>75.0</td>
<td>-3.0 65.8 0.0</td>
<td>0.3</td>
<td>Hirat</td>
<td>Shop</td>
<td>6.390</td>
<td>34.6 113.1 173.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Jala</td>
<td>Kabul</td>
<td>24.0</td>
<td>-0.9 10.3 3.0</td>
<td>0.3</td>
<td>Jala</td>
<td>Shop</td>
<td>6.000</td>
<td>41.0 0.9 143.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Mazar</td>
<td>Kabul</td>
<td>75.0</td>
<td>-12.5 35.0 0.0</td>
<td>0.3</td>
<td>Mazar</td>
<td>Shop</td>
<td>1.250</td>
<td>21.0 107.9 157.9</td>
<td>5.0</td>
</tr>
<tr>
<td>Maimana</td>
<td>Kabul</td>
<td>75.0</td>
<td>-12.5 35.0 0.0</td>
<td>0.3</td>
<td>Maimana</td>
<td>Shop</td>
<td>6.000</td>
<td>41.0 0.9 143.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Nili</td>
<td>Kabul</td>
<td>24.0</td>
<td>-13.4 35.0 0.0</td>
<td>0.3</td>
<td>Nili</td>
<td>Shop</td>
<td>6.000</td>
<td>41.0 0.9 143.0</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Remark: ▲ Price increase above normal price fluctuation ▼ Price decrease below normal price fluctuation

Source: WFP/VAM market data from Afghanistan main cities (Kabul, Kandahar, Mazar, Jalalabad, Faizabad, Hirat, Maimana and Nili)

Vulnerability Analysis and Mapping (VAM) – World Food Programme (WFP), Afghanistan