

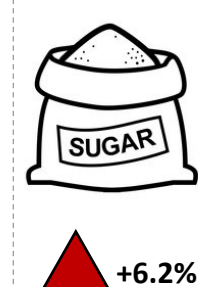
Special Bulletin

22 August

Highlights

- Political instability and demand pressure for foreign currencies led to a significant increase in the exchange rate. In the past 3 weeks, the Afghani fell by 8.6% and hit a new record low; the exchange rate spiked from 79.8 in the beginning of August to almost 100 last week, then dropping back down to 87 this week.
- As most of the basic foods are imported, any drop in the value of the Afghani led to an increase in food prices. Accordingly, the price of wheat, wheat flour, rice, pulses, salt and sugar considerably increased in recent weeks.
- Despite the large increase in the exchange rate, the price of diesel only slightly climbed because of the fall in global prices and decreased demand for diesel in Afghanistan due to the political situation.
- Work opportunities drastically declined by 10.5% since the beginning of August and dropped to 2.1 days per week. This number is the lowest value for work availability since Feb 2021.
- Both casual labour/wheat and pastoralist ToT deteriorated since the beginning of the month of August by 4.4% and 3.8% respectively .

Main Food Commodities/Food Access indicators	Third Week of August 2021	Pricerate Changes (%)	
		compared to 1st August	
WHEAT (Kg)	32.5	5.3	▲
WHEAT FLOUR - High price (Kg)	39.1	8.6	▲
WHEAT FLOUR - Low price (Kg)	35.6	8.7	▲
RICE HIGH QAULITY (Kg)	93.7	4.9	▶
RICE LOW QAULITY (Kg)	54.6	6.6	▲
COOKING OIL (Kg)	151.8	8.0	▲
PULSES (Kg)	98.0	4.2	▶
SALT (Kg)	13.9	3.3	▶
SUGAR (Kg)	55.6	6.2	▲
DIESEL (LITER)	57.9	1.2	▶
ONE YEAR ALIVE FEMALE SHEEP (HEAD)	8043.6	1.7	▶
LABOUR UNSKILLED/DAY	305.4	0.6	▶
LABOUR SKILLED/DAY	624.5	-2.3	▶
# OF DAYS WORK AVAILABLE/WEEK	2.1	-10.5	▲
EXCHANGE RATE	87.0	8.6	▲
CASUAL LABOUR/WHEAT	9.5	-4.4	▶
PASTORALIST TOT	248.1	-3.8	▶



Food Availability

East: Food items are fully available in the local market as Turkham border opened and is functional for all commercial movements on either side, but the customs clearance process has been changed now by the Taliban, with trucks carrying commercial goods being charged a customs clearance tariff only at the border point. Once cleared, the trucks are released directly to provincial markets without any break or delay at any customs office. However, the supply of wheat flour has decreased, leading to an 18% increase in the price of wheat, compared to the beginning of August. Similarly, the price of high-price wheat flour and low-price wheat flour increased 14% and 15%, respectively, in the eastern provinces. Although the price of high quality rice rose by 6%, the increase for low quality rice was more drastic as the price soared up by 64% in the past 3 weeks. At the same time, the price of some other basic items significantly rose in this period: cooking oil (29%), pulses (20%) and sugar (16%).

Northeast: Most food items are not available in the market as the main border crossings into this region were closed, preventing imports. So, the price of food items significantly rose in Badakhshan over the past 3 weeks: wheat (9%), high-price wheat flour (13%), and low quality rice (12%), cooking oil (10%), sugar (20%) and pulses (8%). Most of the shops are closed and only an estimated 40% of shops are functioning.

North: Temporary closure of the Hairatan border crossing, which has not reopened, decreased the availability of food items in the local market during the first two weeks of August. Also, the high exchange rate of US dollar to Afghani and supply chain disruptions caused instability in the markets and corresponding price increases: wheat (11%), high-price wheat flour (15%), low-price wheat flour (16%), low quality rice (13%), cooking oil (8%), and sugar (20%). However, local markets are open and food commodities are available. No scarcity of food commodity has been observed across the northern region.

South: The main highways are fully open. Large-scale importation of food items from Pakistan and Iran are ongoing and there is no taxation by government customs. The Taliban are charging traders a small amount at the entry gate, with the remainder of the corridor free of checkpoints that tax. This has relieved the traders. Fluctuations in the currency has not significantly increased prices and no scarcity of food commodities has been observed. Prices decreased in Nimruz province, while prices increased in other provinces in the southern region: wheat (7%), high-price wheat flour (8%) and low-price wheat flour (21%), cooking oil (4%) and sugar (11%).

West: Most of the commodities are available in the market, however, wheat flour and rice seem to be less available in the market due to the recent border closure that hampered imports into Afghanistan. Cooking oil is not as available due to global market shortages. About 50-90% of the food market is functioning. The price of some items significantly rose over the past 3 weeks: high-price wheat flour (14%), low-price wheat flour (36%), high quality rice (16%), low quality rice (40%), cooking oil (36%), sugar (25%) and pulses (30%).

Food Availability (cont.)

Central: On-average availability and no scarcities reported. However, compared to the same period during a normal year, there is a slight decrease in supply, though it is increasing gradually day-by-day. Compared to the beginning of August, most prices rose in the central region: wheat (19%), high-price wheat flour (24%), low-price wheat flour (29%), rice (9% for high quality and 17% for low quality), cooking oil (30%), pulses (12%) and sugar (15%).

Purchasing Power: As the political situation remains uncertain, job opportunities remain limited across the country. The availability of work has considerably deteriorated over the past 3 weeks and reached its lowest point since Feb 2021. Given the huge increase in the price of food items, it is difficult for many household to afford buying enough food. The purchasing power for labourers (ToT casual labour/ wheat) declined by 4.4% compared to 3 weeks ago, hitting the 9 mark (9 kg wheat for daily wage). Most notably, the number dropped in Takhar (21%), Bamyan (19%), Wardak (16%), Nangarhar (15%), Ghazni and Kunar (12%), Khost (11%), Kunduz (10%), and Panjshir (9%) , mainly due to a dramatic increase in the price of wheat.

In contrast, recent Increases of the labour wage in Helmand and Badghis improved the casual labour ToT in these provinces by 40% and 16%, respectively. ToT also climbed in Nimruz and Laghman (10%), and Farah (7%), due to a decline in wheat prices in these provinces.

Similarly, pastoralist ToT declined by 3.8% over the past 3 weeks, hitting a record low, last seen in May 2021. The number deteriorated in Takhar (22%), Ghor (21%), Wardak (16%), Nangarhar (15%) and Kunar and Badakhshan (12%), Ghazni (11%), Kapisa and Kunduz (10%), Panjshir and Kabul (9%), and Daykundi (8%). While the decline in the price of sheep was the main contributing factor for ToT deterioration in Takhar and Ghor, the significant increase in the price of wheat was the main contributing factor for the decline in pastoralist ToT in the rest of the aforementioned provinces.

At the same time, pastoralist ToT improved in Farah (33%), Paktya (28%), Khost (23%), and Nimruz and Logar (10%) as a result of a corresponding rise in the price of one year old female sheep. Only in Nimruz did pastoralist ToT improve, as a result of a decrease in the price of wheat.

Diesel: The price of diesel is determined by two main factors: 1) global prices, and 2) the exchange rate. Despite a large increase in the exchange rate in the past 3 weeks, the price of diesel declined, mainly due to a decrease in the global price of crude oil. Prices rose from 57 AFN/L in the beginning of August to 60 AFN in the second week and then dropped to 58 AFN/L by the third week of August. Diesel prices increased in Wardak and Bamyan (16%), Samangan (13%), Ghazni and Paktya(12%), Daykundi (10%), Badakhshan and Ghor (8%), Jawzjan and Balkh (7%), while it decreased in Helmand(13%), Nangarhar (12%), Farah and Kunduz (9%), and Baghlan(8%)

