



Highlights:

The new year has brought further decreases in food prices across much of Syria apart from in Dar'a XB and Eastern Ghouta where prices have increased.

Not even five months after the liberation of Deir-ez-Zor, the region went from being the governorate with the highest food basket price in Syria to the second lowest with food basket prices dropping by 74 percent year-on-year.

Due to the incessant shelling and intensification of hostilities Eastern Ghouta in January, food prices have started to increase again in the enclave. A food basket now costs 4.9 times more than the national average, up from 4.8 in December 2017.

In January WFP Syria expanded its food price data coverage and the number of commodities it collects. WFP now monitors 37 commodities from 14 different food groups on a bi-monthly basis across 41 markets in Syria.

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A: Standard Food Basket



In January 2018, the national average cost of a standard food basket¹ (group of essential food commodities) was SYP 25,695. Decreasing by ten percent m-o-m (month-on-month), decreasing by 22 percent compared to July 2017 and by 29 percent y-o-y (year-on-year).

The governorate with the highest average food basket price was Dar'a XB (area of Dar'a under opposition control) at SYP 29,055. While the lowest average food basket price was recorded in Al-Hasakeh at SYP 22,050.

Food basket prices decreased in 12 out of Syria's 14 governorates in January. A decrease in the average retail price of a food basket was also monitored in the opposition held areas of Syria (XB) which are supported through cross-border humanitarian interventions. The decrease in prices was led by falling prices of all food basket commodities (commercial bread, vegetable oil, rice, lentils and sugar).

The largest drop in food basket prices in January compared to December was in Deir-ez-Zor (-41 percent) and Ar-Raqqa (-21 percent). The decrease in Deir-ez-Zor is related to large reductions in the price of food in rural areas of the governorate as the fighting has largely stopped and stability is returning. In Almaydin market the price of an average food basket fell by 56 percent. Ar-Raqqa's reduction was related to increased market functionality as people start returning and shops are opening.

Chart 1: Min. vs. Max. National Average Cost of Food Basket (in SYP)*

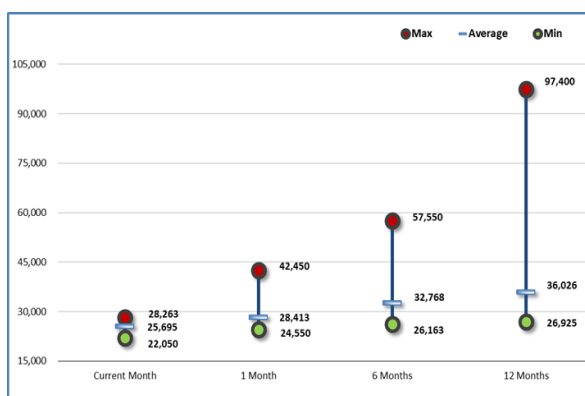
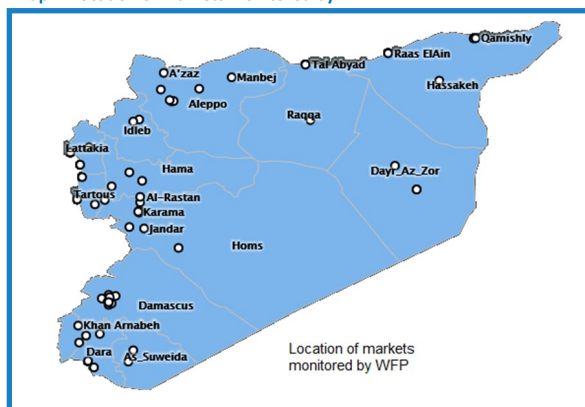


Figure 1: Food Basket Cost and Changes (in SYP)

Governorate	Price January 2018	Price 1 month change	Price 6 months changes	Price 12 months changes
Aleppo	SYP 28,265	-3%	-3%	-8%
Damascus	SYP 26,250	-3%	-1%	-14%
Dar'a	SYP 27,600	0%	-1%	5%
Dar'a XB	SYP 26,660	11%	-1%	-3%
Deir-ez-Zor	SYP 24,975	-41%	-57%	-74%
Hama	SYP 23,780	-14%	-25%	-27%
Al-Hasakeh	SYP 22,050	-10%	-16%	-35%
Homs	SYP 23,880	-15%	-18%	-19%
Lattakia	SYP 25,000	1%	-17%	-18%
Ar-Raqqa	SYP 26,475	-21%	-36%	-21%
Rural Damascus	SYP 25,335	-4%	-12%	-24%
As-Sweida	SYP 25,825	-3%	-21%	-20%
Tartous	SYP 23,330	7%	-25%	-23%
Quneitra	SYP 27,650	-2%	-1%	-2%
Quneitra XB	SYP 27,000	-10%	-22%	-29%
Idleb XB	SYP 27,050	-9%	-24%	-21%
Average	SYP 25,695	-10%	-22%	-29%

Map 1: Location of markets monitored by WFP



1. The cost of a standard basket of dry goods providing 1,930 kcal a day for a family of five during a month. The basket includes 37 kg of bread, 19 kg rice, 19 kg lentils, 5 kg of sugar, and 7 kg of vegetable oil.

*Eastern Ghouta is not included

**XB = Areas supported through cross-border humanitarian interventions

B: Eastern Ghouta

Eastern Ghouta, a suburb 15 kms east of Damascus city, continued to experience aerial bombing on the area in January 2018. The area remains besieged with the only access into and out of the area through the Al-Wafideen Camp crossing which is monitored by government forces. The heavy bombardment of the besieged area has forced prices in general to increase in January. High food prices are expected to continue into 2018 as fighting between the conflicting parties continues. In addition, the limited food which is able to enter the besieged area has a SYP 2,000/kg (USD 4.8/kg) levy on it which also affects the price of available food in markets.

Three United Nations Inter-Agency convoys providing life-saving food aid to the besieged area were proposed to the Syrian Government in January, none were allowed access. Food supplies remain extremely low in the besieged area. Availability and access to food as well as cooking of the food is a big concern in the area.

1– Food basket prices

The average food basket price in the market across Eastern Ghouta was SYP 188,150/basket. An increase of one percent compared with December prices. The January average food basket price was 4.9 times the national average food basket price, up from 4.8 in November. The Eastern Ghouta average food basket price in January was 6 times the average price of a food basket in Damascus, just 15kms from the besieged area, up from 5.7 times in December (Chart 2).

2– Bread prices :

The price of a bundle of bread (1.5kgs) was SYP 1,300 in Eastern Ghouta in January, down 22 percent compared to December. This was still 10 times the national average price for a bundle of bread (SYP 114) in January and 25 times the price of a bundle of bread in Damascus (SYP 50) for the same month (Chart 3).

3– Vegetable prices:

The price of fresh tomatoes, a proxy for fresh vegetables, in Eastern Ghouta was SYP 1,800/kg in January 2018, increasing by 57 percent since December 2017 (SYP 700/kg). The price is 5.8 times higher than the January average price of 1kg of fresh tomatoes in Damascus, up from 1.8 times in December. And 4.9 times higher than the national average price of fresh tomatoes for January, up from 1.9 times in December (Chart 4).

4– Energy prices:

The price of diesel and butane gas continue to be much higher in besieged Eastern Ghouta than elsewhere in Syria. The price of diesel in Eastern Ghouta averaged 4,500 SYP/litre in January increasing by 20 percent compared to December. The price of diesel in Eastern Ghouta is 8.8 times higher than the national average (up from 8.7 times in December) and 12.5 times higher than average diesel prices in Damascus (up from 10.1 times in December) - Chart 5.

A 25k cylinder of butane gas averaged 95,000 SYP/25k in January 2018 in besieged Eastern Ghouta, decreasing by 19 percent compared to December. The price however remains 15 times higher than the national average for the month and 33 times higher than the average price for a 25k cylinder of butane gas in Damascus (Chart 6).

Chart 2: Eastern Ghouta food basket price compared to Damascus and the national average

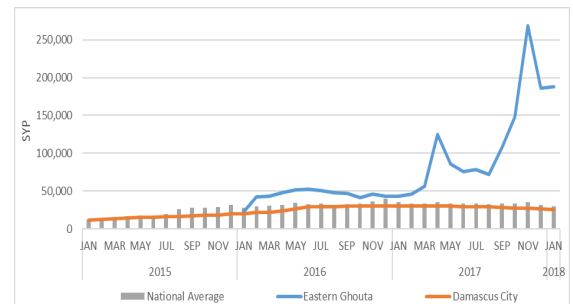


Chart 3: Comparing SYP/1.5kg bundle of bread price in Eastern Ghouta, Damascus and the national average

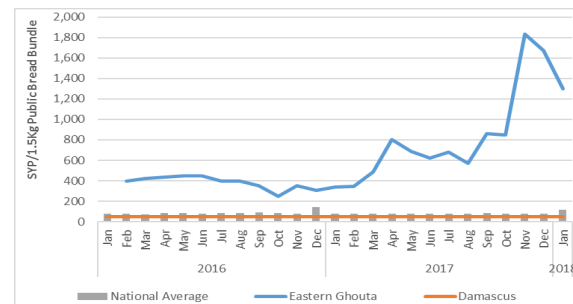


Chart 4: Retail price of 1kg of tomatoes Eastern Ghouta compared to Damascus and national average

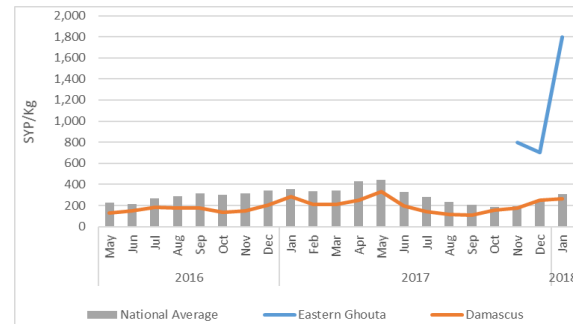


Chart 5: Diesel price in Eastern Ghouta compared to Damascus and the national average

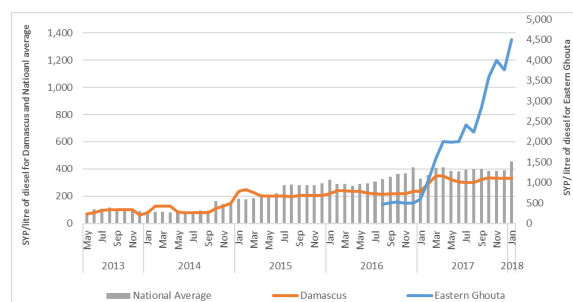
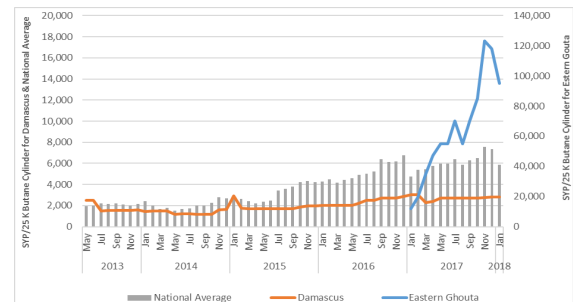


Chart 6: Butane cylinder (25K) price in Eastern Ghouta compared to Damascus and the national average



D: Retail Prices

1—Wheat flour, rice and bulgur:

One kg of wheat flour on average across Syria sold at SYP 281, rice sold at SYP 540/kg and bulgur sold at SYP 329/kg in January 2018. All three commodities showed decreases in their price compared to December prices; 13 percent for wheat, seven percent for rice and nine percent for bulgur. In all cases the decrease in price was related to all areas in Syria seeing price levels fall of key staples with the exception of cross-border (XB) areas which saw an increase in the price of rice (20 percent) and bulgur (23 percent) compared to December prices. The largest fall in price was recorded in hard-to-reach areas which saw the wheat flour price fall by 14 percent, rice fell by 14 percent and bulgur fell by 26 percent. Accessible areas also saw falls in prices of staples: wheat flour price fell by 11 percent, rice fell by 10 percent and bulgur fell by 6 percent. Besieged Eastern Ghouta saw less pronounced decreases (Charts 7, 8 and 9).

Eastern Ghouta was the area with the highest food prices across Syria for wheat flour SYP 2,650/kg, rice SYP 2,750/kg, bulgur SYP 2,375/kg, vegetable oil SYP 3,600/litre, tomatoes SYP 1,800/kg and sugar SYP 2,450/kg. The lowest prices by governorate were reported from Idelib for wheat flour SYP 135/kg and bulgur SYP 225/kg, from Quneitra for tomatoes SYP 180/kg, Deir-ez-Zor and Al-Hasakeh for vegetable oil SYP 500/litre and As-Sweida for rice SYP 300/kg and Dar'a and Quneitra for sugar SYP 250/kg.

2 – Bread:

In January 2018, the average nominal retail prices for public (government subsidized) bread and commercial (privately produced) bread were SYP 113/bundle and SYP 170/bundle, respectively. The price of public bread decreased by nine percent m-o-m. Commercial bread price decreased by seven percent m-o-m.

Ten governorates reported a public bread level of 50 SYP/bundle (1.5kg), the lowest price in Syria. The highest price for public bread was reported at 200 SYP/bundle in Idleb. Eastern Ghouta reported the highest price of commercial bread in Syria with a price of SYP 1,300/bundle (10 times higher than the national average). Tartous continued to record the lowest price for commercial bread at SYP 63/bundle.

Bread prices varied by the area's level of accessibility. Public bread prices were as follows: SYP 54/bundle in accessible areas, SYP 85/bundle in hard-to-reach areas and SYP 141/bundle. Representing the same price y-o-y for accessible areas, a four percent increase y-o-y in hard-to-reach areas and a 13 percent decrease y-o-y in XB areas.

Commercial bread prices were as follows: SYP 98/bundle in accessible areas, SYP 150/bundle in hard-to-reach areas, SYP 150/bundle in XB areas and SYP 1,300/bundle in besieged Eastern Ghouta. Representing a seven percent decrease y-o-y for accessible areas, a three percent increase y-o-y for hard-to-reach areas, a 15 percent decrease y-o-y for XB areas and a 282 percent increase y-o-y for besieged Eastern Ghouta.

Chart 7: Wheat Flour Retail Price in SYP

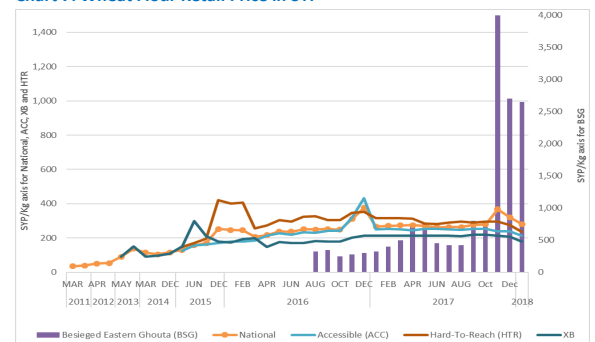


Chart 8: Retail Prices of Rice in SYP

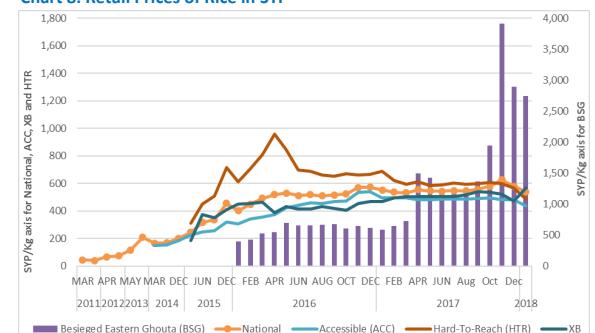


Chart 9: Retail Prices of Bulgur in SYP

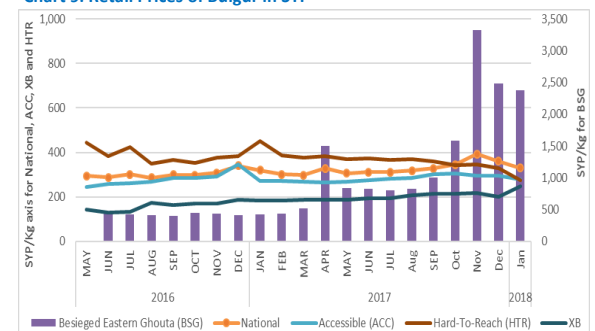


Chart 10: Retail Prices of Public Bread in ACC, HTR and BSG Markets in SYP

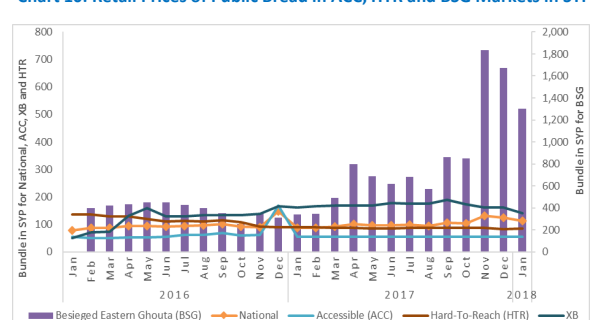
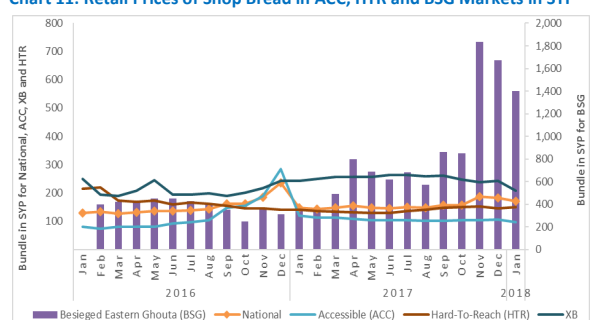


Chart 11: Retail Prices of Shop Bread in ACC, HTR and BSG Markets in SYP



Source: WFP Field Offices

3—Diesel and cylinder of butane gas

Diesel's national retail price averaged SYP 457/litre, increasing by 18 percent compared to December 2017. The price varied widely across Syria with accessible areas averaging SYP 413/litre of diesel, hard-to-reach areas averaged SYP 198/litre and XB areas averaging SYP 365/litre. The price of diesel in Eastern Ghouta averaged SYP 4,500/litre in December, 8.8 times higher than the national average (Chart 12). The highest price of diesel was in Eastern Ghouta while the lowest price was in Ar-Raqqa (SYP 80/litre).

A 25k cylinder of butane gas averaged SYP 5,881 nationally, falling by 20 percent compared to December 2017, down eight percent compared to July 2017 and up 23 percent y-o-y. The price of a 25k cylinder of butane gas also varied widely across Syria. Accessible areas averaged SYP 1,983/25k, hard-to-reach areas averaged SYP 2,853/25k and XB areas averaged SYP 7,496/25k, while besieged Eastern Ghouta averaged SYP 95,000/25k. The price of a 25k butane gas cylinder in Eastern Ghouta was 15 times higher than the national average for the month (Chart 13). The highest price of a 25k butane gas cylinder was recorded in Eastern Ghouta while the lowest price was recorded in Al-Hasakeh (SYP 2,200/25k).

E. Cereal wholesale prices and exchange rates

In January 2018, the average nominal wholesale price of cereal was SYP 188,525/MT for wheat grain, SYP 226,650/MT for bulgur and SYP 400,711/MT for rice. Using the Syrian Central Bank's official exchange rate of SYP 434 to the US \$ this translates to: US \$ 434/MT for wheat grain, US \$ 522/MT for bulgur grain and US \$ 923/MT for rice (Table 1).

The black market exchange rate across the country in January 2018 ranged between SYP 427 (Dar'a XB) to SYP 475 (As-Sweida) per US \$1. The lowest rate was registered in Dar'a XB market at SYP 427 to US \$1. The national average black market exchange rate is SYP 462 to US \$1 compared to the official central bank rate of SYP 434 to US \$1 (Table 2).

F. Food supply to markets

During January, commercial flows to the markets of Ar-Raqqa and Deir-ez-Zor cities continued to improve in-line with better functionality of supply routes that link these governorates to main markets in Damascus, Homs and costal areas. An enhancement was also recorded for food supply to markets in rural Deir-ez-Zor leading to relatively better food availability and a decline in the prices of staple food commodities. Also, all monitored markets of accessible areas were functioning well including Damascus, Homs, Tartous, Lattakia and Aleppo markets. In contrast, functionality of markets in besieged areas and active-conflict areas (such as East Ghouta and Idleb) relatively deteriorated over this period.

Chart 12: Retail Prices of Diesel in SYP

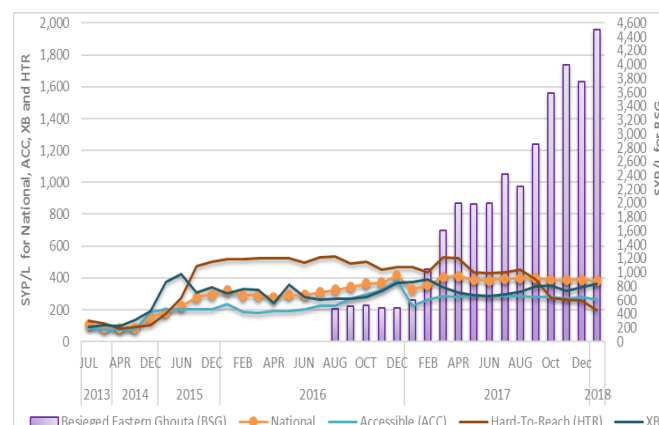


Chart 13: Retail Prices of Butane Cylinder in SYP

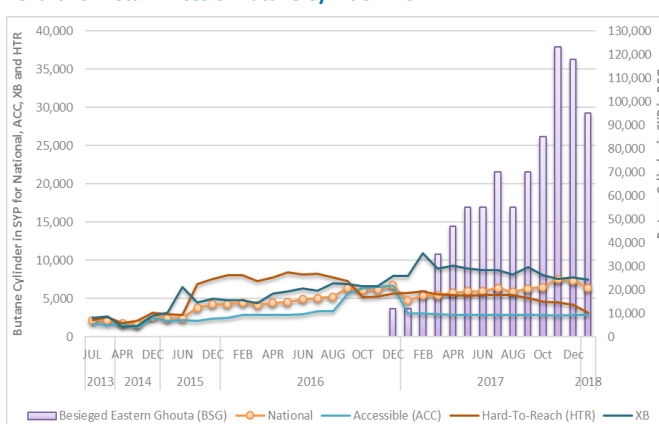


Table 1: National Average Wholesale Prices (1MT) for Wheat, Bulgur and Rice January 2018 in SYP and US \$ using official exchange rate.

Commodity	SYP	US \$
Wheat grain (1MT)	188,525	434
Bulgur grain (1MT)	226,650	522
Rice (1MT)	400,711	923

Table 2: US \$ to SYP Black Market Exchange Rate

Governorate	Exchange rate US \$1
Aleppo	463
Damascus	466
Dar'a	465
Dar'a XB**	427
Deir-ez-Zor	NA
Hama	463
Al-Hasakeh	458
Homs	462
Lattakia	466
Ar-Raqqa	462
Rural Damascus	461
Eastern Ghouta	467
As-Sweida	475
Tartous	466
Quneitra	466
Quneitra XB**	462
Idleb XB**	463
National Average	462
Official Rate	434

Source: WFP Field Offices

**XB = Areas supported through cross-border humanitarian interventions

G. Terms of Trade (TOT):²

TOT between wage labour and wheat flour

The national average daily wage rate for non-skilled workers in January 2018 was SYP 1,835. Decreasing by under one percent m-o-m but increasing by 9.5 percent since July 2017 and by 25 percent y-o-y. Even though on an increasing trend, purchasing power (measured by terms of trade) of casual labourers remains weak across all monitored markets in Syria.

In January, the national average daily wage of an unskilled labourer could purchase 6.5kg of wheat flour on the market. Representing a 14 percent increase compared to December 2017. Results however varied by an area's accessibility status. With accessible markets showing that 9.2kg of wheat flour could be bought compared to 7.5kg of wheat flour in hard-to-reach areas, 9.4kg of wheat flour for XB areas and 0.4kg of wheat flour for besieged Eastern Ghouta. All areas have seen a y-o-y increase in ToT for wheat vis-à-vis casual wage with accessible areas increasing by 61 percent, hard-to-reach areas increasing by 70 percent and XB areas increasing by 34 percent. Eastern Ghouta though saw a fall of 88% y-o-y. The national average y-o-y casual labour to wheat flour rate increased by 23 percent (Chart 14).

Chart 14: Terms of Trade (TOT) between wage labour and wheat flour

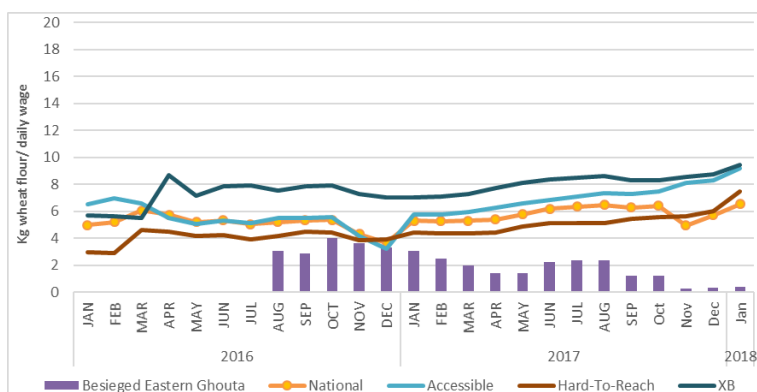
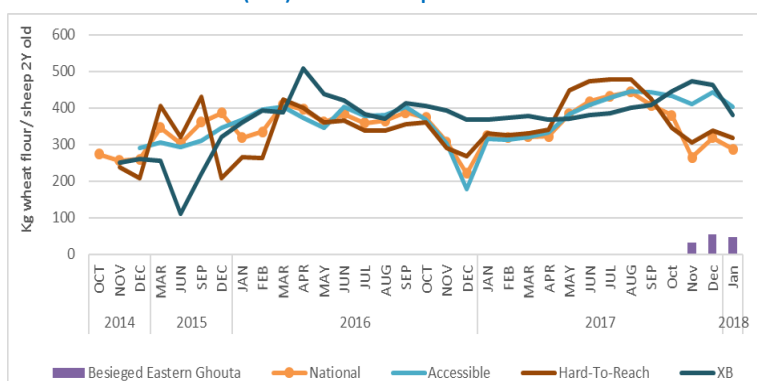


Chart 15: Terms of Trade (TOT) between sheep and wheat flour



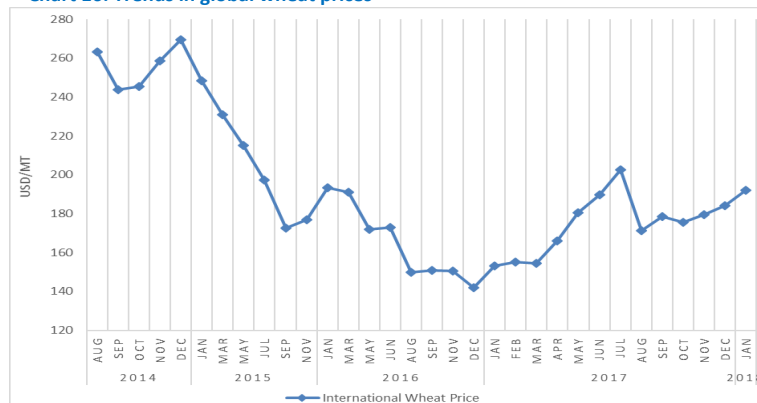
Source: WFP Field Offices

TOT between sheep and wheat flour

In January 2018, the national average price of a two-year old male sheep was SYP 80,770/head. The price decreased by 21 percent m-o-m, by 33 percent since July 2017 and by six percent on the y-o-y price.

The national average TOT between a sheep and wheat flour was 288Kg/sheep, which is 10 percent lower m-o-m showing that the price for a two-year old sheep fell compared to the price of wheat flour (Chart 15).

Chart 16: Trends in global wheat prices

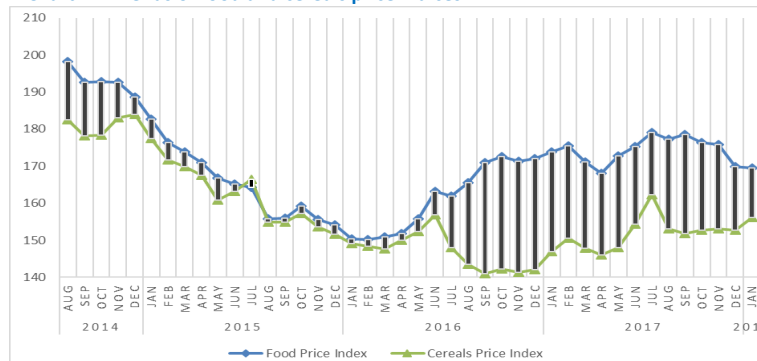


H. International market prices

The FAO Food Price Index averaged 169.5 points in January 2018 remaining unchanged m-o-m but down by 2.5 percent y-o-y. The Cereal Price Index averaged 156.2 points in January, up by 2.3 percent m-o-m and up by 6.3 percent y-o-y (Chart 17).

In January, wholesale wheat grain prices on local markets averaged USD 434/MT. In comparison the wholesale price of wheat on international markets was USD 192/MT in January 2018, up by 4.4 percent compared to December and up by 25 percent y-o-y.

Chart 17: Trends of food and cereals price indices



Data Sources: https://ycharts.com/indicators/us_hard_red_winter_wheat_export_price_gulf_ports and <http://www.fao.org/worldfoodsituation/wfs-home/foodpricesindex/en/>

2. The TOT are proxy indicators of the purchasing power of households that rely on livestock and/or casual labour as their main source of income for the purchase of cereals from local markets. TOT are important components of food security analysis. Changes in the terms of trade between wages/livestock and staple food commodities are indicative of the trends in purchasing power and the impact on the food security situation of households dependent on food purchases through income from daily wage labour and/or the sale of livestock.

