HIGHLIGHTS

♦ Wheat: The current average wheat price in main cities’ markets of Afghanistan (AFN 26.1/Kg) is slightly higher by 7.1% compared to the same time last year (February 2019) and slightly higher by 8.4% compared to the last 5-year average price of the same months (February 2015 - 2019).

♦ Wheat flour (High Price): The current retail price (AFN 32.3/kg) is slightly higher by 9.2% compared to the same month last year (February 2019), and significantly higher by 13.3% 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 45.9/kg) is remained unchanged compared to the same month last year (February 2019), and slightly higher by 7.0% compared to the last 5-year average price of the same months. The current average price of High Quality Rice (AFN 87.4/kg) is slightly lower by 3.3% compared to the same month last year (February 2019), and slightly higher by 4.6% compared to the last 5-years average price of the same months.

♦ Pulses: The current retail price (AFN 82.1/kg) is slightly higher by 6.3% compared to the same month last year (February 2019), and significantly higher by 10.7% compared to the last 5-years average price of the same months (February 2015 - 2019).
**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 12.0 Kgs of Wheat. On average, this ToT slightly deteriorated by 1.9% from January to February 2020, mainly due to increased wheat price (by 1.4%) and decreased labor wage (by 0.3%). The largest deterioration only occurred in Faizabad by 15.7% due to increased wheat price and decreased labor wage and an improvement occurred only in Kandahar by 9.1% due to increase of labor wage. The variation in all main cities markets was within normal range (-4.2% to 0.0%). In the last three proceeding years, this deterioration was experienced in:
- January to February 2019(by 0.9%)
- January to February 2017(by 0.4%)

While unchanged in:
- January to February 2018
  - In comparison to the same month one year ago (February 2019), this ToT negligibly deteriorated by 0.6%, mainly due to increased wheat price (by 7.1%).
  - On the two-year comparison (February 2018), this ToT negligibly improved by 0.5%.
  - Compared to the 5-years average of the same months (February 2015-2019), this ToT slightly improved by 4.0%.

**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 9.7 Kgs of Wheat flour which negligibly deteriorated by 0.4% from January to February 2020, mainly due to decrease of labor wage by 0.3% and increased wheat flour price by 0.2%. The largest deterioration occurred in Faizabad by 15.2% due to increased what flour price and decreased wage labor and improvement occurred only in and Mazar 5.1% due to decrease of wheat flour. The variation in all main cities markets was within normal range (-1.0% to 5.0%), In the last three proceeding years, this deterioration was only experienced in:
- January to February 2019(by 0.7%)

While improved in:
- January to February 2018 (by 1.0%)
- January to February 2017(by 3.3%)
  - Compared to the same month one year ago (February 2019), this ToT slightly deteriorated by 3.2%, mainly due to
increase of wheat flour by 9.2%.

- On the two-year comparison (February 2018), this ToT slightly deteriorated by 8.3%.

- Compared to the 5-years average of the same months (February 2015-2019), this ToT negligibly deteriorated by 1.0%.

**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 234.8Kgs of wheat against one-year alive female sheep, which negligibly deteriorated by 1.0% from January to February 2020, mainly due to increased wheat price by 1.4%. The variation in all main cities markets was within normal range (-4.2% to 0.0%).

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

- January to February 2019(by 0.6%)
- January to February 2017(by 0.2%)

While improved in:

- January to February 2018 (by 1.5%).

- Compared to the same month one year ago (February 2019), this ToT slightly improved by 1.7%, which is mainly due to increase of sheep price by 8.4%.

- On the two-years comparison (February 2018) this ToT significantly deteriorated by 14.4%.

- Compared to 5-years average of the same months (February 2015-2019), 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 190.1 Kgs of wheat flour against one-year alive female sheep, which negligibly improved by 0.3% from January to February 2020, mainly due to increased sheep price by 0.4% The largest improvement occurred only in Mazar by 5.1% due to decrease of wheat flour price. The variation in all markets was within normal range (-4.6% to 2.8%). In the last three proceeding years, this improvement was experienced in:

- January to February 2018 (by 2.5%)
- January to February 2017(by 3.4%)

While unchanged in:

- January to February 2019

- Compared to the same month one year ago (February 2019), this ToT slightly deteriorated by 2.3%, mainly due to increase of wheat flour by (9.2%).

- On the two-years comparison (February 2018), this ToT significantly deteriorated by 21.6%.

- Compared to 5-years average of the same months (February 2015 - 2019), this ToT slightly deteriorated by 8.8%.
Retail Price of Wheat Grain in Main Urban Cities:

The monthly average price of wheat in main cities’ markets of Afghanistan was AFN 26.1/Kg in February 2020. The average price negligibly increased by 1.4% compared to the previous month (January 2020). The highest increase occurred only in Faizabad by 5.4% due to lack of supply and more demand of high quality wheat. The variation in all main cities was within a normal range (0.0% to 4.3%). In the last three proceeding years, this increase was experienced in:

◇ January to February 2019(by 0.5%)
◇ January to February 2017(by 0.3%)

While decreased in:

◇ January to February 2018 (by 1.4%)

• Compared to the same month one year ago (February 2019), the average wheat price slightly increased by 7.1%. The highest increase occurred in Jalalabad by 24.4%, Faizabad 21.6% and Kandahar 11.0% due to decrease in wheat flour supply from source points (Pakistan & Kazakhstan). The variation in all main cities was within a normal range (-4.2% to 4.2%).
• On the two-years comparison (February 2018), the average price significantly increased by 7.1%.
• Compared to the last 5-years average price of the same months (Februarys 2015 - 2019), the average price slightly increased by 8.4%.

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 32.3/Kg in the reporting month (February 2020), the average price negligibly increased by 0.2% compared to the previous month (January 2020). The highest increase occurred only in Kandahar by 5.4% due to decrease of supply. The variation in all main cities was within a normal limit (-4.9% to 4.9%). In the last three proceeding years, this increase was experienced in:

◇ January to February 2019(by 0.6%)

While decreased in:

◇ January to February 2018 (by 2.8%)
◇ January to February 2017(by 1.6%)

• Compared to the same month last year (February 2019), the current average price slightly increased by 9.2%. The largest increase occurred in Kandahar by 32.2% followed by Maimana 13.9%, Jalalabad 13.3%, Kabul (13.2%) and Mazar (12.5%), due to decrease of supply from source of points (Pakistan and Kazakhstan). The variation in all other main cities was within a normal range (-0.5% to –2.0%).
• Compared to the same month two years ago (February 2018), the average price of wheat flour significantly increased by 19.3%.
• Compared to 5-years average price of the same months (Februarys 2015 - 2019), the average price significantly increased by 13.3%.
Wheat flour (Low Price):
The monthly average price of wheat flour (Low Price) in main urban cities’ markets was AFN 28.4/Kg in the reporting month (February 2020). The average price negligibly decreased by 0.3% compared to the previous month (January 2020). The variation in all main cities was within a normal range (-2.9% to 0.5%) but an increase occurred only in Faizabad by 6.4% due to increase of Kunduzi milled wheat flour price. In the last three proceeding years, this decrease was only experienced in;
◊ January to February 2018 (by 1.6%)
◊ January to February 2017(by 2.2%)

While increased in:
◊ January to February 2019(by 0.7%))

• Compared to the same month one year ago (February 2019), the current average price slightly increased by 5.9%. The largest increase occurred in Kandahar 24.1% and Mazar by (13.0%) due to decreased supply from source points (Pakistan & Kazakhstan). The variation in all other main cities was within a normal range (-3.8% to 6.7%).
• Compared to the same month two years ago (February 2018), the average price significantly increased by 16.7%.
• Compared to 5-years average price of the same months (Februarys 2015 - 2019), the average price significantly increased by 10.8%.

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 87.4/Kg in the reporting month (February 2020). The average price negligibly decreased by 0.5% compared to the previous month (January 2020). The variation in all main cities was within a normal range (-1.7% to 0.0%). In the last three proceeding years, this was experienced in;
◊ January to February 2019(by 0.3%)
◊ January to February 2018 (by 0.6%)

While increased in:
◊ January to February 2017(by 1.8%)

• Compared to the same month one year ago (February 2019), the average price slightly decreased by 3.3%. The largest decrease only occurred in Jalalabad by (13.2%) due to increase of supply from sources point (Pakistan). The variation in all main cities was within a normal range (-7.5% to 9.7%).
• Compared to the same month two years ago (February 2018), the average price negligibly decreased by 2.9%.
• Compared to 5-years average price of some months (Februarys 2015 - 2019), the average price negligibly decreased by 4.6%.

Rice (Low Quality):
The monthly average price of Rice (Low Quality) in main cities’ markets was AFN 45.9/Kg in the reporting month (February 2020). The average price negligibly increased by 0.2% compared to the previous month (January 2020). The variation in all main cities was within a normal range (0.0% to 3.1%). In the last three proceeding years, this was experienced in;
◊ January to February 2017(by 1.8%)

While decreased in:
◊ January to February 2019(by 0.3%)
◊ January to February 2018 (by 0.7%)
• Compared to the same month one year ago (February 2019), the average price remained unchanged.
• Compared to the same month two years ago (February 2018), the average price negligibly increased by 1.5%.
• Compared to 5-years average price of same months (Februarys 2015-2019), the average price slightly increased by 7.0%.

Retail Price of Cooking Oil in Main Urban Cities:

The monthly average price of cooking oil in main cities’ markets was AFN 85.6/Kg in the reporting month (February 2020), which has negligibly decreased by 0.5% compared to previous month (January 2020). The highest decrease occurred only in Jalalabad by 7.2% due to decrease of price in international market. There is an increase has been occurred only in Kabul by 6.6% due to decreased of supply. The variation in all main cities was within a normal range (-1.2% to 0.0%). In the last three proceeding years, this was experienced in:

- January to February 2019 (by 1.8%)
- January to February 2018 (by 1.3%)
- January to February 2017 (by 0.3%)

• Compared to the same month one year ago (February 2019), the average price slightly increased by 8.3%. The highest increase occurred in Jalalabad (27.0%), Nili by 26.1% and Hirat (12.9%) due to decrease of supply. The variation in all main cities was within a normal range (0.0% to 4.6%).
• Compared to the same month two years ago (February 2018), the average price slightly increased by 6.0%
• Compared to 5-years average of the same months (Februarys 2015-2019), the average price slightly increased by 8.7%.

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

Pulses: The monthly average price of pulses in February 2020 in main cities’ markets was AFN 82.1/Kg, which has slightly increased by 3.4% compared to the previous month (January 2020).

- Compared to the same time last year (February 2019), the price of pulses slightly increased by 6.3%, the highest increase occurred in Jalalabad (60.0%) and Hirat (16.4%) mainly due to shortfall of winter yields of beans in Uzbekistan and Price increased in international market while another reason was the high demand of consumer in winter season. The variation in all other main cities was within a normal range (-7.5% to 2.5%).
- Compared to the same time two years ago (February 2018), the price of pulses slightly decreased by 3.8%.
- Compared to 5-years average of the same months (Februarys 2015-2019), the prices of pulses increased significantly by 10.7%.

Salt: The monthly average price of salt in February 2020 in main cities’ markets was AFN 14.2/Kg, negligibly increased by 0.4% compared to the previous month (January 2020). The current average price of salt slightly decreased by 7.7% compared to the same month last year (February 2019), and negligibly increased by 1.8% compared to the same month two years ago (February 2018).

Sugar: The monthly average price of sugar in February 2020 in main cities’ markets was AFN 44.5/Kg, negligibly increased by 0.4% compared to the previous month (January 2020). The current average price of sugar slightly increased by 5.9% compared to the same month last year (February 2019) due to decrease of supply, and slightly increased by 6.4% compared to the same month two years ago (February 2018).
Number of days averagely worked by a labourer: The monthly average number of days worked by a laborer during February 2020 was reported at 7.9 days. The highest number of working days were in Kabul and Hirat (12 days), followed by Kandahar (11 days), Maimana, Mazar and Jalalabad (8 days), Faizabad and Nili (2.0 days) which significantly increased by (3.8%) compared to the previous month (January 2020). The significant increase only occurred in Kandahar by 37.5% and a significant decrease only occurred in Faizabad 33.3% due to cold weather, the work opportunity not available and limited to the daily wage labours respectfully.

- Compared to the same month last year (February 2019), the average number of working days slightly increased by 21.2% (6.5 days).
- Compared to the same month two years ago (February 2018), the average number of working days for main cities slightly decreased by 1.6% (8 days).

Market Watch: