



World Food Programme

SAVING LIVES
CHANGING LIVES



WFP Palestine Monthly Market Dashboard

June 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 fuel, eggs, chicken and bread and a decrease in the prices fresh vegetables and fruits this month. **In June 2022, the overall consumer price index (CPI) increased slightly by 0.38 percent compared with May 2022** (0.41 percent in the West Bank, 0.31 percent in Gaza Strip). The Food CPI decreased in June 2022 by 1.39 percent compared with May 2022 (1.79 percent in the West Bank, while an increase of 0.74 percent in Gaza Strip).¹

When compared with June 2021, **the overall CPI increased by 4.47 percent** (4.57 percent in the West Bank, and 3.91 percent in Gaza Strip), and the **Food CPI increased significantly by 6.72 percent** (6.64 percent in the West Bank, and 7.92 percent in Gaza Strip).

The FAO Food Price Index (FFPI) averaged 154.20 points in June 2022, **a decrease of 2.34 percent compared to May, marking the third consecutive monthly decline. The FFPI is still 23.1 percent higher than its value in the previous year (June 2021).** The drop in the FFPI in June was led by the decrease of 4.1 percent in the cereal price index, 7.6 percent in the vegetable oil index, and 2.6 percent in the sugar price index. Meanwhile, the dairy and meat price indices increased by 4.1 percent and 1.7 percent respectively.

The conflict in Ukraine and the economic sanctions imposed on Russia have resulted in a global shortage of essential products such as oil, gas, and cereals imported from these countries, 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 is 32 percent.

However, the concern over a global recession and speculations around an agreement to release Ukrainian grain exports have led to a decrease in the global prices of many commodities, such as oil, wheat, and copper.

This decrease has not yet been reflected in the Palestinian market, which is still experiencing inflation due to the global shock. Since the beginning of the crisis, **wheat flour prices in Palestine have increased by 32 percent, vegetable oil prices by 15 percent, fodder prices by 35-40%, and fuel prices by 10%. Electricity prices are expected to increase up to 16% starting from August.**

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 a VAT exemption of 16 percent for bakeries for six months (March-August). There was an expectation that this exemption would extend to other commodities such as vegetable oil but this has not yet materialized. The government has also partially subsidized water, electricity, and fuel to the value of NIS 600 million (US \$176 million) since the start of 2022. Fuel for public transportation has been subsidized by NIS 1 (US \$0.29) per liter. Despite these measurements, prices continue to increase, weakening the purchasing power of the most vulnerable Palestinians.

The price of Excellent gasoline 95, one of the most commonly used fuels in Palestine, has increased by 6.07 percent in June compared with May, and increased **by 15.35 percent compared with June 2021**. The price of diesel, which is mainly used for heating, has stabilized in June compared with May, but increased significantly **by 15.41 percent compared with June 2021**.

In June 2022, the average value of **WFP food ration prices in local currency has increased 17.33 percent since the beginning of the Ukraine crisis (February 2022)**.

In June 2022, **more than 300,000 people in Palestine received WFP's monthly e-voucher, which has injected \$3.5 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, **60 percent of the beneficiaries interviewed in the West Bank and 41 percent of those in Gaza reported witnessing an increase in prices of most food commodities** such as vegetable oil, pulses, rice, wheat flour, vegetables, fruits, chicken, cold cuts, and sugar.

Also, only **25 percent of those in the West Bank and 29 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 lower quality of the same type of food at lower prices. **The remainder (75 percent in the West bank and 71 percent in Gaza) relied on negative coping strategies**, such as consuming less preferred food, reducing quantities of food, 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, **55 percent of the shops only have**

enough product stock to last one month or less. The remaining 45 percent reported having sufficient stock to meet demands for more than two months. **85 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. Also, for ten 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 32 percent in West Bank and 33 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.

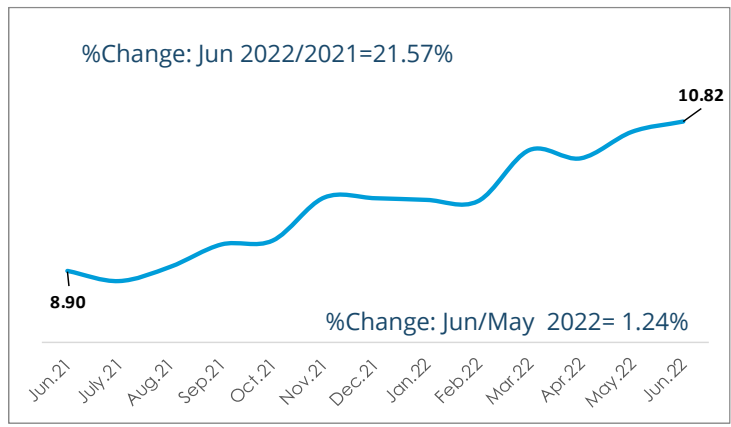
After the EU resumed the financial support to the PA, poor families registered in the National Cash Transfer programme (NCTP) **have received the first payment since May 2021 but with a significant reduced value**.

Following his visit to the West Bank, the US president announced a financial support package of \$316 million to the Palestinian people. This package includes \$100 million to support the Jerusalem Hospital Network (EJHN), \$201 million for UN Relief and Works Agency for Palestine Refugees (UNRWA), **and \$15 million to ensure food security for Palestinians via funding to the UN World Food Programme and two non-governmental organizations**.²

Price Trends

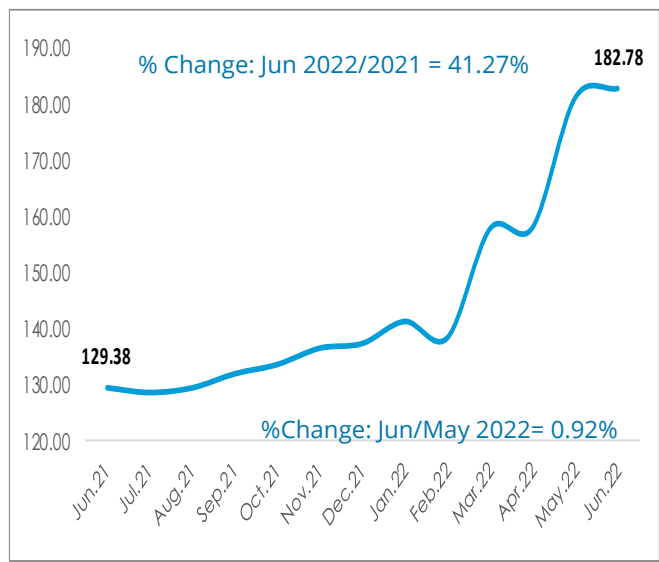
WFP Rations

Monthly Average of WFP Rations (\$) Per Capita

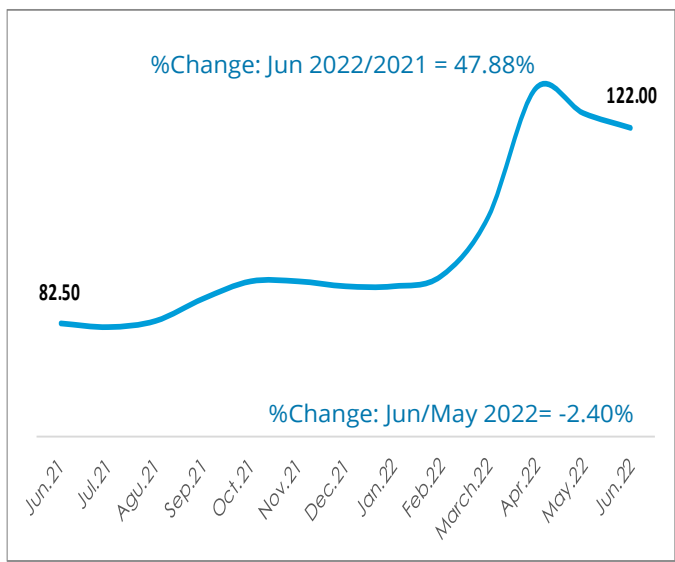


Commodities

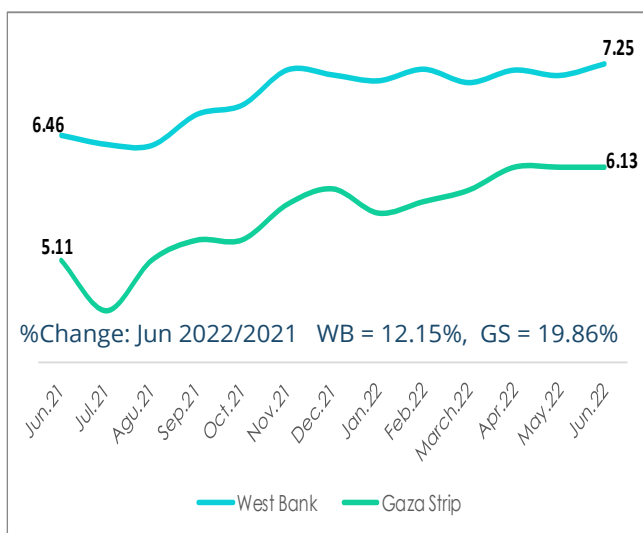
Haifa Wheat Flour-West Bank - (NIS/60Kg)



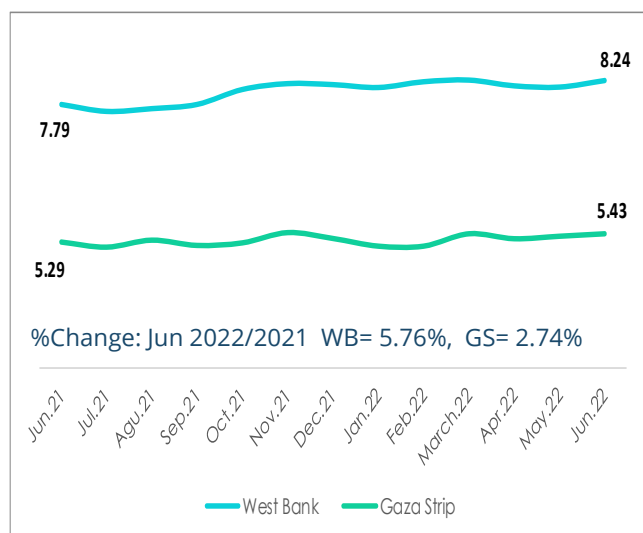
Local Wheat Flour-Gaza Strip - (NIS/50Kg)



Lentils - (NIS/Kg)

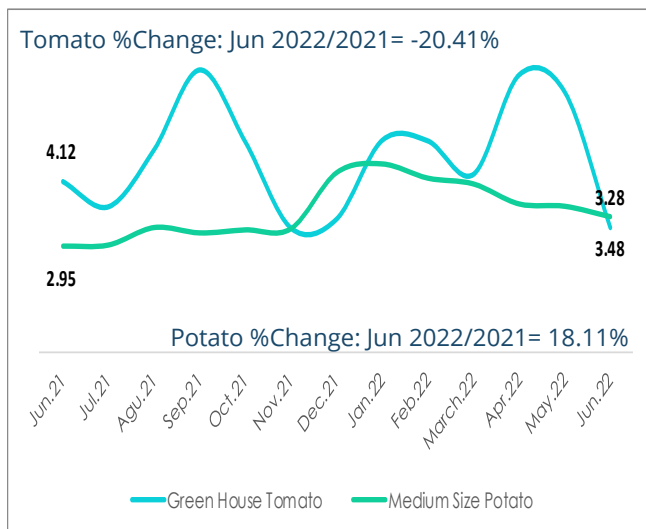


Chickpeas (Hummus) - (NIS/Kg)

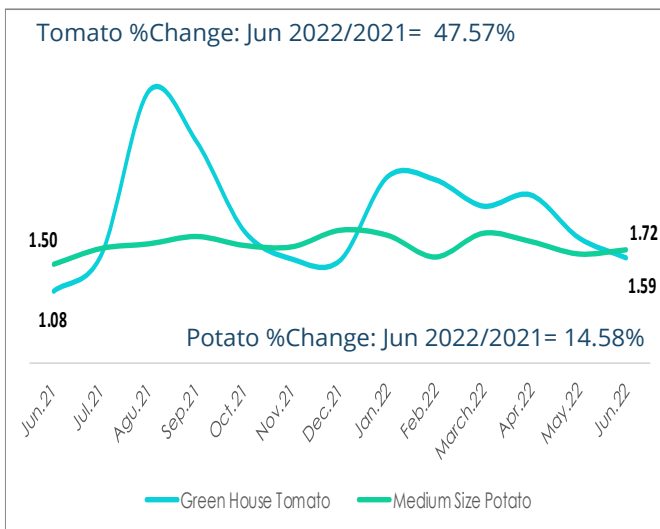


Commodities (cont'd)

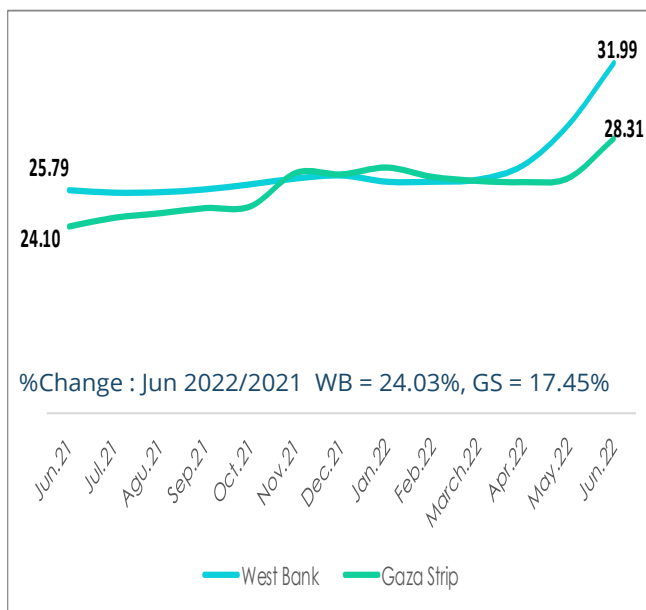
Vegetables-West Bank - (NIS/Kg)



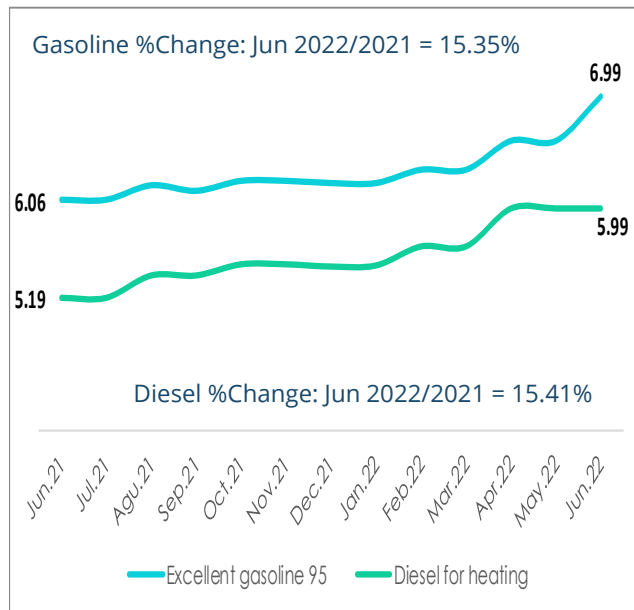
Vegetables-Gaza Strip - (NIS/Kg)



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

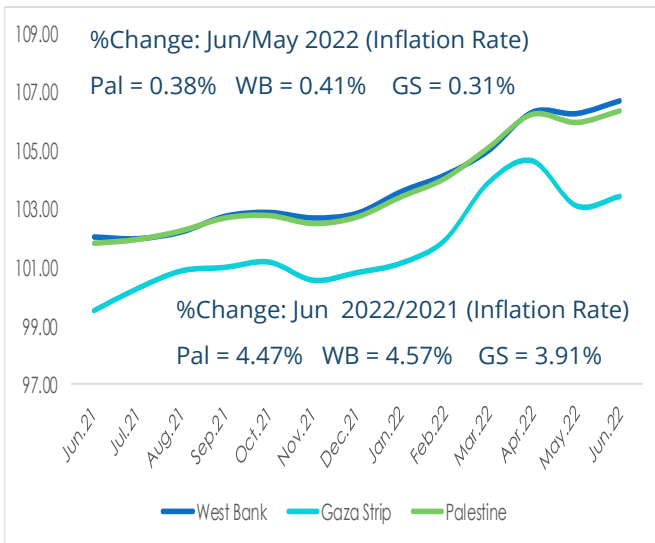


Fuel - (NIS/L)

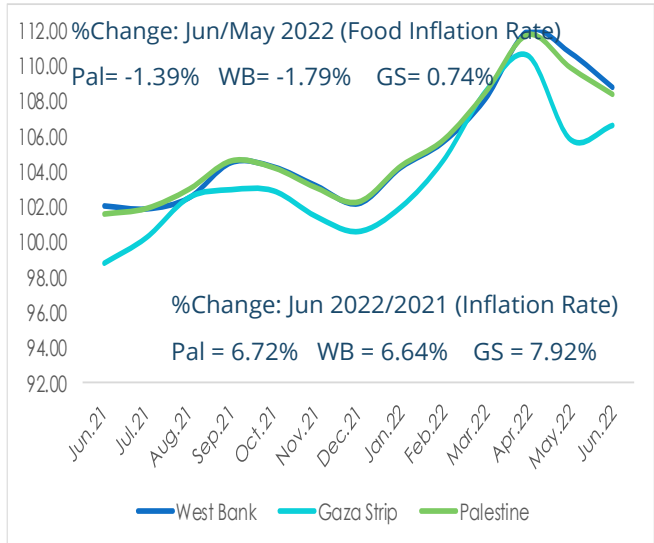


Consumer Price Index (CPI)

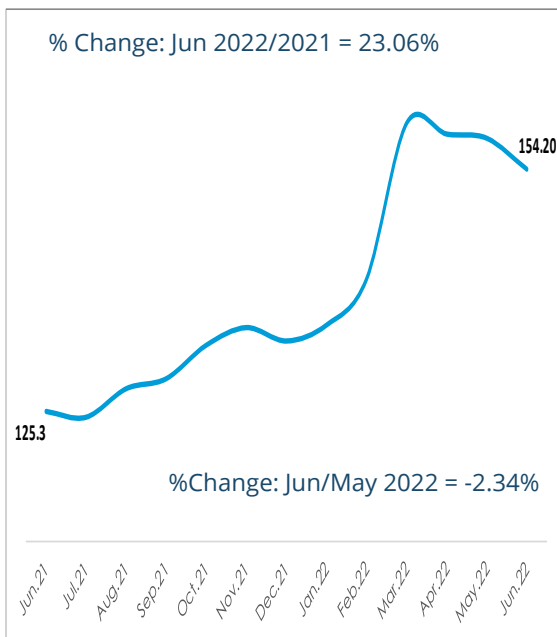
Overall Consumer Price Index



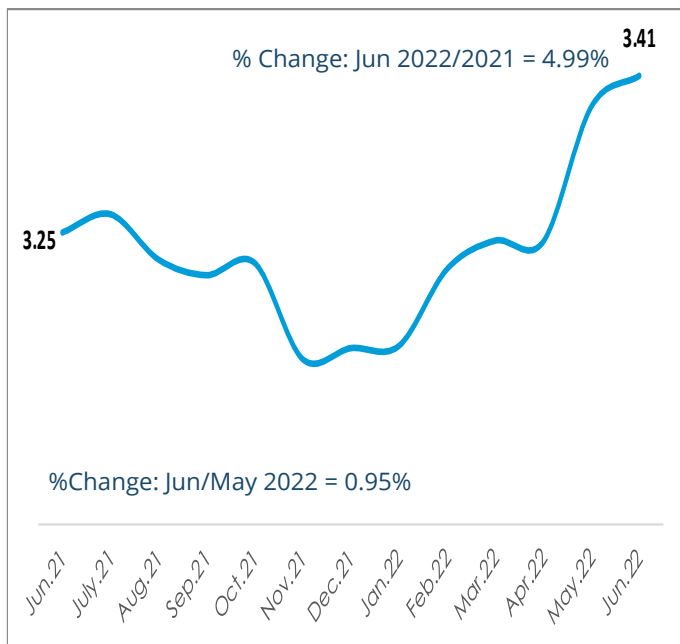
Food & Soft Drinks CPI



FAO Food Price Index



Exchange Rate (NIS/\$)



Tracking trends

Selected food items price: June 2021—2022

Food	Region	2021 (NIS)	2022 (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	129.38	182.78	41.3%
	Gaza (local wheat flour, 50 kg)	82.50	122.00	47.9%
Corn oil (3L)	West Bank	25.79	31.99	24.0%
	Gaza	24.10	28.31	17.5%
Chickpeas (kg)	West Bank	7.79	8.24	5.8%
	Gaza	5.29	5.43	2.7%
Lentils (kg)	West Bank	6.46	7.25	12.2%
	Gaza Strip	5.11	6.13	19.9%
White table salt (kg)	West Bank	1.76	1.91	8.2%
	Gaza Strip	1.39	1.30	-6.4%
Chicken eggs (2kg)	West Bank	13.71	15.08	10.0%
	Gaza Strip	9.98	12.18	22.0%
White sugar (kg)	West Bank	3.35	3.87	15.4%
	Gaza Strip	2.45	3.00	22.2%
Fresh chicken (Kg)	West Bank	14.09	17.29	22.7%
	Gaza Strip	15.81	18.35	16.1%

Tracking trends

Selected food items price: May 2022— June 2022

Food	Region	May (NIS)	June (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	158.00	182.78	0.9%
	Gaza (local wheat flour, 50 kg)	130.00	122.00	-2.4%
Corn oil (3L)	West Bank	27.00	31.99	10.4%
	Gaza	26.22	28.31	7.2%
Chickpeas (kg)	West Bank	8.14	8.24	1.5%
	Gaza	5.35	5.43	0.8%
Lentils (kg)	West Bank	7.18	7.25	1.8%
	Gaza Strip	6.13	6.13	0.0%
White table salt (kg)	West Bank	1.91	1.91	0.0%
	Gaza Strip	1.30	1.30	0.0%
Chicken eggs (2kg)	West Bank	14.95	15.08	4.8%
	Gaza Strip	12.60	12.18	6.6%
White sugar (kg)	West Bank	3.67	3.87	2.7%
	Gaza Strip	2.99	3.00	0.0%
Fresh chicken (Kg)	West Bank	19.38	17.29	4.6%
	Gaza Strip	19.06	18.35	10.1%

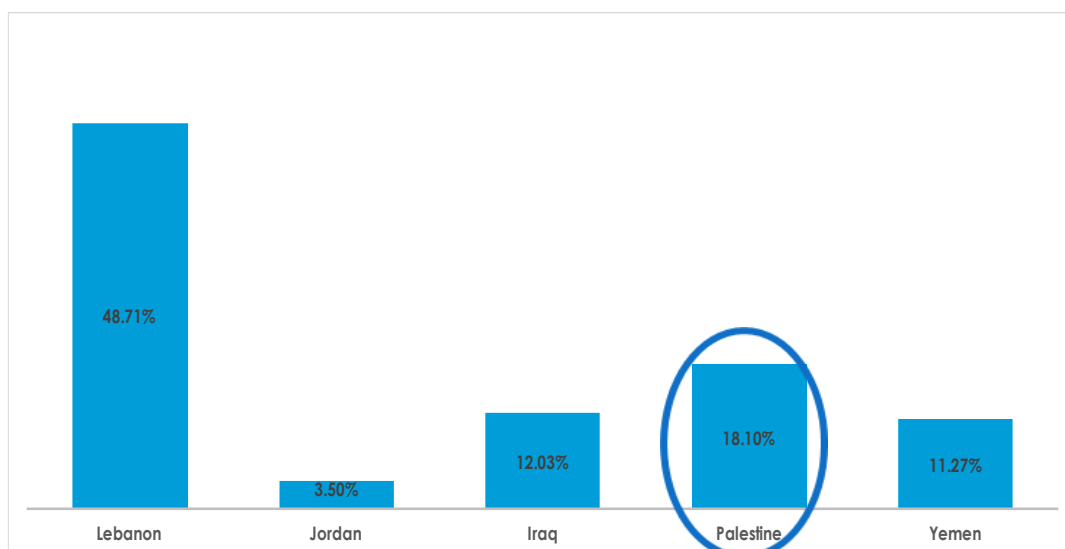
Tracking trends

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

Food	Region	Feb (NIS)	June (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	138.33	182.78	32.1%
	Gaza (local wheat flour, 50 kg)	92.00	122.00	32.6%
Corn oil (3L)	West Bank	26.20	31.99	22.1%
	Gaza	26.47	28.31	6.9%
Chickpeas (kg)	West Bank	8.22	8.24	0.3%
	Gaza	5.22	5.43	4.2%
Lentils (kg)	West Bank	7.19	7.25	0.8%
	Gaza Strip	5.75	6.13	6.5%
White table salt (kg)	West Bank	1.91	1.91	0.0%
	Gaza Strip	1.30	1.30	0.0%
Chicken eggs (2kg)	West Bank	14.88	15.08	1.4%
	Gaza Strip	12.57	12.18	-3.1%
White sugar (kg)	West Bank	3.55	3.87	8.8%
	Gaza Strip	2.91	3.00	3.2%
Fresh chicken (Kg)	West Bank	14.92	17.29	15.8%
	Gaza Strip	16.47	18.35	11.4%

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 %	32%	33%	
Bread prices	ILS 4.5 per Kg (12.5% increase)	ILS 2.8 per Kg (14% increase)	
Pipeline (MT)	30,000 MT	N/A	
Imported Quantity June 2022	30,000 MT	2,824 MT of wheat flour, and 552MT of wheat grain	
Government Policies	<p>- 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).</p> <p>- VAT exemption of 16% for bakeries for 3 months (June, July, August).</p>		

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