SECOND SEASON CROPS DEVELOPING NORMALLY, WHILE STAPLE WHEAT PRICES DECLINE BUT REMAIN ABOVE AVERAGE

KEY MESSAGES

• The main wheat harvest has concluded in Afghanistan, except in higher elevation areas where the harvest is underway. Second season crops are developing normally throughout the country, with both planted area and expected yield currently reported to be similar to last year and average levels. Good production prospects from both harvests and income generated from cash crops and livestock sales are expected to sustain Stressed (IPC Phase 2) outcomes in most rural areas through at least January 2021.

• In urban areas, availability of labor opportunities remains significantly below average despite some improvement since the economy re-opened for businesses in late May. Though staple wheat prices have declined from peak levels in May 2020, July prices remain significantly higher than last year and average levels. As a result of reduced income-earning opportunities and below-average remittances coupled with higher food prices, many urban poor are expected to continue facing reduced access to food and Crisis (IPC Phase 3) outcomes through at least January 2021.

• According to UNOCHA reports, around 122,000 individuals have been displaced due to conflict between January and July 2020. This represents a reduction of over 50 percent compared to the same period of last year. From January to August 2020, a total 431,600 undocumented Afghan migrants have now returned from Iran and Pakistan.

CURRENT SITUATION

The main wheat harvest has concluded in Afghanistan, except in higher elevation areas where it is underway. Overall, field observations indicate that total production will be near average and lower than last year. This season, area planted under wheat was lower in northern rainfed areas due to a poor start to the wet season. Similarly, yield was affected in the east and south due to above-average rainfall in the maturing stages that caused rust in wheat crops. On contrary, irrigated wheat performed well throughout Afghanistan.

In areas where the wheat harvest has concluded, second season crops — including rice, maize, barely, millet, beans, sesame, fodder, melons and watermelons, and some vegetables — were planted in May and June. According to field reports, area planted was normal and similar to last year overall. In some provinces second season maize was replaced by beans, as demand for the latter was high during the planting season. Second season crops are developing well, with grains mostly in maturing stages. Water availability is at average levels in water basins of Afghanistan, and it is expected that second season crops will...
not face water scarcity, as they had enough water during growth stages and less water is now required during crop maturing stages.

Pasture conditions are average to above-average throughout Afghanistan (Figure 1), though pastures have started to dry as is typical at this time of the season. Pastoralists are still grazing their livestock and are satisfied with current availability of green and dry pastures. They will migrate back to lower areas starting in October 2020. Because of this, both livestock body conditions and productivity remain at average levels.

According to UNOCHA, the number of individuals affected by natural disasters (mostly floods and flash floods) in the summer months was modest compared to last season. From May to July 2020, around 6,000 individuals were affected by floods and flash floods, compared to around 14,000 individuals at the same time last year. However, rainfall and flash floods in late August had severe repercussions for the central region in Afghanistan. These flash floods killed 145, injured 167, and affected around 12,700 individuals. Further impact assessments are underway.

UNOCHA reports that around 122,000 individuals were forced to flee their homes due to conflict from January to July 2020. This is fewer people than during the same time period of 2019, when 274,000 individuals were displaced due to conflict. This reflects a pattern of reduced conflict in 2020 relative to previous years — though still high overall — according to data from ACLED. Out of all those displaced due to conflict, only 65,500 (53 percent) received humanitarian food assistance (food packages or cash-for-food assistance). More recently, in late August conflict in Kunduz City and villages across Khanabad and Imam Sahib districts have displaced around 64,000 individuals. Overall, the majority of displacements thus far in 2020 have occurred in the east, north, and northeast regions.

Following a period of domestic and regional restrictions on trade due to COVID-19, countries in Central Asia have relaxed their restrictions and border controls. Kazakhstan eliminated its export quotas on wheat in June 2020. Similarly, Pakistan opened its border with Afghanistan for all exports, imports, and transit services, with different border points opening at different times. In late June, Torkham point (connecting eastern Afghanistan with Pakistan) was re-opened while very recently the Chaman point (connecting southern Afghanistan with Pakistan) was re-opened for the movement of people for the first time after restrictions were imposed.

With these eased restrictions and the arrival of the wheat harvest in Afghanistan, staple food prices began to decline from their peak levels around May 2020. Both wheat grain...
and flour prices decreased further at the national level in July 2020, but prices remain significantly higher than last year and three-year average levels (Figure 2). Casual labor wages have also improved at the national level, increasing by 5 percent from May to July after COVID-19 control measures were eased inside the country. On average, around 30 percent in urban areas rely on non-agriculture wage labor according to 2019 Seasonal Food Security Assessment (SFSA). However, previous surveys estimated that this figure was lower, with 10.7 percent of those in urban areas relying on “wage labor” and 5.9 percent relying on “day labor” according to the 2016/17 Afghanistan Living Conditions Survey (ALCS).

As a result, purchasing power for both casual labors and pastoralists — as measured by the terms of trade (TOT)\(^1\) between wages and livestock, respectively, against wheat flour — has improved significantly since May 2020, when both TOTs were at their lowest point in the last three years. However, both TOTs remain lower than last year and three-year average levels.

According to the International Organization for Migration (IOM), around 431,600 undocumented Afghan migrants returned from Iran and Pakistan between January and August 2020, with only 13 percent receiving humanitarian assistance upon arrival in Afghanistan (Figure 3). At the same time, Afghan migrants seeking to enter or re-enter Iran are facing tighter restrictions at borders, at both official and unofficial crossing points. Multiple violent incidents at the border with Iran since start of COVID-19 are likely discouraging undocumented migrants from attempting to cross the border. Similarly, the Iranian embassy in Kabul does not issue visas for ordinary Afghan citizens, including migrants. Given these strict border patrols as well as ongoing forceful repatriation, remittances from Iran are likely significantly lower than average.

The recent easing of restrictions on the movement of people into Pakistan through the Chaman-Spin Buldak point is allowing Afghan businesspeople and traders to resume business at the border. However, weak economic prospects in Pakistan may affect the ability of Afghans to migrate in search of work opportunities. As a result, levels of remittances from Pakistan will likely remain below average. Meanwhile, remittances from Gulf countries are reportedly below average, though slight recovery has been reported in recent months.

Most households in rural areas are now consuming own-produced food from the near average harvest. Households are also accessing some income from the sale of cash crops, livestock, and livestock products, and from normal levels of agricultural labor opportunities, though income from remittances is likely below average. Overall, largely due to the impacts of years of conflict on livelihoods, many poor households do not have sufficient income to meet all essential non-food needs, with Stressed (IPC Phase 2) outcomes widespread. In some higher elevation rural areas where the main harvest has not yet concluded, households are expected to be facing consumption gaps and Crisis (IPC Phase 3) outcomes.

In urban areas both availability of casual labor opportunities and casual labor wages have improved slightly due to the removal of domestic and border restrictions, but availability of labor opportunities is still significantly below the same time last year and the five-year average. Other income-earning opportunities remain impacted and have not recovered yet. Due to significantly reduced income from typical income-earning opportunities and remittances — as well as above-average food prices — many poor households are expected to be facing consumption gaps and Crisis (IPC Phase 3) outcomes.

**UPDATED ASSUMPTIONS**

The assumptions used to develop FEWS NET’s most likely scenario for the June 2020 to January 2021 Food Security Outlook report remain unchanged, except the following:

- Due to favorable precipitation during the wet season and favorable climatic conditions during the growing season, second season production is expected to be average overall.
- Afghanistan’s borders will likely remain open for trade throughout the scenario period, though policy fluctuations remain possible, particularly with Pakistan.
- Remittances from Gulf countries are expected to gradually improve but will likely remain below normal. Due to lower Afghan migrants in Iran, remittances from Iran will remain below average and less than last year. Remittances from Pakistan will likely improve but remain below average.
- Based on international forecasts, the beginning of the 2020/2021 precipitation season from October 2020 – January 2021 is most likely to be below average. Precipitation during this time is important to irrigated wheat production, and below average precipitation is expected to drive some reduced area planted under wheat as well as lower irrigation potential.

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\(^1\) A ratio between the amount of income earned for a given unit of labor or product sold and a given unit of staple food.
Based on past trends, wheat production in the 2020/2021 production season is currently expected to be only slightly below average. However, the distribution of precipitation — both geographically and across time — is important for production prospects, and a variety of outcomes remain possible. Furthermore, elevated probabilities of precipitation in the lowest 20 percent of average in the October – December 2020 period are of concern and, should precipitation be significantly below average, wheat production would likely be below average.

- Insecurity/conflict is anticipated to increase typically with the warmer weather (typically through approximately October). However, based on current trends, levels of conflict and displacement are expected to be lower than last year and average levels, though will likely remain high overall.

**PROJECTED OUTLOOK THROUGH JANUARY 2021**

In most rural areas, near average first crop production and anticipated average second season production will likely allow most households to meet their food needs through the rest of the scenario period. Second season crops — mostly cash crops — will help households generate income as they sell in domestic and export markets. The recent re-opening of multiple border points with Pakistan (the top exporting market for Afghanistan) will also improve export markets and increase income households receive for cash crops. However, many households will likely continue receiving reduced levels of remittances. As a result of overall insufficient income due to prolonged impacts of conflict on livelihood activities, the majority of poor rural households are expected to be unable to meet all essential non-food needs, with Stressed (IPC Phase 2) outcomes likely in most areas through January 2021.

In urban areas, poor households will likely continue to earn below-average income due to reduced availability of labor opportunities. Reduced levels of remittances are expected to further reduce access to income for many. Due to reductions in income-earning and above average food prices, many poor households are expected to continue facing consumption gaps and Crisis (IPC Phase 3) outcomes through January 2021.

*Events that Might Change the Outlook*

Possible events over the next six months that could change the most-likely scenario:

<table>
<thead>
<tr>
<th>Area</th>
<th>Event</th>
<th>Impact on food security outcomes</th>
</tr>
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<tbody>
<tr>
<td>National</td>
<td>Borders close again and labor migration does not resume to the extent anticipated</td>
<td>This would continue constraining access to income among households dependent on labor migration and remittances throughout Afghanistan, in both rural and urban areas. This would likely have negative consequences on food security outcomes, with Crisis (IPC Phase 3) or worse outcomes likely to persist among the worst affected.</td>
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<tr>
<td>National</td>
<td>Border with Pakistan is re-closed in the August – September period</td>
<td>This would affect households involved in horticulture businesses and would likely reduce income from crop sales, with the southern region most affected. Area-level Stressed (IPC Phase 2) outcomes would still be expected.</td>
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**ABOUT SCENARIO DEVELOPMENT**

To project food security outcomes, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes these assumptions in the context of current conditions and local livelihoods to arrive at a most likely scenario for the coming eight months. [Learn more here](#).