

# Weekly Market Report

Issue 200: Week 3 - May 2024

## Highlights

In the third week of May 2024, the prices of all food items, except for pulses, bread, and salt, negligibly decreased compared to the previous week. This downward trend in the prices of staple foods, particularly wheat flour, rice, and cooking oil, is attributed to a marginal decline in their global prices. Overall, most of the food items show a significant decrease compared to the prices observed during the same period last year.

However, compared to the pre-COVID period, the national average prices of food items (excluding wheat grain and wheat flour) remain significantly higher. Similarly, compared to June 2021, before the political changes in the country, the prices of all other food items—except wheat, wheat flour, and cooking oil—continue to be significantly elevated.

The national average exchange rate between the Afghani (AFN) and the US Dollar (USD) has remained relatively stable since November 2023, fluctuating between AFN 70 and AFN 74 per USD. By the third week of May 2024, the exchange rate stood at AFN 71.9 per USD. Following a sharp increase in January 2022, the AFN consistently appreciated against the USD throughout 2023, marking an 18% appreciation compared to the same period last year.

The prices of non-food commodities have shown a negligible decrease compared to the previous week. Due to a decrease in global fertilizer prices and reduced domestic demand, the national average fertilizer prices are on a downward trend, showing a significant decrease compared to the same time last year.

## Trigger Analysis for Transfer Value Revision

Transfer Value (TV) May 2024: 5,800 AFN

3rd Week of May 2024	Current Prices	Consecutive Weeks ≥ 10% to <20% of TV (+/-)	Consecutive Weeks Increase ≥ 20% of TV (+/-)	% of TV
FSAC Food Basket (AFN)	5,518	0	0	-4.9%

Triggers are for Transfer Value (TV) revision. Triggers are thresholds for the number of consecutive weeks that the national average price of the FSAC food basket in AFN has increased or decreased in comparison to the most recent TV by a minimum proportion: four consecutive weeks for a price change of ≥ 20% and eight consecutive weeks for ≥ 10%.

## Weekly Price Changes and Trend Analysis

	This Week	Last Week (%)	Last Year (%)	Pre-Covid (%)	Jun 2021 (%)	3 Years Average
Exchange Rate & Food Commodities						
Exchange Rate (AFN/USD)	71.9	-0.1%	-18%	-5%	-9%	-15%
Wheat Grain (AFN/Kg)	25	-3.1%	-27%	-2%	-17%	-31%
Wheat Flour - High price (AFN/Kg)	30	0.0%	-22%	-6%	-11%	-27%
Wheat Flour - Low price (AFN/Kg)	26	-1.4%	-28%	-10%	-16%	-32%
Rice - High Price - "Palawi" (AFN/Kg)	96	-0.3%	-20%	19%	9%	-9%
Rice - Low Price - "Sholae" (AFN/Kg)	59	-0.7%	-8%	44%	19%	5%
Cooking Oil (AFN/Liter)	91	-0.5%	-28%	18%	-32%	-40%
Pulses (AFN/Kg)	107	0.4%	-7%	46%	15%	0%
Sugar (AFN/Kg)	66	-1.5%	-10%	58%	30%	5%
Bread (AFN/Kg)	63	0.0%	-9%		20%	4%
Salt (AFN/Kg)	17	1.4%	-6%	56%	33%	10%









Non-food Commodities						
1-year Old Live Female Sheep (AFN/Head)	8126	0.1%	3%	9%	7%	4%
Unskilled Labour Wage (AFN/day)	315	0.2%	1%	9%	2%	3%
Skilled Labour Wage (AFN/day)	644	0.1%	1%	12%	-1%	3%
Days of Unskilled Work Available Per Week	2.3	0.0%	1%	-20%	-8%	2%
Diesel (AFN/Liter)	61	-0.7%	-14%	35%	22%	-7%
Fertilizer - DAP (AFN/50 Kg)	4204	-0.5%	-15%		47%	-6%
Fertilizer - Urea (AFN/50 Kg)	1713	-1.3%	-22%		34%	-21%
Improved Seed (AFN/50 Kg)	1877	-0.3%	-21%		0%	-16%
Animal feed (Concentrate) AFN/100kg	2698	-0.9%	-16%		4%	-9%
Casual Labour wage/wheat Nominal (Kgs)	13.0	3.6%	39%	12%	25%	48%
Pastoralist Terms of Trade (Kgs)	337	3.5%	41%	11%	33%	50%

### Colours in the Price Table:(from consumer point of view)

Green	Significant positive changes (±≥5% for weekly and ±≥10% for monthly and yearly changes)
Red	Significant negative changes (±≥5% for weekly and ±≥10% for monthly and yearly changes)
Grey	Slights Changes (From ±≥5% to ±<10%) in monthly and yearly changes
Yellow	Negligible Changes of ±<5% in monthly and yearly changes

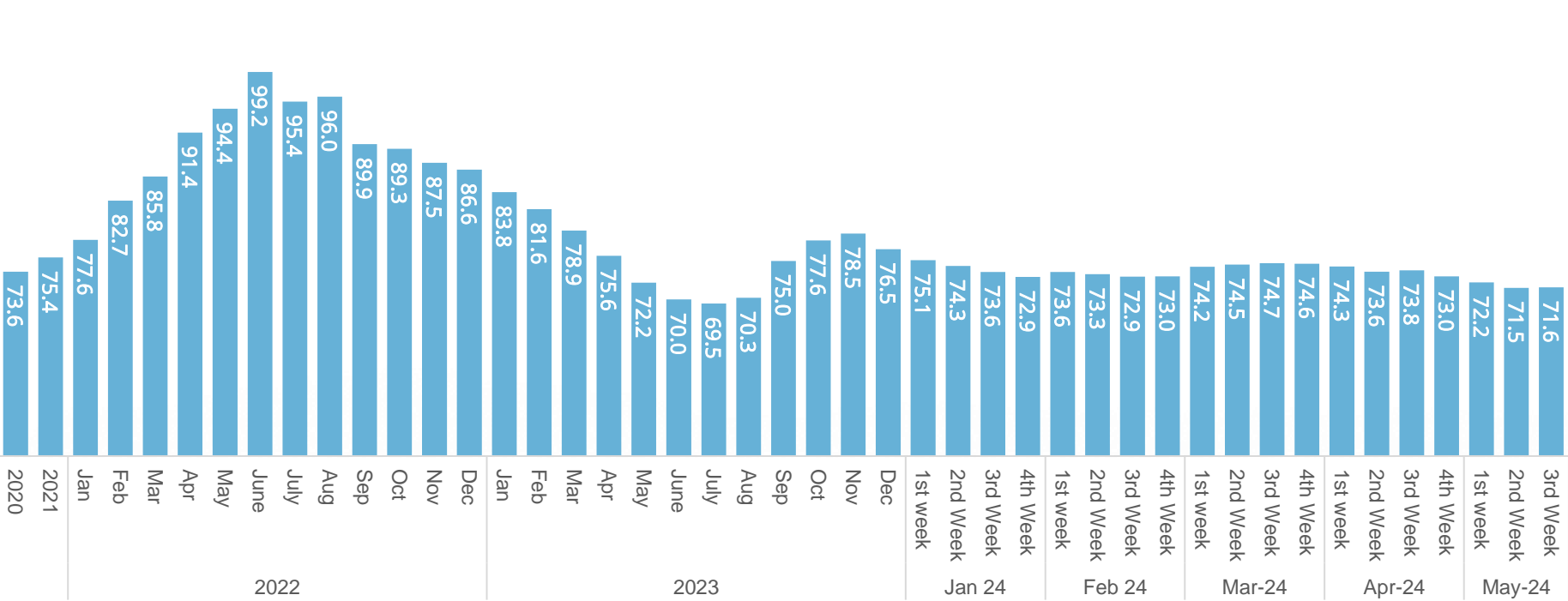
## Change in key commodity prices (Week-on-week)

Three provinces displayed for each commodity represent those with the highest change in prices

							
Wheat Grain	Wheat Flour (High Price)	Rice (Palawi)	Cooking Oil	Pulses	Sugar	Diesel	1-year old Female Sheep
Saripul +5%	Ghor +14%	Saripul +10%	Bamyan +14%	Bamyan +13%	Farah +8%	Nuristan +7%	Kabul +12%
Kandahar -20%	Takhar -10%	Bamyan -8%	Kunduz +8%	Kandahar +8%	Paktika -8%	Farah -8%	Samangan -7%
Hilmand -17%	Farah -8%	Faryab -5%	Hilmand -17%	Balkh -6%	Samangan -7%	Kabul -2%	Ghazni -4%

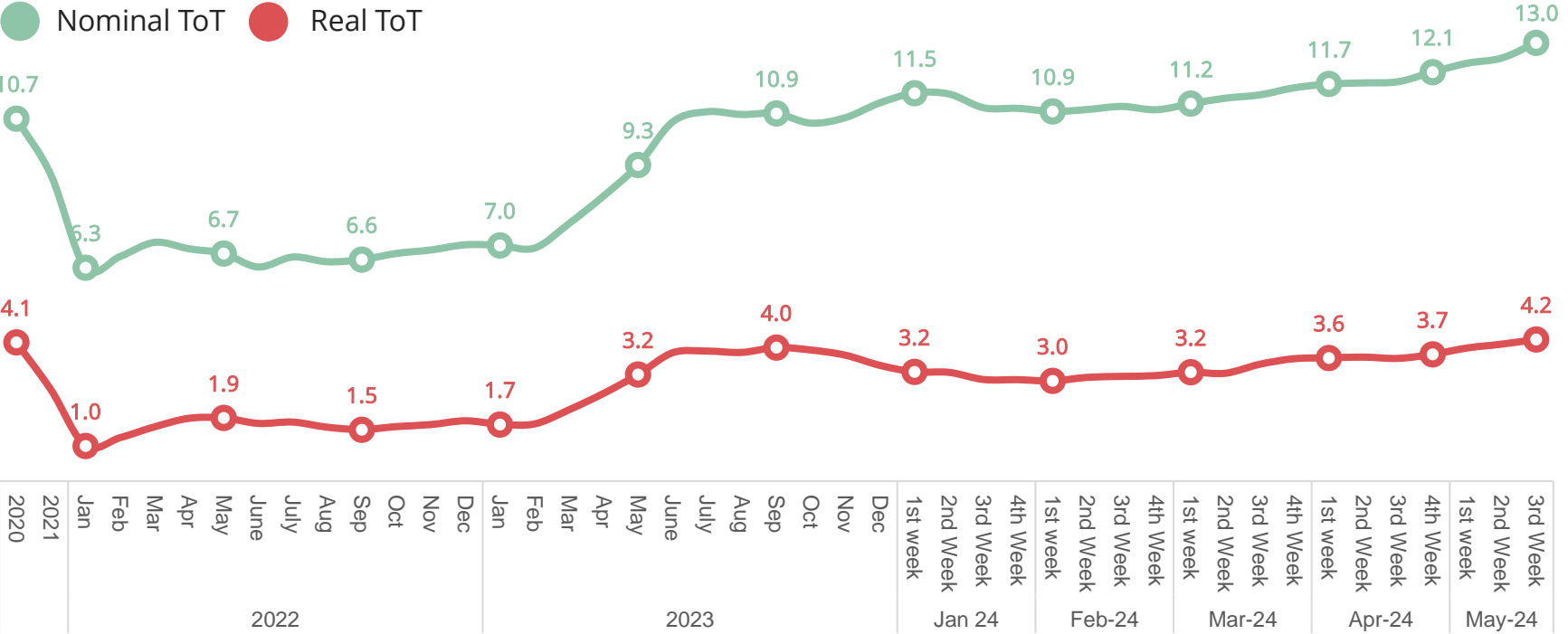
The wheat harvesting season has already begun, and the output is now available in local markets which has significantly decreased the price of wheat grain in various regions. The price has dropped significantly by 20% in Kandahar, 17% in Helmand, 9% in Kunduz, 8% in Hirat and Nimroz each, 7% in Takhar, 6% in Kabul and Wardak each, and 5% in Farah. Moreover, in Kapisa, Faryab, Nangarhar, Kunar, and Laghman provinces, the price has slightly decreased by 4%. As the terms of trade (ToT) for casual labour and livestock holders are calculated against the price of wheat, it shows a gradual improvement, meaning that the purchasing power of casual labour and livestock holders have slightly improved.

## WFP Food Basket Prices in USD



Nominal casual labour/wheat ToT (13.0 Kg of wheat against AFN 315 casual labour wage per day) showing a slight increase of 3.6% compared to the previous week and a significant 39% improvement compared to the same period last year. Similarly, the Real ToT for casual labour/wheat followed an increasing trend after its lowest points in January-March 2023, reaching its highest peak in the first week of September 2023. Compared to last week, the real ToT for casual labour has slightly improved by 3.4%, and a significant 33% improvement compared to last year; whereas, compared to pre-Covid period, it is slightly lower by 7%.

## Casual Labour wage/Wheat Nominal and Real ToT

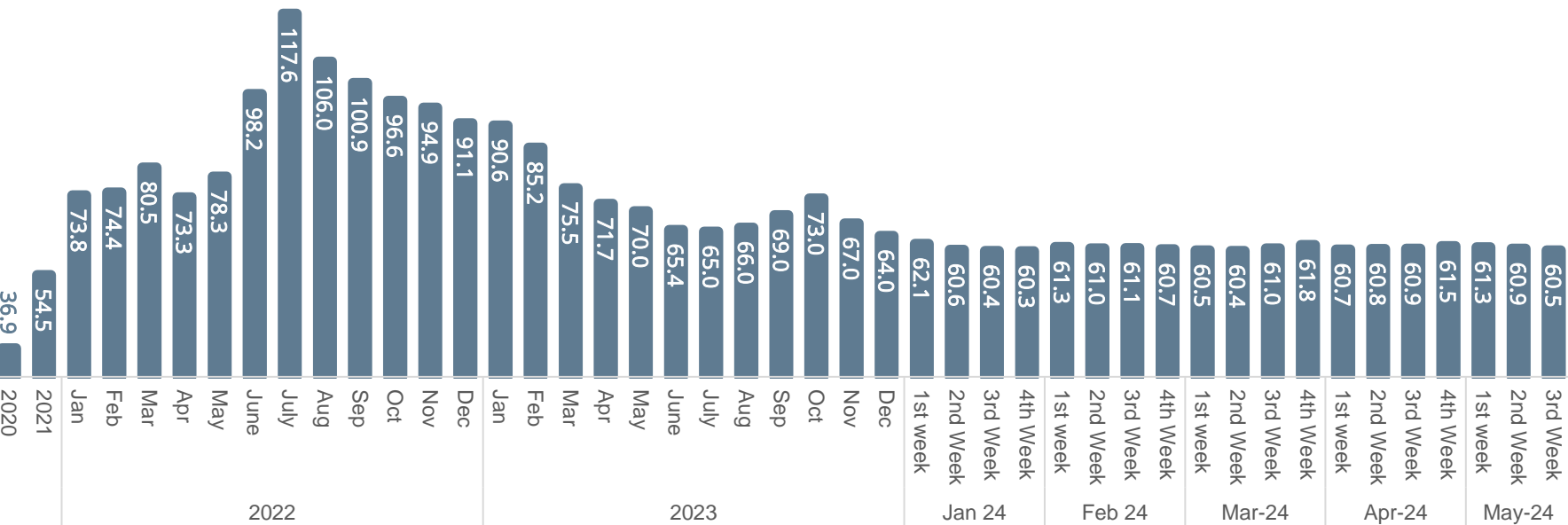




## National Diesel Prices

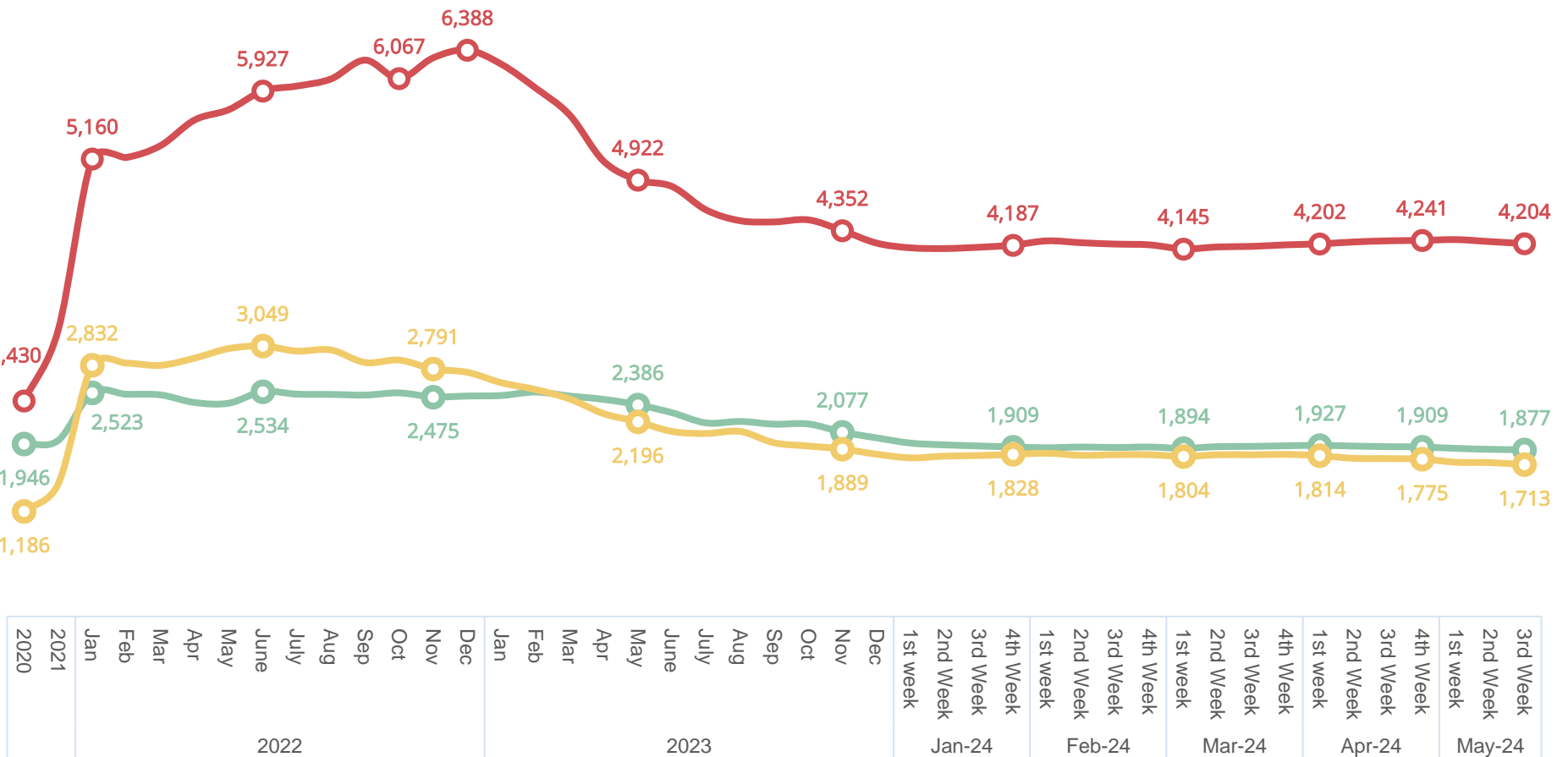
The national average weekly price of diesel has remained stable since January 2024, thanks to steady global diesel prices. This stability is influenced by changes in both the volume of diesel imports and global diesel price trends.

Notably, the current price which is AFN 60.5 per litre is still significantly higher compared to the prices in the pre-Covid period by 35% and the month of June 2021 (prior to political changes) by 22%. The current global average price for diesel stands at \$1.25 per litre. In Iran, a litre of diesel costs USD 0.006 (3,000 Iranian Rials). Meanwhile, in Turkmenistan, the diesel price is 1.0 New Manat per litre (0.285 USD/Lt). (20-May-2024)

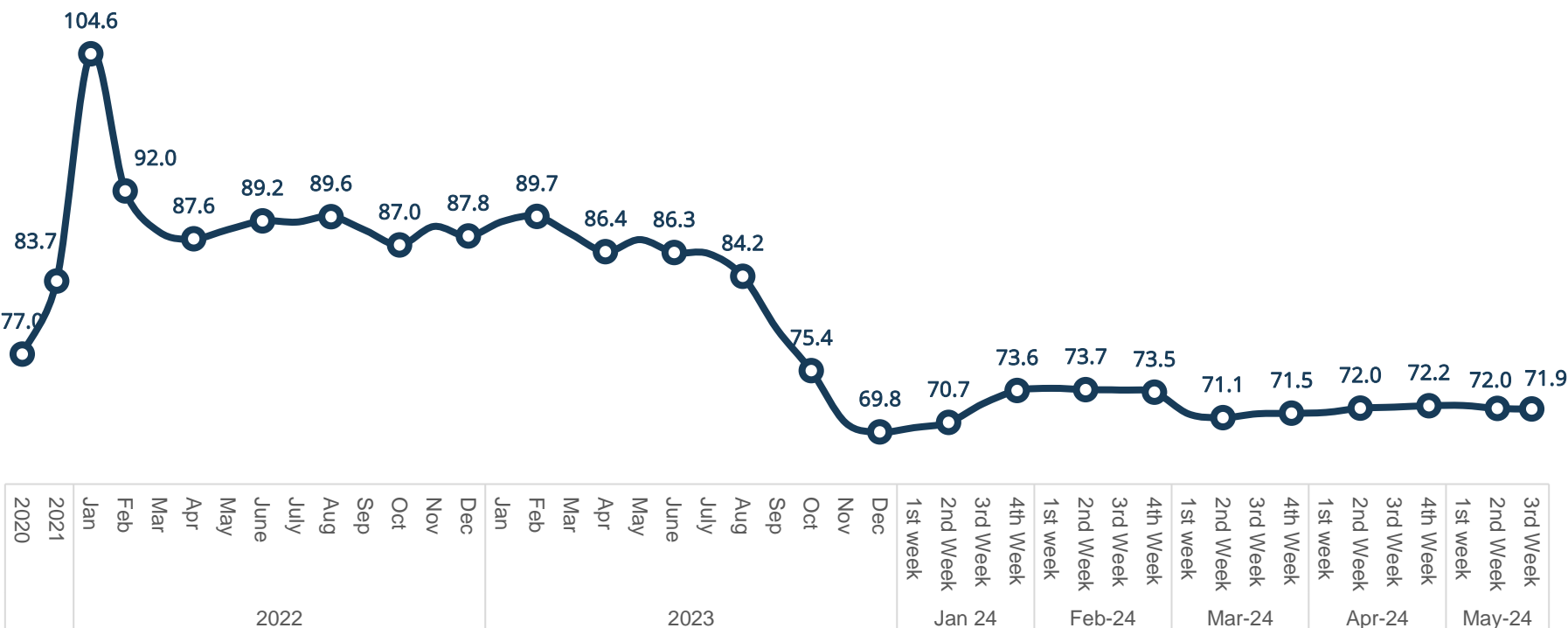


## Change in Agricultural Inputs Prices (AFN/50Kg)

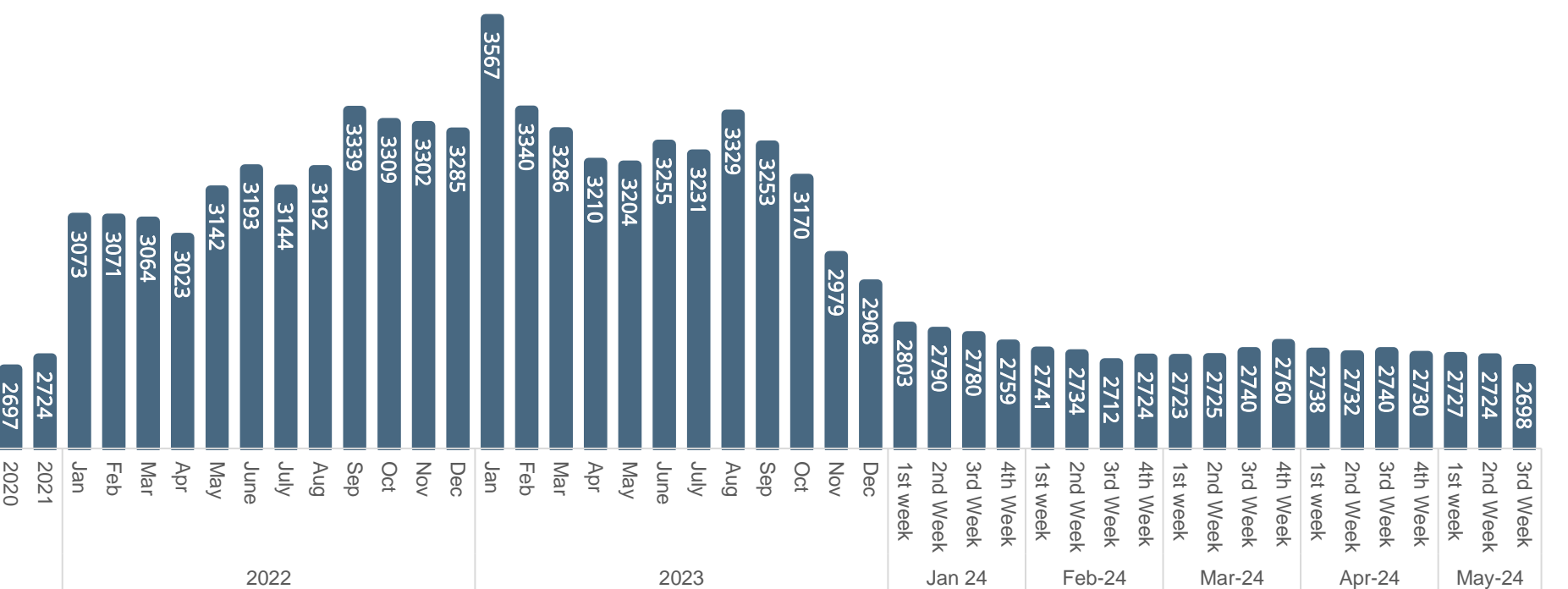
● DAP    ● UREA    ● Improved Seed



## Exchange Rate (AFN/USD)



## Concentrated Animal Feed Prices (AFN/100kg)





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## References

[Private money exchange markets](#)

[Diesel prices around the world, 20-May-2024 | https://www.globalpetrolprices.com/diesel\\_prices](#)

[https://www.globalpetrolprices.com/Turkmenistan/diesel\\_prices/](#)

## Notes

- WFP collects price data weekly from all 34 provincial capitals through third-party monitors. Monthly prices are an average of the four-weekly prices.
- WFP reports on two types of rice in Afghanistan—Palawi, a long-grain variety that is generally more preferred, more expensive, and primarily imported, and Sholae, a short-grain variety that is generally less preferred, cheaper, and more commonly sourced domestically. There are no significant nutritional differences between these types.
- The price of pulses is an average of the prices of lentils, chickpeas, and red beans.
- Pastoralist Terms of Trade (ToT) captures the purchasing power of the households who own or have access to livestock. It indicates how many kilograms of wheat grain can be obtained by selling a one-year-old female sheep.
- Real Unskilled Labour Terms of Trade (ToT) captures the purchasing power of unskilled labourers. It indicates how many kilograms of wheat grain can be obtained with the average daily wage for unskilled labour adjusted by the average number of working days available per week in a market. Whereas the nominal ToT for unskilled labour doesn't include the number of working days and only calculates the average daily wage of casual labour against the average price of wheat.
- Casual Labour: Casual labours normally don't have specific skills and usually hired by the hour or day or for the performance of specific tasks, paid at the lower rate compared to skilled labours.