



WFP/Ali Jadallah



World Food Programme

SAVING LIVES
CHANGING LIVES

WFP Palestine Monthly Market Dashboard

January 2023

January 2023



Number of people assisted by WFP in January 2023

367,870



Food Consumer Price Index

(Jan 2023/Jan 2022)

4.2%



Number of food-insecure people

1.84 million people (HRP 2023)



Price of Chicken Eggs

(Jan 2023/Jan 2022)

29.6%

Highlights

- During January, WFP provided essential support to approximately 370,000 people in Palestine through monthly food and cash e-vouchers, injecting \$3.1 million into the local economy, providing a boost to small businesses and households. The most redeemed items were wheat flour, vegetable oil, and rice.
- WFP continued the provision of its technical expertise and cash-based transfer (CBT) platform to other humanitarian agencies to facilitate the implementation of their projects. Through this service provision in January, WFP enabled assistance to about 631,386 individuals and the redemption of about US\$ 9.5 million.
- According to WFP market monitoring, the recent earthquake in Turkey may cause a rise in the price of grains like lentils and chickpeas in Palestine during the upcoming months. The disruption of supply chains due to the earthquake may lead to increased costs for essential food items, including grains. Palestine imports approximately 50 percent of its lentils and 68 percent of chickpeas from Turkey.
- In January, the Consumer Price Index (CPI) increased by 0.3 percent compared to the previous month. (*Palestinian Central Bureau of Statistics*) (PCBS).
- The prices of chicken and chicken eggs in Palestine have reached unprecedented levels due to a disease affecting chicken populations. This has led to a decrease in the supply of chicken products, driving up prices and causing hardship for consumers and farmers.
- During January, the average value of WFP food ration prices in local currency had stabilized compared to January.
- The price of rice has risen for the fifth consecutive month, driven by price increases from source countries such as Australia, the United States, and India. The price of rice is expected to continue to rise, particularly during the month of Ramadan, due to higher demand.

Situation Monitoring:

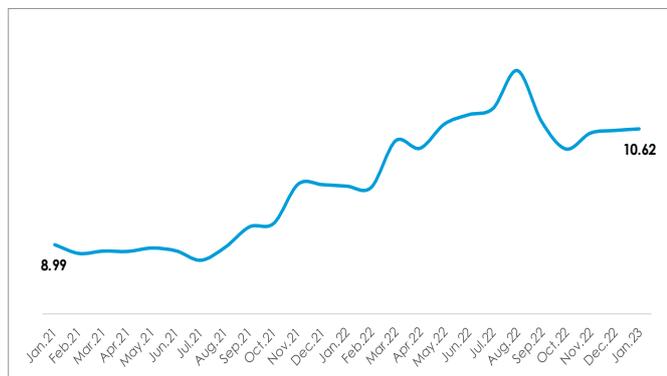
The recent political tension and escalation in the West Bank and East Jerusalem, specifically in Jenin, Jericho, and Shufat refugee camp, has significantly impacted the local economies. This has resulted in the closure of many shops and businesses, leading to decreased economic and commercial activity. Such instability can cause a vicious cycle of economic uncertainty that is harmful to businesses and consumers. Moreover, the disrupted flow of goods in and out of the cities has resulted in increased prices and reduced access to essential items, especially for vulnerable populations.

For instance, the 12-day siege in Jericho City has severely impacted the tourism and farming sectors of the local economy. The closure of businesses and restricted worker mobility has caused a decrease in economic activity and an increase in financial hardship. Similarly, the recent political tension in the Shufat refugee camp has adversely affected the well-being of the residents and the local economy. The situation is being closely monitored by WFP, and the impact on vulnerable populations is being measured to ensure their needs are met. WFP will continue to work with local partners to provide essential food and cash assistance, especially to those most in need, to alleviate the impact of recent events on the most vulnerable populations.

WFP Activities

Value of WFP Food Rations

Monthly average value of WFP food rations per capita (\$)



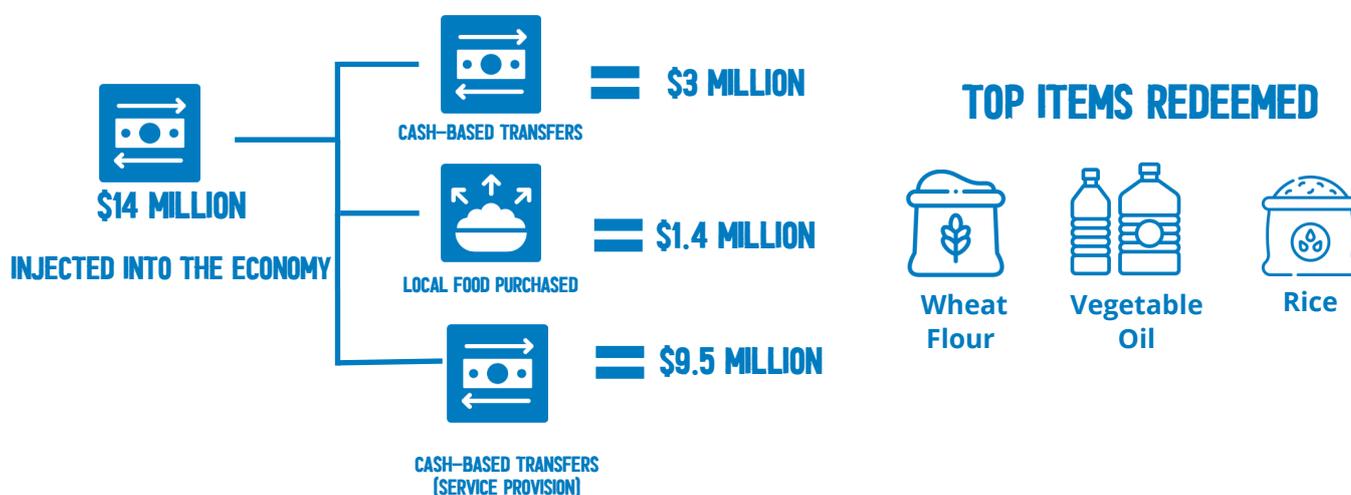
%CHANGE (\$): JAN 2023/JAN 2022 = 8.2%

%CHANGE (\$): JAN 2023/DEC 2022 = 0.2%

In January 2022, the average monthly value of WFP food rations per capita in local currency (NIS) **remained stable compared to the preceding month**, but continued to rise in comparison to the prior year, showing an increase of 19%. This stability in ration value during January is due to the stabilization of prices for essential food items, such as wheat flour, vegetable oil, lentils, and chickpeas, which make up the Palestinian households' food basket. The local currency (NIS) depreciated against the USD by 9.9% over the last year, which helped moderate **the increase in food ration prices in US dollars, which rose by 8.2% compared to the previous year.**

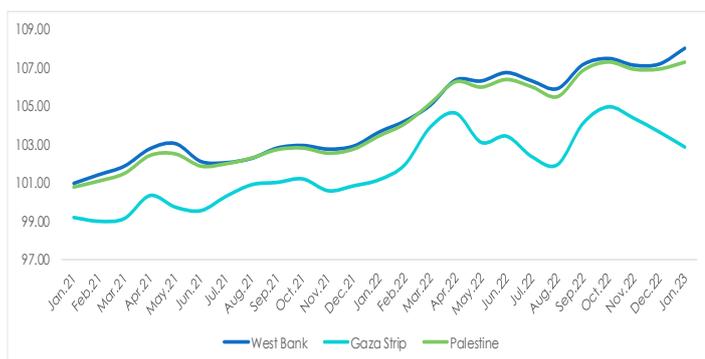
Food Accessibility & Availability

- In January, only 5 percent of WFP beneficiaries reported witnessing an increase in prices of some commodities such as vegetable oil, eggs, and vegetables. This figure reflects the decrease in Food CPI during January compared to the previous month by 0.6 percent.
- Around 39 percent of interviewed WFP beneficiaries (5 percent increase from the previous month) reported not being able to buy the same amount of food as they did during the previous month and relied on some coping strategies such as consuming less quality food or less preferred food, reducing quantities of food consumed, and purchasing food on credit.
- According to WFP Palestine's monitoring of WFP contracted shops, 48 percent of shops have sufficient stock to meet demands for two months up to 6 months a decrease of 8 percent compared to the previous month. The remaining 52 percent reported having sufficient stock to meet demands for only one month or less.
- 46 percent of WFP's contracted shops reported that the increase in prices had a negative impact on their sales volume in the previous months.



Consumer Price Index (CPI)

Overall Consumer Price Index



%CHANGE: JAN 2023/DEC 2022 (INFLATION RATE)

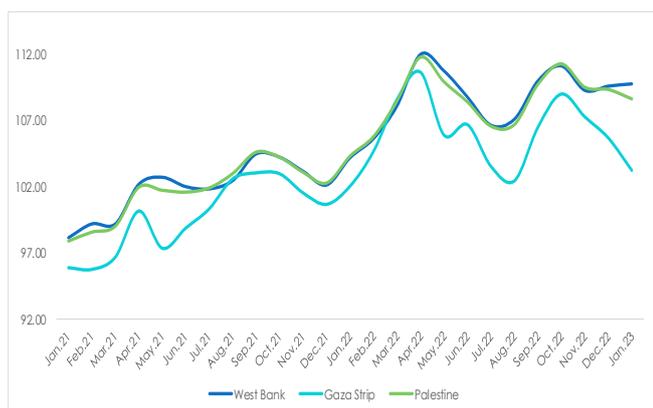
- PALESTINE = 0.3%
- WEST BANK = 0.8%
- GAZA STRIP = -0.8%

%CHANGE: JAN 2023/JAN 2022 (INFLATION RATE)

- PALESTINE = 3.7%
- WEST BANK = 4.2%
- GAZA STRIP = 1.7%

In January, the overall Consumer Price Index (CPI) increased by 3.7 percent compared to last year, and by 0.3 percent compared to the previous month. Additionally, the food CPI rose by 4.2 percent compared to January 2021, but experienced a decrease of 0.6 percent compared to the previous month. The CPI subgroups indicate an increase of 2.7 percent and 3.6 percent in the prices of chicken and eggs, respectively, while the prices of fresh and dried vegetables showed a decrease of 8.0 percent and 5.2 percent, respectively.

Food & Soft Drinks CPI



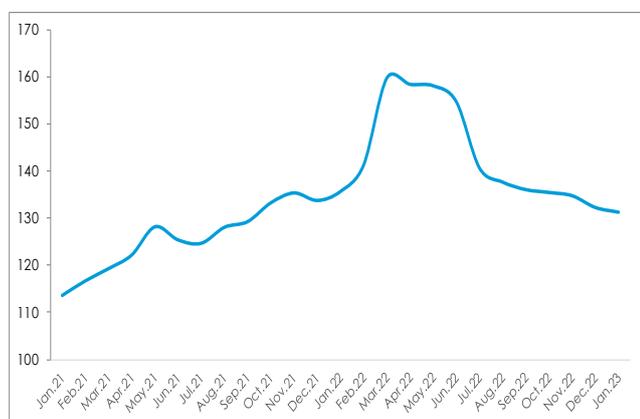
%CHANGE: JAN 2023/DEC 2022 (FOOD INFLATION RATE)

- PALESTINE = -0.6%
- WEST BANK = 0.2%
- GAZA STRIP = -2.3%

%CHANGE: JAN 2023/JAN 2022 (FOOD INFLATION RATE)

- PALESTINE = 4.2%
- WEST BANK = 5.4%
- GAZA STRIP = 1.2%

FAO Food Price Index



%CHANGE: JAN 2023/DEC 2022 = -0.8%

%CHANGE: JAN 2023/ JAN 2022 = -3.2%

In January 2023, the FAO Food Price Index (FFPI) recorded a slight decrease of 0.8 percent from December, reaching an average of 131.2 points. This marks the 10th consecutive monthly decline and a significant 17.9 percent drop of 28.6 points since it peaked in March 2022. The decline of the index in January is primarily attributed to the decrease in price indices of vegetable oils, dairy, and sugar, while prices of cereals and meat remained largely stable.

The decline in the FFPI was primarily attributed to the increase in global supplies of wheat and vegetable oil in production countries, where larger-than-anticipated production was observed, particularly in Australia, Argentina, and the Russian Federation.

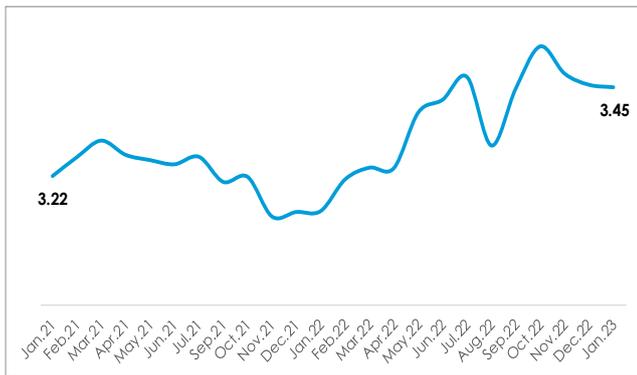
Tracking Trends

Jan 2023–Dec 2022 % change

Jan 2023–Jan 2022 % change

 <p>Flour</p>	Gaza	3.8	↑	Gaza	22.2	↑
	West Bank	1.5	↑	West Bank	33.4	↑
 <p>Bread</p>	Gaza	8.1	↑	Gaza	15.5	↑
	West Bank	0.4	↑	West Bank	16.3	↑
 <p>Chickpeas</p>	Gaza	1.7	↑	Gaza	-2.5	↓
	West Bank	-0.4	↓	West Bank	0.6	↑
 <p>Lentils</p>	Gaza	-0.1	↓	Gaza	8.9	↑
	West Bank	3.4	↑	West Bank	7.1	↑
 <p>Table Salt</p>	Gaza	0.0	↔	Gaza	0.0	↑
	West Bank	0.0	↔	West Bank	-1.6	↑
 <p>Eggs</p>	Gaza	1.3	↓	Gaza	25.2	↑
	West Bank	5.3	↓	West Bank	34.1	↑
 <p>Corn Oil</p>	Gaza	-0.9	↑	Gaza	20.5	↑
	West Bank	0.1	↓	West Bank	22.3	↑
 <p>Chicken</p>	Gaza	-3.0	↓	Gaza	0.2	↑
	West Bank	6.3	↑	West Bank	15.1	↑
 <p>Potatoes</p>	Gaza	-38.4	↑	Gaza	0.8	↑
	West Bank	-8.4	↑	West Bank	-8.9	↑
 <p>Tomatoes</p>	Gaza	-24.6	↓	Gaza	-22.5	↑
	West Bank	-17.1	↓	West Bank	-19.3	↑

Exchange Rate (NIS/\$)

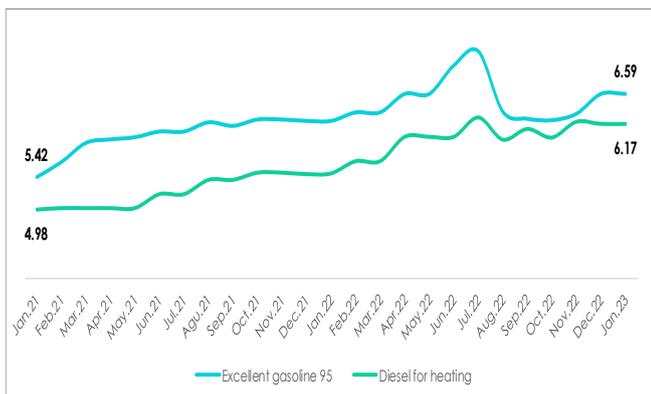


%CHANGE: JAN 2023/JAN 2022 = 9.9%

%CHANGE: JAN 2023/DEC 2022 = 0.0%

In January 2023, the exchange rate between the local currency (NIS) and the USD remained stable compared to December 2022. **The exchange rate was recorded at an average of 3.45 NIS per 1 USD**, reflecting a 9.9 percent depreciation compared to the same month in the previous year. Recently, the exchange rate has climbed to its highest point in three years, **reaching 3.69 NIS per 1 USD** due to concerns among investors about judicial reforms in Israel that could affect business operating in Israel. The depreciation of the Israeli shekel is expected to significantly affect import costs and subsequently lead to price increases in the Palestinian markets.

Fuel – (NIS/L)



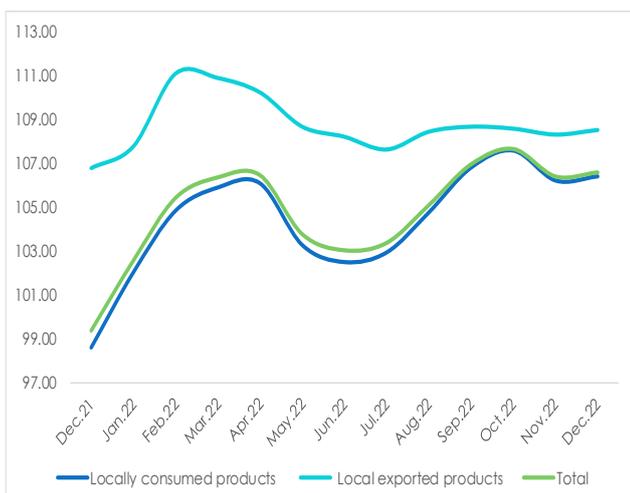
GASOLINE %CHANGE: JAN 2023/JAN 2022 = 6.1%

DIESEL %CHANGE: JAN 2023/DEC 2022 = 12.6%

The cost of Excellent gasoline 95 and diesel, which is used for public transportation and heating, remained stable in the previous month, but increased by 6.1 percent and 12.6 percent, respectively, compared to January 2022. (PCBS)

In January 2023, crude oil prices remained largely unchanged globally. Nonetheless, there has been a recent uptick in oil prices. This increase comes after Russia declared that it would decrease its production by 500,000 barrels per day, or a 5% reduction, starting next month. This move by Russia is a reaction to the \$60 price limit on its fuel exports, as imposed by the United States and Europe.

Producer Price Index (PPI)



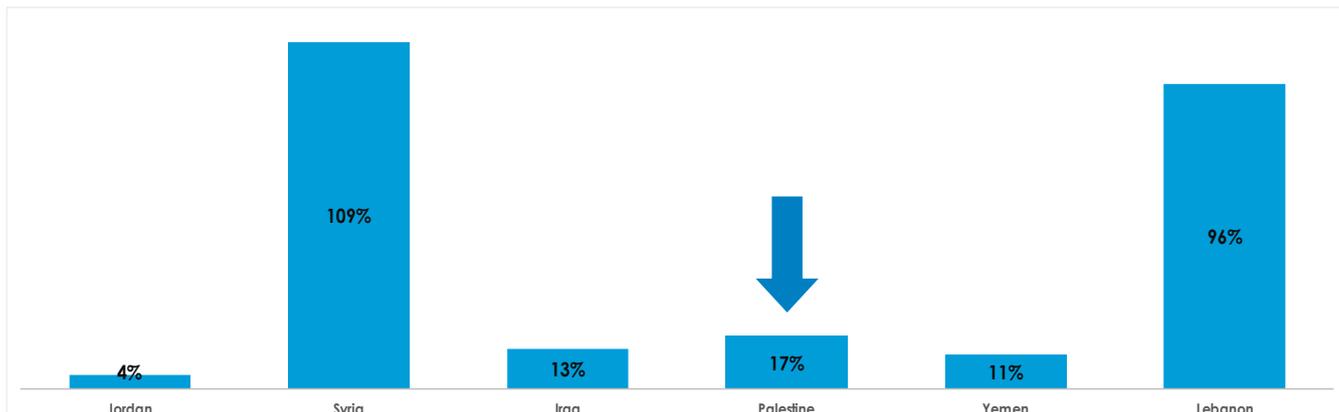
%CHANGE: 2022/2021 = 7.4%

%CHANGE: DEC 2022/NOV 2022 = 0.2%

The overall Producer Price Index (PPI) in Palestine **surged by 7.4 percent in 2022 compared to the previous year**. Locally consumed products saw a higher increase of 7.7 percent, while local exported products increased by 5.1 percent. The rise in PPI was largely attributed to significant price increases in several major activities, including electricity, gas, steam and air conditioning supply by 12.76 percent, agriculture, forestry and fishing activities by 12.26 percent, water supply, sewerage, waste management and remediation activities by 6.31 percent, manufacturing activities by 4.78 percent, and mining and quarrying activities by 3.03 percent in 2022 as compared to 2021.

Food Basket Cost

Percentage change in the cost of food basket in the region Jan 2023/ Jan 2022



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