Initial Market Price Bulletin for the month of December 2018 (Reported in January 2018)
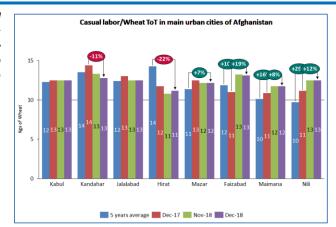
HIGHLIGHTS:

- **Wheat:** The current average wheat price in main cities' markets of Afghanistan (AFN 24.2/Kg) is negligibly higher by 2.0% compared to the same time last year (December 2017) and negligibly higher by 1.2% compared to the last 5-year average price of the same months (Decembers 2013 - 2017).

- **Wheat flour (High Price):** The current retail price (AFN 29.1/kg) is slightly higher by 3.8% compared to the same month last year (December 2017), and negligibly lower by 1.3% 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 46.6/kg) is slightly higher by 4.1% compared to the same month last year (December 2017), and slightly higher by 8.9% compared to the last 5-year average price of the same months. The current average price of High Quality Rice (AFN 92.6/kg) is slightly higher by 6.5% compared to the same month last year (December 2017), and significantly higher by 11.3% compared to the last 5-year average price of the same months.

- **Pulses:** The current retail price (AFN 78/kg) is slightly lower by 9.7% compared to the same month last year (December 2017), and slightly higher by 9.7% 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 12.3 Kgs of Wheat. On average, this ToT negligibly deteriorated by 0.3% from November to December 2018, mainly due to decreased labor wage by 0.5%. The variation in all main cities markets was within normal range (-3.8% to 3.4%). In the last three proceeding years, this deterioration was experienced in:

- o November to December 2017 (by 12.6%)
- o November to December 2016 (by 1.8%)
- o November to December 2015 (by 4.2%)

- In comparison to the same month one year ago (December 2017), this ToT negligibly improved by 1.3%, mainly due to increased labor wage (by 3.2%).

- On the two-year comparison (December 2016), this ToT slightly deteriorated by 3.8%.
- Compared to the 5-year average of the same months (Decembers 2013-2017), this ToT negligibly improved by 3.0%.
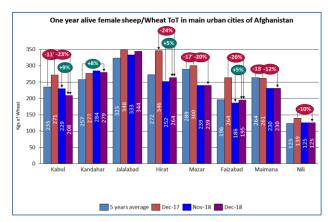
Casual Labor and High Price Wheat flour (ToT): *The Terms of Trade (ToT) between casual Labor and High Price Wheat Flour is a proxy indicator or the purchasing capacity of households mainly relying on casual labor as main income, and purchase of Wheat Flour in the market. This ToT reveals how many Kilograms 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 10.3Kgs of Wheat flour which slightly improved by 1.3% from November to December 2018, mainly due to decrease wheat flour price by (2.0%). The largest improvement only occurred in Faizabad by (9.7%) due to decrease of wheat flower. The variation in all main cities markets was within normal range (-0.5 % to 2.7%).   In the last three proceeding years, this improvement was not experienced, while deteriorated in:

- o November to December 2017 (by 12.1%)
- o November to December 2016 (by 0.7%)
- o November to December 2015 (by 3.7%)

- Compared to the same month one year ago (December 2017), this ToT negligibly deteriorated by 1.7%, mainly due to increase of wheat flour by 3.8%.
- On the two-year comparison (December 2016), this ToT negligibly deteriorated by 0.5%.
- Compared to the 5-year average of the same months (Decembers 2013 - 2017), this ToT slightly improved by 6.1%.

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 235.5Kgs of wheat against one-year alive female sheep, which negligibly improved by 0.3% from November to December 2018, mainly due to decreased wheat price by (0.2%). The variation in all main cities markets was within normal range (-1.7% to 4.8%) except there is a largest deterioration occurred in Kabul by (9.1%) due to decrease of sheep price.

One year alive female sheep/Wheat ToT in main urban cities of Afghanistan

In the last three proceeding years, this improvement was only experienced in:

- o November to December 2017 (by 0.4%)

- While deteriorated in;
  - o November to December 2016 (by 0.9%)
  - o November to December 2015 (by 1.4%)

- Compared to the same month one year ago (December 2017), this ToT significantly deteriorated by 14.6%, which is mainly due to decreased sheep price by 12.0% and increase of wheat by 2.0%.
- On the two-year comparison (December 2016) this ToT slightly deteriorated by 7.0%.
- Compared to 5-year average of the same months (Decembers 2013 - 2017), this ToT slightly deteriorated by 3.8%.

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 198.8 Kgs of Wheat flour against one-year alive female sheep, which negligibly improved by 1.6% from November to December 2018, mainly due to decrease of wheat flour price by 2.0%. The largest improvement occurred in Faizabad by 16.2% followed by Jalalabad 5.9% due to decrease of wheat flour price in Faizabad and increase of sheep price and decrease of wheat flour price in Jalalabad but there is a deterioration in Kabul by 9.6% due to decrease of sheep price and increase of wheat flour. The variation in all other markets was within normal range (2.6% to – 0.0%). In the last three proceeding years, this improvement was experienced in:

- o November to December 2017 (by 0.6%)
- o November to December 2016 (by 0.2%)
- o November to December 2015 (by 0.3%)

- Compared to the same month one year ago (December 2017), this ToT significantly deteriorated by 15.8%, mainly due to decreased sheep price (by 12.0%) and increase of wheat flour by (3.8%).
- On the two-year comparison (December 2016), this ToT slightly deteriorated by 2.3%.
- Compared to 5-year average of the same months (Decembers 2013 - 2017), this ToT negligibly deteriorated by 0.1%.

Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of Wheat in main cities' markets of Afghanistan was AFN **24.2**/Kg in December 2018. The average price negligibly decreased by 0.2% compared to the previous month (November 2018). The variation in all main cities was within a normal limit (-3.2% to 1.1 %). In the last three proceeding years, this decrease was not experienced, while increased in;

  - November to December 2017 (by 1.0%)
  - November to December 2016 (by 1.1%)
  - November to December 2015 (by 1.3%)

- Compared to the same month one year ago (December 2017), the average wheat price slightly increased by 2.0%.   The largest increase occurred only in Mazar by (15%) due to decrease of supply from source of points (Local and INT). The variation in all main cities was within a normal range (-5.0% to 5.0%).
- On the two-year comparison (December 2016), the average price slightly increased by 1.8%.
- Compared to the last 5-year average price of the same months (Decembers 2013 - 2017), the average price negligibly increased by 1.2%.

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 **29.1**/Kg in the reporting month (December 2018). The average price slightly decreased by 2.0% compared to the previous month (November 2018). The largest decrease occurred only in Faizabad by (8.8%) due to arrival of new supplies of Kazakh wheat flour. The variation in all other main cities was within a normal limit (-3.9% to 0.5%). In the last three proceeding years, this decrease was only experienced in;

  - November to December 2015 (by 0.3%)

While increased in;

  - November to December 2017 (by 0.7%)
  - November to December 2016 (by 0.1%)

- Compared to the same month last year (December 2017), the current average price slightly increased by 3.8%. The largest increase occurred only in Kabul by (10.4%) due to decrease of supply from source of points (Pakistan and Kazakhstan). The variation in all other main cities was within a normal range (-2.8% to 8.7%).
- Compared to the same month two years ago (December 2016), the average price of wheat flour negligibly decreased by 0.3%.
- Compared to 5-year average price of the same months (Decembers 2013 - 2017), the average price negligibly decreased by 1.3%.

Wheat flour (Low Price):

- The monthly average price of Wheat flour (Low Price) in main cities' markets was AFN **26.3**/Kg in the reporting month (December 2018). The average price negligibly increased by 1.4% compared to the previous month (November 2018). The largest increase only occurred in Nili by 7.3% due to decrease of supply and more demand of consumers. The variation in all main cities was within a normal limit (-0.6% to 1.8%). In the last three proceeding years, this increase was experienced in;

- o November to December 2017 (by 0.4%)
- o November to December 2015 (by 0.1%)

While decreased in;

- o November to December 2016 (by 0.4%)

Average price of Wheat & Wheat flour (December 2017 - December 2018)

- Compared to the same month one year ago (December 2017), the current average price slightly increased by 6.4%. the largest increase occurred in Maimana by (20.0%) and Kabul (18.2%) due to decrease of supply. The variation in all other main cities was within a normal range (0.0% to 8.5%).
- Compared to the same month two years ago (December 2016), the average price negligibly increased by 1.0%.
- Compared to 5-year average price of the same months (Decembers 2013 - 2017), the average price negligibly decreased by 0.7%.
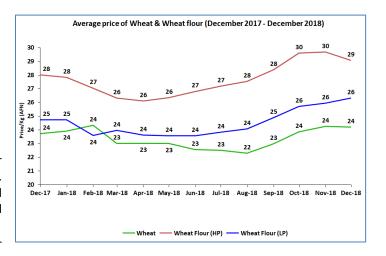
Retail Price of Rice in Main Urban Cities:

Rice (High Quality):
The monthly average price of Rice (High Quality) in main cities' markets was AFN **92.6**/Kg in the reporting month (December 2018) which negligibly decreased by 1.9% compared to the previous month (November 2018). The largest decrease only occurred in Kandahar by 9.3% due to increase of supply from Pakistan. The variation in all main cities was within a normal range (-4.4% to 0.5%). In the last three proceeding years, this decrease was only experienced in,

- o November to December 2015 (by 1.0%)
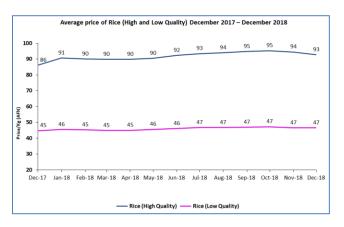
While increased in;

- o November to December 2017 (by 2.0%)
- o November to December 2016 (by 0.3%)

- Compared to the same month one year ago (December 2017), the average price slightly increased by 6.5%. The largest increase occurred in Faizabad by 16.2%, Mazar 11.6% and Nili (10.0%), 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 (-1.9% to 7.0%).

- Compared to the same month two years ago (December 2016), the average price significantly increased by 21.9%.

- Compared to 5-year average price of some months (Decembers 2013 - 2017), the average price significantly increased by 11.3%.

Rice (Low Quality):

- The monthly average price of Rice (Low Quality) in main cities' markets was AFN **46.6**/Kg in the reporting month (December 2018), which negligibly increased by 0.1% compared to the previous month (November 2018). The highest increase only occurred in Faizabad by (15.0%) due to closure of the road between Takhar and Badakhshan in Kishim district, imported goods didn't arrive to the market that resulted to increase of prices. There is a decrease occurred in Kabul only by 9.4% due to increase of supply. The variation in all other main cities was within a normal range (-3.6% to 0.0%). In the last three proceeding years, this increase was experienced in;

- o November to December 2017 (by 1.2%)
- o November to December 2015 (by 0.1%)

While decreased in;

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- Compared to the same month one year ago (December 2017), the average price slightly increased by 4.1%. The largest increase only occurred in Faizabad (23.3%), mainly due to decrease of low quality rice supply. The variation in all other main cities was within a normal range (-8.8% to 7.3%).

- Compared to the same month two years ago (December 2016), the average price significantly increased by 11.4%.
- Compared to 5-year average price of same months (Decembers 2013- 2017), the average price slightly increased by 8.9%.

Retail Price of Cooking Oil in Main Urban Cities:

The monthly average price of cooking oil in main cities' markets was AFN **82.1**/Kg in the reporting month (December 2018), the average price negligibly decreased by 1.5% compared to previous month (November 2018). The variation in all main cities was within a normal range (-4.7% to 0.6%). In the last three proceeding years, this decrease was only experienced in;

- o November to December 2015 (by 0.2%)

While increased in;

- o November to December 2017 (by 0.5%)
- o November to December 2016 (by 0.3%)

- Compared to the same month one year ago (December 2017), the average price negligibly increased by 0.3%. The highest increase occurred only in Kandahar by (12.2%) due to decrease of supply and there is a decrease occurred in Nili by 10.6% due to increase of supply. The variation in all other main cities was within a normal limit (-7.4% to 3.1%).

- Compared to the same month two years ago (December 2016), the average price negligibly increased by 1.5%.
- Compared to 5-year average of the same months (Decembers 2013 - 2017), the average price negligibly increased by 2.4%.

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

Pulses: The monthly average price of pulses in December 2018 in main cities' markets was AFN **78**/Kg which negligibly increased by 0.3% compared to the previous month (November 2018).

- Compared to the same time last year (December 2017), the price of pulses slightly decreased by 9.7%, the highest decrease occurred in Nili (26.0%), Hirat (17.5%%), Kandahar (15.9%) and Faizabad (11.8%), mainly due to increased supply. The variation in all other main cities was within a normal limit (-4.3% to 6.7%).

  - Compared to the same time two years ago (December 2016), the price of pulses negligibly increased by 0.8%.
  - Compared to 5-year average of the same months (Decembers 2013 - 2017), the prices of pulses increased slightly by 9.7%.

Salt: The monthly average price of salt in December 2018 in main cities' markets was AFN **14.8**/Kg which has slightly increased by 2.5% compared to the previous month (November 2018). The current average price of salt slightly increased by 4.8% compared to the same month last year (December 2017), and slightly increased by 6.2% compared to the same month two years ago (December 2016).

Sugar: The monthly average price of sugar in December 2018 in main cities' markets was AFN **42.7**/Kg, negligibly increased by 1.4% compared to the previous month (November 2018). The current average price of sugar slightly decreased by 6.6% compared to the same month last year (December 2017) due to increase of supply, and significantly decreased by 21.4% compared to the same month two years ago (December 2016).

Number of days averagely worked by a labourer: The monthly average number of days worked by a laborer during December 2018 was reported at 8.4 days. The highest number of working days was in Hirat (12days), followed by Kabul and Kandahar (11 days), Maimana, Mazar and Jalalabad (8 days), Nili (5 days) and Faizabad (4 days). Compared to the previous month (November 2018), significant decrease occurred in Faizabad 42.9% (3days), Nili 37.5% (3 days) Kabul and Kandahar 8.3%(1day), the variation in all other main cities remain unchanged.

- Compared to the same month last year (December 2017), the average number of working days slightly decreased by 8.2% (0.8 day).
- Compared to the same month two years ago (December 2016), the average number of working days for main cities significantly decreased by 16.2% (1.6 days).

Market Watch:

Markets	Major Comm	Current Price per Kg	Price change (%) 5Y Ave	2Y	1Y	1M	Average 5Y Ave	2Y	1Y	1M
KABUL	Wheat	24.0	-1.0	0.0	0.0	0.0	►	►	►	►
	Wheat flour (HP)	27.6	-0.3	-1.4	10.4	0.5	►	►	▲	►
	Rice High Quality	92.0	5.7	22.7	7.0	-4.4	►	▲	►	►
	Rice Low Quality	53.0	-3.1	-8.6	-8.6	-9.4	►	►	►	▼
	Cooking Oil	78.8	-1.9	-2.8	2.9	-2.8	►	►	►	►
KANDAHAR	Wheat	26.4	1.8	9.2	-5.0	0.3	►	►	►	►
	Wheat flour (HP)	27.0	-1.0	-4.4	2.4	-3.9	►	►	►	►
	Rice High Quality	79.9	7.6	24.7	-1.9	-9.3	►	▲	►	▼
	Rice Low Quality	33.0	13.2	9.0	3.1	-2.7	▲	►	►	►
	Cooking Oil	101.0	38.0	33.1	12.2	0.0	▲	▲	▲	►
JALALABAD	Wheat	24.0	7.9	9.1	4.3	0.0	►	►	►	►
	Wheat flour (HP)	28.3	4.2	6.6	8.7	-2.6	►	►	►	►
	Rice High Quality	83.3	5.1	9.5	-0.3	-1.2	►	►	►	►
	Rice Low Quality	31.0	-11.7	0.0	-8.8	-0.8	▼	►	►	►
	Cooking Oil	71.5	-6.5	-5.3	-7.4	-4.7	►	►	►	►
HIRAT	Wheat	22.4	9.5	21.1	5.0	-3.2	►	▲	►	►
	Wheat flour (HP)	28.6	0.2	3.8	1.2	0.1	►	►	►	►
	Rice High Quality	83.5	21.2	35.6	1.9	-1.9	▲	▲	►	►
	Rice Low Quality	32.6	17.5	12.8	4.5	-3.6	▲	▲	►	►
	Cooking Oil	75.1	3.3	-2.6	-1.3	0.0	►	►	►	►
MAZAR	Wheat	23.0	10.0	8.2	15.0	0.0	▲	►	▲	►
	Wheat flour (HP)	27.0	-2.2	0.0	3.8	0.0	►	►	►	►
	Rice High Quality	96.0	15.7	29.7	11.6	0.0	▲	▲	▲	►
	Rice Low Quality	44.0	10.6	22.2	4.8	0.0	▲	▲	►	►
	Cooking Oil	82.0	3.7	2.5	3.1	0.6	►	►	►	►
FAIZABAD	Wheat	22.9	-3.7	-9.4	0.5	1.1	►	►	►	►
	Wheat flour (HP)	32.3	-2.4	0.8	2.4	-8.8	►	►	►	▼
	Rice High Quality	102.3	13.1	21.7	16.2	0.5	▲	▲	▲	►
	Rice Low Quality	64.1	29.5	32.2	23.3	15.0	▲	▲	▲	▲
	Cooking Oil	90.0	-5.9	0.0	0.0	-1.6	►	►	►	►
MAIMANA	Wheat	23.0	0.9	0.0	0.0	0.0	►	►	►	►
	Wheat flour (HP)	27.0	-4.3	-3.6	8.0	0.0	►	►	►	►
	Rice High Quality	94.0	11.0	25.3	6.2	0.0	▲	▲	►	►
	Rice Low Quality	44.0	8.4	18.9	7.3	0.0	►	▲	►	►
	Cooking Oil	82.0	1.0	0.0	2.5	0.0	►	►	►	►
NILI	Wheat	28.0	-9.9	-12.5	0.0	0.0	►	▼	►	►
	Wheat flour (HP)	35.0	-3.4	-2.8	-2.8	0.0	►	►	►	►
	Rice High Quality	110.0	12.2	12.2	10.0	0.0	▲	▲	▲	►
	Rice Low Quality	71.0	8.2	9.2	4.4	0.0	►	►	►	►
	Cooking Oil	76.0	-7.9	-10.6	-10.6	-3.8	►	▼	▼	►

Markets	Major Comm	Current Price in AFN	Price change 5Y Ave	2Y	1Y	1M	Average 5Y Ave	2Y	1Y	1M
Livestock-One year live Sheep (Female)										
KABUL	Sheep	5,000	-12.0	-5.7	-23.1	-9.1	▼	►	▼	▼
KANDAHAR	Sheep	7,353	10.5	8.1	-4.1	-1.4	▲	►	►	►
JALALABAD	Sheep	8,250	14.6	10.0	3.1	3.1	▲	▲	►	►
HIRAT	Sheep	5,900	6.7	0.4	-19.8	1.3	►	►	▼	►
MAZAR	Sheep	5,500	-8.6	-12.7	-8.3	0.0	►	▼	►	►
FAIZABAD	Sheep	4,450	-3.7	-9.2	-25.8	6.0	►	►	▼	▲
MAIMANA	Sheep	5,300	-11.7	-11.7	-11.7	0.0	▼	▼	▼	►
NILI	Sheep	3,500	-8.1	-2.8	-10.3	0.0	►	►	▼	►
Terms of Trade			**Kgs of Wheat/Wheat flour**							
KABUL	Casual Labor/Wheat	12.5	1.6	-14.3	0.0	0.0	►	▼	►	►
KANDAHAR	Casual Labor/Wheat	12.8	-5.4	-11.7	-11.2	-3.8	►	▼	▼	►
JALALABAD	Casual Labor/Wheat	12.5	0.7	-8.3	-4.2	0.0	►	►	►	►
HIRAT	Casual Labor/Wheat	11.2	-21.7	-31.2	-4.8	3.4	▼	▼	►	►
MAZAR-	Casual Labor/Wheat	12.2	6.9	3.5	-2.6	0.0	►	►	►	►
FAIZABAD	Casual Labor/Wheat	13.1	10.5	32.5	19.3	-1.1	▲	▲	▲	►
MAIMANA	Casual Labor/Wheat	11.7	15.8	8.0	8.0	0.0	▲	►	►	►
NILI	Casual Labor/Wheat	12.5	28.7	14.3	12.0	0.0	▲	▲	▲	►
KABUL	Sheep /Wheat	208.3	-11.2	-5.7	-23.1	-9.1	▼	►	▼	▼
KANDAHAR	Sheep /Wheat	279.0	8.4	-1.0	0.9	-1.7	►	►	►	►
JALALABAD	Sheep /Wheat	343.8	6.3	0.8	-1.2	3.1	►	►	►	►
HIRAT	Sheep /Wheat	263.7	-3.0	-17.1	-23.7	4.7	►	▼	▼	►
MAZAR	Sheep /Wheat	239.1	-17.2	-19.3	-20.3	0.0	▼	▼	▼	►
FAIZABAD	Sheep /Wheat	194.5	-0.6	0.2	-26.2	4.8	►	►	▼	►
MAIMANA	Sheep /Wheat	230.4	-12.6	-11.7	-11.7	0.0	▼	▼	▼	►
NILI	Sheep /Wheat	125.0	1.5	11.1	-10.3	0.0	►	▲	▼	►
KABUL	Casual Labor/Wheat flour	10.9	0.7	-13.0	-9.4	-0.5	►	▼	►	►
KANDAHAR	Casual Labor/Wheat flour	12.5	-2.8	0.9	-17.6	0.4	►	►	▼	►
JALALABAD	Casual Labor/Wheat flour	10.6	3.9	-6.2	-8.0	2.7	►	►	►	►
HIRAT	Casual Labor/Wheat flour	8.7	-14.0	-19.7	-1.2	-0.1	▼	▼	►	►
MAZAR	Casual Labor/Wheat flour	10.4	20.2	12.0	7.9	0.0	▲	▲	►	►
FAIZABAD	Casual Labor/Wheat flour	9.3	10.3	19.1	17.2	9.7	▲	▲	▲	▲
MAIMANA	Casual Labor/Wheat flour	10.0	21.6	12.0	0.0	0.0	▲	▲	►	►
NILI	Casual Labor/Wheat flour	10.0	20.5	2.9	15.2	0.0	▲	►	▲	►
KABUL	Sheep /Wheat flour	181.2	-12.4	-4.3	-30.3	-9.6	▼	►	▼	▼
KANDAHAR	Sheep /Wheat flour	272.8	11.3	13.1	-6.4	2.6	▲	▲	►	►
JALALABAD	Sheep /Wheat flour	292.0	9.5	3.2	-5.1	5.9	►	►	►	▲
HIRAT	Sheep /Wheat flour	206.3	6.1	-3.3	-20.8	1.2	►	►	▼	►
MAZAR	Sheep /Wheat flour	203.7	-6.9	-12.7	-11.7	0.0	►	▼	▼	►
FAIZABAD	Sheep /Wheat flour	138.0	-1.8	-9.9	-27.6	16.2	►	►	▼	▲
MAIMANA	Sheep /Wheat flour	196.3	-8.1	-8.4	-18.2	0.0	►	►	▼	►
NILI	Sheep /Wheat flour	100.0	-5.0	0.0	-7.7	0.0	►	►	►	►

Remark   ▲ Price increase above normal price fluctuation   ► Normal Price fluctuation   ▼ Price decrease below normal price fluctuation

Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months, one year, two year and 5 years.   1M= Compared to month ago   1Y= Compared to December 2017 and 2Y= Compared to December 2016