



WFP/Ali Jadallah



World Food Programme

SAVING
LIVES
CHANGING
LIVES

WFP Palestine Monthly Market Dashboard

March 2023

March 2023



Number of people assisted by WFP in March 2023

361,663



Food Consumer Price Index

(Mar 2023/Mar 2022)

2.9%



Number of food-insecure people

1.84 million people (HRP 2023)



Price of Corn Oil

(Mar 2023/Mar 2022)

20.9%

Highlights

- During March, WFP provided critical food assistance to 361,663 Palestinians. Of those, 296,912 received cash-based transfers (CBT) of US\$ 3 million; 70,757 people were reached through the quarterly in-kind distributions. The e-vouchers injected US\$ 3.4 million into the local economy, providing a boost to small businesses and households. The most redeemed items were wheat flour, vegetable oil, and frozen meat.
- 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 March, WFP enabled assistance to about 675,655 individuals and the redemption of about US\$ 9.9 million.
- In March, the Consumer Price Index (CPI) rose by 4.3 percent compared to the previous year, and wheat flour by 12 percent. (*Palestinian Central Bureau of Statistics*) (PCBS).
- In March, the average value of WFP food ration prices in local currency experienced a minor drop of 0.3 percent compared to the preceding month, but remained higher by 11.3 percent relative to the previous year.

Situation Monitoring:

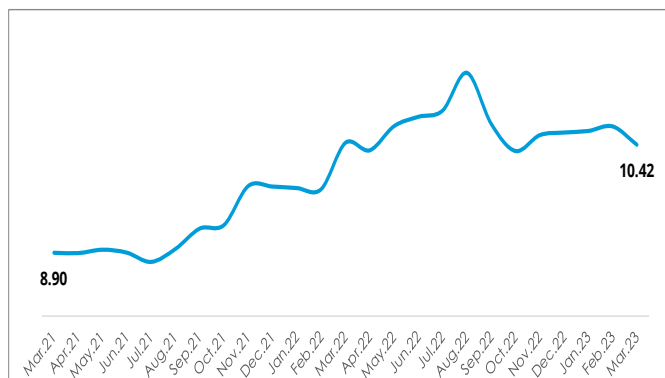
In recent years, the Palestinian Authority has faced significant fiscal challenges due to a decline in foreign aid and reduced revenue from taxes and customs. Consequently, the government has struggled to pay civil servants' salaries in full, and the national cash transfer program has been unable to provide necessary support to vulnerable families. In the absence of a stable social safety net, WFP has been providing the only regular assistance to approximately 400,000 beneficiaries in the West Bank and Gaza Strip.

In order to overcome its financial difficulties and bridge the gap, the Palestinian Authority has created an emergency budget for 2023. The strategy entails maintaining its income development policy by reforming the revenue system, eliminating unjustified tax exemptions, and reviewing and modifying administrative structures to reduce salary and wage expenses. The budget predicts a 7% increase in revenue, totaling \$5.4 billion this year. However, it is projected that the total expenditures and debt service will increase by 11.6% to \$6.2 billion. The surge in expenses is primarily due to development expenditures in line with the government's reform plans, which is expected to lead to a deficit of \$359 million.

WFP Activities

Value of WFP Food Rations

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



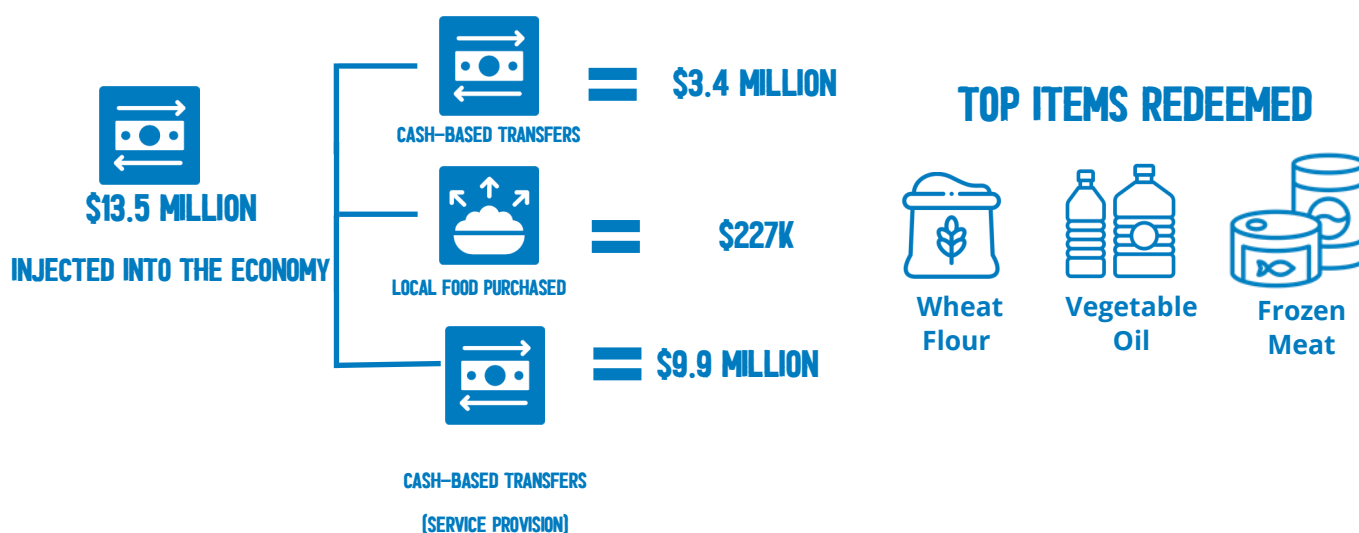
%CHANGE (\$): MAR 2023/MAR 2022 = -0.3%

%CHANGE (\$): MAR 2023/FEB 2023 = -2.4%

In March 2023, the average monthly value of WFP food rations per capita in local currency (NIS) has decreased slightly by **0.3 percent compared to February 2023**, but increased by 11.3 percent in comparison to the previous year. **The USD value of the WFP ration decreased by 0.3 percent** compared to the previous year due to the significant **depreciation of the local currency by 11.6 percent**. The increase in ration value during March is attributed to the slight decrease of prices for essential food items, such as lentils, and vegetable oil.

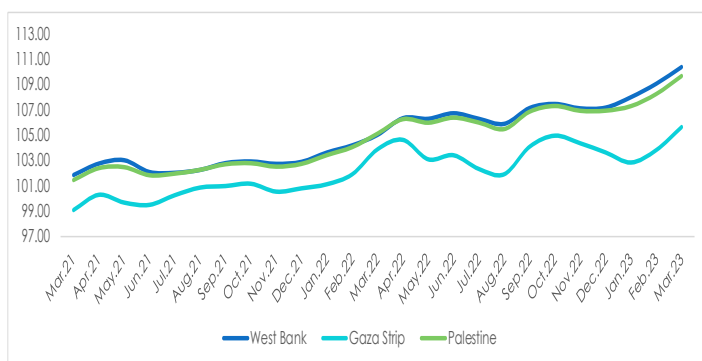
Food Accessibility & Availability

- In March, only 7 percent of WFP beneficiaries reported witnessing an increase in prices of some commodities such as vegetable oil, eggs, and vegetables.
- Around 37 percent of interviewed WFP beneficiaries, down from 39 percent last 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, 57 percent of shops have sufficient stock to meet demands for two months up to 6 months a decrease of 3 percent compared to the previous month. The remaining 43 percent reported having sufficient stock to meet demands for only one month or less.
- 38 percent of WFP’s contracted shops reported that any increase in prices will have negative impact on their sales volume in the previous months, and 39 percent reported that any increase in prices will negatively impact their liquidity.
- WFP expanded its network of contracted shops to 303 in the West Bank and Gaza Strip, as part of its efforts to be well-prepared for emergencies and ensure that essential goods are readily available to vulnerable communities. An additional 22 contracted shops will be contracted next month to further expand coverage in these areas.



Consumer Price Index (CPI)

Overall Consumer Price Index



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

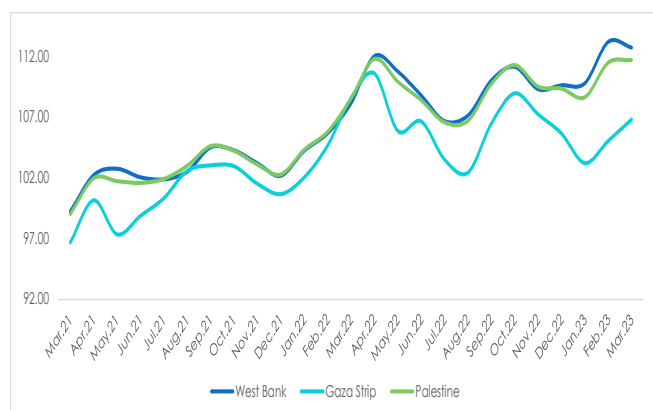
- PALESTINE = 4.3%
- WEST BANK = 5.1%
- GAZA STRIP = 1.7%

%CHANGE: MAR 2023/FEB 2023 (INFLATION RATE)

- PALESTINE = 1.3%
- WEST BANK = 1.2%
- GAZA STRIP = 1.7%

In March, the overall Consumer Price Index (CPI) increased by 4.3 percent compared to last year, and by 1.3 percent compared to the previous month. Additionally, the food CPI rose by 2.9 percent compared to March 2022, and slightly increased by 0.2 percent compared to the previous month. According to the CPI subgroups, the prices of dried vegetables and fresh meat, as well as fresh vegetables, have seen respective increases of 16.8 percent, 2.7 percent, and 2.1 percent.

Food & Soft Drinks CPI



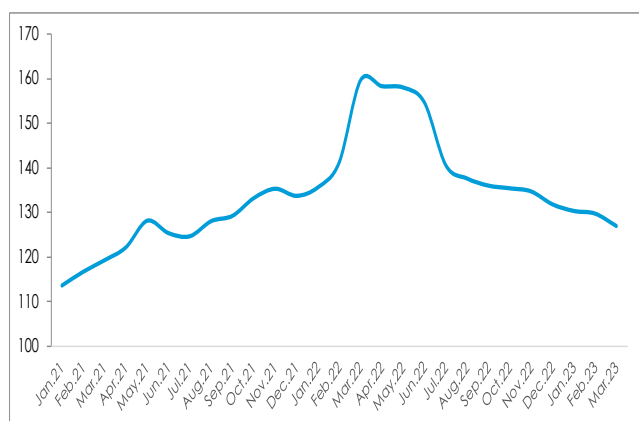
%CHANGE: MAR 2023/MAR 2022 (FOOD INFLATION RATE)

- PALESTINE = 2.9%
- WEST BANK = 4.3%
- GAZA STRIP = -1.6%

%CHANGE: MAR 2023/FEB 2023 (FOOD INFLATION RATE)

- PALESTINE = 0.2%
- WEST BANK = -0.4%
- GAZA STRIP = 1.7%

FAO Food Price Index



%CHANGE: MAR 2023/MAR 2022 = -20.5%

%CHANGE: MAR 2023/ FEB 2023 = -2.2%











In March 2023, the FAO Food Price Index (FFPI) decreased by 2.1 percent compared to February, marking the twelfth consecutive monthly decline and a significant 20.5 percent decrease since its peak in March 2022. This decline is due to favorable weather conditions resulting in better crop yields, reduced supply chain disruptions, and increased production of certain crops, such as wheat and soybeans.

The volatility in global food prices is a persistent trend, influenced by factors such as supply and demand, weather conditions, trade policies, and geopolitical tensions. Although the decrease in food prices can benefit consumers in the short term, it may have negative effects on farmers and food producers, especially those in low-income countries.

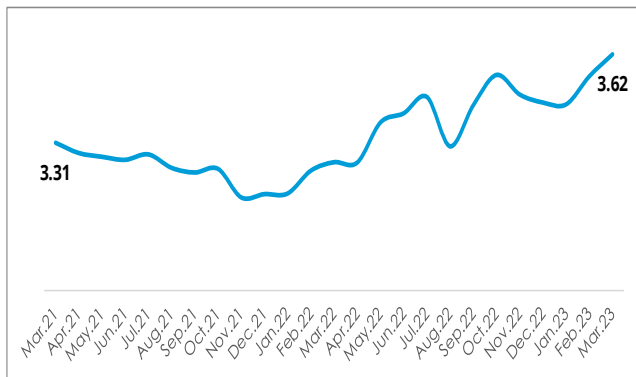
Tracking Trends

Mar 2023–Feb 2023 % change

Mar 2023–Mar 2022 % change

 <p>Flour</p>	Gaza	0.9	↑	Gaza	3.8	↑
	West Bank	1.2	↑	West Bank	20.0	↑
 <p>Bread</p>	Gaza	0.0	↔	Gaza	7.7	↑
	West Bank	0.0	↔	West Bank	15.9	↑
 <p>Chickpeas</p>	Gaza	-1.7	↓	Gaza	-6.4	↓
	West Bank	1.7	↑	West Bank	1.9	↑
 <p>Lentils</p>	Gaza	0.0	↔	Gaza	4.3	↑
	West Bank	-0.9	↓	West Bank	6.1	↑
 <p>Table Salt</p>	Gaza	5.6	↑	Gaza	46.2	↑
	West Bank	1.7	↑	West Bank	1.7	↑
 <p>Eggs</p>	Gaza	5.4	↑	Gaza	11.5	↑
	West Bank	-0.7	↓	West Bank	39.3	↑
 <p>Corn Oil</p>	Gaza	-2.0	↓	Gaza	20.9	↑
	West Bank	0.0	↔	West Bank	20.8	↑
 <p>Chicken</p>	Gaza	0.2	↑	Gaza	-14.3	↓
	West Bank	-5.7	↓	West Bank	2.8	↑
 <p>Potatoes</p>	Gaza	-5.8	↑	Gaza	-9.5	↑
	West Bank	-7.2	↑	West Bank	-10.5	↓
 <p>Tomatoes</p>	Gaza	-13.7	↓	Gaza	-30.1	↓
	West Bank	-11.6	↓	West Bank	-23.4	↓

Exchange Rate (NIS/\$)

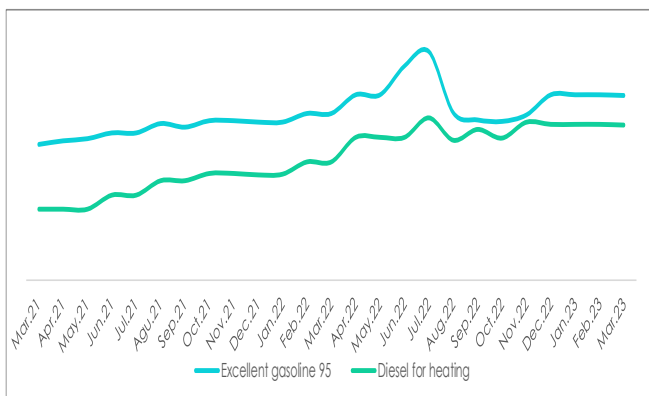


%CHANGE: MAR 2023/MAR 2022 = 11.6%

%CHANGE: MAR 2023/FEB 2023 = 2.2%

In March 2023, the value of the **local currency (NIS) depreciated by 11.6 percent compared to the previous year**, resulting in an average exchange rate of 3.62 NIS per 1 USD. Recently, the NIS reached its lowest level in three years, with 1 USD equaling 3.70 NIS. This depreciation was caused by investor concerns regarding judicial reforms in Israel that could potentially affect local business operations, as well as the Federal Reserve's increase in interest rates. A depreciation in currency value makes imported goods more expensive, leading to higher consumer prices. This situation poses a significant challenge for import-dependent countries like Palestine, where domestic production capabilities are limited. The drop in currency value can result in increased consumer prices, which can have a significant impact on inflation and the cost of living for consumers.

Fuel - (NIS/L)



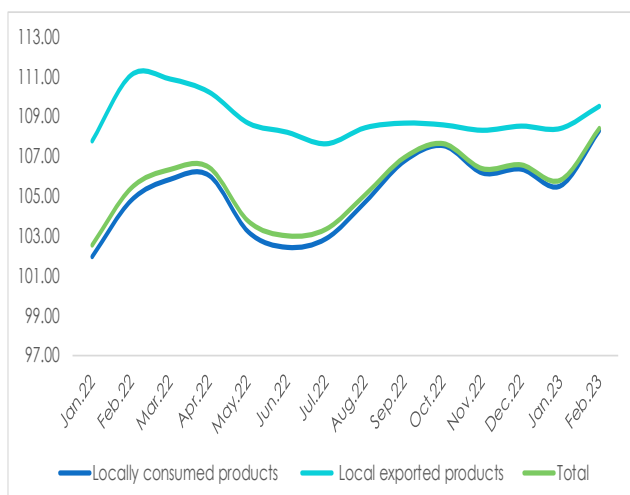
GASOLINE %CHANGE: MAR 2023/MAR 2022 = 3.9%

DIESEL %CHANGE: MAR 2023/MAR 2022 = 9.0%

The cost of Excellent gasoline 95 and diesel, which is used for public transportation and heating, decreased slightly by 0.2 percent compared to the previous month, but still higher by 3.9 percent and 9.0 percent, respectively, compared to March 2022. (PCBS)

In March, oil prices rebounded by over 1% after hitting their lowest point in 15 months due to the turmoil in the banking sector. Despite this, sources within OPEC+ noted that the drop is temporary and not due to supply-demand fundamentals. The International Energy Agency predicts that world oil demand will rebound in 2023, but the supply picture remains uncertain due to Russia's reduction in crude output. (CNBC)

Producer Price Index (PPI)



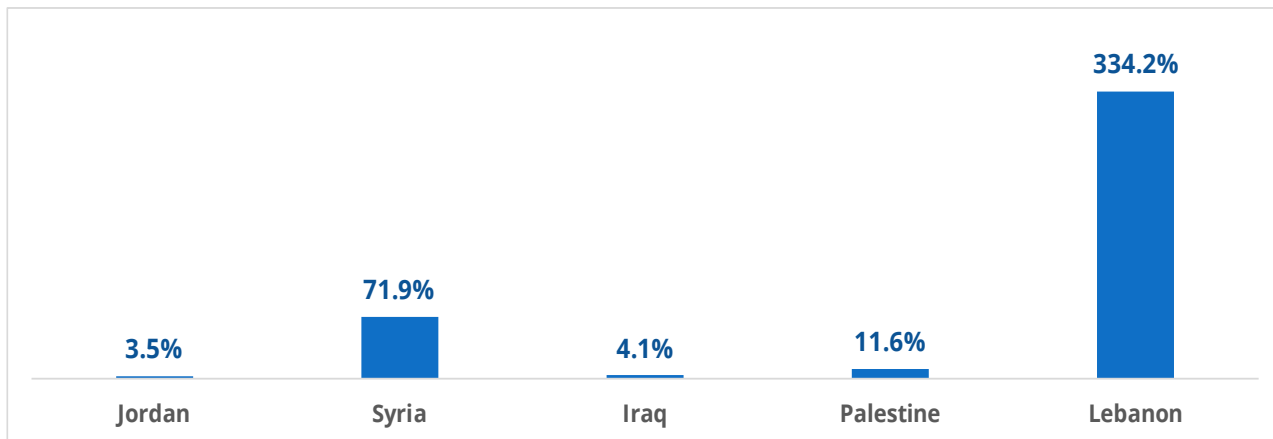
%CHANGE: FEB 2023/FEB 2022 = 2.9%

%CHANGE: FEB 2023/JAN 2023 = 2.5%

The overall Producer Price Index (PPI) in Palestine increased **by 2.5 percent in February 2023** (latest available data) **compared to the previous month**. Locally consumed products experienced an increase of 2.6 percent, while local exported products increased by 1.0 percent. The increase in PPI was largely attributed to the increase in agriculture, forestry and fishing activities by 7.6 percent, water supply, sewerage, waste management and remediation activities by 3.7 percent and electricity, gas, steam and air conditioning supply activities by 2.1 percent, compared to the previous month.

Food Basket Cost

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



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