



vam
food security analysis

Afghanistan Market Price Bulletin

April 2011

(Reporting March 2011)

Highlights

- ❖ During the reporting month, the average wheat grain retail price shows no change compared to the previous month. This came after a continued increasing trend started in July 2010. Wheat flour price kept its increasing trend (1.3% for the reporting month). The retail prices of wheat are 30.5% higher than pre-crisis level (January-October 2007) and 24% above one year ago. Wheat flour price level is noticeably (56 %) above pre-crisis level and 45% higher than one year ago. All cereals together are 36% higher than the pre-crisis levels. The difference between wheat and wheat flour prices is worrisome. Wheat flour is mostly imported.

- ❖ The price of cooking oil increased by 36% when compared to the same time one year ago.

Price of Wheat in Main Urban Cities

- The average wheat price in the main urban markets was 18 Afs/Kg, being:
 - Equal to February 2011;
 - 24% higher than March 2010;
 - 13% lower than March 2009;
 - 30.5% higher than pre-crisis average.

Price of Wheat flour in Main Urban Cities

- The average price of wheat flour in the main urban markets was 26 Afs/Kg, showing:
 - 1.3% increase in comparison to February 2011;
 - 44.6% increase compared to March 2010;
 - 9% increase from March 2009;
 - 55.7% increase from pre-crisis average.

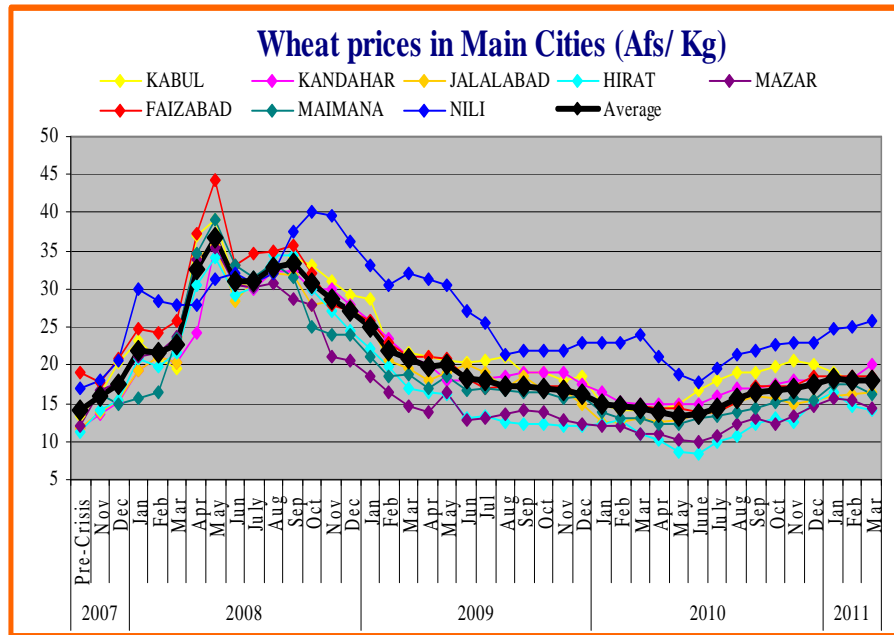
Terms of Trade

- The average Terms of Trade between casual labor daily salary and wheat improved 6.7% (from 14.8 to 15.7 Kg) from February to March 2011 due to the increase in the labor cost as winter passed and construction works are starting. On the one year comparison, it deteriorated by 9% while improving by 63% and 18.4% on the two-year and pre-crisis level comparison.
- The average Terms of Trade between a live one year old female sheep and kg of wheat improved by 1.3% and 48% since February 2011 and on two years comparison respectively. While it deteriorated by 16% and 8.3% on one year and pre-crisis level comparison respectively.

Wheat Retail Price in Main Cities¹

The monthly average price of wheat in the main urban markets was 18 Afs/Kg.

Compared to the past month, the average wheat prices show no changes. It decreased in some of the main cities, with the highest decrease in Mazar (7%) followed by Kabul (6%). In Kandahar it increased 11%. The variation in the rest of main cities is not significant (-4 to 2%).



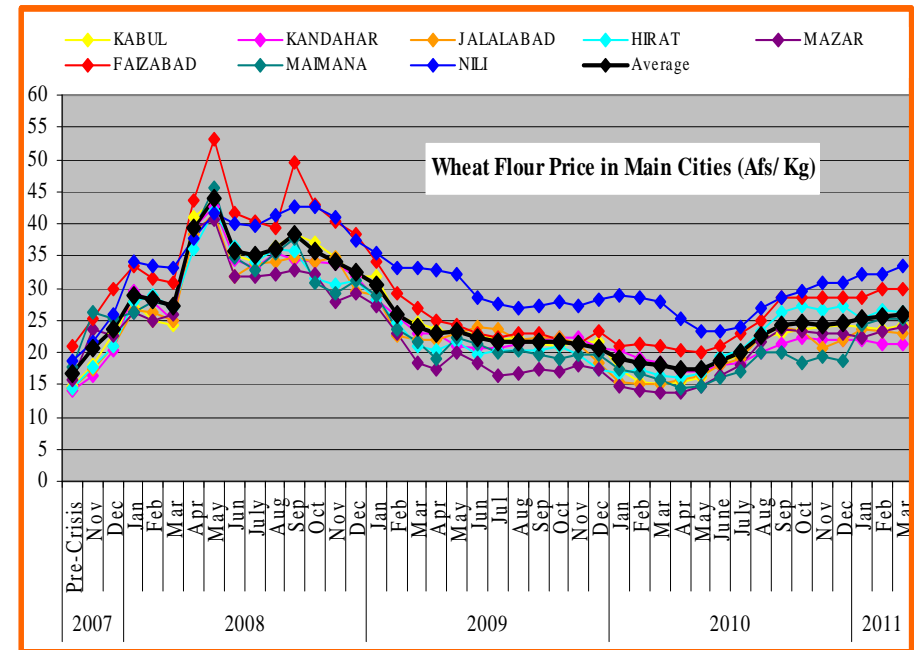
Compared to one year ago (March 2010) the average wheat price increased by 24%. All main cities show increase. The highest one occurred in Kandahar (35%), followed by Mazar (31%), Kabul and Hirat (29% each), Jalalabad and Faizabad (27% each), Maimana (25%) and Nili (7%).

On the two-year comparison, the average price decreased by 13%, and compared with the pre-crisis average (Jan-Oct 2007), the current prices are 30.5% higher.

¹ Source: WFP/VAM market data from Afghanistan main cities.
VULNERABILITY ANALYSIS AND MAPPING (VAM), WORLD FOOD PROGRAMME, AFGHANIISTAN

Wheat Flour Retail Price in Main Cities: ²

The monthly average, price of wheat flour in the main urban markets was 26 Afs/Kg, with no significant changes (1.3%) compared to the previous month. The highest increase occurred in Nili (5%). The variation in other main city markets has not been significant (-1 to 3%).



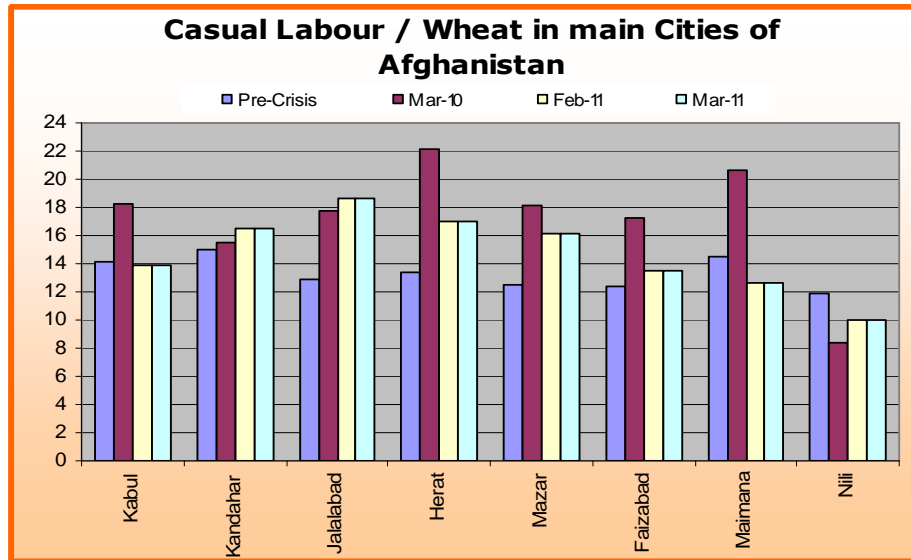
Compared to a year ago (March 2010), the wheat flour price increased in all main cities. The average price increase was 44.6%. The highest increase occurred in Mazar (73%), followed by Maimana (61%), Kabul and Hirat (60% each), Jalalabad (54%), Faizabad (42%), Nili (20%) and Kandahar (16%).

On the two-year comparison (March 2009), the average prices increased by 9%, and compared with the pre-crisis average (Jan-Oct 2007), the current prices are high by 56%.

² Source: WFP VAM Market Data from Afghanistan main cities

Terms of Trade (ToT):³

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 salary, but do not say how many worked days a month a laborer can get to cover the family food needs.



On average, wheat and casual labor ToT slightly improved by 7% from February to March 2011 (14.8 to 15.7Kg). Maimana shows the highest improvement (55%), followed by Mazar (11%) and Faizabad (5%). Meanwhile, Kandahar showed deterioration (10%). Changes in other main cities were not significant (-3 to 4 %).

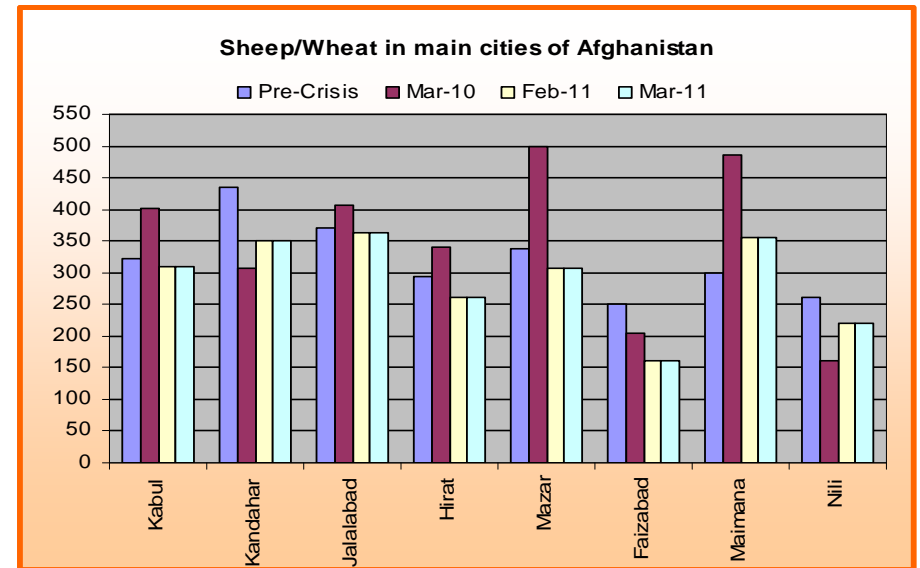
In comparison to one year ago, the average ToT got reduced by 8.8%. Kabul has showed the highest decrease (24%), followed by Hirat (21%), Faizabad (18%) and Maimana (5%). Meanwhile, improvement occurred in Nili by (15%). No significant changes occurred in the rest of main cities (-4 to 3%).

Improvements over 2-year back and pre-crisis values are 63% and 18.4% respectively.

³ Source: WFP/VAM
VULNERABILITY ANALYSIS AND MAPPING (VAM), WORLD FOOD PROGRAMME, AFGHANIISTAN

Sheep and Wheat:⁴

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 Kgs of wheat can be obtained when selling a one year old female sheep.



On average, this ToT improved by 1.3% over the past month due to increase in sheep prices. The highest improvement occurred in Kandahar by 8% due to increase in sheep price. No changes occurred in the rest of main cities during this month.

Compared to one year ago, the average ToT deteriorated by 16%. The highest decrease occurred in Mazar (38%), followed by Maimana (27%), Hirat (24%), Kabul (23%), Faizabad (21%), and Jalalabad (11%). Meanwhile there is improvement in Nili and Kandahar by 38% and 23% respectively.

⁴ Source: WFP/VAM

Annex1: Market Watch on Main Food Commodities in Main Cities of Afghanistan Markets – March 2011

Markets	Major Comm	Current Price per Kg	Price change (%)				Average Change				Markets	Major Comm	Current Price	Price change (%)				Average Change									
			PCP A	2 Y	1 Y	1M	PC PA	2 Y	1 Y	1M				PCP A	2 Y	1 Y	1M	PC PA	2 Y	1 Y	1M						
KABUL	Wheat (kg)	18.1	34.9	-19.8	27.8	-5.6	▲	▼	▲	▼	Livestock-One year live Sheep (Female)																
	Wheat/Flour (kg)	23.6	60.9	-7.4	53.9	-0.6	▲	▼	▲	▼																	
	Rice Low Quality (Kg)	26.0	35.4	-27.8	0.0	4.0	▲	▼	▲	▼	KANDAHAR	Sheep	6375	24.7	41.7	27.5	6.3	▲	▲	▲	▲						
	Oil (kg)	79.8	44.5	24.1	27.1	2.2	▲	▲	▲	▲	JALALABAD	Sheep	5855	33.3	17.1	10.5	4.1	▲	▲	▲	▲						
KANDAHAR	Wheat (kg)	18.3	54.8	-22.3	19.7	1.4	▲	▼	▲	▼	HIRAT	Sheep	3838	15.5	14.6	2.3	2.3	▲	▲	▲	▲						
	Wheat/Flour (kg)	21.3	51.5	-16.7	11.8	-3.4	▲	▼	▲	▼	MAZAR	Sheep	4775	19.4	14.4	-9.9	-5.9	▲	▲	▲	▲						
	Rice Low Quality (Kg)	35.8	59.6	2.1	10.0	2.1	▲	▲	▲	▲	FAIZABAD	Sheep	3000	-35.6	50.0	7.1	0.0	▼	▲	▲	▲						
	Oil (kg)	70.9	36.0	31.3	33.8	2.8	▲	▲	▲	▲	MAIMANA	Sheep	6175	48.1	54.4	4.2	7.4	▲	▲	▲	▲						
JALALABAD	Wheat (kg)	16.1	35.8	-21.5	28.8	0.6	▲	▼	▲	▼	NILI	Sheep	5500	24.5	83.3	44.7	0.0	▲	▲	▲	▲						
	Wheat/Flour (kg)	23.2	60.1	1.9	54.5	-1.8	▲	▲	▲	▲	Terms of Trade																
	Rice Low Quality (Kg)	23.2	34.4	-22.8	-5.5	-15.2	▲	▼	▲	▼																	
	Oil (kg)	75.6	30.4	20.4	30.3	3.5	▲	▲	▲	▲	KANDAHAR	Casual Labour/wheat	9.6	92.3	0.2	7.6	▲	▲	▲	▲							
HIRAT	Wheat (kg)	14.8	30.2	-26.0	16.3	-10.9	▲	▼	▲	▼	JALALABAD	Casual Labour/wheat	45.3	138.3	1.1	3.7	▼	▼	▲	▲							
	Wheat/Flour (kg)	26.6	83.1	8.8	52.0	5.9	▲	▲	▲	▲	HIRAT	Casual Labour/wheat	27.2	68.5	-14.1	12.2	▼	▼	▲	▲							
	Rice Low Quality (Kg)	27.0	1.2	-3.6	3.8	0.9	▲	▲	▲	▲	MAZAR-	Casual Labour/wheat	29.2	76.0	6.1	1.5	▼	▼	▲	▲							
	Oil (kg)	73.3	40.4	43.6	37.3	0.7	▲	▲	▲	▲	FAIZABAD	Casual Labour/wheat	8.9	52.2	-21.5	-4.8	▲	▼	▲	▲							
MAZAR	Wheat (kg)	15.5	29.6	-6.1	29.2	-1.6	▲	▲	▲	▲	MAIMANA	Casual Labour/wheat	-12.7	32.1	-40.8	-13.9	▲	▼	▲	▲							
	Wheat/Flour (kg)	23.3	47.1	1.1	63.2	4.5	▲	▲	▲	▲	NILI	Casual Labour/wheat	-15.5	52.4	15.0	-1.0	▲	▼	▲	▲							
	Rice Low Quality (Kg)	27.0	14.4	-20.6	-13.6	0.0	▲	▼	▲	▼	Remark																
	Oil (kg)	79.3	46.2	34.3	42.8	-0.9	▲	▲	▲	▲																	
FAIZABAD	Wheat (kg)	18.6	-2.2	-18.6	27.4	0.0	▲	▼	▲	▼	KANDAHAR	Sheep /wheat	-19.6	82.4	6.5	4.8	▲	▼	▲	▲							
	Wheat/Flour (kg)	30.0	43.9	3.0	40.0	4.9	▲	▲	▲	▲	JALALABAD	Sheep /wheat	-2.0	49.1	-14.2	3.4	▲	▼	▲	▲							
	Rice Low Quality (Kg)	44.3	33.2	-22.6	7.0	0.0	▲	▼	▲	▼	HIRAT	Sheep /wheat	-11.8	54.9	-12.0	14.8	▲	▼	▲	▲							
	Oil (kg)	90.0	51.5	-5.3	44.0	0.0	▲	▲	▲	▲	MAZAR	Sheep /wheat	-9.0	21.8	-30.2	-4.4	▲	▼	▲	▲							
MAIMANA	Wheat (kg)	17.4	24.3	-6.5	32.1	-0.7	▲	▲	▲	▲	FAIZABAD	Sheep /wheat	-35.7	84.3	-15.9	0.0	▲	▼	▲	▲							
	Wheat/Flour (kg)	25.3	43.5	6.3	50.7	4.7	▲	▲	▲	▲	MAIMANA	Sheep /wheat	18.9	65.2	-21.1	8.2	▼	▼	▲	▲							
	Rice Low Quality (Kg)	32.0	15.4	-20.0	-4.5	2.4	▲	▼	▲	▼	NILI	Sheep /wheat	-15.9	123.7	33.2	-1.0	▲	▼	▲	▲							
	Oil (kg)	85.0	54.5	42.3	41.7	-3.7	▲	▲	▲	▲	<p>▲ Price increase above normal price fluctuation</p> <p>▲ Normal Price fluctuation</p> <p>▼ Price decrease below normal price fluctuation</p> <p>Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months</p> <p>1M= Compared to month ago 1Y= Compared to March 2010 and 2Y= Compared to March 2009 PCPA=Pre-Crisis Prices Average (Jan-Oct 2007)</p>																
NILI	Wheat (kg)	25.0	47.6	-18.0	8.7	1.0	▲	▼	▲	▼																	
	Wheat/Flour (kg)	32.0	70.9	-3.8	12.3	-0.8	▲	▲	▲	▲																	
	Rice Low Quality (Kg)	37.3	-12.5	11.2	4.9	16.4	▼	▲	▲	▲																	
	Oil (kg)	82.0	15.2	21.9	27.6	0.0	▲	▲	▲	▲																	