



KEY FINDINGS

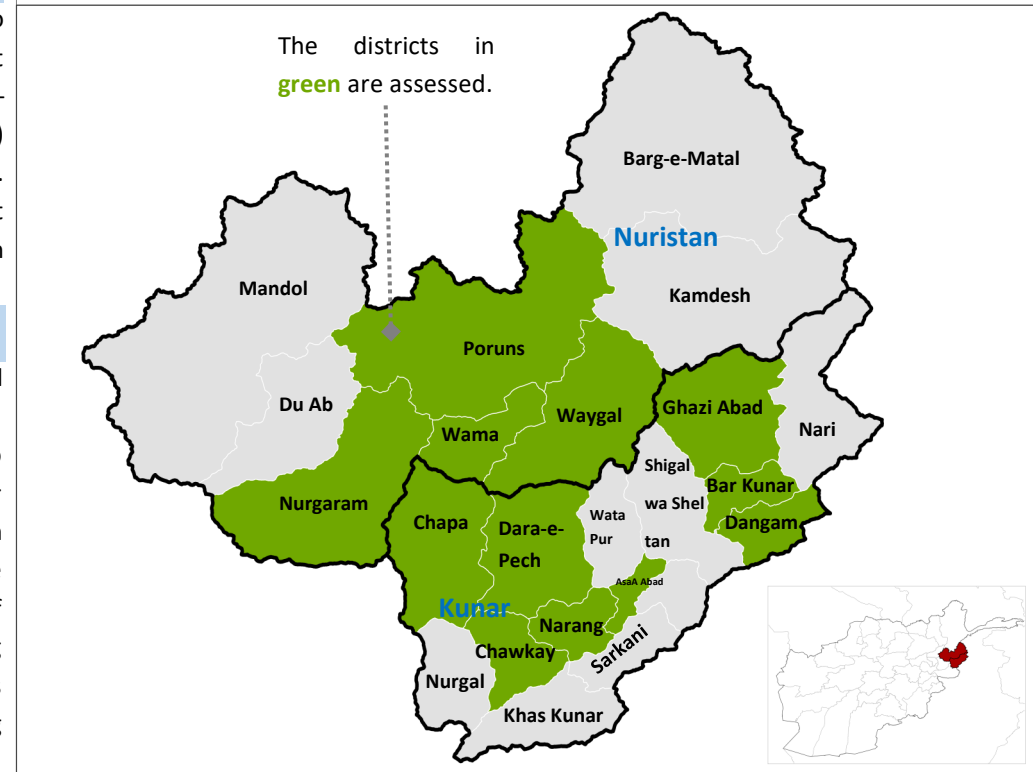
- **Security:** Security conditions have improved in most of the districts of Kunar and Nuristan provinces over the last few weeks, however **Ghazi Abad, Chawkey** and **Dara-e-Pech** districts of Kunar and **Waygal** and **Nurgaram** districts of Nuristan are reportedly insecure. As a result, food supplies to those markets have decreased and prices are higher.
- **Access to Food:** Supply of food commodities to the capital of Kunar province is mainly from Jalalabad City, and supply to the districts of Kunar is mainly from Asad Abad, the capital of Nuristan. For Nuristan province, the main supply is from Asadabad and Jalalabad City. Deteriorated security conditions in most of the districts of Kunar and Nuristan provinces have resulted into increase in staple food (wheat flour, cooking oil, rice, sugar) prices compared to prices in July and August. However, for Chawkey district of Kunar, food prices noticeably increased mainly due to insecure supply routes to Chawkey district market.
- **Work Opportunities:** There are fewer work opportunities (1-2 day per week) available for the people in Kunar and Nuristan provinces, which has affected the economic well-being of the residents and reduced their purchasing power.
- **Supply and Demand:** There is a steady supply of food commodities from Jalalabad City to Kunar and Nuristan provinces. It is reported that supply to Chawkey, Ghazi Abad and Dara-e-Pech districts of Kunar and Waygal and Nurgaram districts of Nuristan is limited. The demand for food commodities is high in most of the districts of Kunar province mainly due to the arrival of the Afghan returnees from Pakistan. The demand for Nuristan province remained stable and unchanged from last few months.

ASSESSMENT BACKGROUND AND METHODOLOGY

In April 2017, WFP conducted a mobile market survey in 18 districts of Nangarhar province in order to assess the impact of the border closure on the district markets of that province. This market assessment was conducted in 8 districts (Asad Abad, Bar Kunar, Chapa Dara, Chawky, Dangam, Dara-e-Pech, Ghazi Abad and Narang) markets of Kunar and 4 district (Poruns, Nurgaram, Waygal and Wama) markets of Nuristan province during 3-5 September to assess the food prices, supply and availability. The findings of this assessment will help WFP and partners to better understand the market conditions and whether to prioritize cash or in-kind support to the vulnerable populations, based on the market functions.

Access and Security

Most of the respondents in Chawkey, Ghazi Abad and Dara-e-Pech districts of Kunar and Waygal and Nurgaram districts of Nuristan indicated that security situation has gotten worse over the past month and therefore households face security concerns while accessing the district markets. This has also affected the supply of food commodities to these markets by the traders. The security situation for the people in Chawkey, Ghazi Abad and Dara-e-Pech districts of Kunar and Waygal and Nurgaram districts of Nuristan is worse compared to the remaining districts of Nuristan and Kunar provinces. The households in these insecure districts have limited work opportunities compared to other districts of the assessed provinces. The households in Asad Abad, Bar Kunar, Chapa Dara, Dangam and Narang districts of Kunar and Poruns and Wama districts of Nuristan province do not face any security issues when travelling to the markets to purchase food or to find casual labour or income generating activities.



Food Supply, Prices and Market Capacity

Food Supply: Food supply to the main markets of Nuristan and Kunar provinces is mainly from Jalalabad City while the supply to all the districts of these provinces is mainly from the central markets of Kunar and Nuristan. Supply to Ghazi Abad and Dara-e-Pech districts of Kunar and Waygal and Nurgaram districts of Nuristan are reported to be limited compared to the other districts which is mainly due to the high level of insecurity.

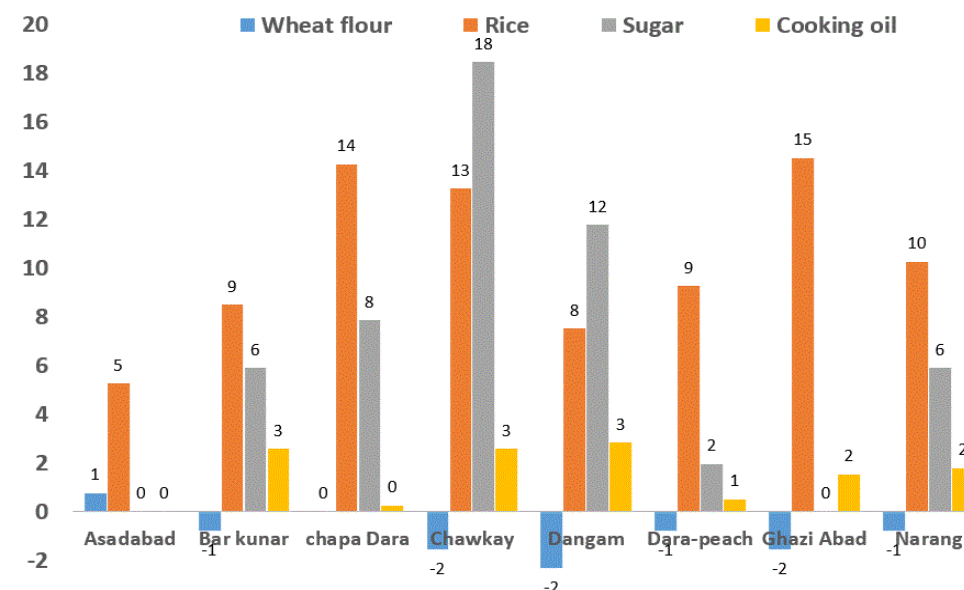
Food Prices: Retail prices of the staple foods (wheat flour, rice, cooking oil and sugar) in all the assessed districts of Nuristan province are reported to be higher compared to the prices in Jalalabad City mainly due to high transportation cost from Jalalabad City to the capital of Nuristan and from Nuristan central market to its districts.

The prices for the staple foods in all the assessed districts of Kunar province are reported to be higher compared to the prices in Jalalabad City, mainly due to insecurity and high transportation costs. The price of wheat flour in all the assessed districts of Kunar province is reported to be lower compared to the price in Jalalabad, except in Asad Abad district in which the price is reported higher compared to Jalalabad.

Chart 1: Average Prices of Food Commodity in AFN/Kg-lit

| District Name | Wheat flour | Rice | Sugar | Cooking oil |
|---------------------------|-------------|------|-------|-------------|
| Asadabad | 26 | 84 | 51 | 78 |
| Bar kunar | 26 | 87 | 54 | 80 |
| Chapa Dara | 26 | 91 | 55 | 78 |
| Chawkay | 26 | 91 | 60 | 80 |
| Dangam | 25 | 86 | 57 | 80 |
| Dara-peach | 26 | 87 | 52 | 78 |
| Ghazi Abad | 26 | 92 | 51 | 79 |
| Narang | 26 | 88 | 54 | 79 |
| Ave Price-Kunar (Aug) | 26 | 88 | 54 | 79 |
| Poruns | 31 | 87 | 59 | 90 |
| Nurgaram | 26 | 89 | 55 | 83 |
| Waygal | 28 | 89 | 55 | 86 |
| Wama | 29 | 113 | 58 | 80 |
| Ave Price-Nuristan (Aug) | 34 | 94 | 56 | 94 |
| Ave Price-Nangrahar (Jul) | 26 | 80 | 51 | 78 |

Chart 2: Percentage changes in food prices compared to Jalalabad main city— Kunar

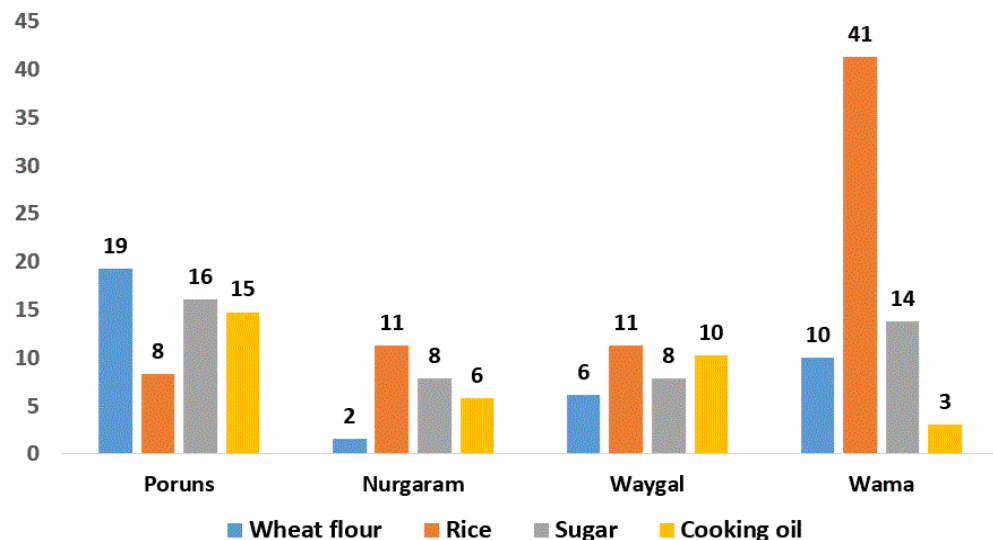


Note: The prices of Kunar districts for August is compared with the prices of Jalalabad for July.

In Kunar province, the **wheat flour** price is reported to be lower in all the districts except in Asad Abad where the price is reported to be slightly higher (by 1%) compared to the price in Jalalabad. The price remained unchanged in Chapa Dara district. The wheat flour price is reported to be 2% lower in Chawkay, Dangam and Ghazi Abad and 1% lower in Bar Kunar, Dara-e-Pech and Narang districts. The price of rice is reported to be 5-15 percent higher in all the assessed districts. The price of sugar is reported to be 2-18 percent higher in all the districts except for Asad Abad which remained unchanged. The price of cooking oil remained unchanged in Asad Abad and Dara-e-Pech districts and reported slightly higher (2-3 percent) in other assessed districts.

It is worth mentioning that insecurity and conflict has not only impacted the food prices in the districts of Nuristan and Kunar provinces but also had impact on food availability in the markets and also limited households’ access to markets. The local populations in Chawkay, Ghazi Abad and Dara-e-Pech districts of Kunar and Waygal and Nurgaram districts of Nuristan are facing security concerns when traveling to markets or when travelling to find casual labour opportunities. It is indicated by the traders and other respondents that this insecurity is not limited to the mentioned districts but it permeates across all districts of Kunar and Nuristan provinces.

Chart 3: Percentage changes in food prices compared to Jalalabad main city — Nuristan



Note: The prices of Nuristan districts for August is compared with the prices of Jalalabad for July.

In Nuristan province, the greatest difference in **wheat flour** price is in Poruns (19%), followed by Wama (10%), Waygal (6%) and Nurgaram (2%). The greatest difference in the price of **rice** is reported in Wama (41%), followed by Nurgaram and Waygal (11%) and Poruns (8%). For **sugar** the greatest difference is reported in Poruns (16%), followed by Wama (14%), and Nurgaram and Waygal (8%). The price of **cooking oil** is highest in Poruns (15%), followed by Waygal (10%), Nurgaram (6%) and Wama (3%).

Market capacity: The capital (Jalalabad) of Nangarhar province has the largest market in the eastern region, followed by the markets of Kunar and Laghman provinces. It is reported by the traders that the market of Nuristan province is relatively smaller compared to the markets of Jalalabad, Kunar and Laghman provinces. The traders also indicated that all the assessed markets in Kunar and Nuristan provinces have the capacity to respond to the current demand as well as to any increased demands in the future.

Terms of Trade (ToT):

The terms of trade (ToT) between wheat flour and casual labour is a proxy indicator for household purchasing power, which shows the quantity of wheat flour that can be purchased with the wage earned from one day of casual unskilled labour.

The ToT was reported the highest in Chapadara and Narang districts of Kunar, (12 Kgs of wheat flour/day), followed by Chawakay and Dangam (11 Kgs of wheat flour/day). Comparably, in Nuristan the highest ToT was reported in Poruns (11 Kgs of wheat flour/day) followed by Wama and Nurgaram (10 Kgs of wheat flour/day).

The lowest ToT in Kunar was reported in Dara-e-Pech and Ghazi Abad districts (9 kgs of wheat flour/day) mainly due to insecurity, low daily wage of casual labour wage, higher price of wheat flour as well as extremely limited availability of casual labour (1- 2 days per week). The lowest ToT in Nuristan is reported in Waygal (8 kgs of wheat flour/day), where vast number of key informants have reported that severe insecurity in, and around the district which has resulted in closure of many shops and has affected people’s access to markets, therefore substantially reduced working opportunities for local residents.

Market Demand:

In Kunar, market demand is highest in **Asadabad, Bar Kunar, Dangam, Chapa Dara and Narang** mostly due to a large population and arrival of the Afghan returnees. The districts of **Chawakay, Dara-e-Pech and Ghazi Abad** are characterized by decreased customer demand, mostly due to lower purchasing power and people’s inability to access markets due to insecurity, which has also reduced the supply of commodities to the market.

The traders interviewed indicated that all the assessed markets have the capacity to respond to the current demand as well as any increases. However current low market demand is largely as a result of lower availability of casual labour work opportunities and therefore households are rarely able to earn enough to meet their food needs.

Market demand in Poruns and Wama districts of Nuristan has increased as a result of improved security conditions and increased number of IDPs from insecure districts of such as Waygal and Nurgaram where insecurity prevents market access and income opportunities.