



World Food Programme



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Issue No. 23
June 2018

IRAQ Market Monitor Report

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Highlights

- It is recorded that as of 30 June 2018 there are just over two million displaced persons, while the number of returnees has increased to 3.9 million.
- Food prices mainly showed a decreasing trend in May. The highest increase in prices were found in Thi-Qar, making Thi-Qar, Babylon and Wassit the most expensive governorates in June.
- The price alert indicator shows alert in Baghdad and Salah Al-Din; It also shows stress in Thi-Qar, Wassit and Anbar.
- The cost of unskilled labour in May hasn't changed much across the country; with an exception for Babylon where the cost of unskilled labor decreased by 6% and in Kirkuk and Salah Al-Din by 7%. Qadissiya it increased by 11% and in Ninewa by 16%.

Socioeconomic Background

It is recorded that as of 30 June 2018 there are just over two million displaced persons, while the number of returnees has increased to 3.9 million. The largest return population was found in Ninewa governorate (almost 1.5 million), followed by Anbar governorate (almost 1.3 million), and Salah al-Din governorate (over 0.5 million). The pace of displaced people returning to their places of origin is starting to slow down. Many displaced people

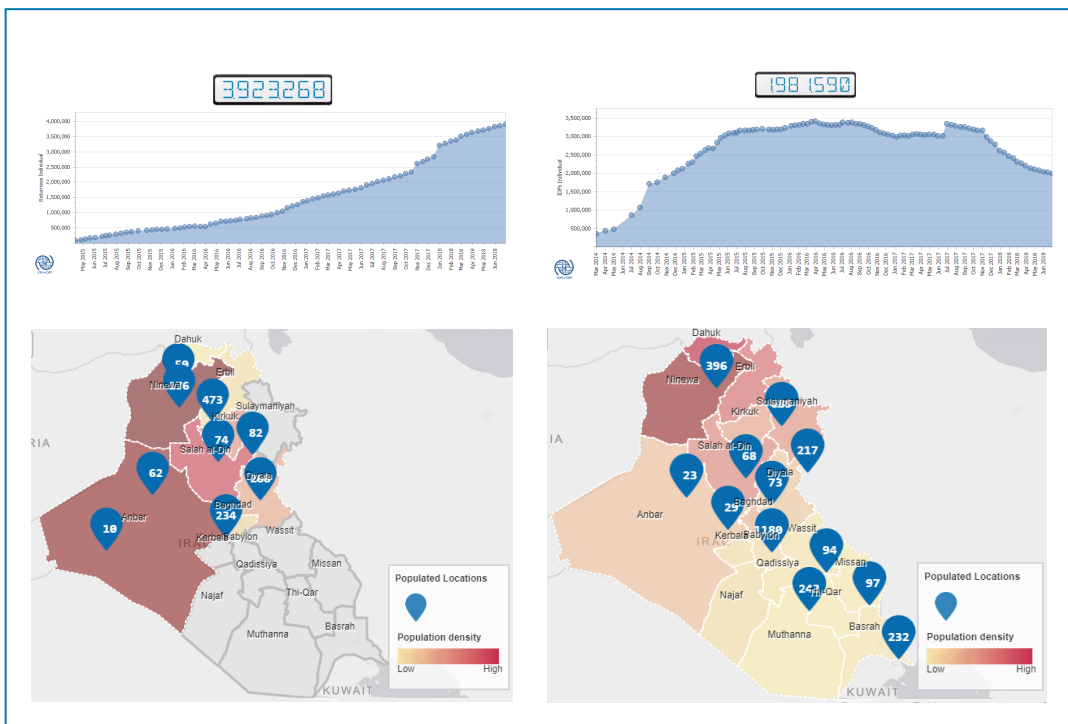
reported a reluctance to return home due to the limited provision of services and livelihood opportunities as well as insecurity in the areas of origin. Most of the families returning to camps east of Mosul are female-headed households. They are divorced, widowed or have spouses who have been detained, and often decide to move to camps due to their lack of income. The below dashboard describes the most recent updates regarding IDPs and returnees².

Contacts

Sally Haydock
sally.haydock@wfp.org

Maha Ahmed
maha.ahmed@wfp.org

Asif Niazi
asif.niazi@wfp.org

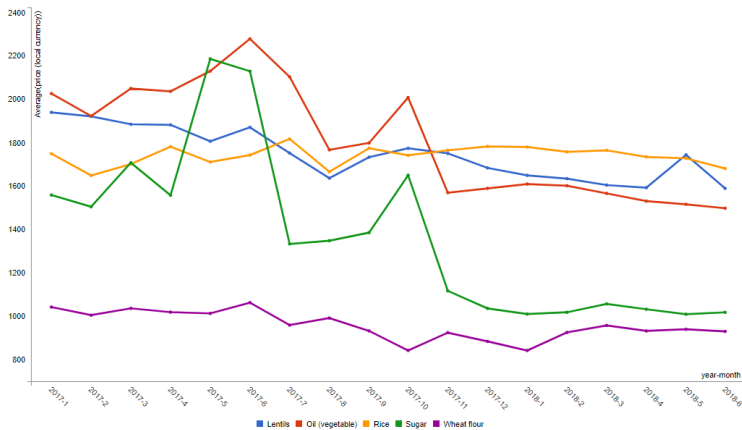


¹ UNHCR - Iraq Situation:Flash update | Issued on 31 May
² IOM—Displacement Tracking Matrix (DTM) Iraq

Food National Price Trends

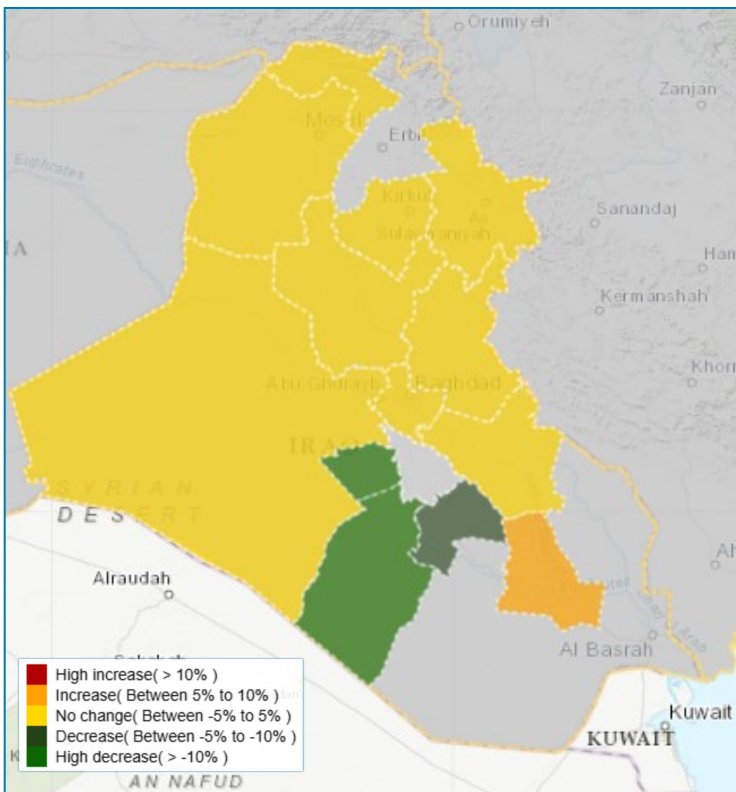
In May 2018 food prices continued a general stabilization which started in November 2017 (Chart 1). Most commodities indeed didn't show particular surge or drop in their prices. Exception is made for fuel that saw a spike of price by 22%, chicken increased by 6%, dates by 13% and bread by 8%. Eggs registered a sharp decrease in price by 57%, milk decreased by 9%, rice decreased by 6% and lentils decreased by 5%. The price of meat (lamb) slightly increased by 5% oil (vegetable) remained stable.

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



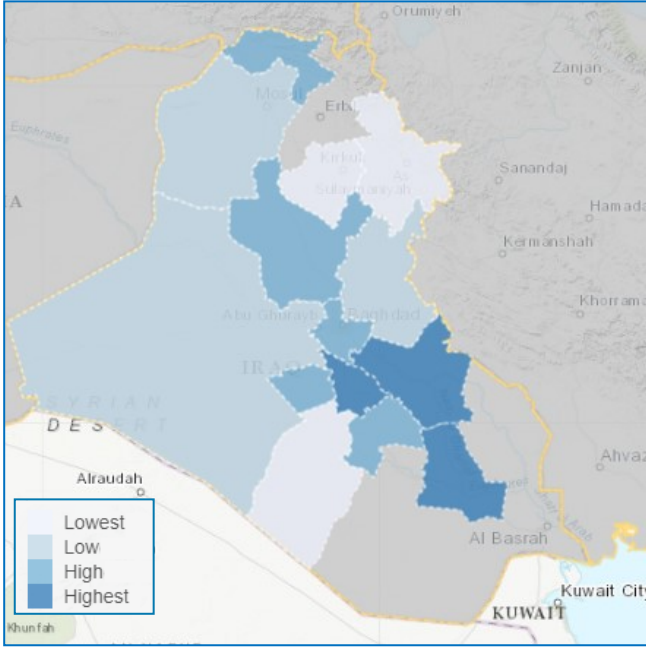
As seen in the previous month, food prices have however followed very different paths across governorates. Lentils were found more expensive compared to April in Babylon (24%) and Thi-Qar (18%); while the price decreased in Qadissiya (24%), Diyala (10%), Dahuk (14%), Kerbala (13%), Salah Al-Din (115) and Anbar (8%). Beef saw an increase in Kerbala (13%), Dahuk (7%) and Qadissiya (6%); however there was a sharp decrease in Thi-Qar by 41%, in Ninewa it decreased by 9% and in Salah Al-Din by 8%. Price of fresh milk showed a increasing trend across Iraqi governorates with a sharp increase in Kerbala by 25%, Najaf by 20%, Salah Al-Din by 12% and Ninewa by 9%. while price remained stable in all other governorates. Vegetable oil showed a similar trend across Iraq, with a sharp increase in Babylon (39%), Najaf (10%) and in Qadissiya (5%); while it decreased in Kerbala by 13% and in Kirkuk by 8%. Onions in Kerbala surged by 33%, increased in Kirkuk by 15% and Najaf by 9%. **Map 1: Change of food basket price from previous month**

The price of onion however, decreased by 8% in Dahuk, by 11% in Thi-Qar and by 5% in Salah Al-Din. Rice showed a mixed trend with a sharp decrease in Najaf by 67%, in Kerbala by 24% in Babylon by 9% and in Sulaymaniyah by 7%. However price increased in Kirkuk by 8% in Thi-Qar by 10% and in Salah Al-Din by 6%. A similar volatile behaviour was witnessed for sugar where price in Babylon decreased by 20%, Kerbala and by 16%, and Qadissiya by 8%. Nevertheless, prices surged in Thi-Qar by 33%, increased in Najaf by 9%, and in Anbar and Salah Al-Din by 6%. Wheat flour witnessed a sharp decrease in Kerbala by 31% and in Kirkuk by 17%. however, the price surged in Najaf by 43%, in Dahuk and Salah Al-Din by 14%, in Ninewa by 11% and in Babylon by 8%.



Kerbala and Najaf were the governorate with the sharpest overall decrease in food prices while Thi-Qar showed the highest increase in food prices. (Map 1). The last month increase resulted in making Babylon, Thi-Qar and

Map 2: Cost of Minimum Food Basket (in IQD)



Wassaat is the most expensive governorate for food in Iraq. Najaf and Kerbala showed the most decrease in food prices; while the cheapest food prices are also found in Sulaymaniyah and Kirkuk. (Map 2).

The above described fluctuations and the general decrease in price of wheat flour have contributed to a relative increase in purchasing power of the Iraqi population. The cost of the national food basket marginally decreased by 3.2% from May; this is a higher decrease compared to the previous month where the price decreased by less than 1% (Chart 2).

In terms of availability, the situation is positive. However, in Thi-Qar, all commodities are sparsely available, while all food commodities are widely available in Babylon, Baghdad, Najaf, Qadissya and Salah Al-Din. In Kirkuk and Ninewa only milk is widely available, all the other commodities are available. In Salah Al-Din, only meat (beef) is available and all the other commodities are widely available. (Chart 3).

It has also to be considered that no data were collected for Basrah, Missan and Muthanna in May. It also must be taken into consideration that averages don't include locations where food commodities are reported as not available or where key informants have not answered the calls (see Methodology).

Chart 2: Cost of Minimum Food Basket (in IQD) trend

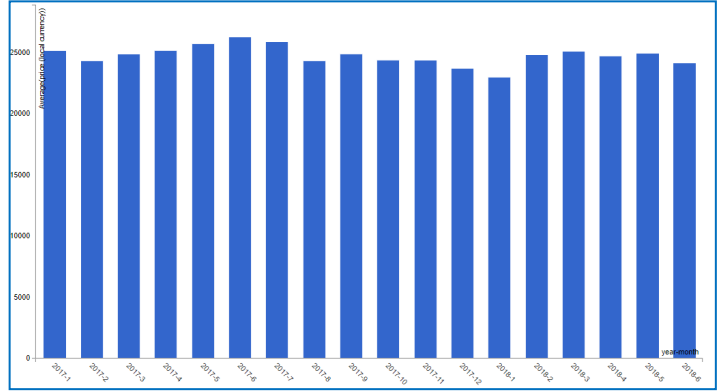


Chart 3: Availability Analysis

| Governorate | Wheat flour | Meat (beef) | Milk | Sugar | Onions | Lentils | Rice | Oil (vegetable) |
|--------------|--------------------|-------------|------|-------|----------------------|---------|------|-----------------|
| Anbar | AV | AV | AV | AV | AV | AV | AV | AV |
| Babil | WAV | WAV | WAV | WAV | WAV | WAV | WAV | WAV |
| Baghdad | WAV | WAV | WAV | WAV | WAV | WAV | WAV | WAV |
| Dahuk | AV | AV | AV | AV | AV | AV | AV | AV |
| Diyala | AV | AV | AV | AV | AV | AV | AV | AV |
| Kerbala | AV | AV | AV | AV | AV | AV | AV | AV |
| Kirkuk | AV | AV | WAV | AV | AV | AV | AV | AV |
| Najaf | WAV | WAV | WAV | WAV | WAV | WAV | WAV | WAV |
| Ninewa | AV | AV | WAV | AV | AV | AV | AV | AV |
| Qadissiya | WAV | WAV | WAV | WAV | WAV | WAV | WAV | WAV |
| Salah al-Din | WAV | AV | WAV | WAV | WAV | WAV | WAV | WAV |
| Sulaymaniyah | AV | AV | AV | AV | AV | AV | AV | AV |
| Thi-Qar | SAV | SAV | SAV | SAV | SAV | SAV | SAV | SAV |
| Wassaat | WAV | WAV | WAV | WAV | WAV | WAV | WAV | WAV |
| AV | Available | | | MNA | Mostly not available | | | |
| WAV | Widely available | | | NA | Not available | | | |
| SAV | Scarcely available | | | DNC | Data not collected | | | |

Chart 4: Minimum Wage of Unskilled Labour per day (in IQD)

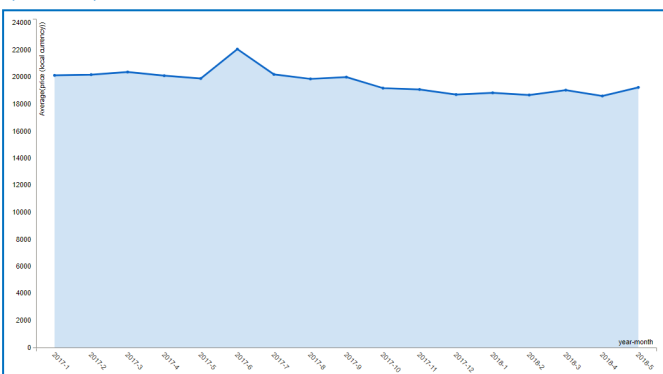


Chart 5: Wage-to-Wheat ToT (in KGs of wheat flour/day)



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

The cost of unskilled labour in June hasn't changed much across the country; with an exception for Babylon where the cost of unskilled labor decreased by 6% and in Kirkuk and Salah Al-Din by 7%. Qadissiya it increased by 11% and in Ninewa by 16%. (Chart 4). Wages of casual laborers remained stable in all other governorates. As a consequence of a mixed trend wages and in the costs of wheat flour, the wage-to-wheat terms of trade (ToT) slightly increased by less than 1% at the national level (Chart 5).

Alert for Price Spikes (ALPS)

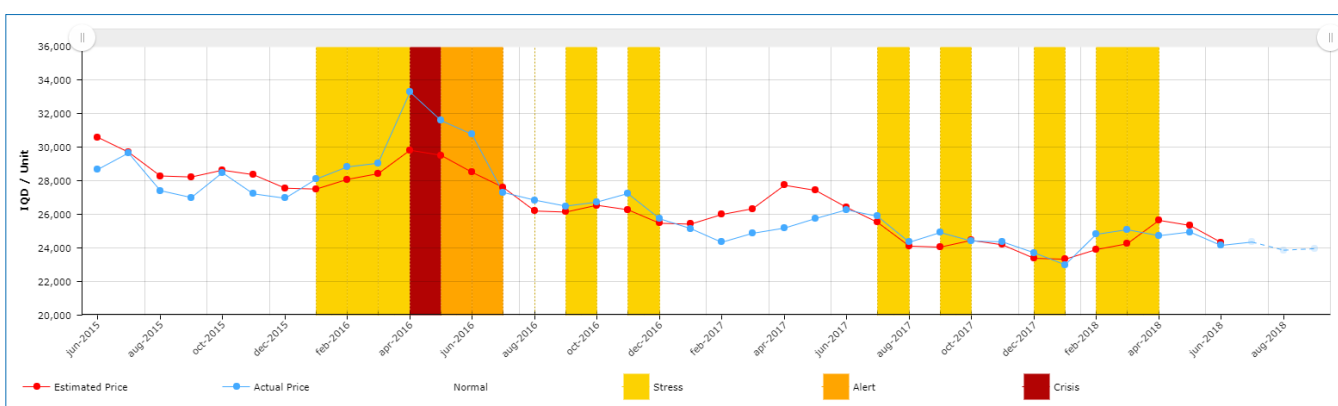
According to the Alert for Price Spikes (ALPS) indicator, the food basket is still at normal level everywhere in Iraq

when compared to the seasonally adjusted index. However, the food basket alert indicator shows alert in Baghdad and Salah Al-Din; It also shows stress in Thi-Qar, Wassit and Anbar. (Map 3). Charts 4b shows the trends of the food basket. The ALPS indicator also provides a 3-month forecast. In this sense, the price of the food basket is expected to decrease slightly in the next quarter. The chart below shows the price trend of the food basket.

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

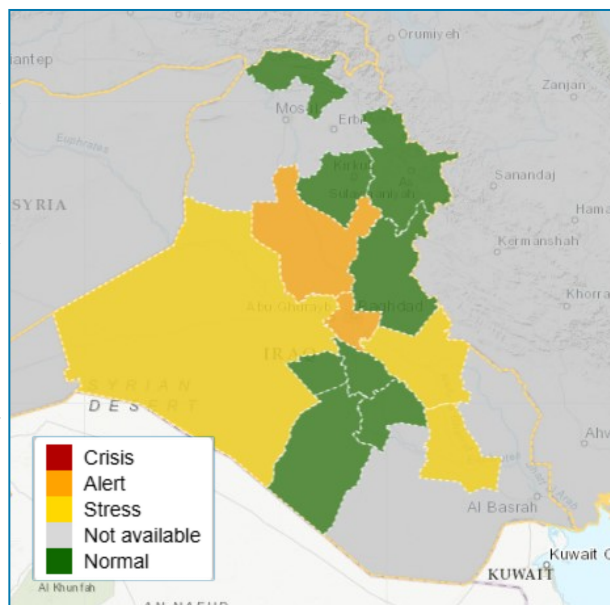
Chart 4: Alert for Price Spikes (ALPS) for food basket



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

Map 3: Alert for Price Spikes of food basket in Iraq



subnational level. Food and non-food prices are analyzed against previous periods. Availability is also assessed.

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; **Sparadically 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 $ALPS = (Price_{it} - Season_{it}) / \sigma_{\epsilon}$. 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}).

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.

| | |
|-----|----------------------|
| AV | Available |
| WAV | Widely Available |
| SAV | Scarcely Available |
| MNA | Mostly Not Available |
| NA | Not Available |
| DNC | Data not collected |

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)

| Situation on a given market : | ALPS thresholds : |
|-------------------------------|-------------------|
| Normal | ALPS < 0.25 |
| Stress | 0.25 ≤ ALPS < 1 |
| Alert | 1 ≤ ALPS < 2 |
| Crisis | ALPS ≥ 2 |

