Initial Market Price Bulletin for the month of May 2018 (Reported in June 2018)

HIGHLIGHTS:

- **Wheat**: The current average wheat price in main cities’ markets of Afghanistan (AFN 23.0/Kg) is slightly lower by 2.6% compared to the same time last year (May 2017) and slightly lower by 2.5% compared to the last 5-year average price of the same months (Mays 2013 - 2017).

- **Wheat flour (High Price)**: The current retail price (AFN 26.4/kg) is slightly lower by 6.0% compared to the same month last year (May 2017), and slightly lower by 8.5% 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 45.6/kg) is slightly higher by 2.6% compared to the same month last year (May 2017), and slightly higher by 6.3 compared to the last 5-year average price of the same months. The current average price of High Quality Rice (AFN 90.4/kg) is significantly higher by 10.2% compared to the same month last year (May 2017), and significantly higher by 11.4% compared to the last 5-year average price of the same months.

- **Pulses**: The current retail price (AFN 82.7/kg) is slightly lower by 3.5% compared to the same month last year (May 2017), and significantly higher by 23.2% 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 13.7 Kgs of Wheat. On average, this ToT slightly deteriorated by 1.2% from April to May 2018, mainly due to decreased labor wage (by 1.5%). The largest deterioration occurred only in Kandahar (9.8%) due to decreased labor wage. The variation in all other main cities markets was within normal range (-3.6% to 4.2%). In the last three proceeding years, this deterioration was not experienced, while improved in:

- April to May 2017 (by 5.7%)
- April to May 2016 (by 8.7%)
- April to May 2015 (by 3.1%)

In comparison to the same month one year ago (May 2017), this ToT negligibly deteriorated by 1.6%, mainly due to decreased labor wage (by 3.8%)

On the two-year comparison (May 2016), this ToT significantly improved by 11.1%.

Compared to the 5-year average of the same months (Mays 2013-2017), this ToT slightly improved 5.6%.

**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 12.1Kgs of Wheat flour which slightly deteriorated by 2.3% from April to May 2018, mainly due to decreased labor wage (by 1.5%) and increased wheat flour price by 0.9%). The largest deterioration occurred only in Kandahar (6.7%) due to decreased labor wage. The variation in all other main cities markets was within normal range (-3.6% to 2.6%).
In the last three proceeding years, this deterioration was not experienced, while improved in:

- April to May 2017 (by 4.3%)
- April to May 2016 (by 7.0%)
- April to May 2015 (by 1.5%)

- Compared to the same month one year ago (May 2017), this ToT slightly improved by 3.8%, mainly due to decreased wheat flour price by 6.0%.
- On the two-year comparison (May 2016), this ToT significantly improved by 19.4%.
- Compared to the 5-year average of the same months (Mays 2013 - 2017), this ToT significantly improved by 12.1%.

**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 255.8Kgs of wheat against one-year alive female sheep, which significantly deteriorated by 6.5% from April to May 2018, mainly due to decreased sheep price by (6.4%). The largest deterioration occurred in Faizabad (19.0%), Mazar (11.2%), Maimana (11.1%) and Kabul (8.3%), due to decrease of sheep price because of lack of pasture due to dry spell. The variation in other main cities markets was within normal range (-3.1% to 0.0%).

In the last three proceeding years, this deterioration was not experienced, while improved:

- April to May 2017 (by 2.7%)
- April to May 2016 (by 2.2%)
- April to May 2015 (by 2.5%)

- Compared to the same month one year ago (May 2017), this ToT slightly deteriorated by 5.7%, which is mainly due to decreased sheep price by 7.8%.
- On the two-year comparison (May 2016) this ToT slightly improved by 5.8%.
- Compared to 5-year average of the same months (Mays 2013 - 2017), this ToT negligibly improved by 0.6%.

**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 226.8 Kgs of Wheat flour against one-year alive female sheep, which significantly deteriorated by 6.7% from April to May 2018, mainly due to decreased sheep price by 6.4%. The largest deterioration occurred in Faizabad (20.3%), Mazar (12.1%), Maimana (11.1%) and Kabul (8.3%) due to decreased sheep price because of lack of pasture due to dry spell. The variation in all other markets was within normal range (-4.9% to 2.6%). In the last three proceeding years, this deterioration was experienced only in:

- April to May 2017 (by 0.4%), and improved in:

- April to May 2016 (by 0.1%)
- April to May 2015 (by 1.0%)
• Compared to the same month one year ago (May 2017), this ToT negligibly deteriorated by 0.5%, mainly due to decreased sheep price (by 7.8%).
• On the two-year comparison (May 2016), this ToT significantly improved by 14.2%.
• Compared to 5-year average of the same months (Mays 2013 - 2017), this ToT significantly improved by 10.0%.

Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of Wheat in main cities’ markets of Afghanistan was AFN 23.0/Kg in May 2018. Compared to the past month (April 2018), the average price negligibly decreased by 0.1% compared to the previous month (April 2018). The variation in all main cities was within a normal limit (-0.8% to 0.1%). In the last three proceeding years, this decrease was experienced,
  - April to May 2016 (by 1.0%)
  - April to May 2015 (by 1.8%)
While increased only in;
  - April to May 2017 (by 0.3%)

- Compared to the same month one year ago (May 2017), the average wheat price negligibly decreased by 2.6%. The largest decrease occurred only Maimana (13.0%) due to increase of supply from the source points. The variation in all other main cities was within a normal range (-9.1% to 5.3%).
- On the two-year comparison (May 2016), the average price slightly decreased by 4.3%.
- Compared to the last 5-year average price of the same months (Mays 2013 - 2017), the average price negligibly decreased by 2.5%.

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 26.4/Kg in the reporting month (May 2018). The average price negligibly increased by 0.9% compared to the previous month (April 2018). The variation in all main cities was within a normal limit (-3.2% to 3.1%). In the last three proceeding years, this increase was experienced only in,
  - April to May 2017 (by 1.4%)
While decreased in;
  - April to May 2016 (by 0.4%)
  - April to May 2015 (by 0.6%)

- Compared to the same month last year (May 2017), the current average price slightly decreased by 6.0%. The largest decrease occurred in Kabul (by 14.0%), Kandahar (10.8%) and Mazar (by 10.6%) due to increase of supply from the source points (Pakistan and Kazakhstan). The variation in all main cities was within a normal range (-9.4% to 3.1%).
- Compared to the same month two years ago (May 2016), the average price of wheat flour slightly decreased by 7.8%.
- Compared to 5-year average price of the same months (Mays 2013 - 2017), the average price slightly decreased by 8.5%.

Wheat flour (Low Price):
The monthly average price of Wheat flour (Low Price) in main cities’ markets was AFN 23.6/Kg in the reporting month (May 2018). The average price negligibly decreased 0.2% compared to previous month (April 2018). The variation in all main cities was within a normal range (-4.0% to 1.8%). In the last three proceeding years, this decrease was experienced in;
  - April to May 2016 (by 0.9%)
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April to May 2015 (by 0.7%)
While increased only in;
  o April to May 2016 (by 0.2%)

- Compared to the same month one year ago (May 2017), the current average price slightly decreased by 5.7%. The highest decrease occurred in Kabul (11.1%) and Kandahar (10.9%) due to increased supply of wheat flour, the variation in other remaining main cities was within a normal range (-9.8% to 2.2%).
- Compared to the same month two years ago (May 2016), the average price slightly decreased by 7.2%.
- Compared to 5-year average price of the same months (Mays 2013 - 2017), the average price slightly decreased by 7.7%.

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 90.4/Kg in the reporting month (May 2018) which negligibly increased by 0.6% compared to the previous month (April 2018). The variation in all main cities was within a normal range (-0.1% to 3.0%). In the last three proceeding years, this increase was experienced only in,
  o April to May 2017 (by 1.1%)
While decreased in;
  o April to May 2016 (by 0.6%)
  o April to May 2015 (by 0.7%)

- Compared to the same month one year ago (May 2017), the average price significantly increased by 10.2%. The largest increase occurred in Kabul (22.7%), Mazar (16.3%), Maimana (10.8%) and Hirat (10.1, mainly due to decrease of supply and increase in prices in the source point (Pakistan).
- the variation in other remaining main cities was within a normal range (3.6% to 9.7%).
- Compared to the same month two years ago (May 2016), the average price significantly increased by 18.1%.
- Compared to 5-year average price of some months (Mays 2013 - 2017), the average price significantly increased by 11.4%.

Rice (Low Quality):
- The monthly average price of Rice (Low Quality) in main cities’ markets was AFN 45.6/Kg in the reporting month (May 2018), which negligibly increased by 1.3% compared to the previous month (April 2018). The largest increase only occurred in Hirat (by 9.3%) due to shortage of supply from source of point. The variation in all other main cities was within a normal range (0.0% to 3.4%). In the last three proceeding years, this increase was experienced in;
  o April to May 2017 (by 0.8%)
  o April to May 2015 (by 0.6%)
While decreased only in;
  o April to May 2016 (by 1.6%)
• Compared to the same month one year ago (May 2017), the average price slightly increased by 2.6%. The largest increase only occurred in Mazar (by 10.3%), mainly due to decrease of low quality rice price in Pakistan and Kabul. The variation in all main other cities was within a normal range (-0.3% to 5.0%).

• Compared to the same month two years ago (May 2016), the average price significantly increased by 13.9%.

• Compared to 5-year average price of same months (Mays 2013- 2017), the average price slightly increased by 6.3%.

Retail Price of Cooking Oil in Main Urban Cities:

The monthly average price of cooking oil in main cities’ markets was AFN 79.0/Kg in the reporting month (May 2018), the average price negligibly decreased by 0.4% compared to previous month (April 2018). The variation in all main cities was within a normal range (-2.1% to 1.3%). In the last three proceeding years, this decrease was experienced in;

  o April to May 2015 (by 0.5%)  

While increased in;

  o April to May 2017 (by 0.9%)  
  o April to May 2016 (by 0.6%)

• Compared to the same month one year ago (May 2017), the average price slightly decreased by 4.1%. The highest decrease occurred in Nili by (11.8%) and Maimana (10.2%) due to increase of supply but there is a largest increase only occurred in Kandahar (by 11.9 %), 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 (-8.6% to 0.0%).

• Compared to the same month two years ago (May 2016), the average price negligibly increased by 0.3%.

• Compared to 5-year average of the same months (Mays 2013 - 2017), the average price negligibly decreased by 0.9%.

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

Pulses: The monthly average price of Pulses in May 2018 in main cities’ markets was AFN 82.7/Kg negligibly decreased by 1.1% from last month (April 2018). The variation in all main cities markets was within a normal range (-4.1% to 0.0%).

  • Compared to the same time last year (May 2017), the price of pulses slightly decreased by 3.5%, the highest decrease occurred in Hirat (16.2%), Kandahar (12.5%) and Jalalabad (11.3%), mainly due to increased supply. The variation in all other main cities was within a normal limit (-0.5% to 7.7%).

  • Compared to the same time two years ago (May 2016), the price of pulses significantly increased by 17.1%.

  • Compared to 5-year average of the same months (Mays 2013 - 2017), the prices of pulses increased significantly by 23.2%.

Salt: The monthly average price of Salt in May 2018 in main cities’ markets was AFN 14.1/Kg negligibly increased by 0.2% compared to the previous month (April 2018). The current average price of salt negligibly increased by 0.7% compared to the same month last year (May 2017), and negligibly increased by 1.3% compared to the same month two years ago (May 2016).

Sugar: The monthly average price of Sugar in April 2018 in main cities’ markets was AFN 40.9/Kg, being negligibly decreased by 0.3% compared to the previous month (April 2018). The current average price of sugar is significantly decreased by 25.1% compared to the same month last year (May 2017) due to increase of supply, and significantly decreased by 14.1% compared to the same month two years ago (May 2016).
Number of days averagely worked by a labourer: The monthly average number of days worked by a labourer during May 2018 was reported at 10.6 days. The highest number of working days were in Nili (16 days), followed by Kabul (14 days), Kandahar and Hirat and Nili (12 days), Mazar and Maimana and Jalalabad (8 days) and Faizabad (6.5 days). Compared to the previous month (April 2018), the significant increase occurred in Faizabad by 44.4% (2 days) and Nili by 33.3% (4 days) and there is a significant increase occurred in Kandahar by 20% (3 days) and Kabul 12.5% (2 days). The variation in other main cities remain unchanged.

- Compared to the same month last year (May 2017), the average number of working days significantly decreased by 13.3% (1.6 days).
- Compared to the same month two years ago (May 2016), the average number of working days for main cities significantly decreased by 14.6% (1.8 days).

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 per AFR</th>
<th>Price change (%)</th>
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<td>Wheat</td>
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<td>Wheat</td>
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</table>

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.