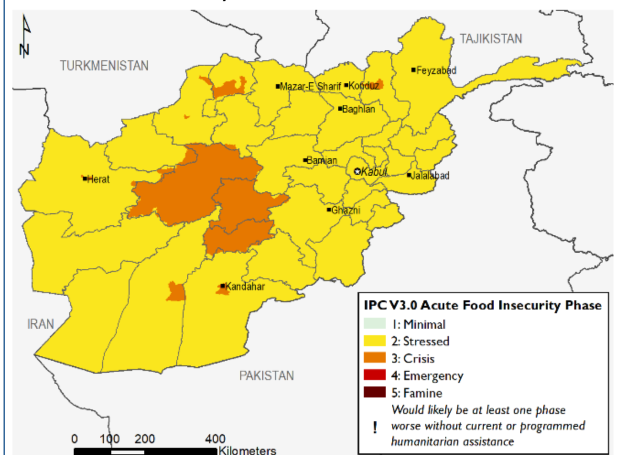
AFGHANISTAN Food Security Outlook October 2020 to May 2021

Overall average production and income expected from second season crops

KEY MESSAGES

- Rural households are benefiting from average production and income from first and second season crops. As a result, most households are likely to have average stocks for the coming lean season and winter. In general, Stressed (IPC Phase 2) outcomes are expected in most areas from October 2020 to May 2021. However, areas where agricultural production was significantly affected are expected to continue facing Crisis (IPC Phase 3) outcomes in the coming months.
- Many poor households in urban areas continue to be impacted by below-average income from labor opportunities and remittances due to overall weak economic activity. At the same time, food prices remain above average. With the arrival of spring in April 2021, seasonal improvement in labor availability is expected to improve outcomes to Stressed (IPC Phase 2) for some households, though Crisis (IPC Phase 3) outcomes are expected to persist at the area level in the absence of food assistance.
- Due to La Niña conditions likely to persist through spring, below-average cumulative precipitation is expected for the 2020/21 wet season in Afghanistan. Likely consequences of this include below-average wheat cultivation and production—especially in rainfed areas—and below-average rangeland conditions in areas worst-affected by precipitation deficits. This will likely adversely impact livestock body conditions and prices in the spring in affected areas.

Current food security outcomes, October 2020



Source: *FEWS NET*

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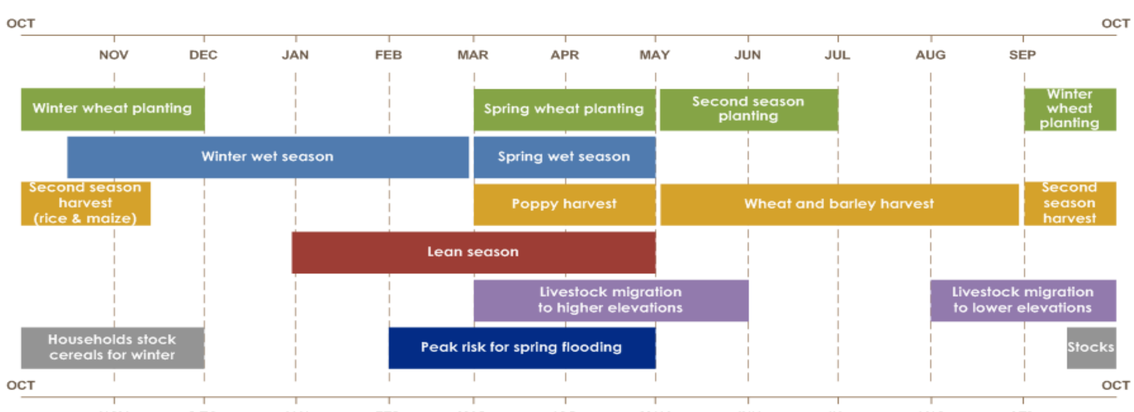
SEASONAL CALENDAR FOR A TYPICAL YEAR



Source: *FEWS NET*

NATIONAL OVERVIEW

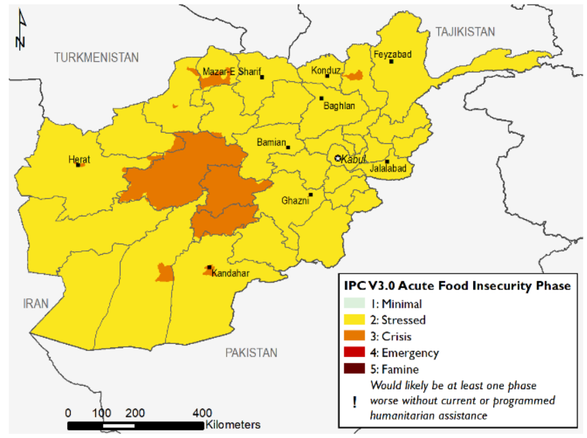
Current Situation

Conflict has continued to severely impact local livelihoods throughout 2020 in Afghanistan. According to UNAMA, 5,939 civilian causalities (injuries and deaths) were reported in the first nine months of 2020. According to OCHA, 279,863 individuals were displaced by conflicts from January to October 2020 in 31 provinces in Afghanistan (Figure 1). Although these figures are lower than last year and recent years since 2016, levels of conflict and displacement remain high overall, with significant impact on people and their livelihoods. Throughout 2020, most displacements have occurred in the northeastern, northern, and eastern provinces. However, more recently, most displacements in October 2020 have occurred in the southern provinces. Of those displaced throughout 2020, 44 percent were assisted with food security and agriculture packages according to OCHA.

Natural disasters have also contributed to acute food insecurity in Afghanistan in 2020. According to OCHA, around 111,269 individuals were affected by natural disasters from January to October 2020 across all 34 provinces of Afghanistan. The greatest proportion of these were affected by flood and flash floods, mostly in August 2020. The number of people affected by natural disasters to date in 2020 is significantly less than last year, though it remains higher than in recent years since 2016 (Figure 2). Overall, the central, the southeastern, and the eastern areas of the country were affected the most, though impacts were widespread.

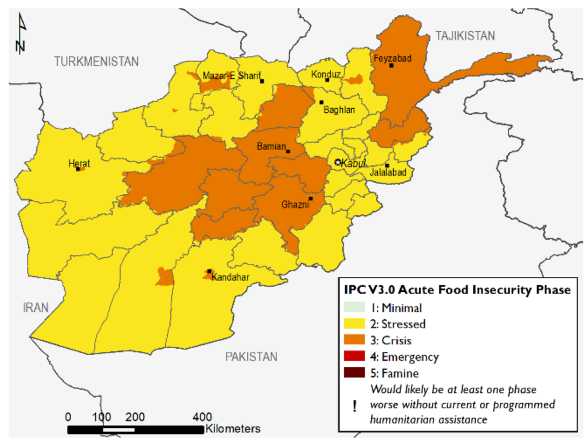
The first season wheat harvest was concluded by August 2020 in most of the country, with high elevation areas harvesting as late as September and October, as typical. Estimates by the National Statistics and Information Authority (NSIA) indicate that approximately 5.2 million metric tons (MMT) wheat was harvested in 2020. This is six percent more than last year and nine percent above the five-year average (excluding the 2018 drought year). Slightly above-average production at the national level was facilitated by average to above-average precipitation during the 2019/20 wet season. This season, total area planted (both irrigated and rainfed) was 14 percent above average, while yield remained near average (four percent below average) at the national level (Figure 3).

Projected food security outcomes, October 2020 – January 2021



Source: *FEWS NET*

Projected food security outcomes, February 2021 – May 2021



Source: *FEWS NET*

FEWS NET classification is IPC-compatible. IPC-compatible analysis follows key IPC protocols but does not necessarily reflect the consensus of national food security partners.

At the provincial level, wheat production was significantly above the five-year average in Farah (109 percent above average), Daykundi (104 percent), Panjsher (95 percent), Badghis (89 percent), Sari Pul (77 percent), and Kandahar (66 percent) (Figure 4). In these provinces, increased production was attributable to planted area, yield, or both. In contrast, wheat production was below average in Uruzgan (27 percent below average), Logar (27 percent), Kunduz (29 percent), Balkh (34 percent), Paktika (35 percent), and Ghor (61 percent). In these provinces, reduced production was due to a combination of planted area and yield. For example, in Ghor, both yield (irrigated and rainfed) and planted area (only rainfed) was below average. Overall, key drivers of below-average production were intermittent precipitation in rainfed areas, crop diseases (e.g., rust and smut), and hot waves during crop maturing stages that affected both wheat yield and quality of the crop.

The number of new COVID-19 cases reported daily in Afghanistan began to increase more rapidly in April 2020 and reached peak levels in June 2020 (Figure 5). Though substantially lower throughout most of July, August, and September, the number of new cases reported daily has started to increase again in October 2020. According to the Ministry of Public Health (MOPH), a total 42,297 confirmed cases of COVID-19 and 1,574 associated deaths have been reported in Afghanistan as of November 8, 2020. However, due to limited testing, these figures are expected to underestimate the true scale of the outbreak.

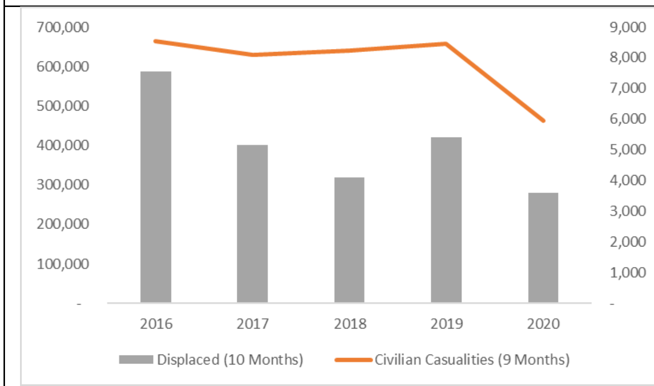
The COVID-19 pandemic had regional and country-wide impacts on trade and the overall economy. Though most of the control measures and restrictions that were imposed to contain the virus remain lifted since late May, food prices in Afghanistan remain significantly above average and economic activity in the region remains reduced.

In Afghanistan, wheat flour prices have gradually decreased since the peak period of COVID-19 impacts, according to MAIL data (Figure 6). At their peak in May 2020, wheat flour prices reached the highest levels recorded in the past five years. As of September, wheat flour prices remained 12 percent higher than at the same time last year and 25 percent higher than the three-year average. The prices of other staple food commodities have followed similar trends, increasing during the pandemic and gradually declining since then. Rice was the only staple food whose price did not increase significantly. As of September, prices of most staple food commodities remain above-average at the national level, including for refined vegetable oil (9 percent above average), bread (7 percent), refined sugar (16 percent), and mixed beans (29 percent). The Afghanistan Afghani (AFN) gradually strengthened against the Kazakhstan Tenge (KZT) in 2020, and by October 2020 had appreciated 12 percent compared to the same time last year, benefiting imports of wheat grain and flour into Afghanistan.

Meanwhile, casual labor wages were negatively impacted during the peak period of COVID-19 restrictions, remaining fairly stable during a time when wages would typical increase according to data from WFP. At the national level, wages were 10.2 percent above average in March, near average in April, and 3.3 below average in May. Overall, wages have gradually increased since then. At the national level, casual labor wages were six percent above the five-year average in September 2020. At the same time, the average number of days of work available for casual laborers reached a historic minimum (an average of 1.4 days per week at the national level) during the peak of movement restrictions in May 2020. Though availability of casual labor has increased to an average of 2.4 days per week in September, it remains 24 percent below average.

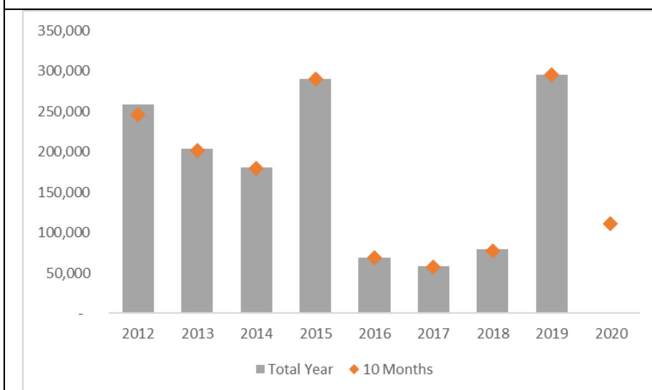
Assuming a casual laborer works at the current rate of 2.4 days per week and earns 325 Afghanis per day (the average at the national level in September), he would make enough to buy one ninth of a one-month package of basic food items.[1] In comparison, at five-year average levels of labor availability, wage rates, and three-year average food prices, a casual laborer could buy one sixth of the same package. This translates into a reduction in purchasing power of 29 percent compared to the average, driven by reduced labor availability and increased food prices. This has significantly impacted households who rely on casual labor as a main source of income, particularly in urban areas.

Figure 1. Civilian casualties and conflict-induced displacements in the first nine to ten months of the year, from 2016 to 2020



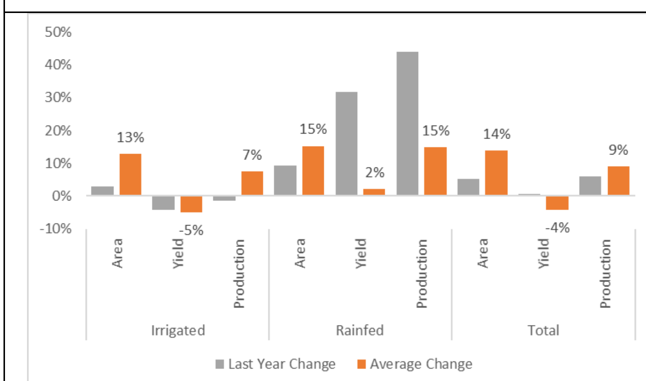
Source: *FEWS NET, based on OCHA AND UNAMA data*

Figure 2. Population affected by natural disasters from 2012 to 2020, whole year and first ten months



Source: *FEWS NET, based on OCHA data*

Figure 3. Percent change in wheat production compared to last year and the five-year average, at the national level



Source: *FEWS NET, based on MAIL data*

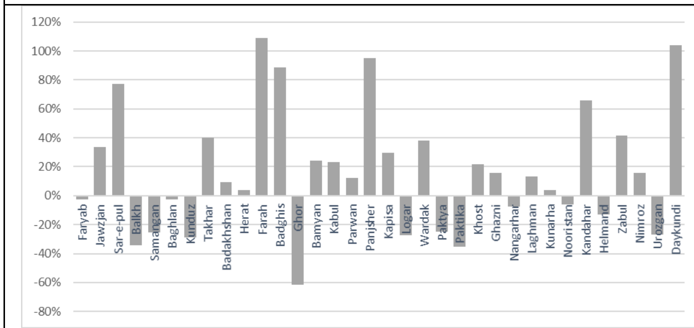
[1] A package is equivalent to the composition of the MFB with salt excluded due to lack of data (60 kg wheat flour, 29 kg rice, 1 L refined vegetable oil, 14 kg mixed beans, and 1 kg sugar). The MFB is expected to support a six-person household in Afghanistan for one month.

On average, livestock prices have gradually increased in Afghanistan since the 2018 drought. Prices are above-average at the national level in September 2020, mainly due to average to above-average precipitation in the 2019/20 wet season, which has supported average livestock body conditions. In September 2020, the price of a one-year-old female sheep (alive) was 16 percent higher than the same time last year and 26 percent above the three-year average. Terms of trade for pastoralists and agro-pastoralists (livestock against wheat flour) have significantly improved since June 2020, due mostly to the reduction in wheat flour prices but also in part due to the increase in livestock prices. Currently, terms of trade at the national level are close to average, although with significant variation among the provinces. As of September 2020, terms of trade were best in Logar, Panjsher, and Laghman provinces (more than 40 percent above average), while terms of trade were worst in Uruzgan (more than 40 percent below average).

According to the Cross-Border Return and Reintegration (CBRR) data of the International Organization of Migration (IOM), 701,268 undocumented Afghan migrants returned from Iran and Pakistan between January and October 2020, only 11 percent of whom received humanitarian assistance upon arrival in Afghanistan (Figure 8). Of all the returnees, the vast majority (more than 99 percent) returned from Iran. As a result, remittances are likely lower than average from Iran. Remittances from other countries such as Pakistan and the Gulf are also expectedly lower than average as respective migrant-hosting economies were hit by COVID-19 in 2020. This have impacted households dependent on remittances as their main income source in both rural and urban areas.

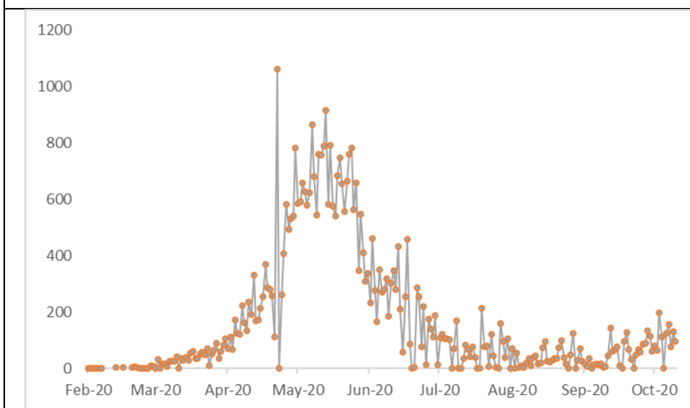
Though recent representative estimates of acute malnutrition prevalence are not available in Afghanistan, trends in malnutrition admissions data can be useful for monitoring. It should be noted, however, that increases and decreases in caseload depend on the accessibility of these facilities within a province. According to data from the Public Nutrition Department (PND) of the MOPH, 417,596 children under five years old with acute malnutrition were admitted to the Integrated Management of Acute Malnutrition (IMAM) program (including IPD SAM, OPD SAM, and OPD MAM[2]) from April to August 2020. Of these, 177,169 children with acute malnutrition were successfully cured. Overall, the number of OPD SAM cases[3] recorded at the national level increased seven percent compared to the same time period of last year. At the province level, the greatest increases were reported in Hilmand, Zabul, and Kapisa, where the number of recorded cases increased by more than 50 percent (Figure 9). It should be noted that low attendance at nutrition clinics were reported by

Figure 4. Percent change in wheat production compared to the five-year average, at provincial level



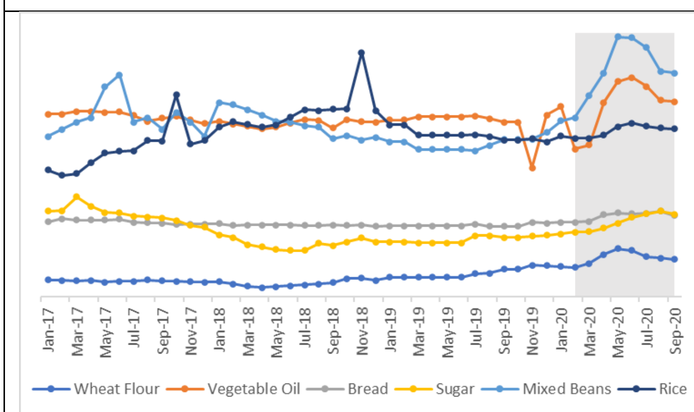
Source: *FEWS NET, based on MAIL data*

Figure 5. New daily cases of COVID-19 since the first case reported in Afghanistan



Source: *FEWS NET, based on OWID data*

Figure 6. Food prices in Afghanistan at the national level, from January 2017 to September 2020



Source: *FEWS NET, based on MAIL data*

[2] SAM: severe acute malnutrition; MAM: moderate acute malnutrition; IPD: hospital inpatient care; OPD: hospital outpatient care.

[3] OPD SAM sites are more stable than OPD MAM sites from year to year

IMAM program implementers NGOs (BPHS and non-BPHS NGOs) in April/May 2020 around the time of increased COVID-19 concern, though attendance has since recovered.

Overall, second season harvesting is nearly complete across Afghanistan. Second season crops include rice, maize, beans, fresh vegetables, potatoes, cotton, soyabean, and fruits. Overall, production of these crops was satisfactory to farmers, with average to above-average yield. In the eastern region, vegetables have been harvested and farmers benefited from above-average prices, at least partially attributed to the increased enforcement of use of Afghani currency in parts of Afghanistan neighboring Pakistan.

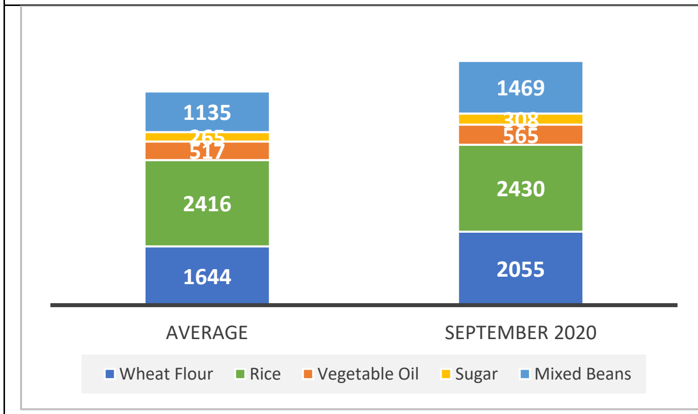
Fruit production was generally average to above average throughout Afghanistan due to suitable weather and relatively low levels of pests and diseases. However, in some provinces, increased production depressed prices according to some key informant reports, likely impacting producer income. In some areas such as in Arghandab District of Kandahar, recently intensified conflict has disrupted and delayed the pomegranate harvest. In the central highland region, apples were harvested in Wardak province, potatoes in Bamyan province, and almond in Daykundi province. All had near average production.

In the north and northeastern regions, rice, maize, cotton, beans, soyabean, and sesame have been harvested and production is expected to be near average overall. However, in Samangan province, both first and second season crops did not perform well in rainfed areas due to lack of precipitation and prevalence of pests and diseases. In the south region, maize, cotton, peanuts, beans, pomegranate, and grapes have been harvested and production is expected to be average. In Farah Province, above-average cultivation and production of dates and pomegranate were reported. In Uruzgan province, ongoing conflict and displacement and above-average levels of pests and diseases in crops were reported as adverse factors.

In the west region, second season production including of pigs and saffron progressed well in Herat province.

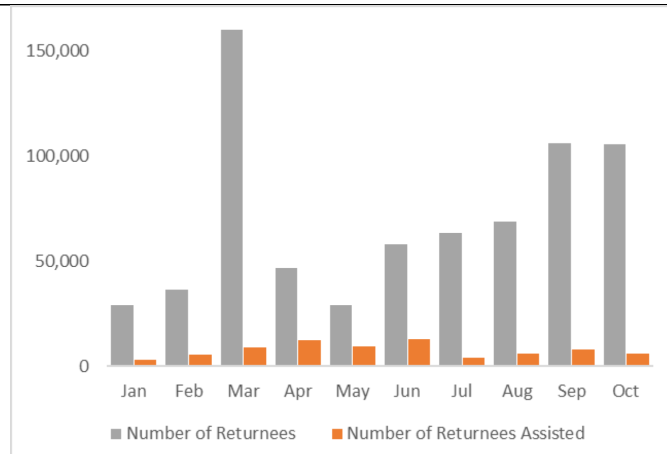
Currently, land preparation for winter wheat is underway across most of the country, with cultivation already started in some provinces. It is expected that land cultivation for winter wheat will start soon in November throughout the country. In some provinces where cultivation has already taken place, farmers are awaiting precipitation.

Figure 7. The cost of the Minimum Food Basket (excluding salt) in September 2020 compared with the three-year average, at the national level



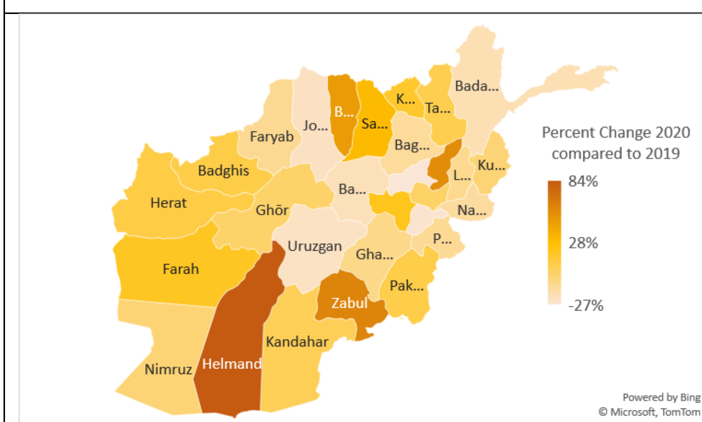
Source: *FEWS NET, based on MAIL data*

Figure 8. Number of returnees arriving from Iran and Pakistan monthly, and their assistance status, from January to October 2020



Source: *FEWS NET, based on IOM CBRR data*

Figure 9. Percent change in OPD SAM cases in April to August 2020 compared to the same time last year



Source: *FEWS NET, based on PND IMAM data*

At the national level, most rural households are expected to be meeting their minimum food consumption requirements. This is largely due to average to above-average production in both the first and second seasons, which has provided households with food from own production and income from crop sales. In some provinces, above-average vegetable prices supported access to income, while in other provinces lower prices of fruit have likely reduced income from second season crops. However, given limited opportunities for income earning overall, many rural households will likely be unable to meet all essential non-food needs, with Stressed (IPC Phase 2) outcomes expected in most provinces. Meanwhile, intensified conflict in some areas—including Uruzgan province as well as parts of Kandahar and Hilmand—has affected harvest collection and impacted rural income, restricting food access further in these areas, with an increased number of households expected to be facing Crisis (IPC Phase) or worse outcomes. In some higher elevation areas that realized localized below-average production of wheat—the only major crop—Crisis (IPC Phase 3) outcome are currently prevalent.

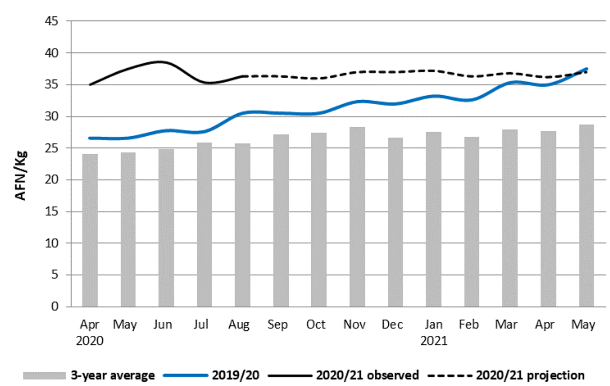
In urban areas, prolonged impacts of COVID-19 continue to drive acute food insecurity. Income from casual labor opportunities and remittances from abroad are still expected to be below average. Meanwhile, most food prices remain significantly above average. As a result, households have been purchasing food on credit, borrowing from relatives, and relying on humanitarian assistance to fill consumption gaps. However, given insufficient provision of assistance reported some in urban areas and the likelihood that poor households may be exhausting available coping strategies, many households are still expected to be facing some consumption gaps. As a result of insufficient income to meet all food needs, Crisis (IPC Phase 3) outcomes are likely among the urban poor in the absence of assistance.

Assumptions

The October 2020 to May 2021 most likely scenario is based on the following national-level assumptions:

- Due to favorable precipitation during the 2019/2020 wet season, favorable climatic conditions during the growing season, and field reports to date on seasonal progress, second season production is expected to be average overall.
- Due to anticipated average second season production, income from the sale of cash crops and fruits is expected to be normal. Income from the poppy harvest for both producers and laborers will be available around March and April 2021.
- Based on current trends, the COVID-19 pandemic is likely to continue throughout the projection period, with the total number of COVID-19 cases in Afghanistan expected to increase during that time. Lockdown measures are not likely to be reinstated on a large scale during the scenario period, given limited ability of government to enforce the measures or effectively provide food assistance to citizens.

Figure 10. Observed and projected wheat flour prices in Kabul market, April 2020 to May 2021



Source: *FEWS NET calculation based on MAIL data*

- Based on current levels of supply and the easing of export restrictions by Kazakhstan, overall imports of wheat are expected to be near average and sufficient to fulfill Afghanistan's import needs. Overall, the exchange rate of AFN against KZT is likely to be stable, supporting Afghanistan's purchasing power for imports of Kazakhstani wheat flour.
- Given expectations for near average national production and imports, retail wheat flour prices are expected to follow seasonal trends but remain above average throughout the scenario period (Figure 10). Rice prices are expected to remain stable during the scenario period due to stable market supply from Pakistan.
- Afghanistan's borders will likely remain open for trade throughout the scenario period, though policy fluctuations remain possible, particularly with Pakistan.
- An increase in the number of Afghans seeking labor in Iran is expected in the coming months, as people seek to travel and secure labor opportunities abroad before the arrival of winter. However, due to insecurity along travel routes and poor economic conditions in Iran – in addition to significantly above-average numbers of undocumented migrant Afghan workers returning from Iran in March 2020 – the overall number of Afghan migrant workers in Iran is expected to remain below average and lower relative to the pre-COVID period.

- Due to below-average numbers of migrant workers in Iran, remittances from Iran are expected to remain below average. Remittances from Gulf countries are expected to gradually improve but will likely remain below normal. Remittances from Pakistan will likely improve but remain below average.
- According to projections by the World Bank made in July 2020, the Afghan economy is expected to contract by 5.5 - 7.4 percent in 2020. Slight recovery is expected in 2021 when the economy is expected to grow by up to 1 percent. Based on these projections, current trends, and expectations for no additional lockdown measures, gradual economic recovery is expected throughout the scenario period.
- Due to the general economic slowdown, availability of non-agricultural labor opportunities—particularly in main urban markets—is expected to remain below average. However, with the arrival of spring in late March 2021, availability of labor opportunities is expected to gradually increase, as is typical.
- Insecurity/conflict is anticipated to decrease typically with the cold weather during winter months. 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.
- Cumulative precipitation for the 2020/2021 wet season is most likely to be below average due to the most likely ENSO state of La Niña. During this time, there is an elevated probability (30-50 percent chance) of significantly below-average precipitation (precipitation amounts in the lowest 20 percent of the long-term average) across the country. There is also an elevated likelihood of below-average precipitation over northern rainfed agricultural production areas throughout this time. Temperatures are also expected to be above-average due to La Niña conditions.
- Given the precipitation forecast, wheat production in the 2020/21 production season is expected to be below-average, with northern rainfed areas at greatest risk of reduced production. Availability of agricultural labor opportunities is also expected to be below average in the 2020/21 season.
- Natural disasters are likely to decrease seasonally during the start of winter (November – January) and then increase during spring and summer seasons. Given expectations for above-average temperatures and below-average precipitation from assumptions 1 and 2, snowpack development in the 2020/2021 season is expected to be below-average. As a result of these factors, flooding risk is expected to be below-average from February to May 2021, though localized flooding events related to springtime storms are possible.
- Livestock body conditions are expected to remain average throughout the projection period based on typical seasonal trends, with livestock prices expected to increase in the winter months as is typical. Given expectations for below-average cumulative precipitation in the 2020/21 season, rangeland vegetation conditions during the beginning of the spring season in late March 2021 are expected to be below average in areas worst affected by precipitation deficits.
- Humanitarian assistance is planned to reach a total of 9.8 million individuals nationally throughout 2020, including COVID-19 response. Out of the total planned, 3.2 million were already assisted by FSAC partners from January to June 2020. Information on the location of future distributions is limited.

Most Likely Food Security Outcomes

In October and November, pastoralist and agro-pastoralist households in most rural areas will likely sell a number of their livestock, as is typical, in order to purchase food for the upcoming winter. In many areas, these households will benefit from above-average livestock prices and will generally be able to compensate for the above-average staple food prices. Agricultural households will also stock a portion of their production from both first and second crops and will receive income from selling cash and fruit crops. However, during the projection period, income from agricultural labor opportunities is expected to be below-average due to the below-average precipitation expected in the 2020/21 season. Despite this, given average to above-average first and second season production and generally average terms of trade for pastoralists, most rural households are expected to stock sufficient food for the lean season, with sustained Stressed (IPC Phase 2) outcomes likely at the area level throughout the projection period. However, some poor households who harvested less or who have been affected by below-average remittances will likely be unable to stock enough food for the whole lean season. These households will likely experience consumption gaps and Crisis (IPC Phase 3) outcomes during the peak of the lean season. In April and May 2020, seasonal improvement to Stressed (IPC Phase 2) is expected for may households as they access seasonal labor opportunities and food from the harvest.

In the central highlands and other high elevation areas which typically have limited resources for production and consequently harvest lower amounts—in addition to the lower lying Samangan and parts of Uruzgan which registered localized below average first and second season production—many poor households are likely to exhaust their stocks in early 2021. These households are expected to experience food gaps at the peak of the lean season, with Crisis (IPC Phase 3) outcomes expected to emerge during the February to May 2021 period.

Based on previous nutrition assessments, prevalence of GAM is typically higher in conflict-affected areas and in areas with harsh terrain such as Hilmand, Kunduz, Nuristan, and Daykundi provinces. Nutrition conditions also typically worsen due to seasonal diseases including diarrhea in summer and pneumonia in winter. Given these patterns, it is expected that the nutrition conditions will deteriorate during the peak of the wet and lean seasons in high-elevation areas and during spring and summer in the conflict-affected areas.

Meanwhile, in urban areas, many poor households will likely continue to face significantly constrained purchasing power due to below-average availability of labor opportunities, below-average remittance levels, and above-average food prices. Due to decreased income-earning opportunities, poor households will likely continue to buy less nutritious/less preferred foods and consume lower quantities of food. Urban households who receive two-month packages of humanitarian food assistance would be expected to face Stressed! (IPC Phase 2!) outcomes while the assistance lasts but would likely deteriorate to Crisis (IPC Phase 3) in the absence of assistance as winter progresses, given seasonally low availability of labor opportunities in urban and rural areas. Slight economic recovery in 2021 is expected to benefit some households who rely on businesses and trade, but overall high food prices will still be constraining food access for many poor urban households.

Internally displaced persons have lost their ability to maintain their livelihoods and cultivate their lands. As a result, newly displaced households who receive three-month packages of humanitarian assistance are expected to face Stressed! (IPC Phase 2!) outcomes for the three-month period following displacement, with deterioration to Crisis (IPC Phase 3) outcomes expected following that due to the poor labor market and high food prices. In addition to causing displacement, conflict and natural disasters will likely decrease access to health and nutrition services. This may further deteriorate the nutrition condition of the most vulnerable groups, such as under-five children and pregnant and lactating women (PLWs).

Events that Might Change the Outlook

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

Area	Event	Impact on food security outcomes
National	Neighboring countries re-enforce trade restrictions and border restrictions	This would reduce import supply to Afghanistan and food prices would increase, restricting food access particularly among urban households. Labor migration and remittances would further reduce, affecting access to income in both rural and urban areas. An increased number of urban households would likely experience Crisis (IPC Phase 3) outcomes during the projection period.
National	Pandemic of COVID-19 worsens beyond what is anticipated	Direct impacts on affected households would include reduced ability of household members to work—either temporarily or permanently if the disease results in death— and increased health costs. Indirect impacts would likely include further impacts on income-earning and food prices. Worst affected households would likely face Crisis (IPC Phase 3) or worse outcomes.
National	Afghanistan government re-introduces control measures and enforces lockdowns in major cities	This would severely affect the local economy, reduce employment opportunities, and restrict access to markets. Further food price increases would be likely. An increased number of households would likely face Crisis (IPC Phase 3) and higher outcomes in urban areas.
National	Peace deal between Afghanistan government and Taliban is not reached	This would likely result in re-escalation of conflict. Causalities and displacements would likely increase to levels similar to—or worse than—in 2019.

AREAS OF CONCERN

AF27: South-Central Mountain Wheat, Dried Fruit and Livestock Zone

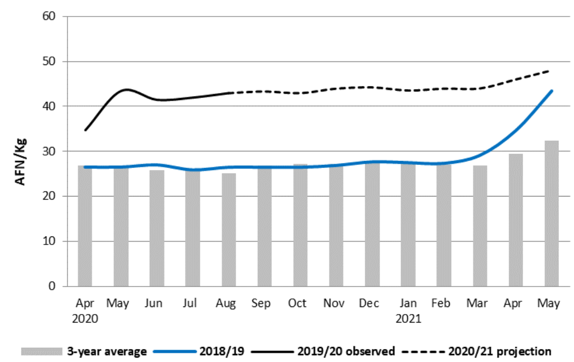
Current Situation

This livelihood zone includes most of Daykundi and Uruzgan provinces as well as some districts in Zabul and Ghazni provinces. Agriculture and livestock are the most important livelihood activities for the majority of the rural population in this zone. Most of the settlements are spread out across the zone, near the irrigated areas. The common staple agriculture foods are wheat, barley, maize, and vegetables, and traditional *karez* irrigation systems are used for irrigation purposes. Most better-off households are also engaged in small orchards, producing almonds and fruits as cash crops.

Due to above-average cumulative precipitation, wheat production was 104 percent above average in Daikundi. However, due to lower planted area and rust, wheat production was 27 percent below average in Uruzgan. Due to COVID-19 restrictions, access to fertilizers was limited and prices were higher compared to normal years.

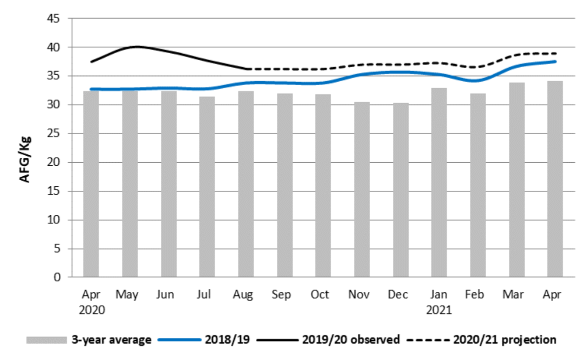
In Uruzgan, market dependency has increased due to the reduction in own-produced wheat, although normal vegetable production has supported access to food for growing households. Despite this, conflict and security constraints restricted access to markets in this province after the harvests, preventing farmers from selling their crops and reducing access to typical income. Security constrains continue to limit poor households' access to labor opportunities and to markets.

Figure 11. Observed and projected wheat flour prices in Uruzgan market, April 2020 to May 2021



Source: *FEWS NET calculation based on MAIL data*

Figure 12. Observed and projected wheat flour prices in Daykundi market, April 2020 to April 2021



Source: *FEWS NET calculation based on MAIL data*

Currently, poor households are expected to be earning income from non-agricultural wage labor, livestock product sales, livestock sales (mostly sheep), and some remittances. However, income from these sources is likely to be below-average. According to data from WFP, casual labor wages in Nili market (Daykundi) in September 2020 were five percent higher than the same time last year and 11 percent above the five-year average. Despite this, availability of labor opportunities in Nili was 22 percent less than last year and seven percent below average, despite significant improvement since May 2020. In Uruzgan, trends are expected to be relatively similar although comparable data are not available. Meanwhile, due to favorable climate and average cumulative precipitation received during the wet season of 2019/20 supporting average pasture conditions, livestock productivity and body conditions are good compared to last year. In September 2020, sheep prices were near the three-year average in Daikundi but 11 percent below the average in Uruzgan. In the case of Uruzgan, below-average prices are likely at least partially due to security issues which are limiting marketing activity and reducing demand, expected to be reducing access to income from livestock products and sales.

According to MAIL data, wheat flour prices remained stable from August to September 2020 both in Daikundi and Uruzgan, though at levels 12 percent above average in Daykundi and 62 percent above average in Uruzgan in September. Though prices have decreased somewhat in Daikundi since peaking in May 2020, prices have not declined in Uruzgan. In September, wheat flour prices in Uruzgan were the highest in Afghanistan, both in terms of absolute price levels (43 AFN per kg) and relative to average levels.

Due to the improvement in labor wages and the reduction in food prices, terms of trade between casual labor and wheat flour have improved in Daikundi in recent months, and in September 2020 were near average according to data from WFP. In Uruzgan, terms of trade are expected to be significantly below average, driven largely by the significantly above-average food prices. Meanwhile, terms of trade for pastoralists in September 2020 remained 13 percent below average in Daikundi and 45 percent below average in Uruzgan, the lowest across Afghanistan. These below-average terms of trade are mostly driven by wheat flour prices.

The dominant second season crops in this livelihood zone are maize and beans, and the harvest has recently started. Due to favorable climate conditions, an increase in planting area, and negligible plant diseases reported so far, harvests are expected to be better than last year.

Deteriorated purchasing power of pastoralists and, in Uruzgan, of laborers is constraining access to income and food from market purchases. At the same time, below-average production in Uruzgan is restricting households' access to food from own-consumption, while conflict is restricting access to markets and limiting access to income from crop and livestock sales. Given reduced access to typical food and income sources, many poor households are expected to be facing consumption gaps and Crisis (IPC Phase 3) or worse outcomes, particularly in Uruzgan.

Assumptions

In addition to the national-level assumptions described above, the most likely scenario for AF27 is based on the following assumptions:

- Food prices are expected to increase as the lean season progresses (Figures 11 & 12).

Most Likely Food Security Outcomes

Poor households who harvested less—especially in Uruzgan—are expected to deplete food stocks from own production by the end of November 2020, further increasing market dependence. Although households will sell some livestock in order to purchase food, marketing activities are expected to remain limited by conflict and purchasing power will continue be constrained by above-average food prices. As a result, food stocks are expected to be below-average. During the projection period, income from agricultural labor opportunities is also expected to be below-average due to the below-average precipitation expected in the 2020/21 season. As the lean season progresses, an increasing number of households will be unable to meet all food needs, with consumption gaps and Crisis (IPC Phase 3) or worse outcomes likely to persist throughout the projection period in both urban and rural areas. In the spring of 2021, lack of fodder and grazing areas for livestock is also anticipated to result in lower livestock productivity, reducing livestock products available for own consumption and sale and in increased livestock sales, depressing prices. Overall, households dependent on own production, livestock, and market-dependent labors are expected to be worst-affected, particularly in Uruzgan province.

AF19: Kunduz-Baghlan High Cereal Production Zone

At the time when areas of concern were identified in September 2020, FEWS NET was investigating impacts of escalated conflict on food security in this zone. With additional information from the field, FEWS NET's analysis is that this area will likely face a less severe food security situation at the livelihood zone level than originally anticipated, though acute food insecurity remains a concern among displaced populations.

Current Situation

This livelihood zone includes all of Kunduz province, the northwestern districts of Takhar province and most of the districts of Baghlan province. Agriculture and livestock are the most important livelihood activities for the majority of the rural population in this surplus cereal producing zone. Most of the zone depends on irrigation, while those in southern areas (Nahrin and Dahaneh-ye-Ghowri districts) depend on rainfall for agricultural production. The main staples produced are wheat, rice, sesame, flax, maize, melons, and potatoes. There are two agricultural seasons in this zone; most crops are harvested in the summer whereas rice and sesame are harvested in the autumn.

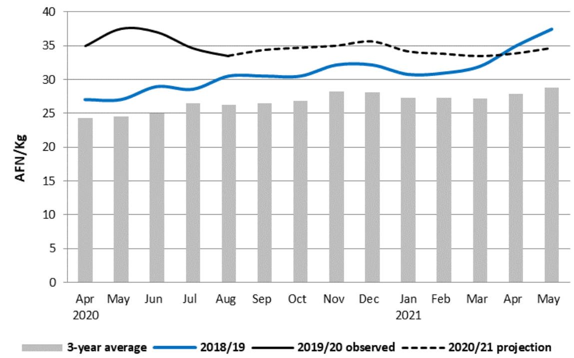
The main concern in this region is conflict. According to OCHA, fighting between Afghan National Security Forces (ANSF) and a non-state armed group (NSAG) since August has significantly impacted the northeast region, mainly in Kunduz and Baghlan provinces. In the worst-affected Kunduz province, around 64,000 people have been displaced from January to September 2020, mostly during the months of August and September. In Baghlan province, around 20,000 people were displaced by conflict from January to September 2020.

In Kunduz province, the majority of displaced families have taken refuge in Kunduz City and in remote villages around Khanabad District. There, displaced families are staying with relatives or friends, while others are sheltering in school compounds or in temporary shelters constructed in open spaces.

Many of these families have been affected by multiple conflict events and reportedly show little inclination to return to their areas of origin, even if relative improvements in the security situation were to take place. Those families who do decide to return to their areas of origin are exposed to high risks due to IEDs and mines planted along the roads.

This displacement is happening in a context where COVID-19 likely continues to spread despite limited capacity for testing. Compliance with COVID-19 preventative measures is not possible for the majority of displaced families, exposing vulnerable people and host communities to heightened risks. WASH facilities are currently limited and social distancing is not possible for many IDPs.

Figure 13. Observed and projected wheat flour prices in Kunduz market, April 2020 to May 2021



Source: *FEWS NET calculation based on MAIL data*

Currently, poor households are expected to be earning income from wage labor, livestock product sales, and livestock sales (mostly sheep), and some remittances. However, income from labor is likely to be below-average in September 2020 for many poor households due to impacts of conflict and COVID-19, despite some recovery in the availability of labor opportunities since the time of peak COVID-19 impacts in April and May 2020. Meanwhile, wages for casual labor have remained stable in Baghlan from March to September 2020 according to MAIL data. In Kunduz, wages decreased 20 percent between March and April 2020 and have generally recovered despite significant month-to-month volatility.

Due to favorable climate and average cumulative precipitation received during the wet season of 2019/20 supporting average pasture conditions, livestock productivity and body conditions are good compared to last year. Throughout 2020, livestock prices have remained stable in Baghlan and have increased steadily in Kunduz. Livestock prices in September 2020 were 57 percent and 14 percent above average, respectively, in Kunduz and Baghlan according to MAIL data.

Due to COVID-19 impacts, wheat flour prices increased in April and May 2020 in both Kunduz and Baghlan. Although prices have gradually decreased since that time, prices in September 2020 remain 24 percent and 19 percent above average, respectively, in Kunduz and Baghlan. This year, wheat production was 29 percent below average in Kunduz and near average in Baghlan. This reduced production is expected to be putting upward pressure on prices.

Driven largely by the reduction in food prices, terms of trade between casual labor and wheat flour have improved in recent months. However, terms of trade for laborers likely remain below-average given above-average food prices and stable wage since the pre-COVID period. Meanwhile, above-average livestock prices are generally compensating for higher wheat flour prices. In September 2020, terms of trade for pastoralists in were 25 percent above average in Kunduz and 5 percent below average in Baghlan according to data from MAIL. However, given limited opportunities for income-earning, some households are seeking income-earning opportunities in neighboring provinces and abroad.

In this livelihood zone, many people—especially youths—typically migrate neighboring countries such as Iran and Turkey for work. In the past, more than 25,000 people from this zone have joined the labor force annually in Iran and Turkey according to field reports However, due to tight restrictions on the borders of Afghanistan, the majority are currently failing to cross the border and some are losing their lives in the attempt. Additionally, many of people who were already settled in Iran and Turkey are earning below average levels of income due to COVID-19 impacts on economies of those countries.

Overall, limited income-earning opportunities and high food prices remain a concern, particularly for displaced households, households highly dependent on labor, and households impacted by below-average production. However, generally average or above-average purchasing power for pastoralists and access to food from own production and income from crop and livestock sales is expected to be supporting access to food for many rural households. Given limited opportunities for income earning, Stressed (IPC Phase 2) outcomes are expected at the area level, with worst-affected households such as displaced expected to be facing consumption gaps and Crisis (IPC Phase 3) outcomes.

Assumptions

In addition to the national-level assumptions described above, the most likely scenario for AF19 is based on the following assumptions:

- Food prices are expected to increase through December as preparation for the lean season progresses (Figure 13).

Most Likely Food Security Outcomes

Most rural households are expected to continue relying on food stocks through around March 2021, with Stressed (IPC Phase 2) outcomes likely to persist through May. However, some households who harvested less are expected to exhaust food stocks atypically early in the next few months and become dependent on markets for food. Given seasonally low availability of labor opportunities in both rural and urban areas—in addition to expectations for reduced levels of labor migration and remittances—some poor households are expected to face reduced access to income through the lean season. Furthermore, income from agricultural labor opportunities is also expected to be below-average due to the below-average precipitation expected in the 2020/21 season. At the same time, purchasing power will continue be constrained by above-average food prices. As a result, some worst affected households such as displaced are expected to be unable to earn sufficient income to meet all food needs, with deterioration to Crisis (IPC Phase 3) outcomes expected for some poor households as the lean season progresses. In the spring of 2021, lack of fodder and grazing areas for livestock is also anticipated to result in lower livestock productivity, reducing livestock products available for own consumption and sale and in increased livestock sales, depressing prices. Among displaced households in urban areas, Crisis (IPC Phase 3) outcomes are expected in the absence of assistance.

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.