



Issue No. 15
October 2017

IRAQ Market Monitor Report

[Click here to read the report online](#)

© WFP/Iraq

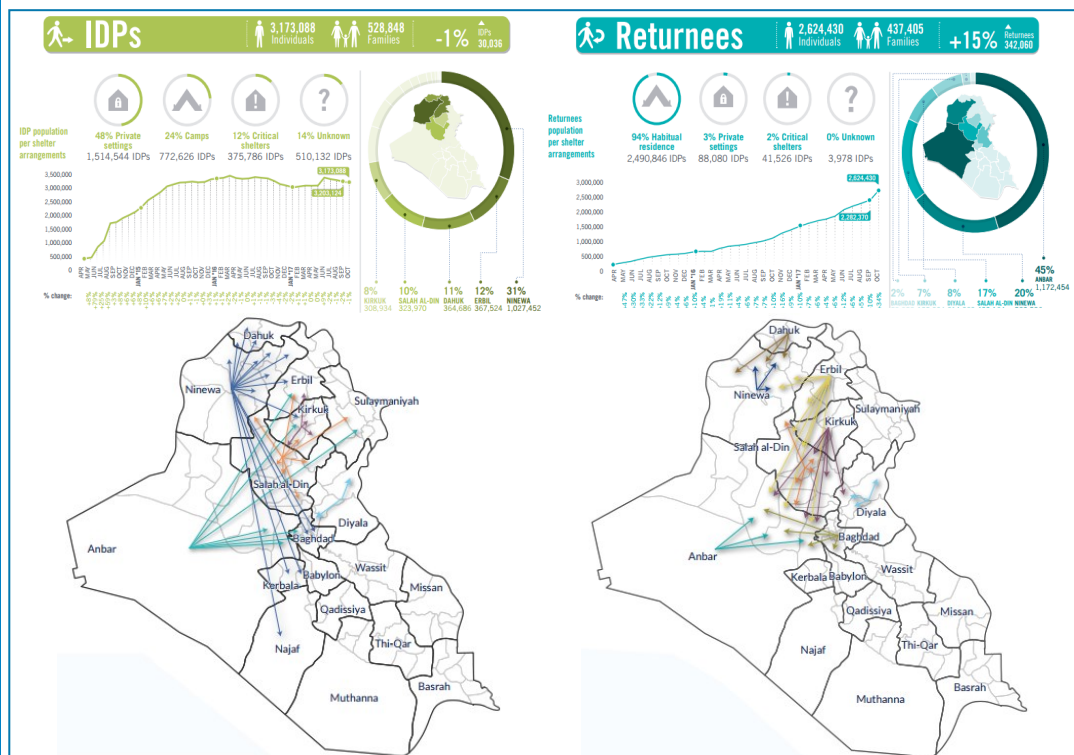
Highlights

- The current displacement situation in Iraq, with an increase in returns and over 3 million people still displaced, has resulted in increased volatility in the markets that have however been mostly able to respond to the demand fluctuations.
- Food prices decreased on by 1% across the country, but markets showed lower integration in October.
- Prices in Kirkuk further increased by 17% and are the highest in the country.
- Alert for Price Spikes (ALPS) indicator shows sugar, khoboz bread and vegetable oil to be respectively at crisis, alert and stress level.
- The wage of unskilled labour has decreased by 4% across the country, mostly due to substantial drops of salaries in hard-to-reach areas. This is increasing divergence across governorates which might cause labour migration.

Socioeconomic Background

Thousands fled conflict during the military realignment in the disputed areas of northern Iraq in late October. Over 3 million people are currently displaced, mostly from Kirkuk, Makhmur and Tooz. Some 150,000 returned to Kirkuk, while no returns to Tooz are recorded. Return movements to Hawija began quickly after the area was retaken from ISIL in September's military operations. However a recent assessment indicates a shortage of basic services in the area. Military

operations to retake Ka'im and Ru'ua in western Anbar from the Islamic State of Iraq and the Levant began on 26 October. This part of western Anbar, on the border with Syria, is the last major territory held by ISIL in Iraq. The fluidity of the situation resulted in increased volatility in the markets that have however been mostly able to respond to the demand fluctuations. The below dashboard describes the most recent updates¹.



Contacts

Sally Haydock
sally.haydock@wfp.org

Maha Ahmed
maha.ahmed@wfp.org

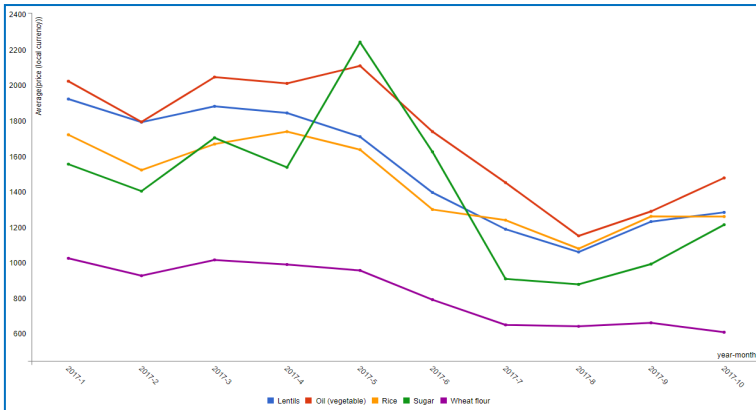
Asif Niazi
asif.niazi@wfp.org

¹ IOM - Displacement Tracking Matrix (DTM) - Round 82

Food National Price Trends

In October 2017 food prices continued the upward trend of the previous month at national level, with exception for wheat flour and rice (Chart 1). Rice price indeed decrease by 2% and wheat flour by 10%. On the other hand sugar, milk and vegetable oil prices increased sharply by 19%, 10% and 12% respectively. A slight increase was also registered for lentils (2%) and onions (7%). On the contrary a slight decrease in prices was registered for meat (-4%).

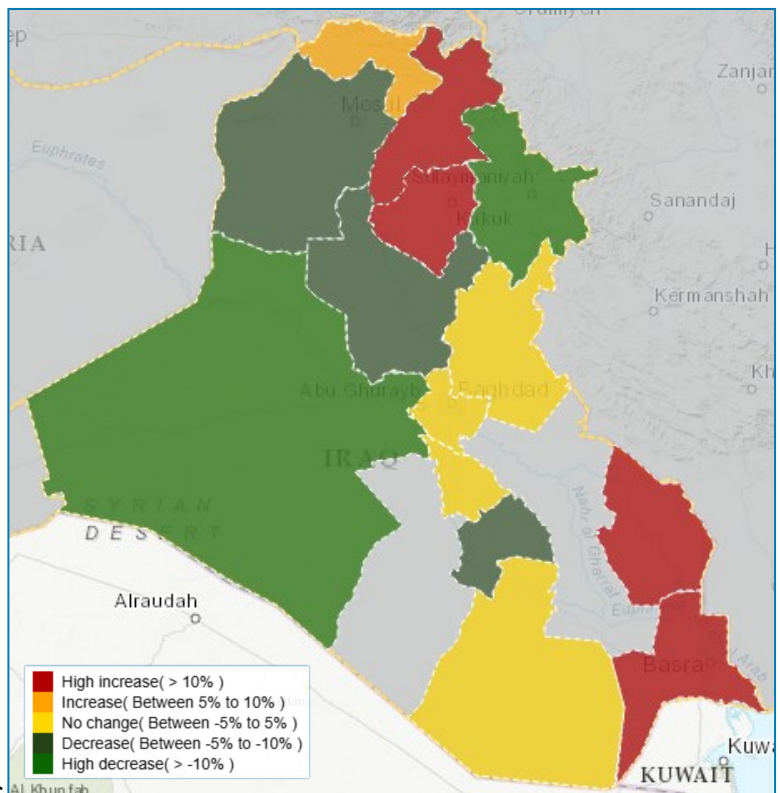
Chart 1: Price Trend of Main Food Commodities (in IQD/Unit)



However, food prices have followed very different paths across governorates. Lentils were found more expensive compared to September in Kirkuk (12%) and Diyala (10%) and Salah Al-Din (9%), while the price decreased in Babylon (-18%) and Baghdad (-17%). On the other hand beef saw a decrease in Kirkuk and Dohuk of 9%, while its price increased in Babylon by 25%. Price of fresh milk across Iraq was very volatile with remarkable surge in Kirkuk (66%),

Diyala (26%) and Babylon (25%), while it decreased significantly in Sulaymanyah (-17%). Vegetable oil also saw a sharp increase in Kirkuk (66%). In Kirkuk onions also registered a high increase in prices (59%). Similarly their price increased in Muthanna by 50%. When it comes to rice, the commodity had generally downward trend in October with exception of Erbil and Dohuk where the price increased by respectively 13% and 14%. A similar behavior was witnessed for wheat flour. While it generally decreased across country, a surge was registered in Baghdad and Erbil, both by 15%. Sugar on the

Map 1: Change of food basket price from previous month

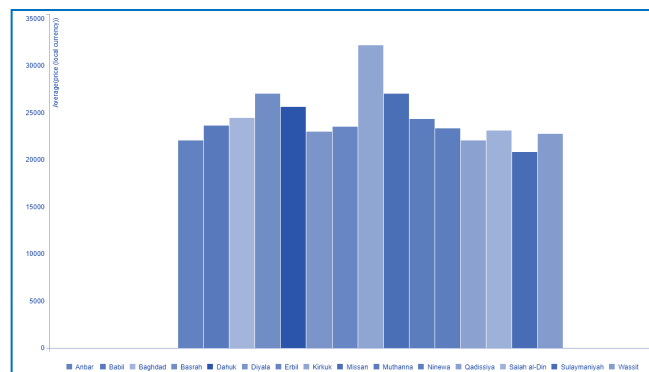
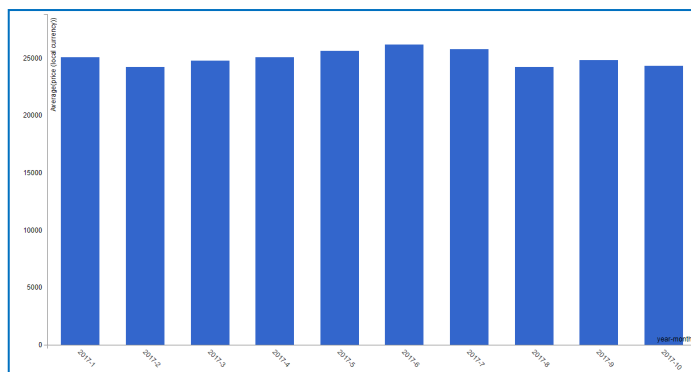


other hand increased slightly across Iraq, with exception of Dohuk (-24% and Sulaymanyah (-5%). Despite a decrease in the cost of wheat flour of 9%, Kirkuk stands as the governorate with the sharpest increase in prices which sums up to the several months of abnormally high prices due to the high influx of IDPs (Map 1). Kirkuk is also the governorate that in October registered the highest cost of the food basket, more than 50% higher than Sulaymanyah where the lowest food prices are found (Chart 2b).

After months of integration, markets witnessed a higher discrepancy of prices in October.

The volatility of the situation in the country contributes to an extreme behavior of prices in some governorates. In the case of

Sulaymanyah, all main commodities were found to be cheaper in October compared to September, a month in which the governorate experienced a set of price spikes. No other governorates showed a similar general decreasing trend. Four governorates, namely Erbil, Kirkuk, Quadissyia and Dohuk Al Din witnessed a general

Chart 2: Cost of Minimum Food Basket (in IQD) at national (a) and sub-national level (b)

increase in prices. Erbil food basket indeed increased by 12%, Kirkuk's by 17%, Dohuk's by 6% and Quadissya's by only 1%. Other governorates showed fluctuations of prices among the monitored food commodities.

The above described fluctuations and the general increase in price of main commodities have not succeeded to impact negatively the purchasing power of Iraqi population. The national food basket in fact decreased by 1%, partially compensating for September's surge (Chart [Chart 3: Availability Analysis](#) 2a).

In terms of availability the situation is positive. Full availability of main commodities was registered everywhere with minor gaps in Muthanna, Quadissya and Wassit (Chart 3).

It has also to be considered that no data were collected for Thi-Qar, Kerbala and Najaf in October.

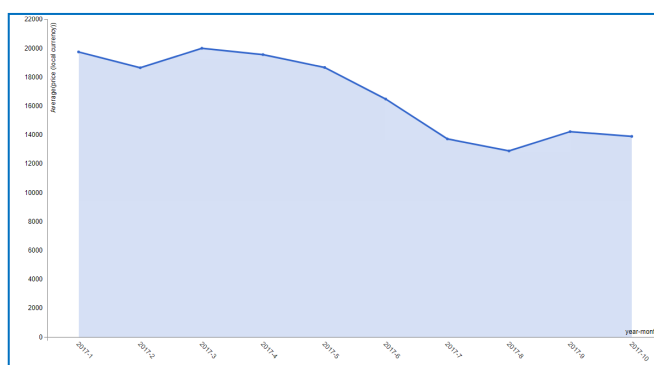
It also must be taken into consideration that averages don't include locations where food commodities are

Governorate	Wheat flour	Meat (beef)	Milk	Sugar	Onions	Lentils	Rice	Oil (vegetable)
Anbar	AV	AV	AV	AV	AV	AV	AV	AV
Babil	AV	AV	AV	AV	AV	AV	AV	AV
Baghdad	AV	AV	AV	AV	AV	AV	AV	AV
Basrah	AV	AV	AV	AV	AV	AV	AV	AV
Dahuk	AV	AV	AV	AV	AV	AV	AV	AV
Diyala	AV	AV	AV	AV	AV	AV	AV	AV
Erbil	AV	AV	AV	AV	AV	AV	AV	AV
Kirkuk	AV	AV	WAV	AV	AV	AV	AV	AV
Missan	AV	AV	AV	AV	AV	AV	AV	AV
Muthanna	WAV	WAV	WAV	WAV	WAV	WAV	WAV	WAV
Ninewa	AV	AV	AV	AV	AV	AV	AV	AV
Qadissiya	WAV	WAV	WAV	WAV	WAV	WAV	WAV	WAV
Salah al-Din	AV	AV	AV	AV	AV	AV	AV	AV
Sulaymaniyah	AV	AV	AV	AV	AV	AV	AV	AV
Wassit	WAV	WAV	WAV	WAV	WAV	WAV	WAV	WAV

reported as not available or where key informants have not answered the calls (see Methodology).

Unskilled Labour and Wage-to-Food Terms of Trade (ToT)

The wage of unskilled labour in October decreased by 4% across the country (Chart 4). In hard-to-reach areas average wages for casual labour continued decreasing notably. In Kirkuk and Erbil unskilled labour can be paid 13% less than in September. In Salah Al-Din and Anbar the cost of casual labour is 14% and 7% cheaper respectively. Only Ninewa among the hard-to-reach areas showed an increase (16%) of the wages. As a consequence of lower prices the wage-to-wheat terms of trade (ToT) increased by 6% at the national level (Chart 5).

Chart 4: Cost of Unskilled Labour per day (in IQD)**Chart 5: Wage-to-Wheat ToT (in food baskets/day)**

Alert for Price Spikes (ALPS)

According to the Alert for Price Spikes (ALPS) indicator, the food basket was still at normal level everywhere in Iraq when compared to the seasonally adjusted index (Map 2). Nevertheless, as shown in Chart 3d khoboz bread, sugar and vegetable oil are respectively at alert, crisis and stress level, as forecasted in September. Charts 3b, 3c, 3d and 3e show the trends of the food basket and the three highlighted items. The ALPS indicator also provides a 3-month forecast. In this sense, the price of the food basket will continue stabilize in the following months. Khoboz bread instead will keep increasing in the next quarter. The price of sugar will fluctuate, while vegetable oil will decrease in the next couple of months.

Map 2: Alert for Price Spikes of food basket in Iraq

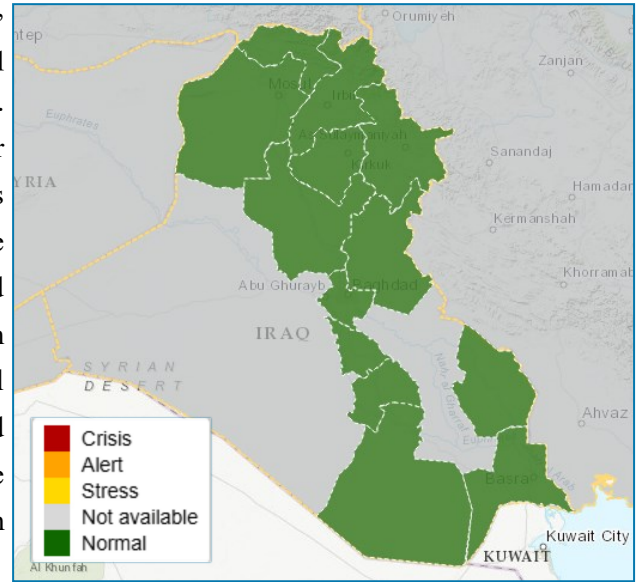
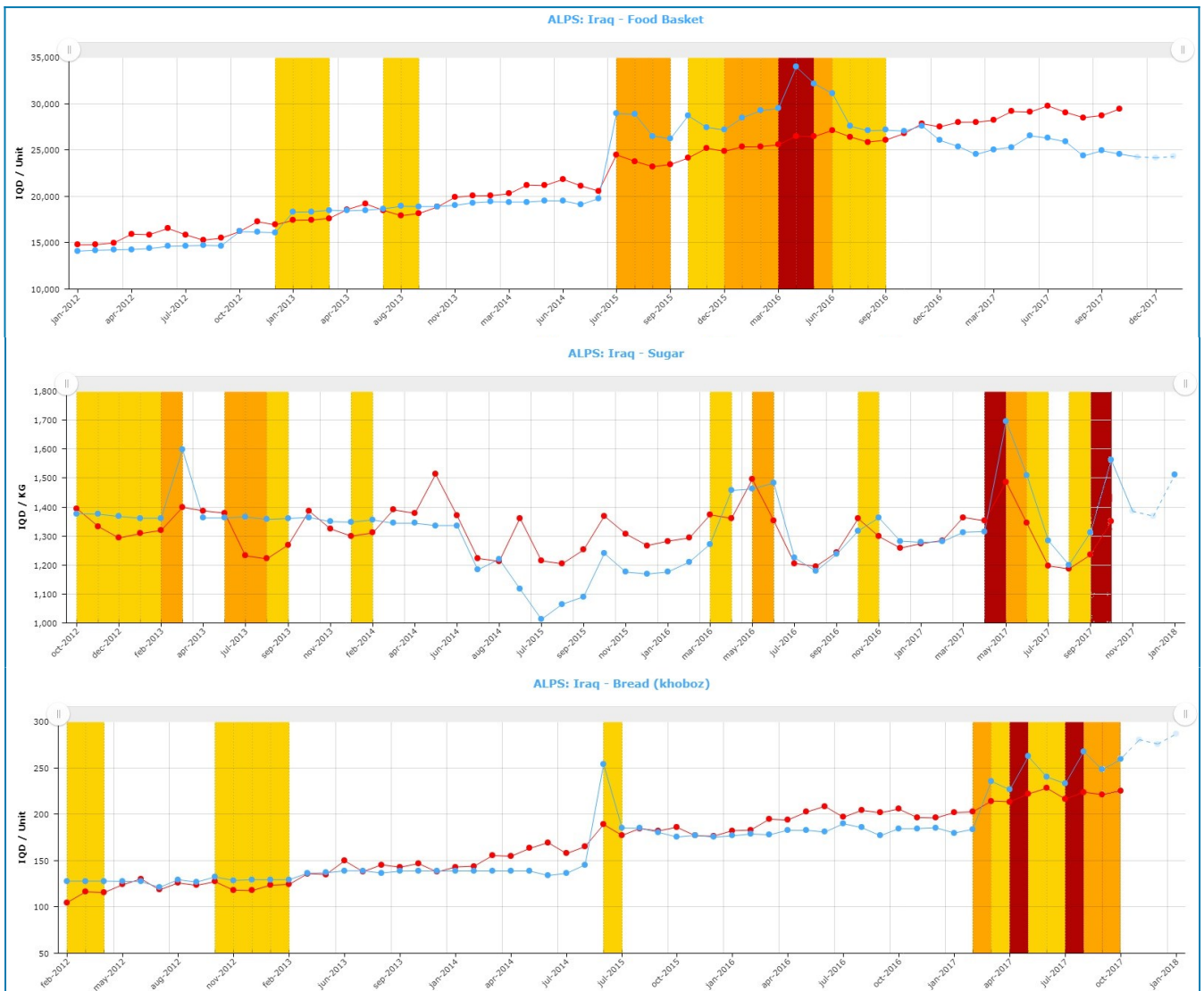
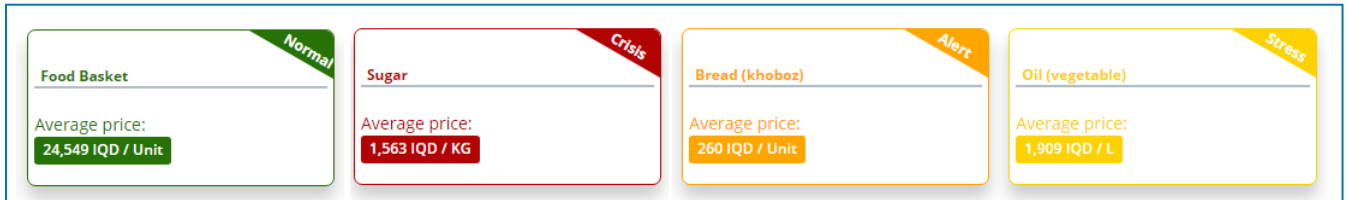
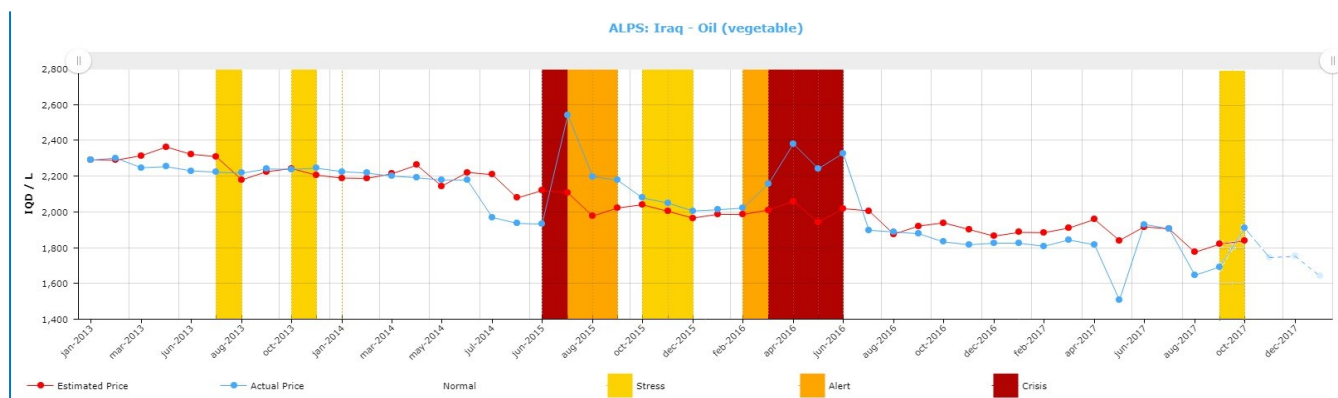


Chart 3: Alert for Price Spikes (ALPS) for food basket (b), sugar (c), khoboz bread (d) and vegetable oil (e)





Methodology

Market information is collected on weekly basis by WFP field monitors. Additionally WFP in partnership with Islamic Relief Worldwide (IRW) collects market data remotely through mVAM technology from key informants in those governorates where access is restricted, using telephone interviews. Data are then cleaned and consolidated. Monthly averages are used for the Iraq Monthly Monitor Report. Field monitors collect prices for 23 food commodities, 3 fuel items, 7 hygiene commodities and the cost of unskilled labour. WFP field monitors cover 12 governorates where access is not restricted plus three additional governorates (Kirkuk, Baghdad and Diyala) when the security situation allows. IRW key informants collect market prices of 8 main food commodities and the daily wage of unskilled labour from six hard-to-reach areas in central and northern governorates of Iraq (Anbar, Baghdad, Diyala, Kirkuk, Ninewa and Salah Al-Din) through mVAM technology.

The report is based on the analyses produced by the [Safety Nets Alert Platform \(SNAP\)](#) which replaces the Integrated Market Surveillance Tool (IMST). Through automated analysis, SNAP platform analyzes trends of main food and non-food commodities, minimum food basket, providing an indication of how much the markets are integrated in the country. In addition SNAP produces an early warning indicator (ALPS) with a 3-month forecast for each relevant commodity and at subnational level. Food and non-food prices are analyzed against previous periods. Availability is also assessed.

AV	Available
WAV	Widely Available
SAV	Scarcely Available
MNA	Mostly Not Available
N/A	Not Available
DNC	Data not collected

The classification of the availability is based on the monthly averages. A commodity is classified as **Available** when it is found available on every visit in the key market of a specific governorate; **Widely Available** when for only one visit the availability is not full; **Sporadically Available** when in at least half of the visits, the item is recorded as rare in the market; a commodity is **Mostly Not Available** when it was found only in rare cases in a governorate during the analyzed month; finally a item is classified as **Not Available** when it is not found in any market of a governorate at all.

The Alert for Price Spikes (ALPS) is a WFP-developed indicator calculated as follows $ALPS = \frac{(Price_{it} - Season_{it})}{\sigma_{\epsilon}}$. It is computed for each month (t) by dividing the difference between the observed and estimated seasonal price of a commodity (i) by the standard deviation of the error term (σ_{ϵ}).

Situation on a given market :	ALPS thresholds :
Normal	$ALPS < 0.25$
Stress	$0.25 \leq ALPS < 1$
Alert	$1 \leq ALPS < 2$
Crisis	$ALPS \geq 2$

The minimum food basket monitored by WFP contains five food commodities. The quantities are adjusted against the survival caloric intake needs. The five commodities are wheat flour (6.75Kg), sugar (1Kg), rice (6.75Kg), vegetable oil (0.9L) and lentils (1.8Kg). The food basket analyzed is the monthly minimum food basket per household.

This bulletin integrates the information provided by the mVAM Flash Updates on specific areas of the country that deserve specific attention. Occasionally the IMST is used to provide customized analyses on hard-to-reach areas. The Iraq Market Monitor Report is issued since August 2016 on a monthly basis.

NOTE: Due to the long-lasting conflict in Falluja and Mosul, and the related impact on markets, to avoid distortions on average prices and maintain consistency over time, the two districts have been removed from the analysis.

An interactive version of the analysis presented in this bulletin, along with additional details, can be found on [SNAP website](#) (click [here](#) to request for an account)

Annex 2: Market Prices by Commodity

Commodity	Governorate	Current Month	Previous Period				% Change From the Previous Period				Direction of Change			
			1 M	3 M	6 M	1 Yr	1 M	3 M	6 M	1 Yr	1 M	3 M	6 M	1 Yr
Food Basket	Anbar	22,158	21,642	22,719	24,232	25,171	2%	-2%	-9%	-12%	↔	↔	↔	↔
	Babil	23,731	25,188	24,900	25,438	23,500	-6%	-5%	-7%	1%	↔	↔	↔	↔
	Baghdad	24,513	25,378	25,283	28,033	28,081	-3%	-3%	-13%	-13%	↔	↔	↔	↔
	Basrah	27,100	27,100	27,100	24,063	28,000	0%	0%	13%	-3%	↔	↔	↔	↔
	Dahuk	25,736	24,291	26,325	24,958	31,081	6%	-2%	3%	-17%	↔	↔	↔	↔
	Diyala	23,075	23,746	24,335	24,650	25,698	-3%	-5%	-6%	-10%	↔	↔	↔	↔
	Erbil	23,588	21,000	25,910	20,813	23,613	12%	-9%	13%	0%	↔	↔	↔	↔
	Kirkuk	32,267	27,548	31,931	31,774	36,197	17%	1%	2%	-11%	↔	↔	↔	↔
	Missan	27,100	27,100	27,100	25,750	28,000	0%	0%	5%	-3%	↔	↔	↔	↔
	Muthanna	24,400	26,425	28,113	28,113	28,363	-8%	-13%	-13%	-14%	↔	↔	↔	↔
	Ninewa	23,408	26,316	22,391	21,783	22,565	-11%	5%	7%	4%	↔	↔	↔	↔
	Qadissiya	22,150	21,925	24,900	23,750	23,750	1%	-11%	-7%	-7%	↔	↔	↔	↔
	Salah al-Din	23,190	23,739	24,112	25,343	26,005	-2%	-4%	-8%	-11%	↔	↔	↔	↔
	Sulaymaniyah	20,938	23,981	17,303	17,788	27,275	-13%	21%	18%	-23%	↔	↔	↔	↔
Wassit	22,825			23,047	19,588				-1%	↔	↔	↔	↔	
Lentils	Anbar	1,571	1,531	1,758	1,840	1,949	3%	-11%	-15%	-19%	↔	↔	↔	↔
	Babil	2,063	2,500	2,500	2,000	2,000	-18%	-18%	3%	3%	↔	↔	↔	↔
	Baghdad	1,500	1,806	1,925	1,944	2,051	-17%	-22%	-23%	-27%	↔	↔	↔	↔
	Basrah	2,500	2,500	2,500	1,750	3,000	0%	0%	43%	-17%	↔	↔	↔	↔
	Dahuk	2,333	2,438	2,000	2,346	2,529	-4%	17%	-1%	-8%	↔	↔	↔	↔
	Diyala	2,000	1,806	1,760	1,843	1,810	11%	14%	9%	11%	↔	↔	↔	↔
	Erbil	1,625	1,500	1,700	1,500	1,500	8%	-4%	8%	8%	↔	↔	↔	↔
	Kirkuk	1,719	1,528	1,464	2,076	1,763	12%	17%	-17%	-3%	↔	↔	↔	↔
	Missan	2,500	2,500	2,500	1,750	3,000	0%	0%	43%	-17%	↔	↔	↔	↔
	Muthanna	2,333	2,250	2,000	2,000	2,000	4%	17%	17%	17%	↔	↔	↔	↔
	Ninewa	1,675	1,625	1,615	1,594	1,404	3%	4%	5%	19%	↔	↔	↔	↔
	Qadissiya	1,500	1,500	2,500	2,000	2,000	0%	-40%	-25%	-25%	↔	↔	↔	↔
	Salah al-Din	1,682	1,544	1,596	1,903	1,809	9%	5%	-12%	-7%	↔	↔	↔	↔
	Sulaymaniyah	1,938	2,000	1,500	1,250	2,375	-3%	29%	55%	-18%	↔	↔	↔	↔
Wassit	2,000			2,688	2,500				-26%	↔	↔	↔	↔	
Meat (beef)	Anbar	11,069	11,426	11,419	10,653	11,176	-3%	-3%	4%	-1%	↔	↔	↔	↔
	Babil	12,500	10,000	13,000	13,000	13,000	25%	-4%	-4%	-4%	↔	↔	↔	↔
	Baghdad	15,000	13,889	13,125	13,261	13,051	8%	14%	12%	15%	↔	↔	↔	↔
	Basrah	13,000	13,000	13,000	13,000	13,000	0%	0%	0%	0%	↔	↔	↔	↔
	Dahuk	13,250	14,500	14,000	12,800	8,875	-9%	-5%	10%	49%	↔	↔	↔	↔
	Diyala	13,250	13,222	13,000	12,857	13,381	0%	2%	3%	-1%	↔	↔	↔	↔
	Erbil	14,000	15,000	17,500	14,000	16,000	-7%	700%	0%	-13%	↔	↔	↔	↔
	Kirkuk	11,000	12,100	12,840	13,075	13,244	-9%	-14%	-16%	-17%	↔	↔	↔	↔
	Missan	13,000	13,000	13,000	13,000	14,000	0%	0%	0%	-7%	↔	↔	↔	↔
	Muthanna	12,167	12,000	7,500	7,500	7,500	1%	62%	62%	62%	↔	↔	↔	↔
	Ninewa	12,633	12,625	12,500	12,039	11,462	0%	1%	5%	10%	↔	↔	↔	↔
	Qadissiya	12,000	11,000	14,000	13,000	13,000	9%	-14%	-8%	-8%	↔	↔	↔	↔
	Salah al-Din	12,818	12,882	12,308	12,028	12,782	0%	4%	7%	0%	↔	↔	↔	↔
	Sulaymaniyah	15,750	16,000	13,500	16,000	11,250	-2%	17%	-2%	40%	↔	↔	↔	↔
Wassit	10,667			12,000	12,000				-11%	↔	↔	↔	↔	
Milk	Anbar	2,009	1,861	1,694	1,944	2,008	8%	19%	3%	0%	↔	↔	↔	↔
	Babil	1,250	1,000	2,000	2,000	2,000	25%	-38%	-38%	-38%	↔	↔	↔	↔
	Baghdad	1,500	1,667	1,575	1,672	1,730	-10%	-5%	-10%	-13%	↔	↔	↔	↔
	Basrah	1,500	1,500	1,500	2,000	4,000	0%	0%	-25%	-63%	↔	↔	↔	↔
	Dahuk	1,500	1,500	1,500	1,813	2,000	0%	0%	-17%	-25%	↔	↔	↔	↔
	Diyala	2,000	1,583	1,677	1,636	1,613	26%	19%	22%	24%	↔	↔	↔	↔
	Erbil	1,750	1,750	2,000	2,000	1,750	0%	-13%	-13%	0%	↔	↔	↔	↔
	Kirkuk	7,042	4,250	3,988	3,213	1,845	66%	77%	119%	282%	↔	↔	↔	↔
	Missan	1,500	1,500	1,500	2,000	4,000	0%	0%	-25%	-63%	↔	↔	↔	↔
	Muthanna	1,167	1,000	1,500	1,500	1,500	17%	-22%	-22%	-22%	↔	↔	↔	↔
	Ninewa	2,167	2,214	1,840	1,781	1,635	-2%	18%	22%	33%	↔	↔	↔	↔
	Qadissiya	1,417	1,250	2,000	2,000	2,000	13%	-29%	-29%	-29%	↔	↔	↔	↔
	Salah al-Din	1,273	1,529	1,538	1,507	1,445	-17%	-16%	-12%	-12%	↔	↔	↔	↔
	Sulaymaniyah	1,500	1,500	1,450	1,750	2,000	0%	3%	-14%	-25%	↔	↔	↔	↔
Wassit	1,250			5,000	5,000				-75%	↔	↔	↔	↔	
Oil (vegetable)	Anbar	1,672	1,620	1,742	1,882	1,919	3%	-4%	-11%	-13%	↔	↔	↔	↔
	Babil	1,375	1,250	2,250	2,250	2,250	10%	-39%	-39%	-39%	↔	↔	↔	↔
	Baghdad	1,750	1,767	1,783	1,826	1,853	-1%	-2%	-4%	-6%	↔	↔	↔	↔
	Basrah	1,500	1,500	1,500	1,500	1,500	0%	0%	0%	0%	↔	↔	↔	↔
	Dahuk	1,500	1,438	1,500	1,563	1,688	4%	0%	-4%	-11%	↔	↔	↔	↔
	Diyala	1,500	1,667	1,719	1,900	1,887	-10%	-13%	-21%	-21%	↔	↔	↔	↔
	Erbil	1,500	1,500	1,500	1,500	1,500	0%	0%	0%	0%	↔	↔	↔	↔
	Kirkuk	6,675	4,025	4,896	3,638	2,738	66%	36%	83%	144%	↔	↔	↔	↔
	Missan	1,500	1,500	1,500	1,500	1,500	0%	0%	0%	0%	↔	↔	↔	↔
	Muthanna	1,333	1,250	1,750	1,750	1,750	7%	-24%	-24%	-24%	↔	↔	↔	↔
	Ninewa	1,550	1,531	1,510	1,569	1,590	1%	3%	-1%	-2%	↔	↔	↔	↔
	Qadissiya	1,750	1,500	2,250	2,250	2,250	17%	-22%	-22%	-22%	↔	↔	↔	↔
	Salah al-Din	1,750	1,585	1,737	1,868	1,845	10%	1%	-6%	-5%	↔	↔	↔	↔
	Sulaymaniyah	1,500	1,500	1,350	1,250	1,875	0%	11%	20%	0%	↔	↔	↔	↔
Wassit	1,500			1,500	1,500				0%	↔	↔	↔	↔	

Commodity	Governorate	Current Month	Previous Period				% Change From the Previous Period				Direction of Change			
			1 M	3 M	6 M	1 Yr	1 M	3 M	6 M	1 Yr	1 M	3 M	6 M	1 Yr
Onions	Anbar	853	824	656	661	721	4%	30%	29%	18%	↔	↔	↔	↔
	Babil	750	750	750	750	750	0%	0%	0%	0%	↔	↔	↔	↔
	Baghdad	1,000	889	688	847	816	12%	45%	18%	23%	↔	↔	↔	↔
	Basrah	750	750	938	563	750	0%	-20%	33%	0%	↔	↔	↔	↔
	Dahuk	750	813	1,000	750	1,000	-8%	-25%	0%	-25%	↔	↔	↔	↔
	Diyala	938	833	651	701	732	13%	44%	34%	28%	↔	↔	↔	↔
	Erbil	1,000	1,000	750	1,150	1,000	0%	33%	-13%	0%	↔	↔	↔	↔
	Kirkuk	1,642	1,033	2,918	254	1,793	59%	-44%	31%	-8%	↔	↔	↔	↔
	Missan	750	750	938	563	750	0%	-20%	33%	0%	↔	↔	↔	↔
	Muthanna	750	500	750	625	750	50%	0%	20%	0%	↔	↔	↔	↔
	Ninewa	758	750	712	694	635	1%	7%	9%	19%	↔	↔	↔	↔
	Qadissiya	833	750	750	813	938	11%	11%	3%	-11%	↔	↔	↔	↔
	Salah al-Din	795	721	612	622	650	10%	30%	28%					