



WFP/Ali Jadallah



World Food Programme

SAVING  
LIVES  
CHANGING  
LIVES

# WFP Palestine Monthly Market Dashboard

May 2023

May 2023



## Number of people assisted by WFP in May 2023

309,444



## Consumer Price Index

(May 2023/May 2022)

3.9%



## Number of food-insecure people

1.84 million people (HRP 2023)



## Price of Tomato

(May 2023/Apr 2023)

46.6%

## Highlights

- During May, WFP provided critical food assistance to 309,444 Palestinians. Of those, 277,165 received cash-based transfers (CBT) of US\$ 2.7 million; 32,279 people were reached through the quarterly in-kind distributions. 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 May, WFP enabled assistance to about 24,357 individuals and the redemption of about US\$ 558,200.
- In May, the Consumer Price Index (CPI) rose by 3.9 percent compared to the previous year, and Food CPI by 2.2 percent. (*Palestinian Central Bureau of Statistics/PCBS*).
- In May, the average value of WFP food ration prices in local currency experienced a minor drop of 0.4 percent compared to the preceding month, but remained higher by 3.8 percent relative to the same month in previous year, and 19.1 percent since the beginning of the Ukraine crisis.

## Situation Monitoring:

### The impact of suspension of assistance on economic and social conditions in Palestine

Starting June, WFP was forced to start suspending food assistance to 200,000 people in Palestine, which accounts for 60 percent of the agency's caseload, due to funding shortfalls. If no urgent funding emerges, WFP will be forced to completely suspend its operations in the West Bank and Gaza by August.

WFP's assistance plays a crucial role in the lives of the people it supports, as it accounts for almost half of their food expenditures. The loss of this assistance will not only affect individuals but will also have a significant impact on the fragile local economy.

Every month, WFP injects approximately US\$3 million into the Palestinian economy through direct programs that involve electronic cash transfers that enable people to purchase essential food items. Additionally, through its cash-based transfers, WFP facilitates the transfer of US\$10 million monthly to vulnerable families on behalf of humanitarian and development partners.

The suspension of assistance will have severe consequences, particularly for the already vulnerable Gaza Strip. The economic and social conditions will deteriorate, with a projected 1 percent decline in Gaza's GDP. This will lead to increased challenges in employment and food security.

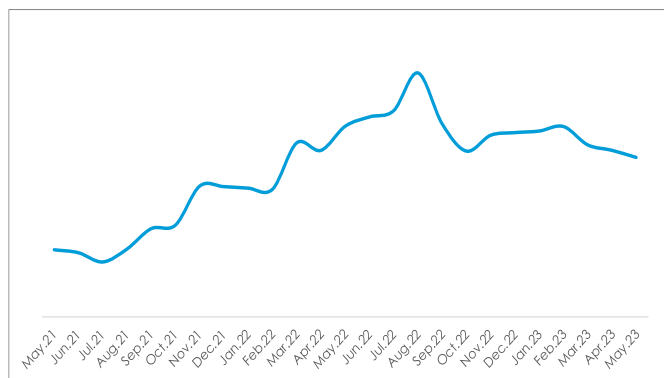
Furthermore, approx. 42,000 people who were moderately food insecure will now face severe food insecurity. Local shop owners contracted by WFP will also suffer, experiencing a significant 27 percent decrease in sales, resulting in a loss of investments worth USD 1.4 million. Moreover, 12.4 percent of Gaza's trade sector employment, are expected to lose their jobs.

This will also contribute to a growing sense of desperation among the population. The impact of these circumstances has already been evident through the numerous protests taking place in front of the WFP office.

# WFP Activities

## Value of WFP Food Rations

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



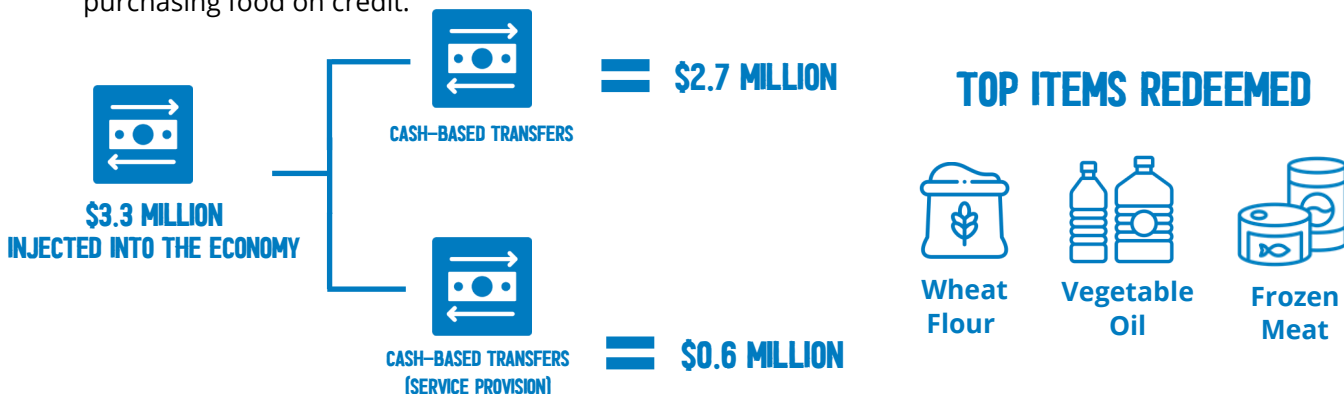
**%CHANGE (\$): MAY 2023/MAY 2022 = 0.0%**

**%CHANGE (\$): MAY 2023/APR 2023 = -0.7%**

In May 2023, the average monthly value of WFP food rations per capita in local currency (NIS) has decreased slightly by **0.4 percent compared to April**, but increased by 3.8 percent in comparison to the same month in the previous year, and by 19.1 since the beginning of the Ukraine crisis. **The USD value of the WFP ration decreased by 4.1 percent** compared to the previous year due to the significant **depreciation of the local currency by 8.2 percent**. The decrease in ration value during May is attributed to the slight decrease of prices for essential food items, such as wheat flour in West Bank, salt in Gaza Strip and chickpeas in both West Bank and Gaza Strip.

## Food Accessibility & Availability

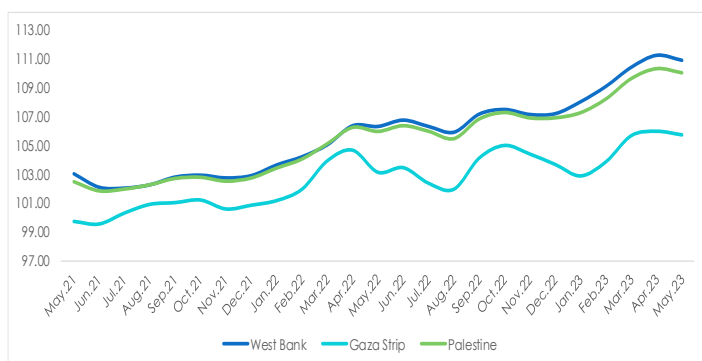
- In May, only 2 percent of WFP beneficiaries reported witnessing an increase in prices of some commodities such as vegetable oil, eggs, and vegetables.
- Around 33 percent of interviewed WFP beneficiaries reported not being able to buy the same amount of food as they did during the previous month and 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 2 percent compared to the previous month. The remaining 52 percent reported having sufficient stock to meet demands for only one month or less.
- 52 percent of WFP’s contracted shops reported that any increase in prices will have negative impact on their sales volume.
- WFP’s initial monitoring findings show that after the suspension of WFP food assistance, almost all interviewed individuals (97.5%) experienced a decline in their food consumption, reducing or eliminating food items previously purchased through WFP’s vouchers. People have adopted various coping strategies, such as consuming less quality food or less preferred food, reducing quantities of food consumed, and purchasing food on credit.





# Consumer Price Index (CPI)

## Overall Consumer Price Index



### %CHANGE: MAY 2023/MAY 2022 (INFLATION RATE)

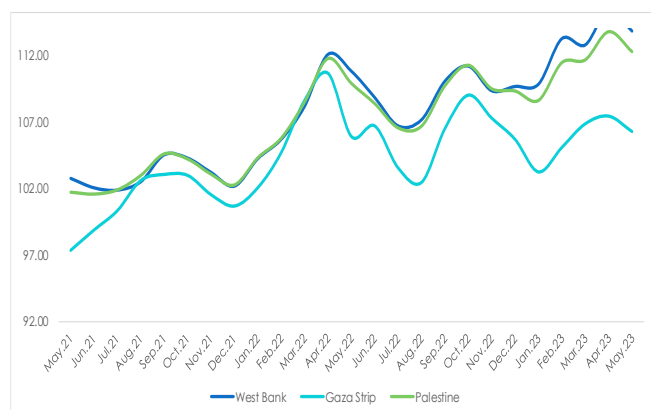
- PALESTINE = 3.9%
- WEST BANK = 4.3%
- GAZA STRIP = 2.5%

### %CHANGE: MAY 2023/APR 2023 (INFLATION RATE)

- PALESTINE = -0.3%
- WEST BANK = -0.3%
- GAZA STRIP = -0.2%

In May the overall Consumer Price Index (CPI) increased by 3.9 percent compared to last year, and decreased by 0.3 percent compared to the previous month. Additionally, the food CPI rose by 2.2 percent compared to May 2022, and decreased by 1.3 percent compared to the previous month. According to the CPI subgroups, the prices of dried vegetables, potatoes, as well as fresh vegetables, have seen respective decrease of 16.9 percent, 6.4 percent, and 6.0 percent compared to the previous month.

## Food & Soft Drinks CPI



### %CHANGE: MAY 2023/MAY 2022 (FOOD INFLATION RATE)

- PALESTINE = 2.2%
- WEST BANK = 2.7%
- GAZA STRIP = 0.3%

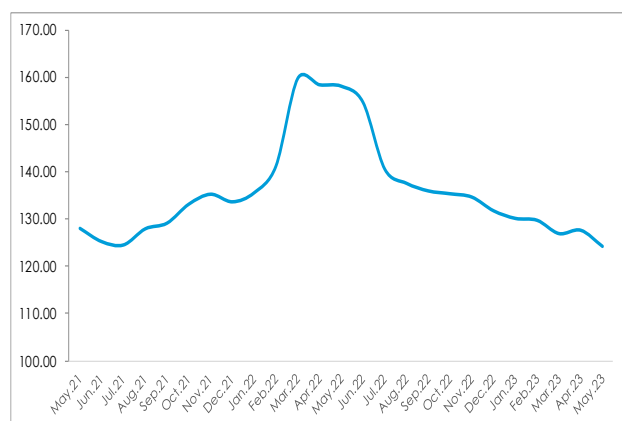
### %CHANGE: MAY 2023/APR 2023 (FOOD INFLATION RATE)

- PALESTINE = -1.3%
- WEST BANK = -1.4%
- GAZA STRIP = -1.1%

### %CHANGE: MAY 2023/MAY 2022 = -21.4%

### %CHANGE: MAY 2023/ APR 2023 = -2.7%

## FAO Food Price Index



The FAO Food Price Index (FFPI) decreased by 2.6 percent in May 2023 compared to April, reaching an average of 124.3 points. This represents a significant drop of 22.1 percent from its peak in March 2022. The decline was driven by lower prices for vegetable oils, cereals, and dairy, despite increases in sugar and meat indices.











The FAO Cereal Price Index decreased by 4.8% due to lower international prices of wheat and maize because of ample global supplies and the extension of the Black Sea Grain Initiative. The FAO Vegetable Oil Price Index dropped by 8.7% in May, reflecting lower prices for palm, soy, rapeseed, and sunflower oils. Weak global import purchases led to a decline in palm oil prices, while soy oil prices experienced their sixth consecutive monthly drop due to increased supplies in Brazil and the United States.

The FAO Dairy Price Index decreased by 3.2% due to a significant drop in international cheese prices. However, there was a rebound in milk powder prices after ten months of decline, and butter prices saw a slight increase. The FAO Meat Price Index increased by 1.0%, propelled by higher poultry meat prices and slight increases in bovine and pig meat prices. (FAO)

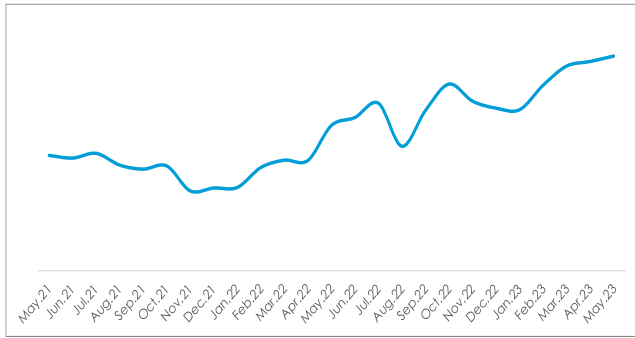
# Tracking Trends

May 2023–Apr 2023 % change

May 2023–May 2022 % change

 <p>Flour</p>	Gaza	2.1	↑	Gaza	-22.4	↓
	West Bank	-1.1	↓	West Bank	2.1	↑
 <p>Bread</p>	Gaza	-2.1	↓	Gaza	-4.8	↑
	West Bank	-0.2	↓	West Bank	3.4	↑
 <p>Chickpeas</p>	Gaza	0.0	↔	Gaza	-3.2	↓
	West Bank	-1.5	↓	West Bank	1.8	↑
 <p>Lentils</p>	Gaza	2.2	↑	Gaza	0.1	↑
	West Bank	0.1	↑	West Bank	5.5	↑
 <p>Table Salt</p>	Gaza	-16.7	↓	Gaza	15.4	↑
	West Bank	0.3	↑	West Bank	-1.4	↓
 <p>Eggs</p>	Gaza	-17.3	↓	Gaza	10.0	↑
	West Bank	-0.9	↓	West Bank	39.0	↑
 <p>Corn Oil</p>	Gaza	1.3	↑	Gaza	23.4	↑
	West Bank	-0.5	↓	West Bank	9.9	↑
 <p>Chicken</p>	Gaza	7.8	↑	Gaza	3.2	↑
	West Bank	-8.5	↓	West Bank	9.0	↑
 <p>Potatoes</p>	Gaza	-13.3	↓	Gaza	3.8	↑
	West Bank	-2.0	↓	West Bank	-3.4	↓
 <p>Tomatoes</p>	Gaza	17.1	↑	Gaza	12.3	↑
	West Bank	46.6	↑	West Bank	-14.4	↓

## Exchange Rate (NIS/\$)

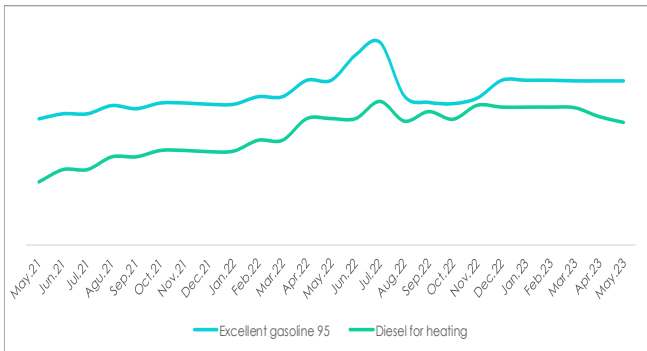


**%CHANGE: MAY 2023/MAY 2022 = 8.2%**

**%CHANGE: MAY 2023/APR 2023 = 0.6%**

In May 2023, the value of the **local currency (NIS) depreciated slightly by 0.6 percent compared to the previous year**, resulting in an average exchange rate of 3.66 NIS per 1 USD. This depreciation was caused by investor concerns regarding judicial reforms in Israel that could potentially affect local business operations. 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)



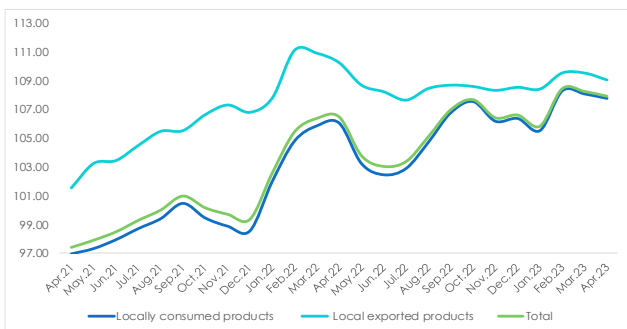
**GASOLINE %CHANGE: MAY 2023/MAY 2022 = -0.2%**

**DIESEL %CHANGE: MAY 2023/MAY 2022 = 0.5%**

In May, the cost of Excellent gasoline 95 remained steady at 6.58 NIS per liter, maintaining the same price as the previous month. On the other hand, diesel, a fuel commonly utilized for public transportation and heating purposes, saw a decrease of 1.5 percent from the previous month, reaching 5.93 NIS per liter. (PCBS)

During May, crude oil prices underwent a decline of approximately 4 percent. Recent weeks and months have witnessed a downward trend in oil prices, primarily due to concerns surrounding interest rate hikes and the possibility of a recession. These factors contribute to worries about reduced demand and subsequent decreases in oil prices.

## Producer Price Index (PPI)



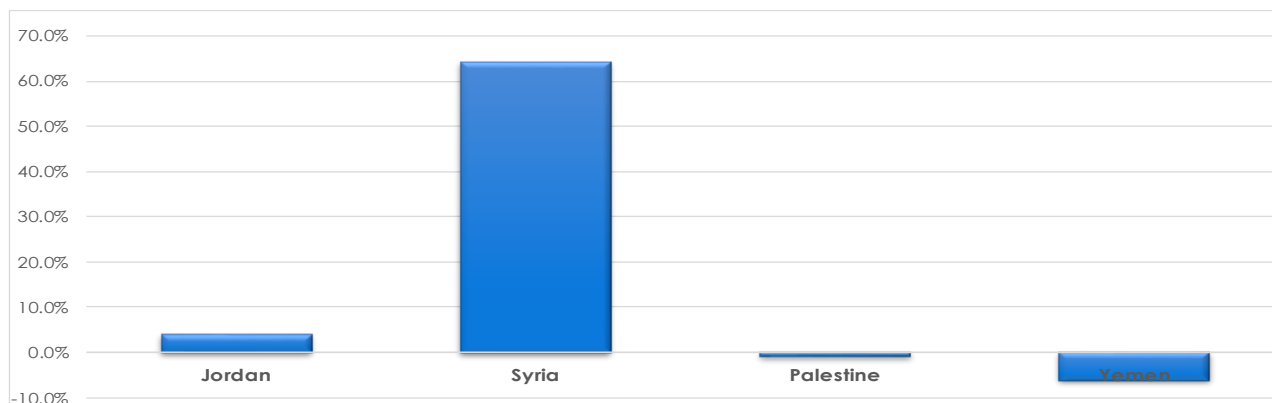
**%CHANGE: APR 2023/APR 2022 = 1.8%**

**%CHANGE: APR 2023/MAR 2023 = -0.2%**

The overall Producer Price Index (PPI) in Palestine decreased slightly **by 0.2 percent in March 2023** (latest available data) **compared to February**. Locally consumed products also experienced a decrease of 0.2 percent, while local exported products remained stable. The decrease in PPI was largely attributed to the decrease in electricity, gas, steam and air conditioning supply activities by 2.2 percent, mining and quarrying activities by 0.6 percent, and agriculture, forestry and fishing activities by 0.2 percent compared to the previous month.

## Food Basket Cost

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



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— **vam** | food security analysis —