SAVING LIVES CHANGING LIVES

Market Monitor Report

WFP VAME | Food Security Analysis

[Afghanistan] July 2019

HIGHLIGHTS

- Wheat: The current average wheat price in main cities' markets of Afghanistan (AFN 23.8/Kg) is slightly higher by 5.8% compared to the same time last year (July 2018) and slightly higher by 2.6% compared to the last 5-year average price of the same months (Julys 2014 - 2018).
- Wheat flour (High Price): The current retail price (AFN 30.4/kg) is significantly higher by 11.6% compared to the same month last year (July 2018), and slightly higher by 5.3% compared to the last 5-years 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 46.0/kg) is negligibly lower by 1.5% compared to the same month last
 year (July 2018), and slightly higher by 6.5% compared to the last 5-year average price of the
 same months. The current average price of High Quality Rice (AFN 90.3/kg) is slightly lower by
 3.3% compared to the same month last year (July 2018), and slightly higher by 7.0% compared
 to the last 5-years average price of the same months.
- Pulses: The current retail price (AFN 76.6/kg) is slightly lower by 6.2% compared to the same month last year (July 2018), and slightly higher by 5.2% compared to the last 5-years average



Terms of Trade (ToT)

<u>Casual Labor and Wheat (ToT)</u>: 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 13.3 Kgs of Wheat. On average, this ToT slightly improved by

3.3% from June to July 2019, mainly due to decreased wheat price (by 3.1%). The highest improvement occurred in Hirat by 11.7%, Mazar by 8.8% and Maimana 5.9% due to decrease of wheat price. The variation in all other main cities markets was within normal range (-3.1% to 4.0%). In the last three proceeding years, this improvement was experienced in:

- ♦ June to July 2017 (by 4.0%)
- ♦ June to July 2016 (by 0.1%)

while deteriorated in:

♦ June to July 2018 (by 0.7%)

- In comparison to the same month one year ago (July 2018), this ToT negligibly deteriorated by 1.3%, mainly due to increased wheat (by 5.8%).
- On the two-year comparison (July 2017), this ToT slightly deteriorated by 9.1%.
- Compared to the 5-years average of the same months (Julys 2014-2018), this ToT negligibly improved by 0.2%.

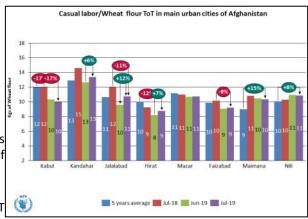
<u>Casual Labor and High Price Wheat flour (ToT)</u>: The Terms of Trade (ToT) between casual Labor and High Price Wheat Flour is a proxy indicator or the purchasing capacity of households mainly relying on casual labor as main income, and purchase of Wheat Flour in the market. This ToT reveals how many 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 10.5 Kgs of Wheat flour which slightly improved by 4.4% from June to July 2019, mainly due to decrease of high wheat flour price by 4.3%. The highest improvement occurred in Jalalabad by 15.2% and Hirat 8.4% due to decrease of wheat flour price. The variation in all main cities markets was within normal range (-0.9% to 5.0%). In the last three proceeding years, this improvement was only experienced in:

June to July 2017 (by 4.9%)

while deteriorated in:

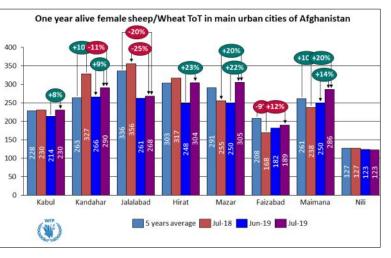
- June to July 2018 (by 2.7%)
- June to July 2016 (by 0.4%)
- Compared to the same month one year ago (July 2018), this ToT slightly deteriorated by 6.8%, mainly due to increase of wheat flour by 11.6%.
- On the two-year comparison (July 2017), this Tot significantly deteriorated by 14.5%.



Compared to the 5-years average of the same months (Julys 2014 - 2018), this ToT negligibly deteriorated by 1.8%.

<u>Sheep and Wheat (ToT):</u> 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 249.5Kgs of wheat against one-year alive female sheep, which significantly improved by 5.9% from June to July 2019, mainly due to increased sheep price by (1.8%) and decreased wheat price by 3.1%. The highest improvement occurred in Hirat by 23.1%, Mazar by 10.6% and Maimana by 7.2% due to



decrease of Wheat price and increase of sheep price. The variation in other main cities markets was within normal range (- 2.7% to 4.0%).

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

- June to July 2018 (by 1.8%)
- June to July 2016 (by 0.2%)

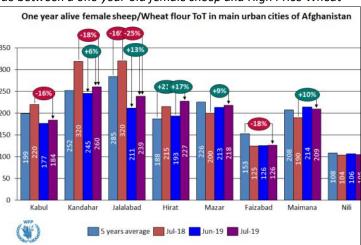
while unchanged in:

- June to July 2017
- Compared to the same month one year ago (July 2018), this ToT negligibly deteriorated by 1.1%, which is mainly due to increase of wheat by 5.8%.
- On the two-years comparison (June 2017) this ToT slightly deteriorated by 8.6%.
- Compared to 5-years average of the same months (Julys 2014 2018), this ToT negligibly deteriorated by 1.0%.

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 reporting²⁰⁰ month was 196.2 Kgs of wheat flour against one-year 150 alive female sheep, which significantly improved by 6.7% from June to July 2019, mainly due to decrease of wheat flour price by 4.2%. The largest improvement occurred in Hirat by 19.4%, Jalalabad by 15.2% and Kandahar by 5.3% due to decrease of wheat flour price. The variation in all other markets was within normal range (0.4% to



4.4%). In the last three proceeding years, this improvement was only experienced in:

June to July 2017 (by 0.6%)

while deteriorated in:

June to July 2018 (by 0.8%)

- ♦ June to July 2016 (by 0.3%)
- Compared to the same month one year ago (July 2018), this ToT slightly deteriorated by 7.4%, mainly due to increase of wheat flour by (11.6%).
- On the two-years comparison (July 2017), this ToT significantly deteriorated by 13.6%.
- Compared to 5-years average of the same months (Julys 2014 2018), this ToT slightly deteriorated by 3.0%.

Retail Price of Wheat Grain in Main Urban Cities:

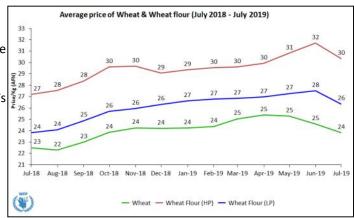
- The monthly average price of wheat in main cities' markets of Afghanistan was AFN **23.8**/Kg in July 2019. The average price slightly decreased by 3.1% compared to the previous month (June 2019). The largest decrease occurred in Hirat by (10.5%), Mazar (8.0%) and Maimana (5.6%) due to harvest season of wheat. The variation in all other main cities was within a normal range (-3.8% to 3.2%). In the last three proceeding years, this decrease was experienced in;
- June to July 2018 and 2016 (by 0.3%)
- June to July 2017 (by 1.3%)
- Compared to the same month one year ago (July 2018), the average wheat price slightly increased by 5.8%. The largest increase occurred in Hirat by (15.7%) and Jalalabad (11.1%) due to decrease of supply from source of points (Local and INT). The variation in all main cities was within a normal range (0.0% to 7.1%).
- On the two-years comparison (July 2017), the average price negligibly increased by 1.1%.
- Compared to the last 5-years average price of the same months (Julys 2014 2018), the average price negligibly increased by 2.6%.

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
30.4/Kg in the reporting month (July 2019). The average price
slightly decreased by 4.3% compared to the previous month
(June 2019). The largest decrease occurred in Jalalabad by
13.2% and Hirat 7.7% due to currency exchange rate (US\$/Vs
AFN) prices decreased in domestic & International market
and increased supply from the source points (Kazakhstan).
The variation in all main cities was within a normal limit (-
4.8% to 0.9%). In the last three proceeding years, this
decrease was only experienced in;33
32
33
33
33
33
33
33
33
33
33
34
35
36
36
37
38
39
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30
30<br

June to July 2017 (by 2.4%)While increased in:

- June to July 2018 (by 1.5%)
- June to July 2016 (by 2.3%)



- Compared to the same month last year (July 2018), the current average price significantly increased by 11.6%. The largest increase occurred in Kabul by (20.0%) followed by Faizabad (18.8%), Maimana (16.0%) and Jalalabad (12.0%) due to currency exchange rate (US\$/ Vs AFN) prices and decrease of supply from source of points (Pakistan and Kazakhstan). The variation in all other main cities was within a normal range (2.9% to 9.8%).
- Compared to the same month two years ago (July 2017), the average price of wheat flour slightly increased by 8.8%.
- Compared to 5-years average price of the same months (Julys 2014 2018), the average price slightly increased by 5.3%.

Wheat flour (Low Price):

- The monthly average price of wheat flour (Low Price) in main urban cities' markets was AFN **26.4**/Kg in the reporting month (July 2019). The average price slightly decreased by 4.2% compared to the previous month (June 2018). The largest decrease occurred in Jalalabad by 13.7% and Hirat 9.7% due to currency exchange rate (US\$/ Vs AFN) prices decreased in domestic & International markets and increased supply from the source points (Pakistan and Kazakhstan). The variation in all main cities was within a normal range (-5.0% to 0.5%). In the last three proceeding years, this decrease was only experienced in;
- June to July 2017 (by 1.7 %)

While increased in;

- June to July 2018 (by 1.1%)
- June to July 2016 (by 0.4%)
- Compared to the same month one year ago (July 2018), the current average price significantly increased by 10.6%. The largest increase occurred in Maimana by (23.8%), Kabul (17.4%), Mazar (14.3%), Kandahar (14.1%) and Nili (13.8%) due to decrease of supply. The variation in all other main cities was within a normal range (-3.6% to 5.2%).
- Compared to the same month two years ago (July 2017), the average price slightly increased by 7.8%.
- Compared to 5-years average price of the same months (Julys 2014 2018), the average price slightly increased by 3.4%.

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 9**0.3**/Kg in the reporting month (July 2019) which negligibly decreased by 1.3% compared to the previous month (June 2019). The highest decrease only occurred in Jalalabad by (6.5%) due to increase of supply from border country (Pakistan). The variation in all main cities was within a normal range (-2.7% to 1.0%). In the last three proceeding years, this decrease was not experienced while increased in,

- June to July 2018 (by 1.3%)
- June to July 2017 and 2016 (by 0.3%)
- Compared to the same month one year ago (July 2018), the average price negligibly increased by 3.3%. The largest
 decrease only occurred in Kandahar by 12.7% due to in crease of supply from sources of point. The variation in all
 main cities was within a normal range (-9.5% to 4.3%).
- Compared to the same month two years ago (July 2017), the average price slightly increased by 6.7%.
- Compared to 5-years average price of some months (Julys 2014 2018), the average price slightly increased by 7.0%.

Rice (Low Quality):

The monthly average price of Rice (Low Quality) in main cities' markets was AFN 46.0/Kg in the reporting month (July

2019), which negligibly decreased by 1.7% compared to the previous month (June 2019). The largest decrease only occurred in Jalalabad by (11.4%) due to increase of supply from border country. The variation in all main cities was within a normal range (-2.6% to 0.0%). In the last three proceeding years, this decrease was only experienced in;

June to July 2017 (by 0.3%)

While increased in;

- June to July 2018 (by1.3%)
- June to July 2016 (by 0.8%)



- Compared to the same month one year ago (July 2018), the average price negligibly decreased by 1.5%. The highest increase only occurred in Hirat by 13.8% due to currency exchange rate (US\$/ Vs AFN) and increase of supply. The variation in all main cities was within a normal range (-6.0% to 7.1%).
- Compared to the same month two years ago (July 2017), the average price slightly increased by 1.9%.
- Compared to 5-years average price of same months (Julys 2014- 2018), the average price slightly increased by 6.5%.

Retail Price of Cooking Oil in Main Urban Cities:

The monthly average price of cooking oil in main cities' markets was AFN **80.7**/Kg in the reporting month (July 2019), the average price negligibly decreased by 0.5% compared to previous month (June 2019). The variation in all main cities was within a normal range (-3.5% to 1.7%). In the last three proceeding years, this decrease was only experienced in;

June to July 2017 (by 0.2%)

While increased in;

- June to July 2018 (by 1.0%)
- June to July 2016 (by 0.2%)
- Compared to the same month one year ago (July 2018), the average price negligibly increased by 1.5%. The highest increase only occurred in Mazar by (12.0%) due to decrease of supply from source of point and decreased occurred in Jalalabad by 10.4% due to increase of supply from border country. The variation in all other main cities was within a normal range (-5.9% to 8.7%).
- Compared to the same month two years ago (July 2017), the average price negligibly decreased by 3.0%
- Compared to 5-years average of the same months (Julys 2014 2018), the average price negligibly increased by 1.0%.

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

Pulses: The monthly average price of pulses in July 2019 in main cities' markets was AFN **76.6**/Kg which has negligibly decreased by 0.8% compared to the previous month (June 2019).

- Compared to the same time last year (July 2018), the price of pulses slightly decreased by 6.2%, the highest decrease occurred in Nili (20.4%), Faizabad (20.3%) and Kandahar (10.8%), mainly due to increased supply and an increase has been occurred in Jalalabad by 14.1% and Maimana (10.7%), due to decrease of supply from border country. The variation in all other main cities was within a normal range (-6.9% to 0.0%).
- Compared to the same time two years ago (July 2017), the price of pulses significantly decreased by 13.7%.
- Compared to 5-years average of the same months (Julys 2014 2018), the prices of pulses increased slightly by 5.2%.

Salt: The monthly average price of salt in July 2019 in main cities' markets was AFN **15.5**/Kg, remained the same compared to the previous month (June 2019). The current average price of salt slightly increased by 7.8% compared to the same month last year (July 2018), and significantly increased by 11.6% compared to the same month two years ago (July 2017).

Sugar: The monthly average price of sugar in July 2019 in main cities' markets was AFN **45.3**/Kg, negligibly decreased by 0.9% compared to the previous month (June 2019). The current average price of sugar significantly increased by 11.8% compared to the same month last year (July 2018) due to decrease of supply, and significantly decreased by 17.2% compared to the same month two years ago (July 2017).

Number of days averagely worked by a labourer: The monthly average number of days worked by a laborer during July 2019 was reported at 11.8 days. The highest number of working days were in Nili and Kabul (16days), Faizabad (14 days) Hirat and Kandahar (12 days), followed by Maimana, Mazar, Jalalabad (8days) which significantly increased by (6.2%) compared to the previous month (June 2019).

- Compared to the same month last year (July 2018), the average number of working days significantly increased by 10.6% (1.1 days).
- Compared to the same month two years ago (July 2017), the average number of working days for main cities slightly decreased by 7.8% (1.0 day).

Markets Major Comm 5Y Ave 2Y 1Y 1M Markets Major Comn Ave AFN per Kg 2Y 1Y 1 M 24.0 -0.7 -7.7 0.5 0.0 Wheat > . • . Livestock-One year live Sheep (Female) • . . • Wheat flour (HP) 30.0 9.1 10.1 20.0 0.0 KABUL Sheer 5.525 1.2 4.2 0.5 0.5 > . KABUL 1.0 **Rice High Quality** 98.3 12.7 22.8 . . > > KANDAHAB 6,825 3.2 -10.2 -11.0 0.4 Y V 1.3 Sheep . Rice Low Qaulity 54.8 -1.0 -6.0 -6.0 0.0 . > • JALALABAD Sheep 6,700 -9.5 -16.3 -16.3 0.0 -V V > 19.7 0.0 11.3 10.2 🔺 Cooking Oil 67.8 -13.9 -15.3 -5.9 0.0 V V > • HIBAT Sheep 6,500 • 4 . > . 1.0 -7.6 19.6 1.7 > . 23.5 -7.0 -7.5 0.3 3.2 . MAZAR 6,100 . . Wheat Sheep 4 . > Wheat flour (HP) 26.2 -0.6 -5.8 9.2 -4.7 • > FAIZABAD Sheep 4.800 -2.2 -18.3 20.0 0.0 > V KANDAHAR > **Rice High Quality** 75.2 0.7 -6.0 -12.7 -0.9 > MAIMANA Sheer 6.075 5.7 1.3 27.9 1.3 > • . > V > **Rice Low Qaulity** 31.2 5.6 -1.6 -5.1 -2.4 . • > NILI Sheep 3.675 -2.5 -5.8 3.5 -0.7 . > 103.4 -0.3 . > Cooking Oil 30.1 20.6 8.7 . > Terms of Trade Kgs of Whe at/Vheat flour . 25.0 13.6 8.7 11.1 -3.8 Casual Labor/Wheat 12.5 -8.7 -7.1 -0.5 0.0 . > Wheat . KABUL -. 14.9 . Casual Labor/Wheat 10.4 -5.4 -0.3 Wheat flour (HP) 28.0 7.5 7.2 12.0 -13.2 KANDAHAR -3.1 JALALABAD V -0.1 . **Rice High Quality** 79.0 -1.3 -9.2 -6.5 . > JALALABAD **Casual Labor/Wheat** 12.0 -4.3 -8.0 -10.0 4.0 T Rice Low Qaulity -27.6 -33.0 -13.6 11.7 33.0 -1.9 0.0 -2.9 -11.4 . > > v HIBAT Casual Labor/Wheat 11.7 ٧ ¥ . Cooking Oil 69.0 -9.8 -11.7 -10.4 . V . MAZAR-Casual Labor/Wheat 15.0 4.8 -3.3 7.1 8.8 • . -3.5 . . 21.4 18.8 24.4 15.7 -10.5 ٨ v FAIZABAD Casual Labor/Wheat 13.8 3.5 -9.4 0.8 1.5 -> Vheal > . . MAIMANA Casual Labor/Wheat 14.1 27.0 8.2 . > -2.4 2.9 5.5 -7.7 4.6 5.9 Wheat flour (HP) 28.6 V HIRAT Casual Labor/Wheat 12.7 . **Rice High Quality** 9.6 1.9 -9.5 -2.7 7.7 -8.2 1.3 0.0 79.8 -. NILI > > . **Rice Low Qaulity** > 31.2 -0.1 -8.2 -13.8 -2.6 V KABUL Sheep /Vheat 230.2 0.9 12.9 -0.1 0.5 > > **Cooking Oil** 75.7 4.2 -2.4 3.3 -3.1 >> . > KANDAHAB Sheep /Wheat 290.4 10.3 -2.9 -11.3 -2.7 . . • . . 20.0 -3.6 -8.0 0.0 -8.0 . • V JALALABAD Sheep /Vheat 268.0 -20.3 -23.0 -24.6 4.0 v . Wheat flour (HP) 28.0 4.5 8.7 9.8 -2.6 > . HIBAT Sheep /Wheat 304.4 0.5 -19.6 -3.8 23.1 . . MAZAR • . . 13.9 16.0 . 19.6 10.6 **Rice High Quality** 94.0 1.1 -1.1 . • MAZAR Sheep /Vheat 305.0 4.9 0.5 ¥ > **Rice Low Qaulity** 44.0 13.1 12.8 23 0.0 . . > FAIZABAD Sheep /Vheat 189.2 -9.0 -25.9 12.3 1.5 -> Cooking Oil 84.0 6.9 2.4 12.0 0.6 > . > MAIMANA Sheep /Wheat 285.9 9.6 9.6 20.4 7.2 25.4 7.1 10.3 6.8 -1.5 NILI 122.5 -3.4 -8.9 -3.4 -0.7 Wheat . • Sheep /Vheat . . 38.0 18.2 28.8 18.8 . . . • KABUL Casual Labor/Wheat flo 10.0 -16.7 -22.1 -16.7 0.0 ۲ Wheat flour (HP) -1.6 FAIZABAD > > . 8.1 9.4 1.0 -8.4 **Rice High Quality** 100.0 -0.7 13.4 3.4 -7.1 5.0 > KANDAHAR Casual Labor/Wheat flo > Rice Low Qaulity . 58.0 12.7 -0.4 0.0 -1.1 . JALALABAD Casual Labor/Wheat flor 10.7 1.0 -6.7 -10.7 15.2 . > * • > > Cooking Oil 90.0 -1.9 0.0 1.4 0.0 > HIBAT Casual Labor/Wheat flo 8.7 -11.8 -19.0 -5.2 8.4 . ¥ 21.3 -7.6 6.3 -5.6 ۲ MAZAR -3.9 -18.3 ¥ Wheat -3.4 > . Casual Labor/Wheat flo 10.7 -2.4 2.7 . > 4 . . > Wheat flour (HP) 29.0 4.7 16.0 16.0 0.5 . FAIZABAD Casual Labor/Wheat fi -6.6 -22.4 -9.3 1.6 . 9.2 MAIMANA **Rice High Quality** 96.0 10.0 11.3 4.3 0.0 . MAIMANA Casual Labor/Wheat flo 10.3 15.1 -13.8 -4.2 -0.9 . ► 45.0 7.1 5.5 **Rice Low Qaulity** 13.1 12.5 0.0 . NILI Casual Labor/Wheat flo 10.9 7.8 -7.7 5.0 > ► . 82.0 -1.0 -6.0 6.5 0.0 KABUL Sheep /Wheat flou 184.2 -7.5 -5.3 -16.3 0.5 **Cooking Oil** • . 30.0 0.5 3.4 7.1 0.0 KANDAHAR 260.5 3.4 -4.6 -18.5 5.3 Wheat -> -Sheep /Wheat flour Wheat flour (HP) 35.0 • JALALABAD . 0.6 2.9 2.9 -4.8 Sheep /Wheat flour 239.3 -15.9 -21.9 -25.2 15.2 . NILI Sheep /Wheat flour **Rice High Quality** 100.0 0.0 -4.8 HIBAT 227.3 21.2 -2.8 . 1.0 0.0 > • 5.5 19.4 . 2.2 71. MAZAR -3.4 -15.0 **Rice Low Qaulity** 6.0 0.0 Sheep /Wheat flour 217.9 8.9 4.4 • 74 (6.5 -12.9 54 FAIZABAD 126.3 -17.7 -36.6 1.1 1.6 **Cooking Oil** 17 Sheep /Wheat flo > Sheep /Vheat flour MAIMANA 209.5 0.6 -12.7 10.3 -0.4 . NILI 105.0 0.6 Sheep /Wheat flou Normal Price fluctuation Price increase above normal price fluctuation Price decrease below normal price fluctuation Remark

Market Watch:

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. IM= Compared to month ago 1Y= Compared to July 2018 and 2Y= Compared to July 2017