



World Food Programme

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IRAQ Market Monitor Report

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Highlights

- Even though economic indicators are continuously improving, the number of internally displaced people remains high as remaining IDPs have concerns over returning to their places of origin.
- The price of the standard food basket notably decreased in Anbar, Wasit, and Basrah. Increases were recorded in Najaf, Sulaimaniyah, and Qadisiya.
- The Alert for the Price Spikes (ALPS) continued to show alert level in Qadisiya, and stress in Anbar, Wasit, Muthanna, and for the first time in Sulaimaniyah.
- Although the wages of unskilled labour in December were stable in most governorates, Wage to Wheat terms of trade decreased in some governorates

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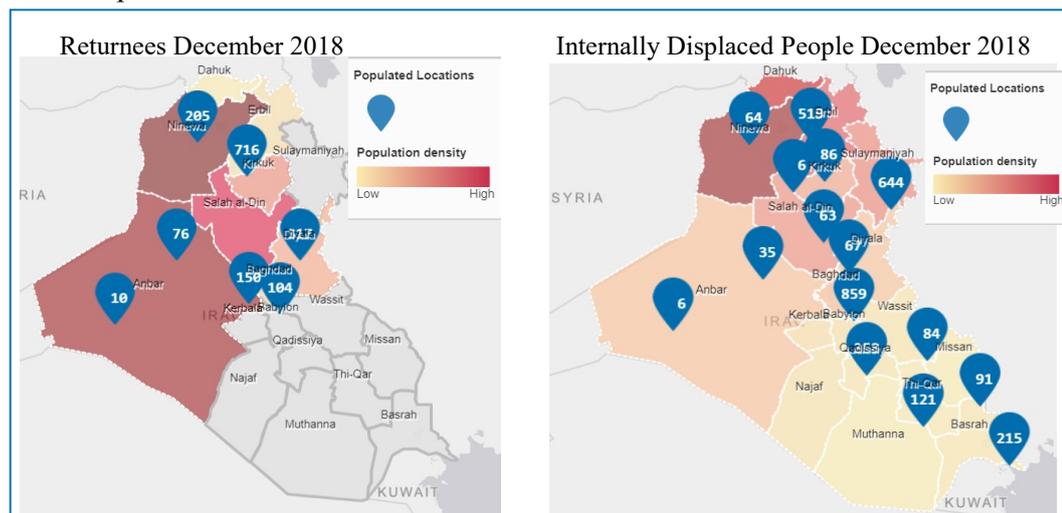
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Socioeconomic Background

The Gross Domestic Product (GDP) in Iraq for the second quarter 2018 increased 25.1 percent compared to the second quarter 2017, but decreased 1.4 percent compared with the prices of the standard year 2007. The main driver of the economy, crude oil production, increased 1.1 percent (by volume) in second quarter when compared with the first quarter 2018. In the same time period, the price of one barrel of crude oil increased by a remarkable 13.9 percent. In Iraq, the inflation indicators were considered as low level during 2017-2018, where the annual inflation rate has increased 0.4 percent. This is reflected in the increase of the core inflation rate 0.1 percent compared to the previous month and 0.1 percent to November 2017. Food

prices, in addition contributed 16 percent in decreasing the consumer price index for an annual change of 0.3 percent¹.

According to IOM, the number of returnees to their places of origin from January 2014 until mid of December 2018 has reached 4,165,320 individuals. However, last quarter 2018 data shows that 1,802,832 remain internally displaced across the country. In Nainawa, with the highest number of returnees, about 1.6 million people have returned to their place of origin so far. Returnee movement within Anbar was the second largest at about 1.3 million. The two maps below illustrate the most recent updates regarding IDPs and returnees' by location².



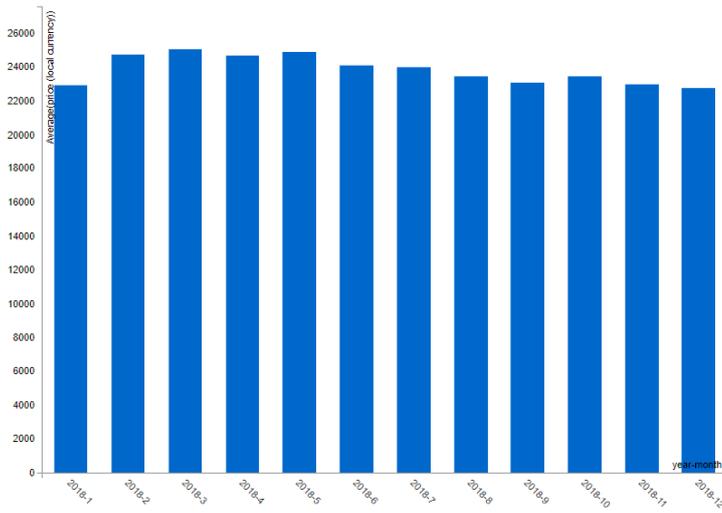
¹ Central Statistics Office-Ministry of Planning, 'GDP Oct 2018' and 'CPI Dec. 2018'.

² IOM—Displacement Tracking Matrix (DTM) Iraq

Food National Price Trends

The average prices of food basket witnessed mixed changes in December at governorate level data, but in general, there was a decrease of one percent (23,030 to 22,808 IQD per person per month). There was a noticeable decrease in food basket prices in Anbar 18 percent, Wasit 10 percent, and Basrah 7 percent. While

Chart 1: Cost of Minimum Food Basket (in IQD) trend



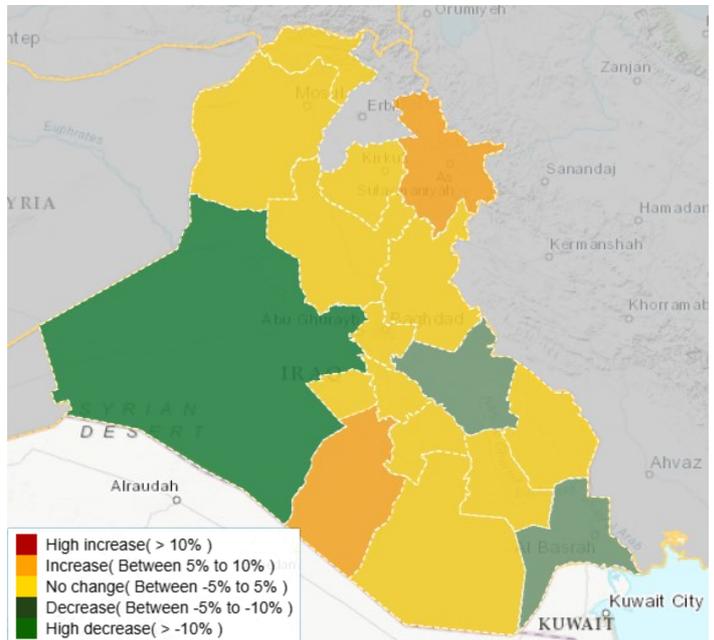
food basket prices experienced significantly increases in Najaf 7 percent, Sulaimaniyah 6 percent and Qadisiya 4 percent. Rice and wheat flour play a big role in food basket price with a quantity 6.75kg per person per month. Price of rice in December decreased 4 percent, whilst wheat flour increased 3 percent. Sugar prices, however, slightly decreased 1 percent, meanwhile, lentil prices increased with the same. There was no change in vegetable oil prices.

Comparing December with November prices among select commodities, a mixed trend was recorded across governorates. Remarkable increases of prices

were for fish 16 percent, and 8 percent for both dates and chicken meat. After the tragic event of fish poisoning in the Euphrates River during November 2018, there were dramatic changes in fish prices, particularly in most southern governorates (Basrah, Babylon, Kerbela, Najaf, Maysan, and Thi-qar). Fish prices on average peaked up to 3,250 IQD per kilogram, where it had dropped

down in November to 1,750 IQD in those governorates. Whilst, there were visible increases in south and central governorates. Fish prices for December increased over November in Anbar 17 percent, Muthanna 11 percent, Diyala 8 percent, Wasit 5 percent, and Qadisiya 3 percent. On the other hand, there was a 9 percent reduction in fish prices in Dohuk and Sulaimaniyah. At national level, price of dates increased 8 percent during December. The increase was more remarkable in south Basrah and the northern governorate of Sulaimaniyah 33 percent. Furthermore, observable increases of date prices were in Nainawa 16 percent, Babylon 13 percent, Najaf 13 percent, Qadisiya 5 percent, and Salah Al-deen 2 percent. However, there were visible decreases in Anbar 20 percent, and 19 percent in Thi-qar. The national level chicken price decreased 8 percent.

Map 1: Change of food basket price from previous month



The most notable increases were in Wasit 13 percent, Anbar and Qadisiya 10 percent. The highest reduction of prices were found for vegetables (tomato 29 percent, onions 13 percent, and potato 12 percent). The most significant decrease in tomato prices were in Anbar 50 percent, Karbela 44 percent, Dohuk 43 percent, Thi-qar 41 percent, and Wasit 38 percent. Onion price decreased in Thi-qar 25 percent, 17 percent in Nainawa and Qadisiya, Maysan 15 percent, Dohuk 14 percent, Basrah 13 percent, and 8 percent in Wasit. Potatoes prices

decrease was most remarkable in 40 percent, Nianawa 35 percent, Salah Al-deen 30 percent, and Kerbela 20 percent. Moreover, the prices of potatoes decreased 19 percent in Muthanna, 17 percent in Diyala, 11 percent in Maysan, 6 percent in Qadisiya, and 2 percent in Kirkuk.

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

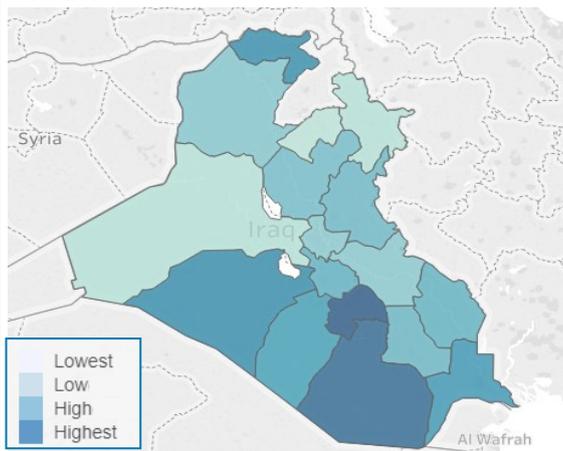
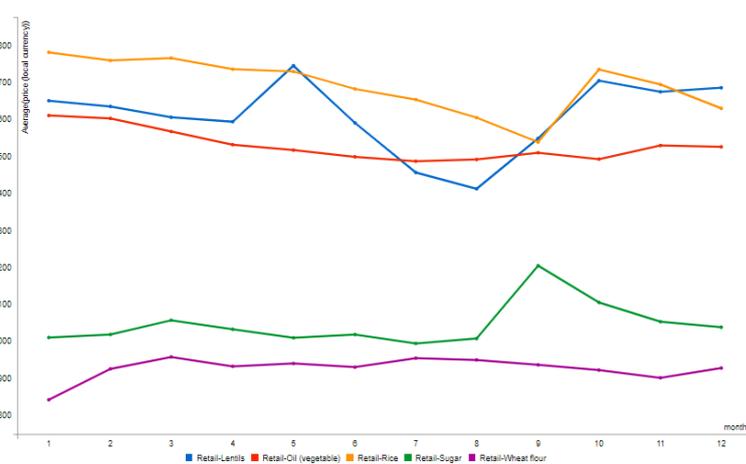


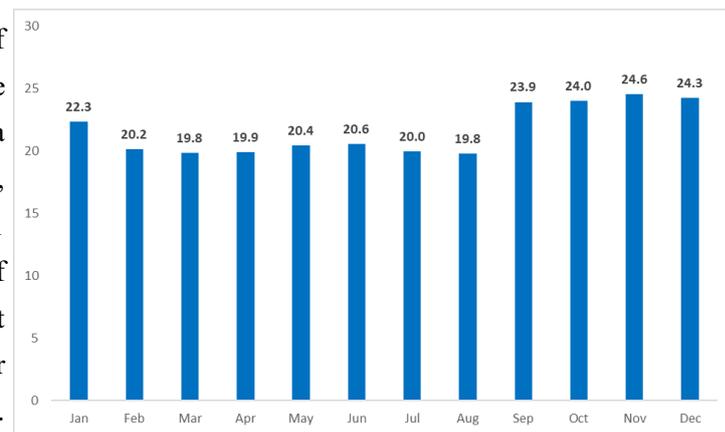
Chart 2: Price Trend of Main Food Commodities (in IQD/Unit)



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

In December, The wages of unskilled labour increased only 2 percent (22,188 to 22,540 IQD per day). There were increases in wages 13 percent in each of Muthanna, Qadisiya and Thi-qar. However, this wage decreased by the same percentage in Kerbela. As a consequence of the slight change of unskilled wages, the wage-to-wheat terms of trade (ToT) decreased 1 percent. However, the other driver of this is the price of wheat flour, hence, the ToT figures varied at governorate level. The highest increase was in Thi-qar 61 percent, Wasit 55 percent, and Basrah 20 percent. Muthanna and Salah Al-deen had the same increase 6 percent. While, Najaf, Sulaimaniyah, Qadisiya and Kerbela experienced a reduction 20, 17, 14, and 13 percent respectively.

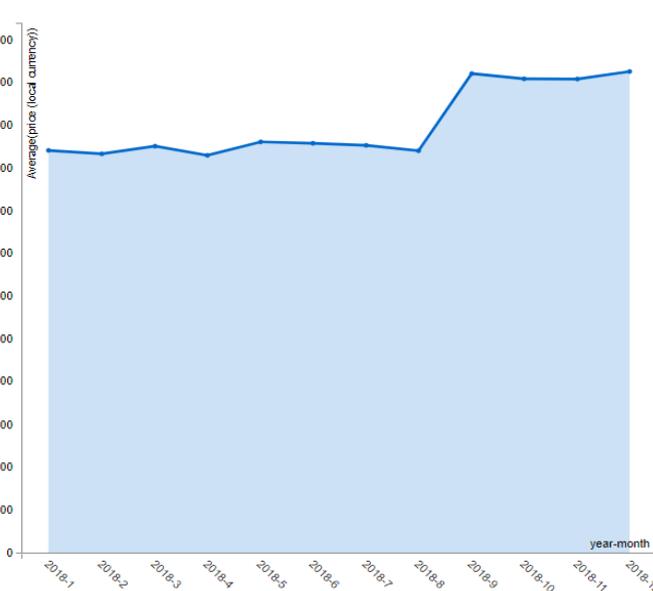
Chart 3: Wage-to-Wheat Terms of Trade in KGs of wheat flour/day



Alert for Price Spikes (ALPS)

According to the Alert for Price Spikes (ALPS) indicator, the food basket is at normal level everywhere in Iraq when compared to the seasonally adjusted index. However, in December the food basket alert indicator shows an alert level in Qadisiya, with a stress level in each of Wasit, Muthanna, Anbar and Sulaimaniyah (Map3). The ALPS indicator also provides a 3 month forecast. In the forecast, the price of the food basket is expected to remain stable in the next quarter.

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



Methodology

Market information is collected on a weekly basis by WFP field monitors for 6 governorates. Additionally, WFP in partnership with Independent Form for Market Research (IFMR) collects market data covering 16 governorates. 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 via ODK designed tool.

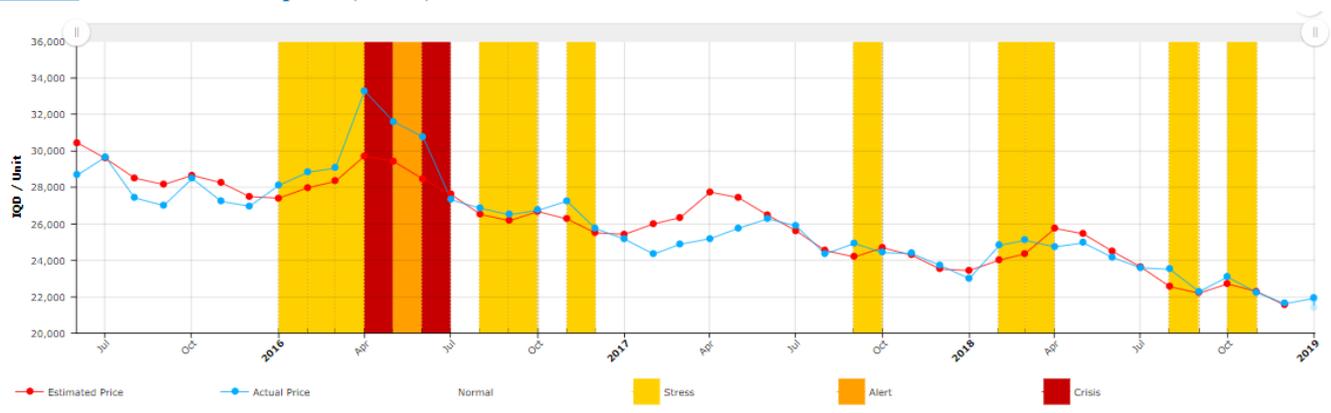
The report is based on the analyses produced by the [Safety Nets Alert Platform \(SNAP\)](#) which replaces the Integrated Market Surveillance Tool (IMST). Through an automated analysis, the SNAP platform analyzes trends of main food and non-food commodities, minimum food basket, providing an indication 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 at subnational level. Food and non-food prices are analyzed against previous periods. For availability is also assessed.

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}).

The minimum food basket monitored by WFP contains five food commodities. The quantities are adjusted against the survival caloric intake needs (2100 Kcal per day per person). 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 (Table 1).

This bulletin integrates the information provided by the mVAM Flash Updates on specific areas of the country that require specific attention. Occasionally, the Integrated Market Surveillance Tool (IMST) is used to

Chart 5: Alert for Price Spikes (ALPS) for food basket



provide customized analyses on hard-to-reach areas. The Iraq Market Monitor Report has been 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, there are 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 an account)

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

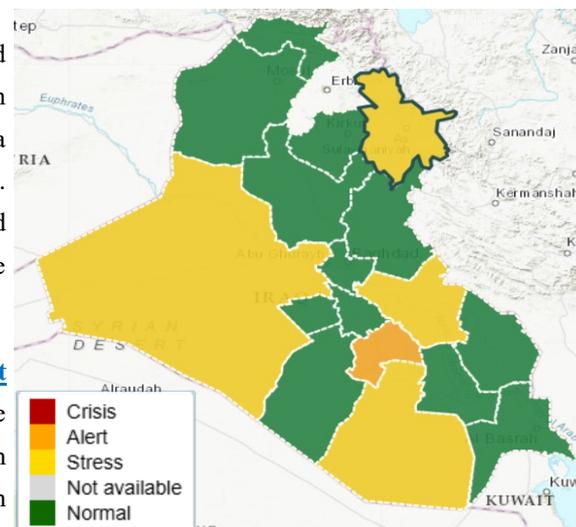


Table 1: Food Basket Commodities

COMMODITIES	QUANTITY	UNIT
Lentils	1.8	KG
Oil (vegetable)	0.9	L
Rice	6.75	KG
Sugar	1	KG
Wheat flour	6.75	KG

Table 2: ALPS categories

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

Annex 2: Market Prices by Commodity

Governorate	Commodity	Current Month	Previous Period				% Change From the Previous Period			Direction of Change				Governorate	Commodity	Current Month	Previous Period				% Change From the Previous Period			Direction of Change			
			1M	3M	6M	1Yr	1M	3M	6M	1Yr	1M(+/- %)	3M(+/- %)	6M(+/- %)				1Yr(+/- %)	1M	3M	6M	1Yr	1M(+/- %)	3M(+/- %)	6M(+/- %)	1Yr(+/- %)		
Anbar	Food Basket	17,625.00	21,390.63	24,050.00	27,528.29	-18%	-27%	-19%	-22%	0	0	0	0	0	Wage (casual labour)	22,500.00	20,000.00	15,000.00	0	15,000.00	13%	50%	50%	0	0	0	
	Sugar	750	1,000.00	2,000.00	1,029.07	-25%	-63%	-77%	-29%	0	0	0	0	0	Meat (beef)	12,250.00	13,750.00	15,000.00	0	12,500.00	-13%	-18%	-2%	0	0	0	
	Meat (beef)	12,625.00	9,000.00	10,000.00	11,897.44	40%	26%	6%	23%	0	0	0	0	0	Onions	1,062.50	1,000.00	1,250.00	0	875	-6%	-15%	21%	0	0	0	
	Rice	1,000.00	1,937.50	2,000.00	1,767.29	-48%	-50%	-43%	-46%	0	0	0	0	0	Oil (vegetable)	2,000.00	1,750.00	1,500.00	0	1,450.00	14%	33%	38%	0	0	0	
	Lentils	1,750.00	1,500.00	2,000.00	1,377.91	-17%	-38%	-9%	-15%	0	0	0	0	0	Oil (vegetable)	1,500.00	1,500.00	1,500.00	0	1,500.00	0%	0%	0%	0	0	0	
	Wage (casual labour)	25,000.00	25,000.00	20,000.00	19,615.38	0%	25%	22%	24%	0	0	0	0	0	Sugar	1,500.00	1,125.00	1,500.00	0	1,000.00	33%	0%	50%	0	0	0	
	Wheat flour	1,000.00	450	500	761.62	122%	100%	31%	40%	0	0	0	0	0	Rice	2,375.00	2,500.00	2,500.00	0	1,875.00	-5%	-5%	27%	0	0	0	
	Oil (vegetable)	1,250.00	1,750.00	1,750.00	1,453.49	-29%	-29%	14%	-24%	0	0	0	0	0	Milk	1,500.00	1,500.00	1,150.00	0	1,250.00	0%	30%	20%	0	0	0	
	Onions	750	562.5	500	651.16	33%	50%	15%	1%	0	0	0	0	0	Rice	1,500.00	1,500.00	0	500	0	0	0	0	0	0		
	Milk	1,000.00	1,500.00	1,500.00	2,039.47	-33%	-33%	-36%	-51%	0	0	0	0	0	Food Basket	24,512.50	22,825.00	0	15,175.00	0	7%	62%	0	0	0		
Wheat flour	1,000.00	1,000.00	1,000.00	1,083.33	50%	0%	-8%	100%	0	0	0	0	0	Wheat flour	1,250.00	1,000.00	0	1,000.00	0	25%	25%	0	0	0			
Onions	875	750	500	750	17%	17%	17%	17%	0	0	0	0	0	Milk	1,500.00	1,500.00	0	1,500.00	0	0%	0%	0%	0	0			
Meat (beef)	22,825.00	22,825.00	23,325.00	27,812.50	23,134.38	0%	-2%	-18%	-1%	0	0	0	0	Oil (vegetable)	1,500.00	1,500.00	0	1,500.00	0	0%	0%	0%	0	0			
Sugar	1,000.00	1,000.00	1,500.00	1,000.00	1,000.00	0%	-33%	0%	0%	0	0	0	0	Sugar	1,000.00	1,000.00	0	1,000.00	0	0%	0%	0%	0	0			
Lentils	2,000.00	2,000.00	2,000.00	2,333.33	1,500.00	0%	0%	-44%	33%	0	0	0	0	Lentils	2,000.00	2,000.00	0	1,500.00	0	0%	0%	0%	0	0			
Wage (casual labour)	25,000.00	25,000.00	25,000.00	20,000.00	18,750.00	0%	0%	25%	33%	0	0	0	0	Meat (beef)	14,500.00	15,000.00	0	12,000.00	0	-3%	21%	0	0	0			
Meat (beef)	13,250.00	15,000.00	10,000.00	14,000.00	13,500.00	-10%	35%	4%	0%	0	0	0	0	Onions	1,000.00	1,000.00	0	500	0	0%	100%	0	0	0			
Oil (vegetable)	1,500.00	1,500.00	1,500.00	2,000.00	1,437.50	0%	0%	-25%	4%	0	0	0	0	Wage (casual labour)	25,000.00	25,000.00	0	10,000.00	0	0%	150%	0	0	0			
Rice	1,500.00	1,500.00	1,500.00	2,000.00	2,187.50	0%	-25%	-31%	0%	0	0	0	0	Lentils	1,437.50	1,000.00	1,250.00	1,703.13	1,816.18	44%	15%	-16%	-21%	0	0		
Onions	1,500.00	1,500.00	1,500.00	2,000.00	2,187.50	0%	0%	13%	4%	0	0	0	0	Wheat flour	475	450	440	960.94	913.24	4%	3%	-56%	-53%	0	0		
Milk	1,500.00	1,500.00	1,500.00	1,333.33	1,437.50	0%	0%	13%	4%	0	0	0	0	Milk	625	500	500	609.38	672.94	17%	25%	3%	-14%	0	0		
Oil (vegetable)	2,000.00	1,750.00	1,750.00	1,562.50	1,562.50	14%	14%	14%	28%	0	0	0	0	Wage (casual labour)	15,000.00	15,000.00	15,000.00	17,435.29	17,435.29	0%	0%	-21%	-15%	0	0		
Rice	1,000.00	1,000.00	1,000.00	1,500.00	1,500.00	0%	0%	-33%	-33%	0	0	0	0	Sugar	1,000.00	1,000.00	937.5	995.59	0%	0%	7%	0%	0	0			
Meat (beef)	14,000.00	14,000.00	14,000.00	15,000.00	15,000.00	0%	0%	-7%	-7%	0	0	0	0	Oil (vegetable)	1,687.50	1,500.00	1,250.00	1,460.94	1,529.41	13%	35%	16%	10%	0	0		
Food Basket	20,150.00	19,975.00	19,925.00	26,187.50	26,187.50	1%	6%	-23%	-24%	0	0	0	0	Food Basket	20,631.25	20,687.50	15,445.00	23,036.72	23,915.81	0%	34%	-10%	-14%	0	0		
Onions	1,000.00	750	562.5	750	1,000.00	33%	28%	33%	0%	0	0	0	0	Milk	1,375.00	1,000.00	1,000.00	1,637.16	2,066.18	38%	38%	-16%	-33%	0	0		
Sugar	1,250.00	1,250.00	1,250.00	1,250.00	1,000.00	0%	0%	0%	25%	0	0	0	0	Meat (beef)	9,250.00	10,000.00	11,000.00	11,285.71	12,215.29	0%	0%	-13%	-24%	0	0		
Milk	1,750.00	1,750.00	1,750.00	1,500.00	1,500.00	0%	0%	17%	17%	0	0	0	0	Rice	1,875.00	2,000.00	1,200.00	1,664.06	1,794.12	4%	56%	13%	5%	0	0		
Lentils	2,000.00	2,000.00	1,500.00	2,666.67	1,500.00	0%	33%	-25%	33%	0	0	0	0	Sugar	1,187.50	1,375.00	1,500.00	916.67	1,000.00	-14%	-21%	30%	19%	0	0		
Wage (casual labour)	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	0%	0%	0%	0%	0	0	0	0	Meat (beef)	13,500.00	13,375.00	13,000.00	12,666.67	13,500.00	1%	4%	-7%	0%	0	0		
Wheat flour	1,000.00	1,000.00	1,000.00	1,650.00	1,650.00	0%	0%	-39%	0%	0	0	0	0	Wage (casual labour)	22,500.00	20,000.00	15,000.00	25,000.00	25,000.00	13%	50%	-10%	-10%	0	0		
Wage (casual labour)	25,000.00	25,000.00	25,000.00	0	0	0%	0%	0%	0%	0	0	0	0	Onions	625	750	500	750	750	17%	25%	-17%	-17%	0	0		
Sugar	1,000.00	1,000.00	1,000.00	0	0	0%	0%	0%	0%	0	0	0	0	Oil (vegetable)	1,500.00	1,500.00	1,500.00	1,833.33	1,875.00	0%	0%	-18%	-20%	0	0		
Onions	875	1,000.00	1,000.00	0	0	-13%	13%	0%	0%	0	0	0	0	Rice	2,375.00	2,500.00	2,000.00	2,000.00	1,875.00	-5%	-5%	19%	27%	0	0		
Milk	1,500.00	1,500.00	1,500.00	0	0	0%	0%	0%	0%	0	0	0	0	Lentils	2,000.00	1,875.00	1,500.00	1,416.67	1,500.00	7%	33%	41%	33%	0	0		
Meat (beef)	11,500.00	12,000.00	11,000.00	0	0	-4%	5%	0%	0%	0	0	0	0	Milk	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	0%	0%	0%	0%	0	0		
Food Basket	25,300.00	27,212.50	26,987.50	0	0	-7%	-6%	0%	0%	0	0	0	0	Wheat flour	1,312.50	1,000.00	1,000.00	1,000.00	625	31%	31%	31%	110%	0	0		
Lentils	1,500.00	1,625.00	1,500.00	0	0	-8%	0%	0%	0%	0	0	0	0	Food Basket	31,008.13	29,275.00	29,366.67	22,662.50	4%	6%	22%	39%	0	0			
Oil (vegetable)	1,750.00	1,750.00	1,750.00	0	0	0%	0%	0%	0%	0	0	0	0	Milk	1,166.67	1,000.00	1,000.00	1,458.33	1,465.91	17%	13%	-20%	-20%	0	0		
Rice	1,500.00	1,500.00	1,500.00	0	0	0%	0%	0%	0%	0	0	0	0	Oil (vegetable)	1,750.00	1,750.00	1,750.00	1,533.89	1,727.27	0%	0%	16%	1%	0	0		
Wheat flour	1,500.00	1,500.00	1,500.00	0	0	0%	0%	0%	0%	0	0	0	0	Lentils	1,833.33	2,000.00	2,000.00	1,583.33	1,727.27	-8%	8%	16%	6%	0	0		
Wage (casual labour)	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	0%	0%	0%	0%	0	0	0	0	Wage (casual labour)	25,000.00	25,000.00	18,333.33	16,136.36	0%	0%	36%	55%	0	0			
Onions	875	750	750	750	750	0%	0%	0%	0%	0	0	0	0	Wheat flour	400	475	500	1,055.56	947.73	-6%	-20%	-62%	-58%	0	0		
Sugar	1,000.00	1,000.00	1,500.00	1,000.00	1,000.00	0%	-33%	0%	0%	0	0	0	0	Sugar	1,000.00	1,000.00	1,500.00	1,041.67	1,068.18	0%	-33%	-4%	-6%	0	0		
Lentils	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	0%	0%	0%	0%	0	0	0	0	Onions	500	500	750	541.67	688.64	0%	-33%	8%	-27%	0	0		
Oil (vegetable)	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	0%	0%	0%	0%	0	0	0	0	Food Basket	21,512.50	20,856.25	23,500.00	24,472.92	24,861.93	3%	-9%	-13%	-13%	0	0		
Wheat flour	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	0%	0%	0%	0%	0	0	0	0	Rice	1,916.67	1,750.00	2,000.00	1,791.67	1,886.36	10%	4%	7%	2%	0	0		