

Initial Market Price Bulletin for the month of **January 2013** (Reported in Feb 2013)

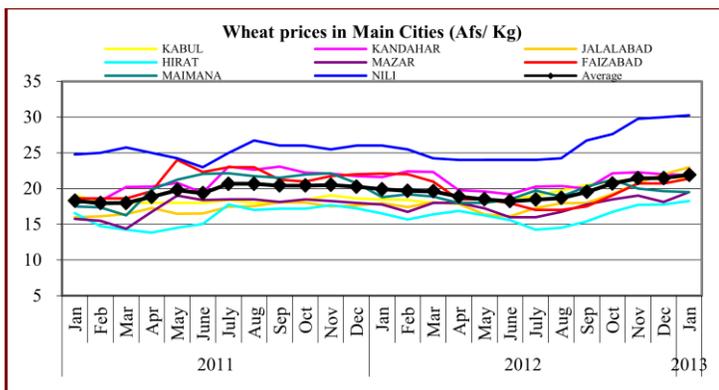
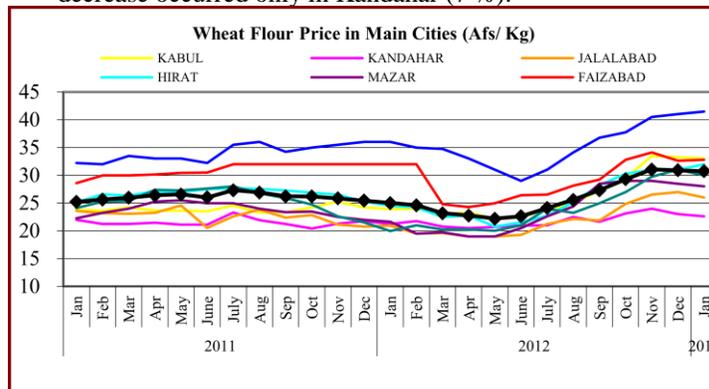
Main highlights:

- Average wheat grain retail price was decreasing during July 2011- July 2012; however, it was increasing from August through December 2012. On the international market, a decreasing trend of wheat price was continuously observed from October 2011 to May 2012, but has been increasing from June to December 2012. A sharp increased price of wheat grain in international markets (June-August 2012) is slightly transmitted to main city markets of Afghanistan during September 2012.
- Following the Wheat grain price trend, Wheat flour average price was also decreasing during July 2011 - May 2012, but was increasing in the months of June - December 2012 in the main urban cities of Afghanistan.

Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of wheat in the main urban markets was 21.9Afs/Kg. Compared to the past month (December 2012) the average price increased by 2.1%. The highest increase occurred only in Mazar (7.6 %). The variation in other main cities was normal (-0.6 to 4.5 %). Main reason for increase was increased price of imported Wheat Flour and price fluctuation based on temporary supply and demand.
- Compared to the same month one year ago (January 2012) the average price increased by 10.1%. The highest increase occurred in Jalalabad (28.1 %), Nili (16.3 %), Kabul (16.2 %), Hirat (10.6 %) and Mazar (10 %). The variation in other main cities was normal (-3.1% to 3.7%).
- On the two-year comparison (January 2011), the average price of wheat was higher by 19.8%.
- Compared to 5 years average price of the January months (January 2008, 2009, 2010, 2011 and 2012) the price increased by 10%. The highest increase occurred in Jalalabad (26 %), Mazar (14 %), Maimana (12 %) and Nili (11 %). The variation in other main cities was normal (1 to 8 %).

- Compared to the same month two years ago (January 2011), the average price of Wheat Flour increased by 21.9%. The highest increase occurred in Kabul (38.8 %), Nili (28.7 %), Hirat (27.4 %), Mazar (25.8 %), Maimana (24.4 %), Faizabad (14.7 %) and Jalalabad (10.2 %). A slight increase within a normal range is seen in Kandahar (2.8 %).
- Compared to 5 years average price of the January months (January 2008, 2009, 2010, 2011 and 2012), current average price increased by 20%. The highest increase occurred in Kabul (33 %), Hirat (31 %), Maimana (29 %), Mazar and Nili (25 %), Jalalabad (13 %) and Faizabad (10 %). Meanwhile, a decrease occurred only in Kandahar (7 %).



Terms of Trade (ToT):

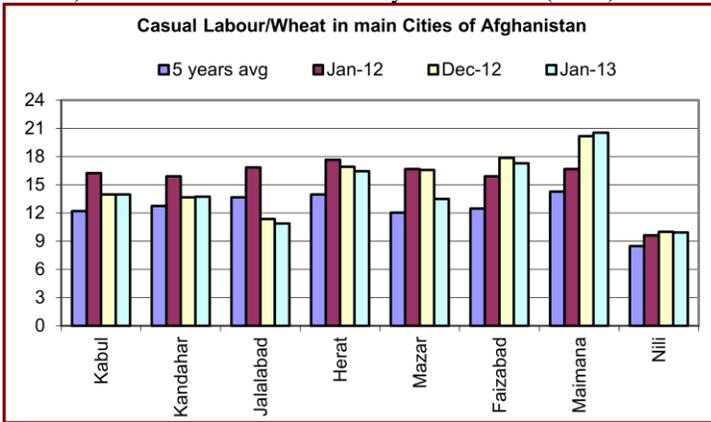
Casual Labor and Wheat: *The Terms of Trade (ToT) between casual Labor and wheat is a proxy indicator or the purchasing capacity of households relying on casual labor as main income, and purchase of wheat in the market. This ToT reveal how many Kilograms of wheat can be purchased with one day of casual labor wage, but do not say how many days a month a laborer can get to cover the family food needs.*

- Wage labor-Wheat ToT average for the reporting month was 14.5 Kgs of wheat against one day labour wage.
- On average, this ToT deteriorated by 3.6% from December 2012 to January 2013. The highest deterioration was observed only in Mazar (18.6 %) due to increased wheat price. The variation in other markets was normal (-4.3% to 1.7%).
- In comparison to one year ago (January 2012), this ToT deteriorated by 7.4%. The highest deterioration occurred in Jalalabad (35.5 %), Mazar (19.1 %), Kabul (14 %) and Kandahar (13.8 %). Meanwhile, an improvement occurred in Maimana (23.2 %). The variation in other main cities was normal (-6.8 % to 8.7 %).

Retail Price of Wheat Flour in the Main Urban Cities:

- The monthly average price of wheat flour in main urban markets was 30.7 Afs/Kg in the reporting month (January 2013), which shows 0.6% decrease compared to the past month (December 2012). The variation in all main cities was normal (-3.7 to 3.2 %). Main reason for the decrease was daily market fluctuation.
- Compared to the same month one year ago (January 2012), the average price increased by 22.8 %. The highest increase was noticed in Maimana (50.4 %), Kabul (37.8 %), Hirat (30.6 %), Mazar (29.5 %), Jalalabad (24.1 %) and Nili (15.3 %). The variation in other main cities was normal (2.5 to 6.5 %).

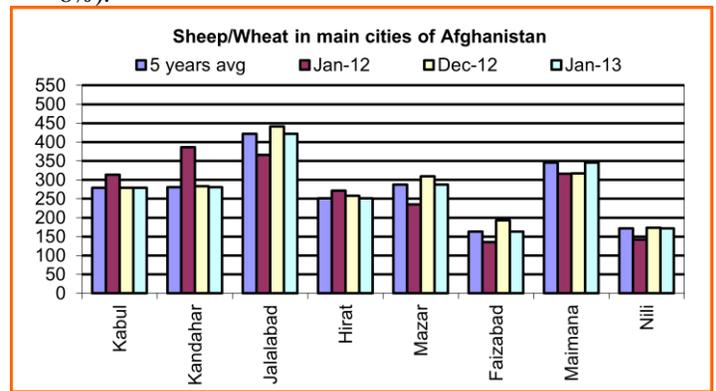
- On the 2 years comparison (January 2011), it deteriorated by 0.5%. The highest deterioration was in Jalalabad (39.5 %), Mazar (15.1 %) and Kandahar (10.2 %). While improvement occurred in Maimana (39.5 %) and Faizabad (22.5 %). The variation in other main cities was normal (-1.8% to 2.6%).
- Compared to the 5 years average of the January months (January 2008, 2009, 2010, 2011 and 2012), the average of this ToT improved by 16%. The highest improvement is reported in Maimana (44 %), Faizabad (39 %), Hirat (18 %), Nili (17 %), Kabul (14 %), Mazar (12 %) and Kandahar (8 %). A deterioration is found only in Jalalabad (20 %).



Sheep and Wheat (ToT): The Terms of Trade between a one year old female sheep and wheat is a proxy for the purchasing capacity of those households that are mainly reliant on income from livestock (pastoralists). It says how many kilograms of wheat can be obtained when selling a one year old female sheep.

- The average Sheep-Wheat ToT for the reporting month was 275 Kgs of wheat against one year alive female sheep.

- On average, this ToT deteriorated by 2.3% from December 2012 to January 2013. The highest deterioration was observed in Faizabad (15.4 %) and Mazar (7.1 %). Meanwhile, an improvement occurred only in Maimana (9 %). Main reason for the deterioration was decreased Sheep price and increased Wheat price. The reason for improvement in Maimana was due to increased Sheep price. The variation in other main cities was normal (-1% to 0%).
- Compared to same month one year ago (January 2012), the average ToT improved by 1.6 %. The highest improvement occurred in Mazar (22.1 %), Nili (20.8 %), Faizabad (20.3 %) and Jalalabad (15.1 %). While there was deterioration in Kandahar (27.2 %) and Kabul (11 %). The variation in Hirat and Maimana was normal (-7.5% - 9.4%).
- On the 2-year comparison (January 2011), the average sheep/wheat ToT was slightly deteriorated by 1.6%.
- Compared to 5 years average of the January months (January 2008, 2009, 2010, 2011 and 2012), the current average of this ToT improved by 10%. The highest improvement occurred in Jalalabad (33 %), Hirat (15 %), Maimana (13 %) and Nili (10 %). The variation in other main cities was normal (-4% to 8%).



Markets	Major Comm	Current Price per Kg	Price change (%)				Average Change				Markets	Major Comm	Current Price	Price change (%)				Average Change				
			5Y Ave	2Y	1Y	1M	5Y Ave	2Y	1Y	1M				5Y Ave	2Y	1Y	1M					
KABUL	Wheat (kg)	21.5	2.9	12.4	16.2	0.0	▲	▲	▲	▲	Livestock - One year live Sheep (Female)	KABUL	Sheep	6,000	13.2	7.1	3.4	0.0	▲	▲	▲	▲
	Wheat/Flour (kg)	33.0	32.6	38.8	37.8	-0.8	▲	▲	▲	▲		KANDAHAR	Sheep	6,150	5.2	2.5	-26.3	-1.2	▲	▲	▲	▲
	Rice Low Quality (Kg)	42.0	47.9	68.0	44.8	0.0	▲	▲	▲	▲		JALALABAD	Sheep	9,700	78.5	72.4	47.5	0.0	▲	▲	▲	▲
	Oil (kg)	82.5	14.9	5.8	-4.3	-4.1	▲	▲	▲	▲		HIRAT	Sheep	4,580	25.1	22.1	2.3	0.0	▲	▲	▲	▲
KANDAHAR	Wheat (kg)	21.9	8.1	21.5	1.2	-0.6	▲	▲	▲	▲	MAZAR	Sheep	5,600	23.3	10.3	34.1	0.0	▲	▲	▲	▲	
	Wheat/Flour (kg)	22.6	-6.6	2.8	6.5	-1.6	▲	▲	▲	▲	FAIZABAD	Sheep	3,500	12.0	16.7	16.7	-12.5	▲	▲	▲	▲	
	Rice Low Quality (Kg)	26.8	-16.6	-23.6	-3.2	-7.0	▲	▲	▲	▲	MAIMANA	Sheep	6,750	31.2	17.4	13.4	8.9	▲	▲	▲	▲	
	Oil (kg)	69.3	10.2	0.4	4.5	-4.8	▲	▲	▲	▲	NILI	Sheep	5,200	24.4	-5.5	40.5	0.0	▲	▲	▲	▲	
JALALABAD	Wheat (kg)	23.0	26.2	43.8	28.1	4.5	▲	▲	▲	▲	Terms of Trade - Kgs of Wheat											
	Wheat/Flour (kg)	26.0	12.8	10.2	24.1	-3.7	▲	▲	▲	▲	KABUL	Casual Labour/v/wheat	14.0	14.3	2.6	-14.0	0.0	▲	▲	▲	▲	
	Rice Low Quality (Kg)	59.5	126.1	117.9	167.4	-0.8	▲	▲	▲	▲	KANDAHAR	Casual Labour/v/wheat	13.7	7.7	-10.2	-13.8	0.4	▲	▲	▲	▲	
	Oil (kg)	81.5	12.0	11.6	-7.4	-1.2	▲	▲	▲	▲	JALALABAD	Casual Labour/v/wheat	10.9	-20.4	-39.5	-35.5	-4.3	▲	▲	▲	▲	
HIRAT	Wheat (kg)	18.3	3.4	10.3	10.6	2.8	▲	▲	▲	▲	HIRAT	Casual Labour/v/wheat	16.4	17.9	8.8	-6.8	-2.7	▲	▲	▲	▲	
	Wheat/Flour (kg)	32.0	30.6	27.4	30.6	3.2	▲	▲	▲	▲	MAZAR	Casual Labour/v/wheat	13.5	12.1	-15.1	-19.1	-18.6	▲	▲	▲	▲	
	Rice Low Quality (Kg)	27.0	-2.7	0.9	0.0	0.0	▲	▲	▲	▲	FAIZABAD	Casual Labour/v/wheat	17.3	38.5	22.5	8.7	-3.3	▲	▲	▲	▲	
	Oil (kg)	80.8	21.7	11.0	3.8	-0.3	▲	▲	▲	▲	MAIMANA	Casual Labour/v/wheat	20.5	43.8	39.5	23.2	1.7	▲	▲	▲	▲	
MAZAR	Wheat (kg)	19.5	14.4	23.8	9.9	7.6	▲	▲	▲	▲	NILI	Casual Labour/v/wheat	9.9	17.1	-1.8	3.2	-0.8	▲	▲	▲	▲	
	Wheat/Flour (kg)	28.0	24.9	25.8	29.5	-1.8	▲	▲	▲	▲	KABUL	Sheep /v/wheat	279.1	4.0	-4.7	-11.0	0.0	▲	▲	▲	▲	
	Rice Low Quality (Kg)	38.0	20.6	40.7	20.6	-1.3	▲	▲	▲	▲	KANDAHAR	Sheep /v/wheat	281.1	-4.4	-15.7	-27.2	-0.6	▲	▲	▲	▲	
	Oil (kg)	79.8	11.8	-0.3	-3.0	-6.2	▲	▲	▲	▲	JALALABAD	Sheep /v/wheat	421.7	33.4	20.0	15.1	-4.3	▲	▲	▲	▲	
FAIZABAD	Wheat (kg)	21.4	0.8	15.1	-3.1	3.4	▲	▲	▲	▲	HIRAT	Sheep /v/wheat	251.0	14.6	10.8	-7.5	-2.7	▲	▲	▲	▲	
	Wheat/Flour (kg)	32.8	10.0	14.7	2.5	0.5	▲	▲	▲	▲	MAZAR	Sheep /v/wheat	287.3	2.8	-10.8	22.1	-7.1	▲	▲	▲	▲	
	Rice Low Quality (Kg)	54.2	9.2	22.3	10.6	0.0	▲	▲	▲	▲	FAIZABAD	Sheep /v/wheat	163.6	7.9	1.4	20.3	-15.4	▲	▲	▲	▲	
	Oil (kg)	100.0	8.9	11.1	-9.1	0.0	▲	▲	▲	▲	MAIMANA	Sheep /v/wheat	346.1	12.6	5.3	9.4	9.0	▲	▲	▲	▲	
MAIMANA	Wheat (kg)	19.5	12.1	11.4	3.7	-0.6	▲	▲	▲	▲	NILI	Sheep /v/wheat	171.9	9.6	-22.6	20.8	-0.8	▲	▲	▲	▲	
	Wheat/Flour (kg)	30.0	26.8	24.4	50.4	-3.2	▲	▲	▲	▲	Remark											
	Rice Low Quality (Kg)	55.3	56.7	76.8	49.3	2.8	▲	▲	▲	▲	▲ Price increase above normal price fluctuation											
	Oil (kg)	95.0	27.0	7.6	16.2	0.0	▲	▲	▲	▲	▲ Normal Price fluctuation											
NILI	Wheat (kg)	30.3	10.6	22.2	16.3	0.8	▲	▲	▲	▲	▼ Price decrease below normal price fluctuation											
	Wheat/Flour (kg)	41.5	24.6	28.7	15.3	1.2	▲	▲	▲	▲	Price fluctuation is considered normal if the price change is within 5% for 1 month, or within											
	Rice Low Quality (Kg)	74.5	97.6	132.8	86.3	9.6	▲	▲	▲	▲	10% for 3 months											
	Oil (kg)	85.0	12.9	3.7	5.3	2.4	▲	▲	▲	▲	1M= Compared to month ago 1Y= Compared to January 2012 and 2Y= Compared to January 2012											

Source: WFP/VAM market data from Afghanistan main cities (Kabul, Kandahar, Mazar, Jalalabad, Faizabad, Hirat, Maimana and Nili)

Vulnerability Analysis and Mapping (VAM) – World Food Programme (WFP), Afghanistan