



World Food Programme

SAVING LIVES  
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# WFP Palestine Monthly Market Dashboard

May 2022

## Highlights

The monthly market dashboard presents price trends for staple commodities and cash crops most consumed by Palestinians.

The Consumer Price Index in Palestine recorded an increase in the prices of bread and flour and a decrease in the prices of fresh vegetables and poultry this month. **In May 2022, the overall consumer price index (CPI) decreased slightly by 0.27 percent compared with April 2022** (0.05 percent in the West Bank, 1.47 percent in Gaza Strip). The Food CPI also decreased in May 2022 by 1.68 percent compared with April 2022 (1.12 percent in the West Bank, and 4.30 percent in Gaza Strip).<sup>1</sup>

The price decreases are mainly driven by the decrease in prices of the following commodities: fresh chicken by 11.43 percent, fresh vegetables by 8.42 percent, and dried vegetables by 20.25 percent. The decrease in prices of these items can be explained by the decrease in demand compared to the previous month when Ramadan led to an increase in demand which has since levelled out.

When compared to May 2021, **the overall CPI increased by 3.43 percent** (3.19 percent in the West Bank, and 3.41 percent in Gaza Strip), and the **Food CPI increased significantly by 8.07 percent** (7.83 percent in the West Bank, and 8.81 percent in Gaza Strip).

The FAO Food Price Index (FFPI) averaged 157.40 points in May 2022, **a slight decrease of 0.57 compared to April,**

**making the second consecutive decline. The (FFPI) is still 22.8 percent higher than its value in the previous year (May 2021).** The drop in the (FFPI) in May was led by the decrease of 3.5 percent in the vegetable oil price index, 3.5 percent in the dairy price index, and 1.1 percent in the sugar price index. Meanwhile, the cereal and meat price indices increased by 2.2 percent and 0.5 respectively.

The price of global commodities has been increasing significantly as a result of the impact of the Ukraine crisis; global supply interruptions, and the continuous increase in energy prices. Additional increase in the price of wheat flour is expected due to India's ban on wheat exports after costs rose and a record-breaking heatwave damaged local crops.

The crisis in Ukraine, along with the economic sanctions imposed on Russia, has resulted in a global shortage in essential products such as oil, gas, and cereals imported from Ukraine and Russia, disruption of supply chains, and the rise of the food prices. The consequences especially affect import-dependent countries such as Palestine, where the import dependency ratio reached 32 percent.

In Palestine, the impact of the crisis has been noticed in the prices of wheat flour, energy, and fodder prices. **The wheat flour prices increased by 30 percent in the West Bank and 36 percent in the Gaza Strip since the beginning of the Ukraine crisis. Energy prices have also increased by 4-6 percent, while the fodder prices increased by 35-40%.**

To tackle the increase in prices, the government issued a Value Added Tax (VAT) exemption of 16 percent on all sales of wheat flour wrapped in bags of 25 kg and above for three months (March, April, May); and a VAT exemption of 16 percent for bakeries for three months (March, April, May). **The government has extended the VAT exemptions for another three months (June, July, August)**, and the exemptions will likely be expanded to include to other basic commodities like vegetable oil . Also, the government has partially subsidized water, electricity, and fuel to the value of NIS 600 million (\$176 million) since the beginning of the year. Despite these efforts, the prices continue to increase, and the purchasing power of the most vulnerable individuals is decreasing.

The price of Excellent gasoline 95, one of the most commonly used fuels in Palestine, has stabilized in May compared to April but increased **by 10.20 percent compared to May 2021**. Also, **the price of diesel, which is mainly used for heating** , has also stabilized in May compared to April , **but increased significantly by 19.91 percent during May compared to the same month in 2021**.

In May 2022, the average value of **WFP food ration prices in local currency has increased 14.8 percent since the beginning of the Ukraine crisis (February 2022)** and has increased by 23.9 percent compared to May 2021.

In May 2022, **more than 300,000 people in Palestine received WFP's monthly e-voucher, which has injected \$3.4 million into the local economy**. Wheat flour topped the redeemed items, followed by vegetable oil, and frozen meat.

According to WFP Palestine's monitoring activities, **49 percent of the beneficiaries interviewed in the West Bank and 54 percent of those in Gaza reported witnessing an increase in prices of most food commodities** such vegetable oil, pulses, rice, wheat flour, vegetables, fruits, chicken, cold cuts, and sugar.

Also, only **11 percent of those in the West Bank and 15 percent of those in Gaza reported being able to buy the same amount of food as they did during the previous month**, relying on paying the cost difference in cash or on credit, or through purchasing the same quantities of the same types of food, but with lower quality at lower prices. **The remainder (89 percent in the West bank and 85 percent in Gaza) relied on negative coping strategies**, such as consuming less quality food or less preferred food, reducing quantities of food consumed, purchasing food on credit, relying on help from friends and relatives, and ceasing consumption of some food items such as fruits, meat, and chicken and instead relying only on basic commodities such as wheat flour, olive oil, and rice.

Additionally, according to WFP Palestine's monitoring of WFP

contracted shops, **50 percent of the shops reported having sufficient stock to meet demands for more than two months**. The rest reported that their stock of products can only last one month or less. **75 percent of WFP's contracted shops reported that the increase in prices will have a negative impact on their sales volume in the coming months**.

## Situation Monitoring: Implications & Potential impact

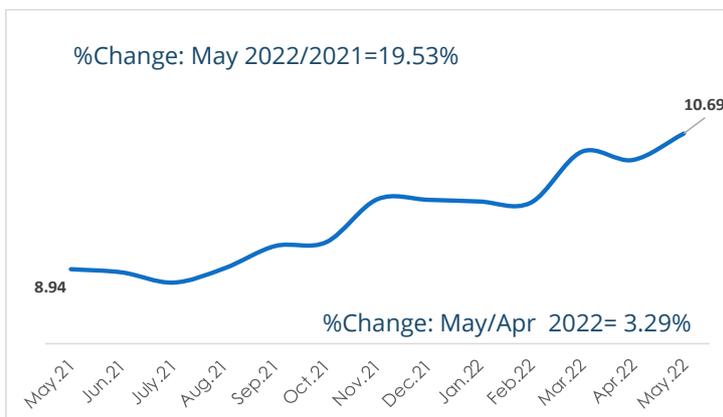
**Around 1.8 million persons are estimated to be moderately or severely food insecure across Palestine**. Meanwhile, 31.2 percent of households were categorized as either moderately (13.6 percent) or severely (17.6 percent) food insecure. The status of food security in the Gaza Strip has worsened, with the share of severely food insecure households reaching 40.7 percent. This brings the total share of households **experiencing severe or moderate food insecurity in the Gaza Strip up to a staggering 64.4 percent**. The unemployment and poverty rate has also worsened in the Gaza strip in 2021, reaching 47 percent and 59 percent respectively. In addition, poor families registered in the National Cash Transfer programme (NCTP) have not received any payments since May 2021 and for nine consecutive months, civil servants have not received their full salary due to the lack of funding and the fiscal challenges that the PA is facing. **Moreover, 80 percent of the population in the Gaza Strip depends on humanitarian assistance, with WFP and UNRWA providing food assistance to around 1.5 million people**. The situation has been further exacerbated by the ongoing crisis in Ukraine with wheat flour prices increasing by 30 percent in West Bank and 36 percent in the Gaza Strip. While the stocks reserves remain at their normal level of 2-3 months, this is a growing concern in light of the ongoing global supply chain constraints, recalling that Palestine is an import-dependent country.

The EU recently<sup>2</sup> renewed its financial support to the Palestinian Authority with a EUR €224.8 million assistance package. This package includes €145.35 million to support the Palestinian Authority in the payments of the salaries and pensions of civil servants, the social allowances to vulnerable families, the referrals to the East Jerusalem Hospitals, and the purchase of COVID-19 vaccines.

# Price Trends

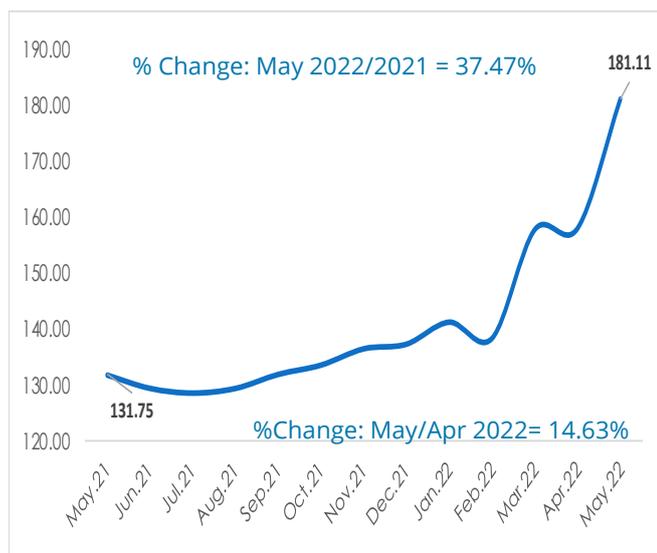
## WFP Rations

Monthly Average of WFP Rations (\$) Per Capita

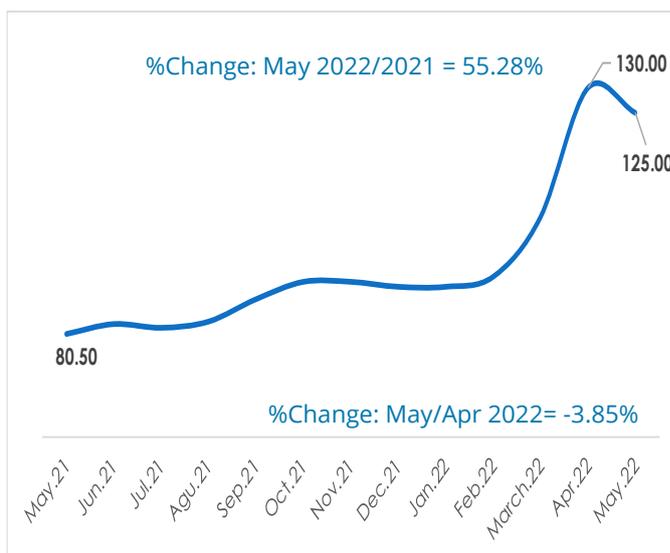


## Commodities

Haifa Wheat Flour-West Bank - (NIS/60Kg)



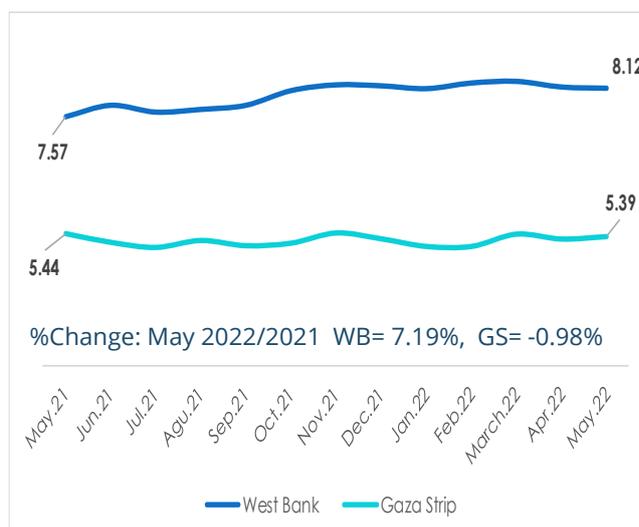
Local Wheat Flour-Gaza Strip - (NIS/50Kg)



Lentils - (NIS/Kg)

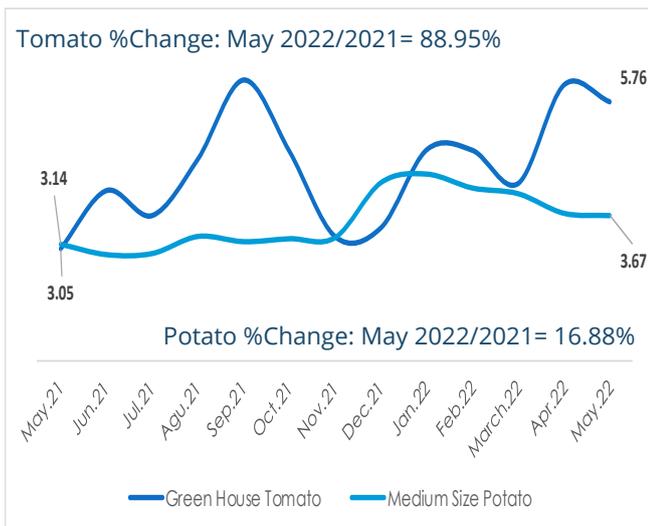


Chickpeas (Hummus) - (NIS/Kg)

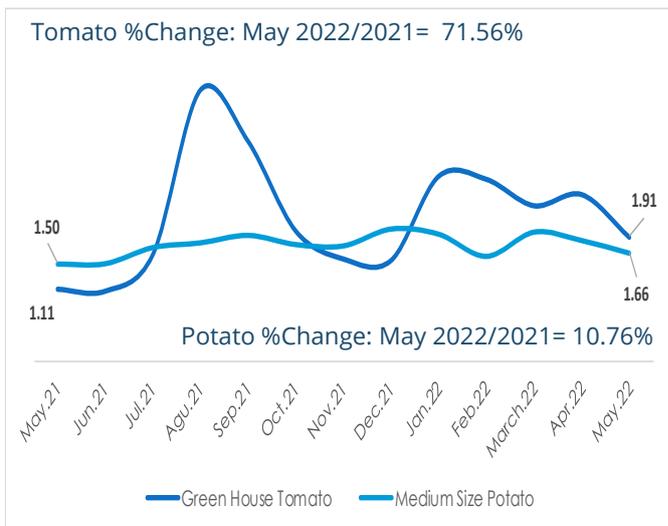


# Commodities (cont'd)

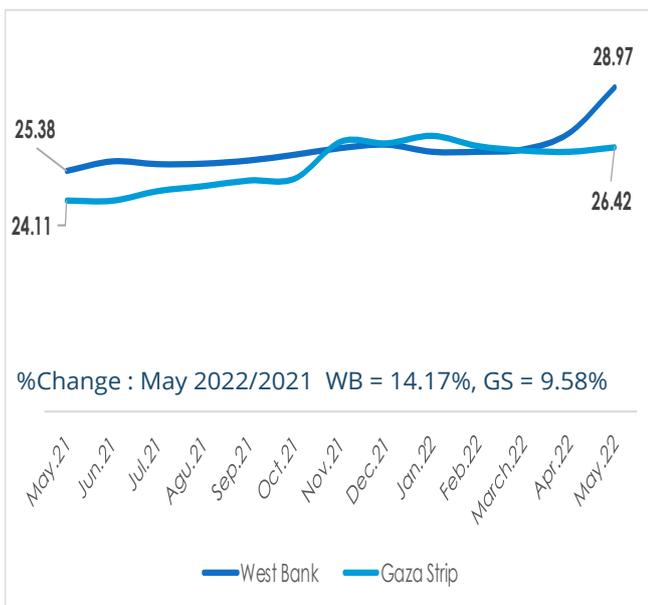
## Vegetables-West Bank - (NIS/Kg)



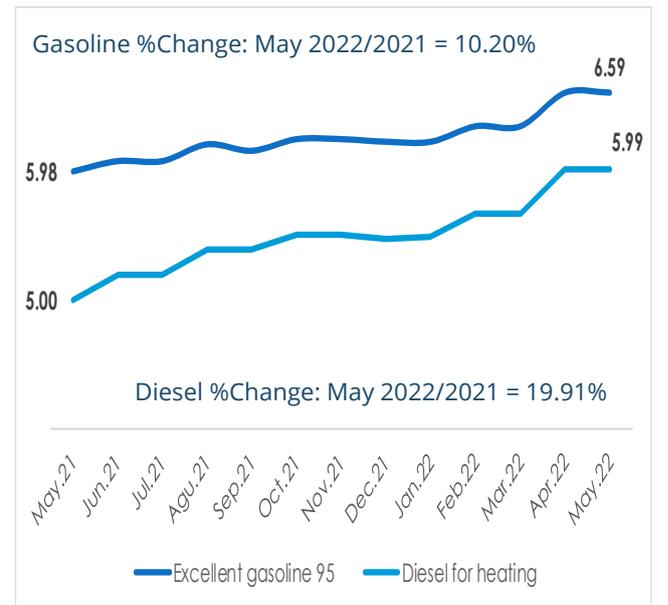
## Vegetables-Gaza Strip - (NIS/Kg)



## Corn Oil (Corn Oil)- (NIS/3L)

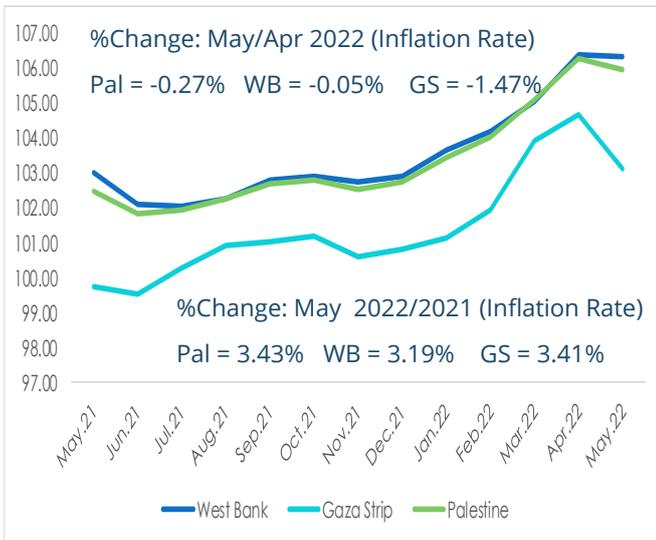


## Fuel - (NIS/L)

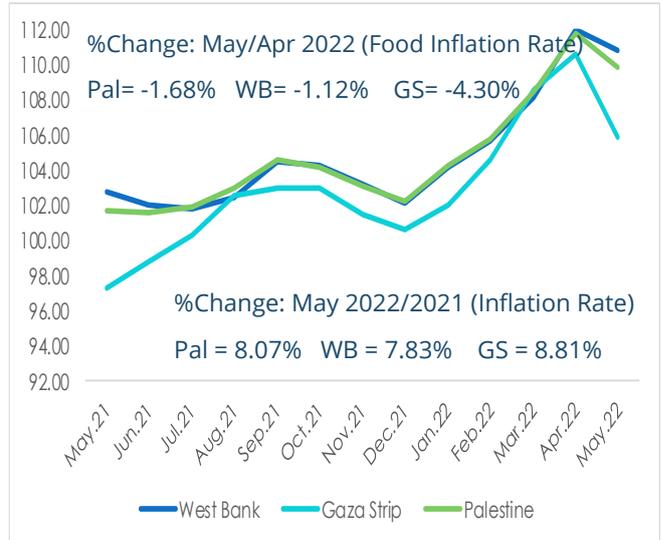


# Consumer Price Index (CPI)

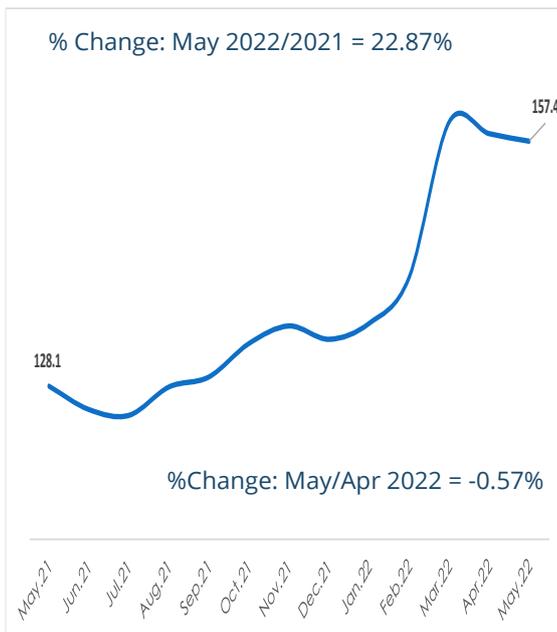
## Overall Consumer Price Index



## Food & Soft Drinks CPI



## FAO Food Price Index



## Exchange Rate (NIS/\$)



## Tracking trends

Selected food items price: May 2021—2022

Food	Region	2021 (NIS)	2022 (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	131.75	181.11	<b>37.5%</b>
	Gaza (local wheat flour, 50 kg)	80.50	125.00	<b>55.3%</b>
Corn oil (3L)	West Bank	25.38	28.97	<b>14.2%</b>
	Gaza	24.11	26.42	<b>9.6%</b>
Chickpeas (kg)	West Bank	7.57	8.12	<b>7.2%</b>
	Gaza	5.44	5.39	<b>-1.0%</b>
Lentils (kg)	West Bank	6.42	7.12	<b>10.9%</b>
	Gaza Strip	5.22	6.13	<b>17.3%</b>
White table salt (kg)	West Bank	1.79	1.91	<b>6.8%</b>
	Gaza Strip	1.33	1.30	<b>-2.5%</b>
Chicken eggs (2kg)	West Bank	14.10	14.39	<b>2.1%</b>
	Gaza Strip	10.01	11.43	<b>14.2%</b>
White sugar (kg)	West Bank	3.34	3.76	<b>12.8%</b>
	Gaza Strip	2.50	3.00	<b>20.0%</b>
Fresh chicken (Kg)	West Bank	15.47	16.53	<b>6.9%</b>
	Gaza Strip	14.69	16.68	<b>13.5%</b>

## Tracking trends

Selected food items price: April 2022— May 2022

Food	Region	Apr (NIS)	May (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	158.00	181.11	<b>14.6%</b>
	Gaza (local wheat flour, 50 kg)	130.00	125.00	<b>-3.8%</b>
Corn oil (3L)	West Bank	27.00	28.97	<b>7.3%</b>
	Gaza	26.22	26.42	<b>0.7%</b>
Chickpeas (kg)	West Bank	8.14	8.12	<b>-0.3%</b>
	Gaza	5.35	5.39	<b>0.8%</b>
Lentils (kg)	West Bank	7.18	7.12	<b>-0.8%</b>
	Gaza Strip	6.13	6.13	<b>0.0%</b>
White table salt (kg)	West Bank	1.91	1.91	<b>0.0%</b>
	Gaza Strip	1.30	1.30	<b>0.0%</b>
Chicken eggs (2kg)	West Bank	14.95	14.39	<b>-3.7%</b>
	Gaza Strip	12.60	11.43	<b>-9.3%</b>
White sugar (kg)	West Bank	3.67	3.76	<b>2.5%</b>
	Gaza Strip	2.99	3.00	<b>0.4%</b>
Fresh chicken (Kg)	West Bank	19.38	16.53	<b>-14.7%</b>
	Gaza Strip	19.06	16.68	<b>-12.5%</b>

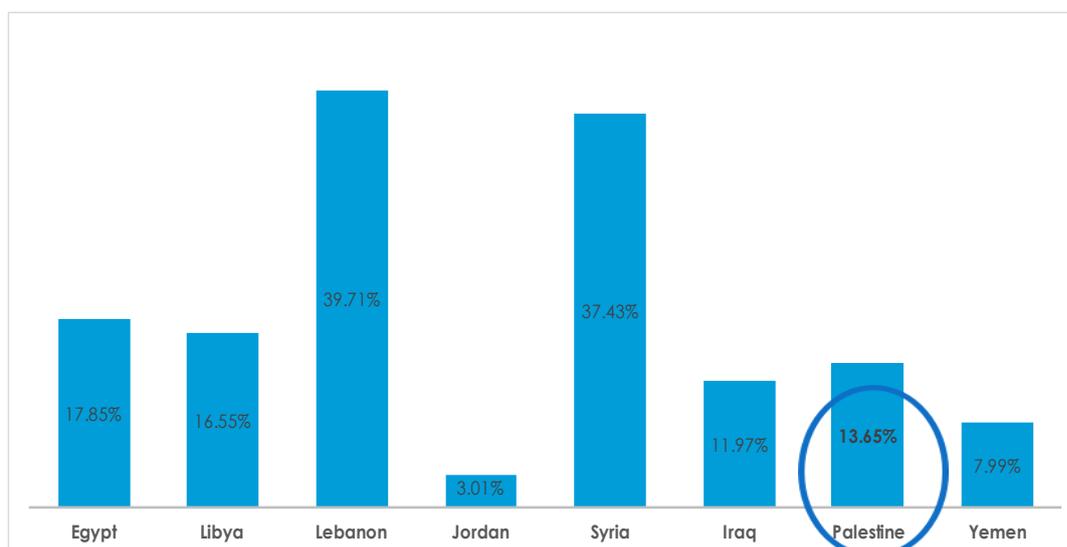
## Tracking trends

Selected food items price: Feb 2022— May 2022 (since the beginning of the Ukraine crisis)

Food	Region	Feb (NIS)	May (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	138.33	181.11	<b>30.9%</b>
	Gaza (local wheat flour, 50 kg)	92.00	125.00	<b>35.9%</b>
Corn oil (3L)	West Bank	26.20	28.97	<b>10.6%</b>
	Gaza	26.47	26.42	<b>-0.2%</b>
Chickpeas (kg)	West Bank	8.22	8.12	<b>-1.2%</b>
	Gaza	5.22	5.39	<b>3.3%</b>
Lentils (kg)	West Bank	7.19	7.12	<b>-1.0%</b>
	Gaza Strip	5.75	6.13	<b>6.5%</b>
White table salt (kg)	West Bank	1.91	1.91	<b>0.0%</b>
	Gaza Strip	1.30	1.30	<b>0.0%</b>
Chicken eggs (2kg)	West Bank	14.88	14.39	<b>-3.3%</b>
	Gaza Strip	12.57	11.43	<b>-9.0%</b>
White sugar (kg)	West Bank	3.55	3.76	<b>5.9%</b>
	Gaza Strip	2.91	3.00	<b>3.2%</b>
Fresh chicken (Kg)	West Bank	14.92	16.53	<b>10.8%</b>
	Gaza Strip	16.47	16.68	<b>1.3%</b>

## Food Basket Cost

% increase in the cost of food basket in the region (since the beginning of the Ukraine crisis)



# Wheat Flour Stocks and Prices

## Monitoring Situation - Crisis in Ukraine

Indicator	West Bank	Gaza Strip	Total
Average daily consumption	1,200 MT	400 MT	1,600 MT
Stock availability	2-3 months	2-3 months	2-3 months
Wheat flour stock (MT) at mills and big traders	Around 40,000 MT	Around 20,000 MT	60,000 MT 2-3 months
Wheat grain stock (MT) at mills	10,000 MT of wheat grain = 7,500 MT of wheat flour	5,000 MT of wheat grain= 3,750 MT of wheat flour	11, 250 MT of wheat flour
Wheat flour prices % change	30-35%	35%-40%	
Bread prices	ILS 4.5 per Kg (12.5% increase)	ILS 3.1 per Kg (24% increase)	
Pipeline (MT)	30,000 MT	15,000	45,000 MT
Imported Quantity May 2022	30,000 MT	7,115 MT of wheat flour, and 2,949 MT of wheat grain	
Government Policies	<ul style="list-style-type: none"> <li>- Value Added Tax (VAT) exemption of 16% on all sales of wheat flour wrapped in bags of 25 kg and above for 3 months (June, July, August).</li> <li>- VAT exemption of 16% for bakeries for 3 months (June, July, August).</li> </ul>	Tax exemption on imported wheat flour from Egypt for one month	

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