Initial Market Price Bulletin for the month of **October 2017** (Reported in November 2017)

**HIGHLIGHTS:**

- **Wheat:** The current average wheat price in main cities’ markets of Afghanistan (AFN 23.4/Kg) is negligibly higher by 0.3% compared to the same time last year (October 2016) and slightly higher by 3.3% compared to the last 5-year average price of the same months (October 2012 - 2016).

- **Wheat flour (High Price):** The current retail price (AFN 27.7/kg) is slightly lower by 6.5% compared to the same month last year (October 2016), and slightly lower by 7.8% 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 44.8/kg) is slightly higher by 5.1% compared to the same month last year (October 2016), and slightly higher by 5.2% compared to the last 5-year average price of the same months. The current average price of High Quality Rice (AFN 84.9/kg) is significantly higher by 11.7% compared to the same month last year (October 2016), and slightly higher by 4.8% compared to the last 5-year average price of the same months.

- **Pulses:** The current retail price (AFN 87.4/kg) is significantly higher by 15.3% compared to the same month last year (October 2016), and significantly higher by 35.6% 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 14.2 Kgs of Wheat. On average, this ToT slightly improved (by 1.0%) from September to October 2017, mainly due to increased labor wage by 1.9%. The highest improvement occurred in Nili (by 12.5%) and Kabul (7.4%) due to increase of labor wage price in both Nili and Kabul and decreased wheat price in Kabul and deteriorated by 6.0% in Hirat due to increase of wheat price because of decreased supply from the source points (local) as well as more demands by the traders who buy in bulk and transport to the neighboring provinces. 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 only experienced in;

- September to October 2016 (by 0.4%)

While deteriorated in;

- September to October 2015 (by 6.6%)
- September to October 2014 (by 1.1%)

- In comparison to the same month one year ago (October 2016), this ToT slightly improved by 8.8%, mainly due to increased labor wage (by 11.6%), despite of negligibly increase of wheat price (by 0.3%).

- On the two-year comparison (October 2015), this ToT significantly improved by 19.7%.

- Compared to the 5-year average of the same months (October 2012-2016), this ToT slightly improved 4.7%.

**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 12.0 Kgs of Wheat flour which negligibly improved (by 0.3%) from September to October 2017, mainly due to increased labor wage by 1.9%. The highest improvement occurred in Nili (by 6.2%) and Kabul (5.3%) due to increase of labor wage price in both Nili and Kabul and decreased wheat flour price in Kabul and deteriorated by 5.0% in Mazar due to increase of wheat flour price. The variations in other main city markets were within normal range (-3.4% to 0.5%). In the last three proceeding years, this improvement was only experienced in;

- September to October 2014 (by 1.8%)

While deteriorated in;

- September to October 2016 (by 0.6%)
- September to October 2015 (by 3.5%)

- Compared to the same month one year ago (October 2016), this ToT significantly improved by 18.5%, mainly due to increased labor wage (by 11.6%) and decreased wheat flour price (by 6.5%).

- On the two-year comparison (October 2015), this ToT significantly improved by 32.7%.
- Compared to the 5-year average of the same months (Octobers 2012 - 2016), this ToT significantly improved by 19.0%.

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 277.4Kgs of wheat against one-year alive female sheep, which slightly deteriorated by 1.2% from September to October 2017, mainly due to decreased sheep price (by 0.4%) and increased wheat price (by 0.5%). The largest deterioration only occurred in Hirat (6.0%) due to increase of wheat price. The variation all other main cities markets was within normal range (-3.1% to 3.1%).

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

- September to October 2014 (by 0.8%)

While deteriorated in;

- September to October 2016 (by 1.0%)
- September to October 2015 (by 6.7%)

- Compared to the same month one year ago (October 2016), this ToT slightly improved by 7.8%, which is mainly due to increased sheep price (by 11.0%).

- On the two-year comparison (October 2015) this ToT significantly improved by 19.5%.
- Compared to 5-year average of the same months (Octobers 2012 - 2016), this ToT slightly improved by 6.7%.

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 (HP) can be obtained when selling a one year old female sheep.
Sheep-Wheat flour (HP) average ToT for the reporting month was 237.6Kgs of Wheat flour against one-year alive female sheep, which slightly deteriorated by 1.3% from September to October 2017, mainly due to decreased sheep price (by 0.4%) after Eid and increased wheat flour price (by 1.5%). The largest deterioration occurred in Nili (5.6%) and Mazar (5.0%) due to increase of wheat flour price. The variation in all other markets was within normal range (-3.5% to 1.0%).

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

- September to October 2014 (by 3.5%)

While deteriorated in:

- September to October 2016 (by 1.5%)
- September to October 2015 (by 3.9%)

- Compared to the same month one year ago (October 2016), this ToT significantly improved by 19.2%, mainly due to increased sheep price (by 11.0%) and decreased wheat flour price (by 6.5%).
- On the two-year comparison (October 2015), this ToT significantly improved by 33.2.
- Compared to 5-year average of the same months (Octobers 2012 - 2016), this ToT significantly improved by 21.1.

**Retail Price of Wheat Grain in Main Urban Cities:**

- The monthly average price of Wheat in main cities’ markets of Afghanistan was AFN **23.4**/Kg in October 2017. Compared to the past month (September 2017), the average price negligibly increased by 0.5%. The highest increased only occurred in Hirat (by 6.4%), which was mainly due to decrease of supply from the source points as well as more demands by the traders who buy in bulk (millers and some other traders) and transport to the neighbouring provinces. In the last three proceeding years, this increase was experienced in:
  - September to October 2015 (by 4.2%)
  - September to October 2014 (by 0.5%)

While the price decreased during:

- September to October 2016 (by 1.1%)

- Compared to the same month one year ago (October 2016), the average wheat price negligibly increased by 0.3%. The highest increase occurred in Hirat (by 17.9%) and Kandahar (10.4%) due to decrease of supply from the source points and decreased only occurred in Nili (by 12.5%) due to increased supply of wheat. The variation in all main cities was within a normal range (-6.2% to 7.0%).
- On the two-year comparison (October 2015), the average price slightly decreased by 1.2%.
- Compared to the last 5-year average price of the same months (Octobers 2012 - 2016), the average price slightly increased by 3.3%.

**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 **27.7**/Kg in the reporting month (October 2017). The average price slightly increased by 1.5% compared to the previous month (September 2017). The highest increased occurred in Nili (by 5.9%) and Mazar (5.2%), which was mainly due to decreased supply. The variation in all main cities was within a normal limit (-1.0% to 1.0 %). In the last three proceeding years, this increase was only experienced:

- September to October 2015 (by 1.3%)
While the price decreased during;

- September to October 2016 (by 0.4%)
- September to October 2014 (by 2.3%)

- Compared to the same month last year (October 2016), the current average price slightly decreased by 6.5%. The highest decrease occurred in Maimana (by 13.7%), Kabul (11.9%) and Mazar (10.6%) due to increased supply of wheat flour. The variation in other main cities was within a normal range (-9.5% to 0.5%).
- Compared to the same month two years ago (October 2015), the average price of wheat flour significantly decreased by 10.7%.
- Compared to 5-year average price of the same months (October 2012 - 2016), the average price slightly decreased by 7.8%.

**Wheat flour (Low Price):**
The monthly average price of Wheat flour (Low Price) in main cities’ markets was AFN 24.2/Kg in the reporting month (October 2017). The average price negligibly increased 0.5% compared to previous month (September 2017). The highest increased only occurred in Mazar (by 6.0%), which was mainly due to decreased supply. The variation in all main cities was within a normal range (-4.5 % to 2.9%). In the last three proceeding years, this increase was not experienced, while decreased in;

- September to October 2016 (by 0.1%)
- September to October 2015 (by 0.8%)
- September to October 2014 (by 1.0%)

- Compared to the same month one year ago (October 2016), the current average price slightly decreased by 8.9%. The highest decrease occurred in Maimana (by 20.0%), Nili (by 14.3%) and Mazar (by 11.9%) due to increased supply of wheat flour, the variation in all other remaining main cities was within a normal range (-8.5% to 2.0%).
- Compared to the same month two years ago (October 2015), the average price slightly decreased by 8.1%.
- Compared to 5-year average price of the same months (October 2012 - 2016), the average price slightly decreased by 7.0%.

**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 84.9/Kg in the reporting month (October 2017) which negligibly increased by 1.0% compared to the previous month (September 2017). The variation in all main cities was within a normal range (-0.1% to 2.7%). In the last three proceeding years, this increase was only experienced in;

- September to October 2014 (by 0.9%)

While the price decreased during;

- September to October 2016 (by 0.3%)
- September to October 2015 (by 1.7%)

- Compared to the same month one year ago (October 2016), the average price significantly increased by 11.7%. The largest increase occurred in Hirat (27.2%), Kandahar (27.0%), Maimana (14.0%), Kabul (13.3%) and Mazar (11.8%), mainly due to decrease of supply. The variation in all main cities was within a normal range (2.0% to 5.6%).

- Compared to the same month two years ago (October 2015), the average price slightly increased by 9.0%.
Compared to 5-year average price of some months (Octobers 2012 - 2016), the average price slightly increased by 4.8%.

**Rice (Low Quality):**
- The monthly average price of Rice (Low Quality) in main cities’ markets was AFN 44.8/Kg in the reporting month (October 2017), which negligibly decreased by 0.9% compared to the previous month (September 2017). The variation in all main cities was within a normal range (-4.5% to 0.2%). In the last three proceeding years, this decrease was only experienced in:
  - September to October 2014 (by 1.4%)
  - September to October 2015 (by 0.8%)

- Compared to the same month one year ago (October 2016), the average price slightly increased by 5.1%. The largest increase occurred in Mazar (by 13.9%) and Faizabad (11.1%) mainly due to increase of low quality rice price in Pakistan and Kabul and a decreased only occurred in Kandahar (by 10.1%), due to increase of supply of low quality rice from border. The variation in all main cities was within a normal range (2.6% to 8.1%).

- Compared to the same month two years ago (October 2015), the average price significantly increased by 11.9%.
- Compared to 5-year average price of same months (Octobers 2012 - 2016), the average price slightly increased by 5.2%.

**Retail Price of Cooking Oil in Main Urban Cities:**
The monthly average price of cooking oil in main cities’ markets was AFN 81.3/Kg in the reporting month (October 2017), being slightly decreased by 1.2% compared to previous month (September 2017). The largest decrease only occurred in Kabul (by 6.3%), mainly due to increase of supply from different sources. The variation in all other main cities was within a normal range (-3.7% to 1.0%). In the last three proceeding years, this decrease was experienced in:
  - September to October 2016 (by 0.2%)
  - September to October 2014 (by 0.7%)

While the price increased during:
  - September to October 2015 (by 0.8%)

- Compared to the same month one year ago (October 2016), the average price negligibly increased by 0.2%. The largest increase only occurred in Kandahar (by 14.7 %), 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 (-3.7% to 1.6%).

- Compared to the same month two years ago (October 2015), the average price slightly increased by 6.1%.
- Compared to 5-year average of the same months (Octobers 2012 - 2016), the average price remained unchanged.
Retail Price of Pulses, Salt, Sugar and No. of days averagely worked by a labourer:

**Pulses**: The monthly average price of Pulses in October 2017 in main cities’ markets was AFN 87.4/Kg negligibly decreased by 0.3% from last month (September 2017). The variation in all main cities markets was within a normal range (-2.9% to 3.5%).

- Compared to the same time last year (October 2016), the price of pulses significantly increased by 15.3%, the highest increase occurred in Jalalabad (23.2%), followed by Kabul and Maimana (20.8%), Kandahar (18.0%), Nili (17.6%) and Mazar (11.1%), mainly due to decreased supply. The variation in all other main cities was within a normal limit (5.2% to 9.1%).

- Compared to the same time two year ago (October 2015), the price of pulses significantly increased by 39.9%.
- Compared to 5-year average of the same months (Octobers 2012 - 2016), the prices of pulses increased significantly by 35.6%.

**Salt**: The monthly average price of Salt in October 2017 in main cities’ markets was AFN 14.1/Kg negligibly increased by 1.4% compared to the previous month (September 2017). The current average price of salt negligibly increased by 1.1% compared to the same month last year (October 2016), and slightly increased by 5.9% compared to the same month two years ago (October 2015).

**Sugar**: The monthly average price of Sugar in October 2017 in main cities’ markets was AFN 48.6/Kg, being slightly decreased by 4.1% compared to the previous month (September 2017). The highest decrease occurred in Jalalabad (by 20.7%) due to coming winter (low consumption) as well as season for other alternatives such as Sugarcane and Kabul (7.8%) mainly due to increase of supply. The current average price of Sugar is significantly decreased by 10.2% compared to the same month last year (October 2016), and increased by 16.9% compared to the same month two years ago (October 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 October 2017 was reported at 13.1 days. The highest number of working days were in Nili (24 days) followed by Kandahar (16 days), Kabul (14 days), Hirat, Mazar and Maimana (12 days), Jalalabad (8 days) and Faizabad (6.5 days). Compared to the previous month (September 2017), the significant decrease occurred in Jalalabad by 42.9% (6 days) and Faizabad by 35.5% (3.5 day) and Kabul 6.7% (1 day). Increased in Nili by 50%(8days) and the variation in other main cities remain unchanged.

- Compared to the same month last year (October 2016), the average number of working days in a month remained unchanged.
- Compared to the same month two years ago (October 2015), the average number of working days for main cities slightly increased by 0.5% (0.1 day).
### Market Watch:

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</tbody>
</table>

**Remark:**
- ▲ Price increase above normal price fluctuation
- △ Normal/Price fluctuation
- ▼ Price decrease below normal price fluctuation

Price fluctuation is considered normal if the price change is within ±10% month, ±15% for 3 months, one year, two years and 3 years. **△** Compared to month ago. **▼** Compared to October 2017 and **▲** Compared to October 2018.

**Source:** WFP/VAM market data from Afghanistan main cities (Kabul, Kandahar, Mazar, Jalalabad, Faizabad, Herat, Maimana and Nili). Vulnerability Analysis and Mapping (VAM) – World Food Programme (WFP), Afghanistan.