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Highlights

The national average price of a standard reference food basket in February 2020 was SYP 39,986 (USD 92 at the official exchange rate 434/USD), increasing by six percent compared to January 2020.

The national average informal exchange rate increased by one percent between January and February 2020, reaching SYP 1,034/USD.

The Syrian government introduced food subsidies in early February to address people's reduced purchasing power as a result of increasing prices. Through its Syria for Trade Shop sugar is now sold at 350 SYP/kg, white rice at 400 SYP/kg and tea at 4,500 SYP/kg.

The national average price of one butane cylinder refill on the informal market surged by 124 percent due to the lack of butane cylinders in the formal market.

Between January and February 2020, the national average price for vegetables increased by 48 percent for eggplants and by 27 percent for potatoes.

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Standard Food Basket

In February 2020, the national average price of a standard reference food basket¹ increased by six percent compared to January 2020, reaching SYP 39,986. Moreover, the national average food basket price has increased by 64 percent since August 2019 and by 67 percent since February 2019 (Figure 1).

Ten governorates reported an increasing average reference food basket price in February with the highest month-on-month (m-o-m) increase reported in Damascus (up 22 percent), followed by Tartous (up 19 percent), and Homs (up 14 percent). Conversely, four governorates reported a decrease in the average reference food basket price with the highest decrease reported in Deir-ez-Zor (down six percent), followed by Al-Hasakeh (down five percent).

Even though seeing a slight reduction of two percent m-o-m, Idleb continued to report the highest average food basket price in Syria, reaching SYP 49,464 in February followed by Lattakia at SYP 43,648 and Damascus at SYP 42,104. The lowest reported average food basket price was still reported in Homs at SYP 35,686 followed by As-Sweida at SYP 36,081.

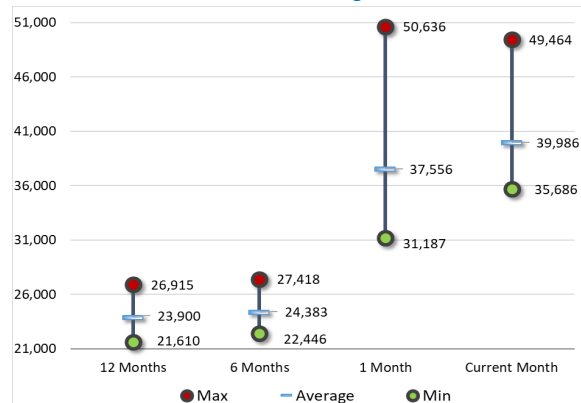
Compared to last year, the price of the reference food basket has increased significantly across all 14 governorates. The largest y-o-y increase was recorded in Idleb (up 119 percent) followed by Damascus (up 93 percent) and Al-Hasakeh (up 77 percent).

The slower increase in average food basket prices over the past month is an indication that prices may be stabilizing following the Syrian government's introduction of stricter measures (fines and increased jail sentences) to curtail informal USD/SYP exchange. The gap between highest and lowest average food basket price shrank by 29 percent from SYP 19,448 in January 2020 to SYP 13,778 in February 2020 (Chart 1).

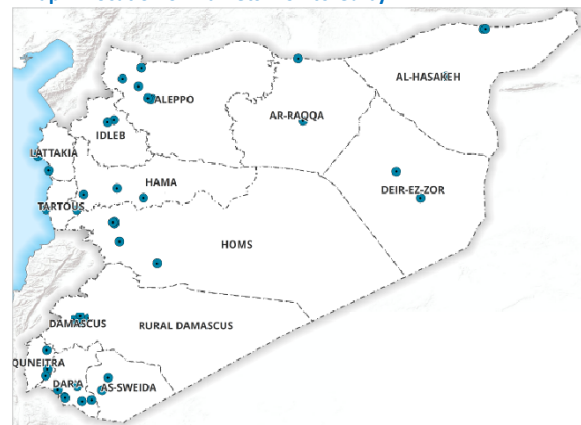
Figure 1: Food basket cost and changes, SYP

Governorate	Price February 2020	1 month change	6 months changes	12 months changes
Aleppo	SYP 37,784	13%	68%	67%
Damascus	SYP 42,104	22%	82%	93%
Dar'a	SYP 39,447	5%	66%	59%
Deir-ez-Zor	SYP 37,559	-6%	37%	49%
Hama	SYP 41,863	12%	71%	56%
Al-Hasakeh	SYP 38,177	-5%	49%	77%
Homs	SYP 35,686	14%	56%	40%
Idleb	SYP 49,464	-2%	112%	119%
Lattakia	SYP 43,648	9%	74%	70%
Ar-Raqqa	SYP 39,386	3%	50%	59%
Rural Damascus	SYP 37,142	7%	50%	52%
As-Sweida	SYP 36,081	-2%	52%	66%
Tartous	SYP 41,661	19%	38%	44%
Quneitra	SYP 39,804	8%	55%	57%
National Average	SYP 40,000	6%	64%	67%

Chart 1: National min., max. and average food basket cost, SYP



Map 1: Location of markets monitored by WFP



1. The standard food basket is a group of essential food commodities. In Syria, the food basket is set at a group of dry goods providing 1,930 kcal a day for a family of five during a month. The basket includes 37 kg bread, 19 kg rice, 19 kg lentils, 5 kg of sugar, and 7 litres of vegetable oil

Smart cards and bread subsidy

Smart cards

In early February, the Ministry of Internal Trade and Consumer Protection (MOITCP) began distributing the following essential food items through the smart card system: sugar, white rice and tea at discounted prices from its Syria for Trade (SFT) shops across the country. The cards are also used for purchasing the items from authorized private centres and governmental mobile shops.

Smart cards were first introduced in 2014 by the Ministry of Oil and Mineral Resources focusing on internal government mechanisms². However, in 2016 the government introduced two types of smart cards for public use. One card was for private vehicles issued in 2016 while the second card was issued in 2017 and targeted the distribution of heating oil to families. Since August 2018, The Syrian Government extended the private vehicles system to include a gasoline card option allowing registered citizens to purchase a maximum of 100 litres of diesel per car per month at a subsidised price. The heating oil card allows a family per month to have access at a subsidised price to a maximum of 400 litres of heating diesel as well as one cylinder of butane gas per family every 23 days³.

In addition to the above mentioned fuel allocation, heating oil smart card holders are now also eligible to receive at SFT shops one kg of sugar per person with a maximum of four kg per family; one kg of white rice with a maximum of three kg per family; and 200 grams of tea a with a maximum of 1.2 kg per family of up to six members, or 1.4 kg per family of seven or more members on the same card for heating oil (MOTICP).

At SFT shops, one kg of sugar costs SYP 350 which is 38 percent cheaper than from non-subsidised retailers, at SYP 563/kg. One kg of white rice costs SYP 400 which is 40 percent cheaper compared to the national average price of SYP 663/kg sold by non-subsidised retailers.

Bread subsidy

Bread prices have been increasing throughout the conflict. In pre-conflict times a bundle of public bread was SYP 15/bundle (1.5kg) in 2011. By July 2014, the subsidized bread price increased from SYP 15/bundle to SYP 25/bundle and then to SYP 35/bundle in early 2015. By late 2015, the price of a bread bundle was set at SYP 50 and by 2017 the weight of a bundle of bread was reduced by the government from 1.5 kg to 1.3kg⁴.

In February 2020, the national average price of subsidized bread was SYP 54/bundle which is unchanged from January 2020 but 10 percent lower than February 2019. Conversely, commercial bread has been increasing due to many factors including long queues in front of public bakeries. Also, often the subsidized bread bundles are resold at higher prices for people who do not wish or do not have time to stand in the long queues.



Bakery in Aleppo @ Hussam Al Saleh

Chart 2: Retail Prices of Subsidized Bread, SYP

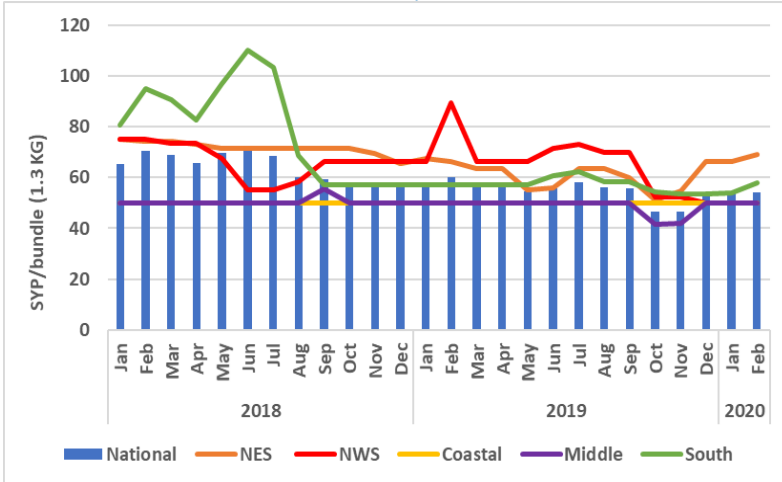
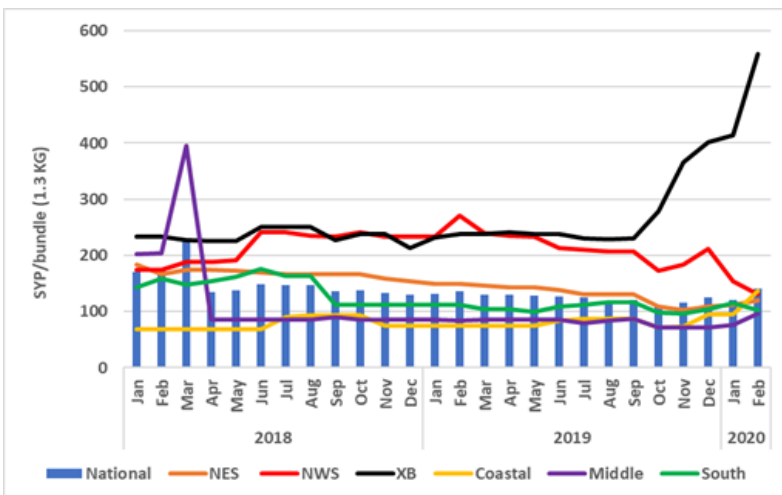


Chart 3: Retail Prices of Commercial Bread, SYP



Source: WFP

WFP-monitored commercial bread includes resold bundles as well as public bread sold in shops. In Idlib and some of Aleppo's cities where bread is not subsidized, the commercial bread WFP monitors only covers bread sold by retailers in shops. In February 2020, the national average price of commercial bread increased by 18 percent m-o-m and by 19 percent since August 2019, reaching SYP 142/bundle. The increase is mainly attributed to the early closure of public bakeries forcing an increase in demand for commercial bread. The cross-border region reported the highest commercial bread price at SYP 559/bundle. Even though commercial bread has been kept at SYP 200/bundle in north-west Syria, the bundle weight has been repeatedly reduced due to the worsening conflict situation in north-east and north-west Syria, disrupting diesel, butane and wheat flour supply routes. As a result Idlib's bread price has been increasing rapidly.

2. "Cards for fuel in Syria." Enabbaladi, 21 Feb. 2019, <https://english.enabbaladi.net/archives/2019/02/cards-for-fuel-distribution-in-syria-smart-or-unintelligent-solution/#ixzz6IXpiz6fd>

3. "Syria..Distributing sugar, rice and tea through the smart card." RT, 12 Jan. 2020, <https://arabic.rt.com/business/1075881-#/-/العائلة-4-كيلوغرامات-للعائلة>

4. "Syrian bread." Enabbaladi, 13 Oct. 2018, <https://english.enabbaladi.net/archives/2018/10/syrian-bread-a-loaf-with-the-smell-of-war/>

Update: Due to greater stability across Syria, the aggregate analysis method has been updated to facilitate comparisons by region instead of by accessibility. The regions of analysis are: Northwest (Aleppo), Cross-border (Idleb & Aleppo [A'zaz, Atarib & Afrin]), Coastal (Lattakia & Tartous), Northeast (Ar-Raqqa, Al-Hasakeh & Deir-ez-Zor), Middle (Damascus, Rural Damascus, Hama & Homs) & South (Dar'a, As-Sweida & Quneitra).

Staple cereals retail prices

Wheat Flour

In February 2020, the national average retail price of wheat flour throughout Syria increased by eight percent m-o-m and by 63 percent y-o-y to reach SYP 428/Kg. The highest m-o-m increase was reported in Rural Damascus (up 21 percent) followed by Ar-Raqqa (up 18 percent) - Chart 4.

The highest average recorded wheat flour price was in Ar-Raqqa at SYP 558/Kg followed by Al-Hasakeh at SYP 542/Kg. While, the lowest average wheat flour price was recorded in Dar'a at SYP 350/Kg followed by Tartous at SYP 375/Kg.

Broken down by regions, north-east governorates reported the highest retail price at SYP 533/Kg (up seven percent m-o-m), while the cross-border (XB) region reported the lowest retail price at SYP 369/Kg (up 13 percent m-o-m).

Rice

The national average retail price of Egyptian white rice increased by 12 percent from last month and by 71 percent y-o-y, reaching SYP 663/Kg in February 2020. The highest m-o-m price was reported in Tartous at SYP 1,000/Kg followed by Dar'a at SYP 933/Kg. The lowest price was reported in As-Sweida at SYP 592/Kg, followed by Aleppo at SYP 604/Kg.

M-o-m, the coastal region reported the highest increase (up 43 percent) while the southern region reported the lowest increase (up eight percent). On the other hand, the XB region reported a decrease of two percent from January 2020 prices.

Bulgur

The national average price of bulgur was SYP 552/Kg representing an increase of 12 percent from January 2020 and an 84 percent increase compared with February 2019. Dar'a continued to report the highest bulgur retail price at SYP 635/Kg (up 11 percent m-o-m), followed by Ar-Raqqa at SYP 619/Kg (up 21 percent m-o-m). The lowest bulgur retail prices were reported in Idleb at SYP 427/Kg (down 17 percent m-o-m) and Aleppo at SYP 470/Kg (up 20 percent m-o-m).

The northeast region reported the highest average bulgur price by region at SYP 595/kg (up 14 percent m-o-m), followed by the coastal region at SYP 588 (up 18 percent m-o-m). The XB region reported the lowest average bulgur price at SYP 448/kg (down one percent m-o-m) followed by north-west at SYP 510/Kg (up 30 percent m-o-m).

Cereal wholesale prices

In February 2020, the national average wholesale price of cereals increased by eight percent for wheat grain reaching SYP 289,915/MT, and by 11 percent for Egyptian white rice reaching SYP 678,859/MT. The national average wholesale price for bulgur was SYP 481,487/MT (up 14 percent m-o-m).

Using the Syrian Central Bank's official exchange rate of SYP 434 per USD, this translates to USD 1,564/MT for Egyptian white rice, USD 1,109/MT for bulgur grain, and USD 668/MT for wheat grain (Table 1). The wholesale price of wheat on international markets was USD 215/MT in February 2020, 68 percent lower than in Syria.

Chart 4: Retail Prices of Wheat Flour, SYP

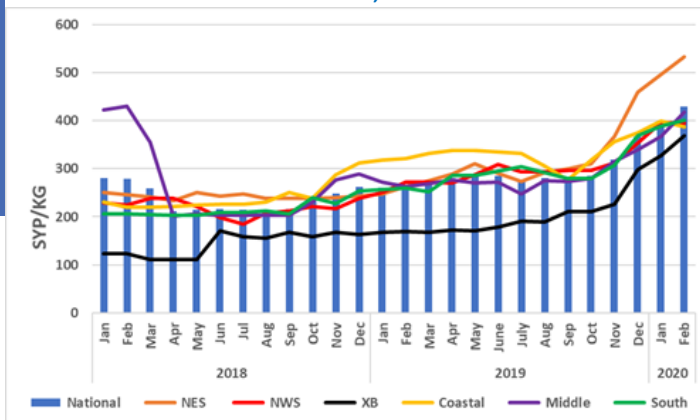


Chart 5: Retail Prices of Rice, SYP

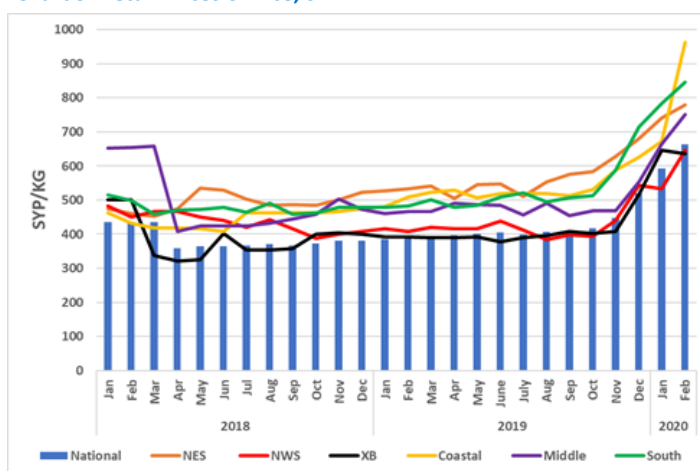


Chart 6: Retail Prices of Bulgur, SYP

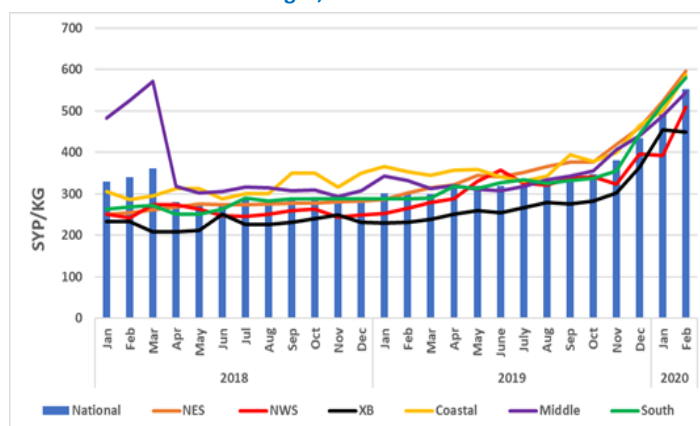


Table 1: National average wholesale prices for wheat, bulgur and rice, SYP and USD using official exchange rate, 1 MT

Commodity (1 Mt)	February Prices (SYP)	February Prices (USD)	% Change (m-o-m)
Wheat grain	289,915	668	8%
Bulgur	481,487	1,109	14%
Rice	678,859	1,564	11%

Source: WFP Field Offices

Exchange Rate

In February 2020, the national average informal exchange rate increased by one percent since January 2020 and by 99 percent since February 2019, reaching SYP 1,034/USD. The official exchange rate between the Syrian Pound and the US Dollar has remained relatively unchanged around SYP 434/USD since late 2017. The operational UN rate has also remained unchanged at SYP 700/USD, since November 2019.

The highest informal exchange rate was reported in As-Sweida at SYP 1,092/USD (up eight percent m-o-m; and up 108 percent y-o-y) followed by Ar-Raqqa (up seven percent m-o-m; and up 106 percent y-o-y). On the other hand, the lowest rates were reported in Quneitra at SYP 975/USD (down five percent m-o-m; and up 82 percent y-o-y) and Tartous at SYP 1,000/USD (down nine percent m-o-m; and up 93 percent y-o-y) - Table 2.

Diesel and butane gas prices

In February 2020, the informal national average price of diesel reached SYP 509/litre which is 168 percent higher than the subsidized price of SYP 190/litre (Chart 7). Idleb continued to report the highest informal price at SYP 793/litre (down two percent m-o-m). The lowest average informal price was still reported in Al-Hasakeh at SYP 160/litre despite a monthly increase of 60 percent.

Broken down by regions, the highest average informal diesel price was recorded in the XB region at SYP 773/litre, followed by the coastal region at SYP 450/litre. The lowest average informal diesel price was recorded in north-east Syria at SYP 238/litre followed by the middle region at SYP 354/litre.

Moreover, the informal national average price of one butane gas cylinder (25,000 L) reached SYP 10,564/refill in February 2020 which was 248 percent higher than the subsidized price of 3,034 SYP/refill. The increase in the price is related to the lack of butane gas cylinders on the official market. Each family is entitled to one butane gas cylinder refill every 23 days. However, many families reported waiting for more than one month to receive their cylinders, causing prices on the informal market to soar (Chart 8).

By region the north-west region reported the highest informal refill price at SYP 13,813/refill followed by the southern region at SYP 12,929/refill, while north-east Syria reported the lowest informal refill price at SYP 6,681/refill followed by the middle region at SYP 9,594/refill.

Dar'a reported the highest informal refill price at 19,458/refill followed by Aleppo at SYP 12,583/refill, while Al-Hasakeh reported the lowest informal refill price at SYP 4,583/refill, followed by Ar-Raqqa at SYP 6,000/refill.

Vegetable prices

The national average price of eggplants and potatoes increased significantly in February 2020 mostly due to being out of seasonal and therefore being less available during winter months.

M-o-m, the national average eggplants' price increased by 48 percent reaching SYP 518/Kg; and potatoes' national average price increased by 27 percent reaching SYP 382/kg.

Table 2: Informal market exchange rate, 1 USD to SYP

Governorate	February 2020	% change (m-o-m)	% change (y-o-y)
Aleppo	1,048	10%	102%
Al-Hasakeh	1,049	8%	102%
Ar-Raqqa	1,063	7%	106%
As-Sweida	1,092	8%	108%
Damascus	1,034	-1%	101%
Dar'a	1,003	0%	94%
Deir-ez-Zor	1,005	-10%	94%
Hama	1,040	2%	100%
Homs	1,047	3%	101%
Idleb	1,059	5%	108%
Lattakia	1,023	-6%	100%
Quneitra	975	-5%	82%
Rural Damascus	1,041	0%	101%
Tartous	1,000	-9%	93%
National average	1,034	1%	99%
Official rate	434	0%	0%
UN operational rate	700	0%	0%

Chart 7: Formal and informal diesel prices, SYP*

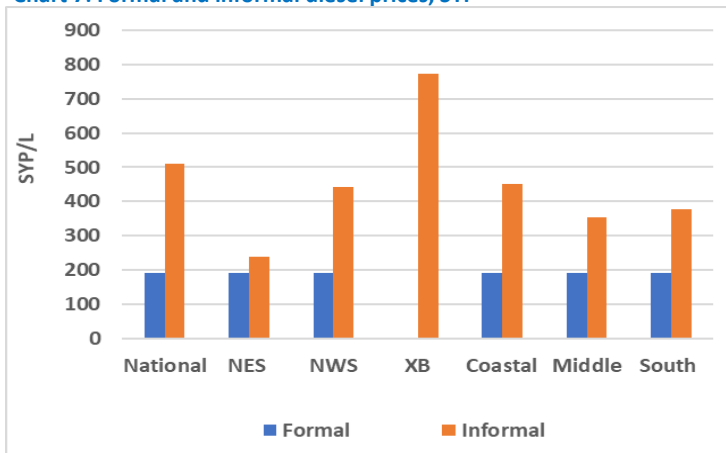
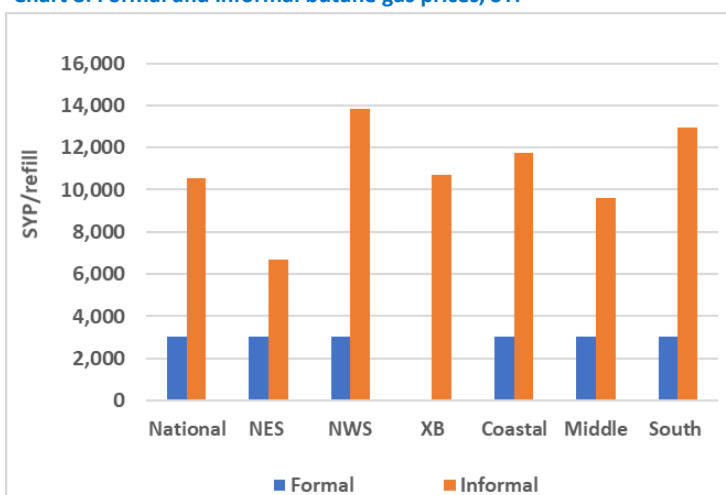


Chart 8: Formal and informal butane gas prices, SYP*



Source: WFP

* No formal prices have been reported in the cross border region because there is neither subsidized diesel nor subsidized butane cylinders in the region.

Terms of Trade (ToT)⁵

ToT between wage labour and wheat flour

The national average non-skilled labour wage, which represents construction, off-loading and agricultural labour, was SYP 2,917/day in February 2020 (up nine percent m-o-m). The wage rate was 35 percent above its y-o-y level and 28 percent above levels recorded in August 2019 (Chart 9).

The highest daily non-skilled wages were reported at SYP 4,750/day in Tartous and at SYP 4,125/day in Idlib. Daily non-skilled labour wages were not only still reported lowest in Al-Hasakeh but also deteriorated by four percent, reaching SYP 1,533/day. Daily average non-skilled labour wages were also low in As-Sweida and Quneitra, both reporting SYP 2,292/day.

The national average ToT between wheat flour and wage labour, a proxy indicator for purchasing power, increased by one percent m-o-m, as the increase in unskilled labour wage was higher than the increase in wheat flour price. However, compared to both August 2019 (six months ago) and February 2019 (a year ago), the national average ToT between wheat flour and wage labour decreased by 17 percent, highlighting a worsening purchasing power trend. The decrease in ToT from last year and the past six months was due to wheat flour price increasing by more than non-skilled labour wages.

Therefore, even though the national average daily wage of a non-skilled labourer could buy 6.8kg in February 2020 compared to 6.7kg of wheat flour in January 2020, the amount was 17 percent lower when compared to 8.2kg in August 2019 and February 2019.

ToT between sheep and wheat flour

The national average price of a two-year old live male sheep increased to SYP 221,677/sheep in February 2020, up 15 percent m-o-m (Chart 11). The increase in sheep prices is linked to the depreciation of the Syrian Pound that caused fodder prices to go up as many fodder components are imported.

Dar'a reported the highest average price across Syria at SYP 304,667/sheep (up 15 percent m-o-m) followed by Ar-Raqqa at SYP 225,000/sheep (up 24 percent m-o-m). As-Sweida reported the lowest average price for an alive two-year old male sheep at SYP 168,765/sheep (up 24 percent m-o-m), followed by Damascus at 181,922 (up one percent m-o-m).

In February 2020, the ToT between an alive two-year old male sheep and wheat flour was 517 kg/sheep (up six percent m-o-m). Highlighting an improvement in the exchange for livestock owners who could buy on average six percent more kgs of wheat compared a month earlier.

Compared to January 2020, the southern governorates reported the highest increase in ToT (13 percent), highlighting the most improved purchasing power by region, reaching 630 kg/sheep, followed by coastal governorates at 529 kg/sheep (up nine percent). The least improved purchasing power region was reported in the middle governorates with an increase of three percent, reaching 513 kg/sheep. Moreover, the north-west region (i.e. Aleppo) was the only region that reported no change from last month and remained at 518 kg/sheep.

Chart 9: Daily wage for unskilled labour, SYP

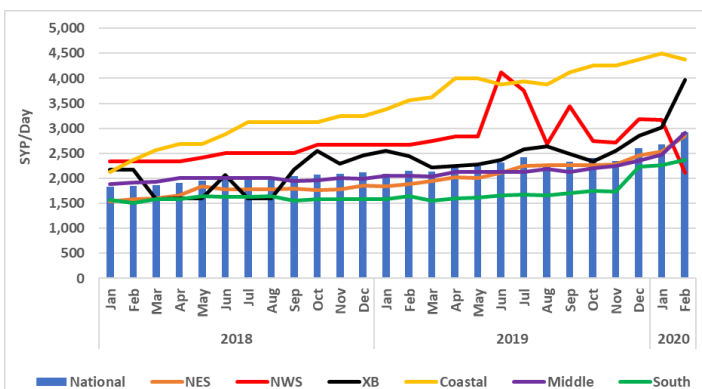


Chart 10: Terms of Trade (ToT) between wheat flour and wage labour

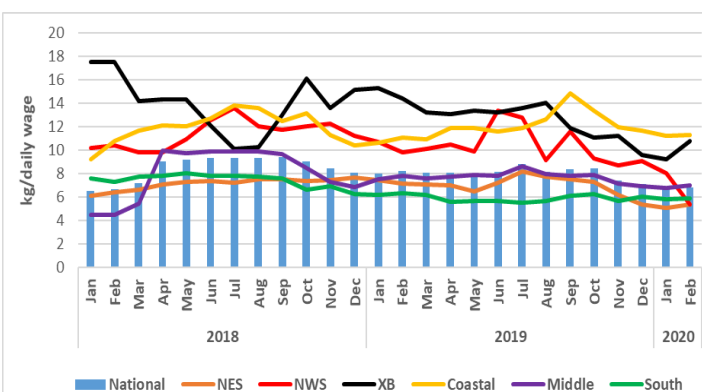


Chart 11: Price of livestock, SYP/one 2Y old sheep

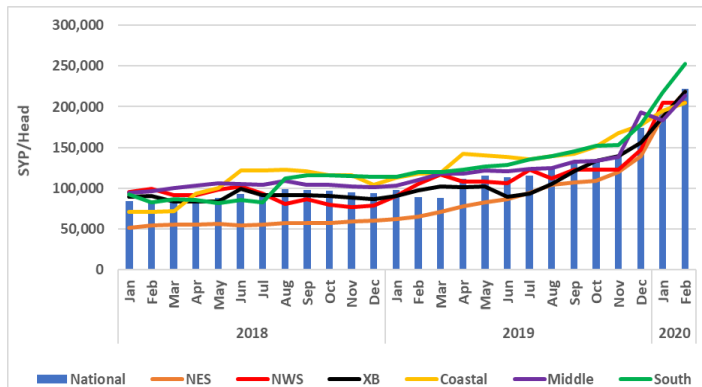
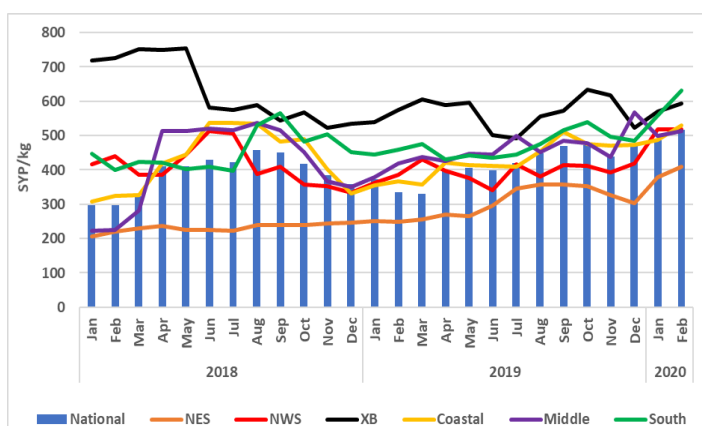


Chart 12: Terms of Trade (ToT) between wheat flour and the price of a 2 year old sheep



Source: WFP

5. The ToT are proxy indicators of the purchasing power of households that rely on livestock and/or casual labour as their main source of income for the purchase of cereals from local markets. ToT are important components of food security analysis. Changes in the terms of trade between wages/livestock and staple food commodities are indicative of the trends in purchasing power and the impact on the food security situation of households dependent on food purchases through income from daily wage labour and/or the sale of livestock.

