

SAVING
LIVES
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Food Commodities Photo WFP/Aman ur Rehman khan

Market Monitor Report

WFP VAM | Food Security Analysis

Pakistan | November 2020

HIGHLIGHTS

- In October 2020, the average retail prices for wheat and wheat flour increased by 5.4% and 3.8%, respectively, while the prices of rice *Irri-6* and rice *Basmati* increased by 0.4% and 0.1%, respectively, when compared to the previous month;
- Headline inflation based on the Consumer Price Index (CPI) increased in October 2020 by 1.70% over September 2020 and increased by 8.91% over October 2019;
- The prices of staple cereals and non-cereal food commodities in October 2020 experienced negligible to slight fluctuations, except for live chicken and eggs which experienced significant price increases, when compared to the previous month's prices;
- In October 2020, the average ToT slightly decreased by 3.6% from the previous month;
- In November 2020, the total global wheat production for 2020/21 is projected at 772.38 million MT, indicating a decrease of 0.7 million MT compared to the projection made in October 2020.

Headline inflation

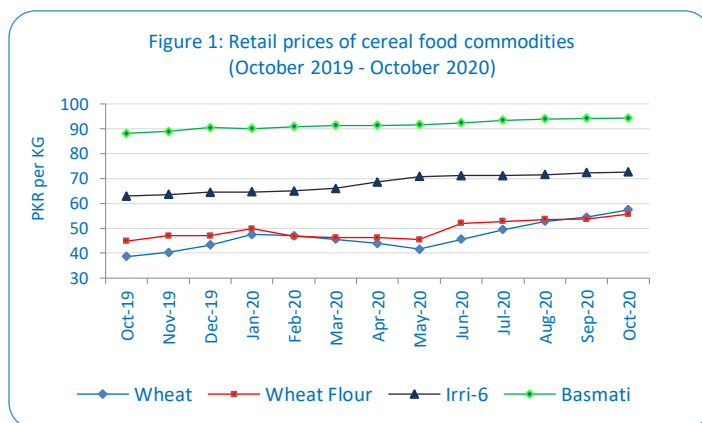
Headline inflation based on the Consumer Price Index (CPI) increased in October 2020 by 1.70% over September 2020 and increased by 8.91% over October 2019. The food/non-food values of CPI disaggregated at urban and rural areas is presented in Table 1. The weighted contribution of food group in the overall CPI increased from 144.14 indices in September 2020 to 149.76 in October 2020 registering an increase of 3.90%, while it increased in October 2020 by 16.58% over October 2019¹.

| Period 2020 | CPI (%) | | | | | | | |
|-------------|---------|-----|-------|-----|----------|-----|-------|-----|
| | Food | | | | Non-Food | | | |
| | Urban | | Rural | | Urban | | Rural | |
| | YoY | MoM | YoY | MoM | YoY | MoM | YoY | MoM |
| September | 12.4 | 3.0 | 15.8 | 3.8 | 5.0 | 0.2 | 7.2 | 0.3 |
| October | 13.9 | 2.8 | 17.7 | 4.3 | 3.6 | 0.3 | 5.8 | 0.5 |

YoY = Year-on-Year, MoM = Month-on-Month
Source: Pakistan Bureau of Statistics, Government of Pakistan.

Retail prices² of staple cereals

In October 2020, the average retail prices of wheat and wheat flour across the country's main markets³ were recorded at PKR 57.41 and PKR 55.71 per kg, respectively, indicating slight increases in the prices of wheat (5.4%) and wheat flour (3.8%) from September 2020. The prices of rice *Irri-6* and rice *Basmati* were recorded at PKR 72.60 and PKR 94.31, respectively, indicating negligible increases in the prices of rice *Irri-6* (0.4%) and rice *Basmati* (0.1%) from the previous month, Figure 1.



Compared to three months ago (July 2020), the price of wheat increased significantly by 16.1% while the price of wheat flour increased slightly by 5.4% in October 2020. The prices of rice *Irri-6* and rice *Basmati* both increased slightly by 2.1% and 1%, respectively, in October 2020 when compared to their prices from three months ago.

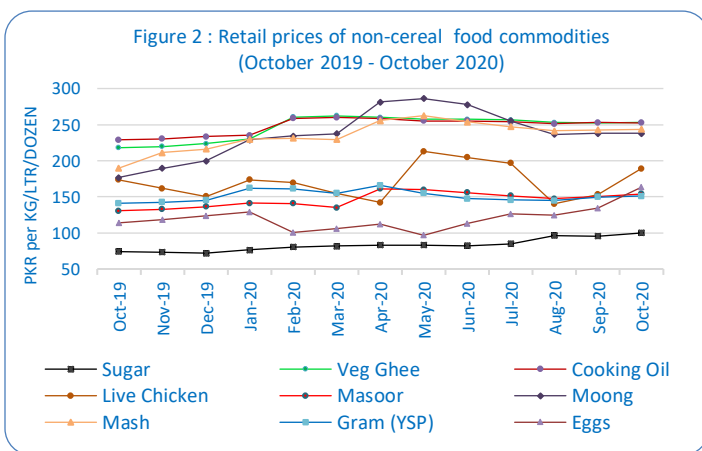
Compared to six months ago (April 2020), in October 2020, significant increases were noted in the prices of wheat (30.6%) and wheat flour (20.6%) along with slight increases in the prices of rice *Irri-6* (5.8%) and rice *Basmati* (3%).

On one-year comparison, in October 2020, the prices of wheat and wheat flour both increased significantly by 48.7% and 24.3%, respectively. The price of rice *Irri-6* also increased significantly by 15.3% while it increased slightly for rice *Basmati* by 7% for the same period.

Retail prices⁴ of non-cereal food commodities

In October 2020, negligible to significant fluctuations were observed in the retail prices of essential non-cereal food commodities when compared to their prices from a month ago, (Figure 2).

In October 2020, compared to the prices from the previous month, significant increases were noted in the average retail prices of live chicken (23.4%) and eggs (21.4%), while slight increases were noted in the prices of sugar (4.6%), pulse *Masoor* (2.3%) and pulse Gram (1%). Whereas, negligible



¹ Pakistan Bureau of Statistics, Government of Pakistan.
² Source: Pakistan Bureau of Statistics, Government of Pakistan.
³ Lahore, Multan, Karachi, Peshawar and Quetta.
⁴ Source: Pakistan Bureau of Statistics, Government of Pakistan.

increases were observed in the prices of pulse *Mash* (0.3%) and vegetable ghee (0.2%). Moreover, negligible decreases were observed in the prices of pulse *Moong* (0.1%) and cooking oil (0.1%) compared to their prices from the previous month.

Compared to three months ago (July 2020), significant increases were noted in the prices of eggs (29.1) and sugar (17.5%) along with slight increases in the prices of pulses gram (3.8%) and *Masoor* (1.6%). On the other hand, slight decreases were noted in the prices of pulse *Moong* (6.7%), live chicken (3.9%), pulse *Mash* (1.4%) and vegetable ghee (1.3%) along with a negligible decrease in the price of cooking oil (0.6%) compared to three months ago.

Compared to six months ago (April 2020), in October 2020, significant increases were noted in the prices of eggs (45.3%), live chicken (33.2%) and sugar (20.3%). Whereas, a significant decrease was noted in the price of pulse *Moong* (15.5%) along with slight decreases in the prices of pulse gram (8.9%), pulse *Mash* (4.6%), pulse *Masoor* (4.3%), vegetable ghee (2.8%) and cooking oil (2.2%) compared to six months ago.

Compared to a year ago (October 2019), significant increases were noted in the prices of eggs (43.5%), pulse *Moong* (34.4%), sugar (34.4%), pulse *Mash* (28.4%), pulse *Masoor* (17.8%), vegetable ghee (16%) and cooking oil (10.3%) along with slight increases for live chicken (8.9%) and pulse gram (7.1%).

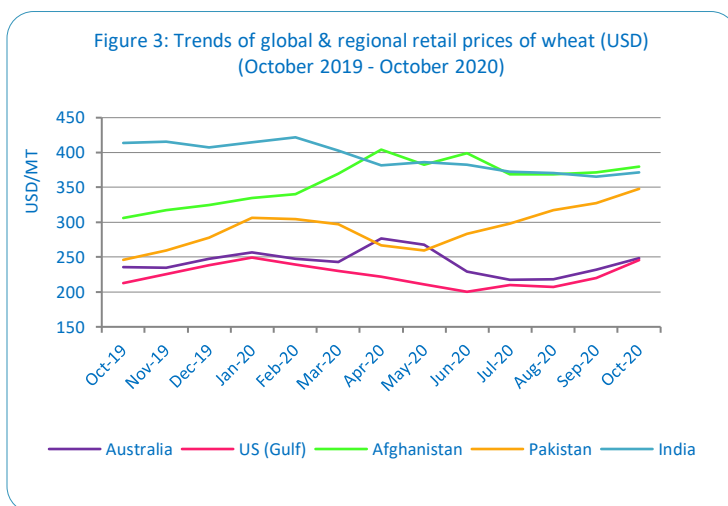
Major markets across the country were found generally well-integrated for most of the cereal and non-cereal products in October 2020, except for markets in Quetta, where the prices of pulses (*Masoor*, *Moong*, *Mash* and Gram), were found the highest among monitored cities - mainly because Quetta city is located farther from producing districts. Moreover, Quetta was also found to have the highest prices for rice (*Irri-6* and *Basmati*) and eggs compared to the other major cities. Karachi was noted to have the highest price for wheat flour and live chicken, Lahore had the highest price for wheat, while Peshawar had the highest price for sugar compared to the other major cities.

Global wheat production

In November 2020, the total global wheat production projection for 2020/21 decreased to 772.38⁵ million MT from 773.08 million MT in October 2020 resulting in a projected production decrease of 0.7 million MT for 2020/21.

Total global wheat consumption for 2020/21 is projected to increase in November 2020 by 1.65 million MT. Whereas, the total projected global ending stocks increased by 1 million MT this month⁶.

In October 2020, the price of wheat increased in USA (11.7%)⁷, Australia (7.2%)⁸, Pakistan (6.3%)⁹, and Afghanistan (2%)¹⁰ and India (1.6%) compared to the previous month.



The retail price of wheat in Pakistan was 42% higher than in USA and 40% higher than in Australia, while it was 8% lower than in Afghanistan and 6% lower than in India. Trends of the global and regional retail prices of wheat are presented in Figure 3.

⁵ World Agriculture Supply and Demand Estimates, USDA.

⁶ World Agriculture Supply and Demand Estimates, USDA.

⁷ FAO Global Information and Early Warning System (GIEWS).

⁸ FAO Global Information and Early Warning System (GIEWS).

⁹ Pakistan Bureau of Statistics, Government of Pakistan.

¹⁰ WFP, Afghanistan.

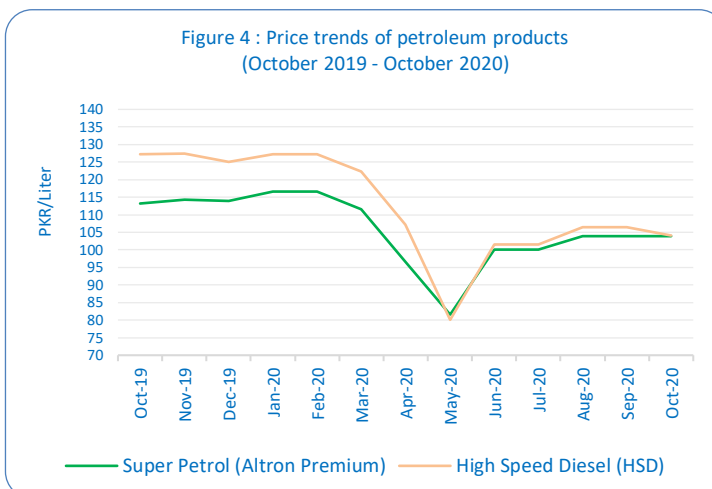
Prices of petroleum products

In October 2020, retail prices of Super Petrol and High-Speed Diesel (HSD) were recorded at PKR 103.97 and PKR 104.06¹¹ per liter, respectively, indicating no change in the price of Super Petrol and a slight decrease in the price of HSD by 2.3% compared to their prices from the previous month (Figure 4).

On a three-month comparison (July 2020), the prices for both Super Petrol and HSD increased slightly by 3.9% and 2.6%, respectively.

On a six-month comparison (April 2020), the price for Super Petrol increased slightly by 7.7% while the price of HSD slightly decreased by 3%.

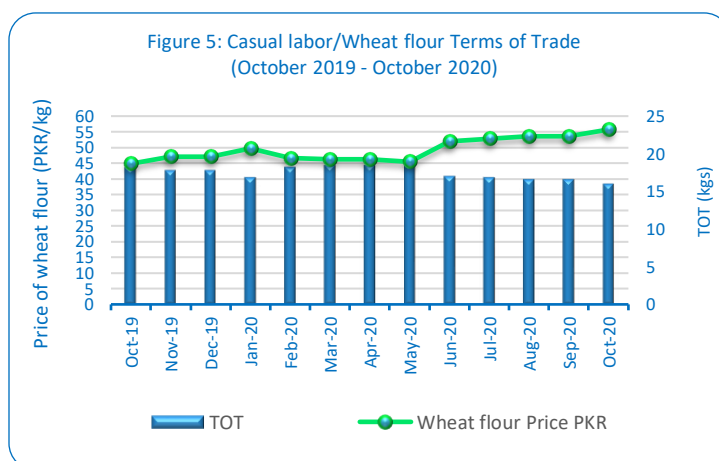
Compared to a year ago (October 2019), the price for HSD significantly decreased by 18.2% while the price for Super Petrol slightly decreased by 8.2%.



Terms-of-Trade (ToT)¹²

In October 2020, the average ToT was recorded at 15.84 kg of wheat flour. The ToT slightly decreased by 3.6% from the previous month, mainly due to slight increase in the price of wheat flour from the previous month while the average wage rate remained unchanged, (Figure 5).

Compared to three months ago (July 2020), the ToT slightly decreased in October 2020 by 5.2%, while it significantly decreased by 13.8% compared to six months ago (April 2020) and it also decreased significantly by 12.4% when compared to a year ago (October 2019).



City-wise, the ToT varied across different cities due to variations either in wheat flour price or the labor wage¹³, or both. The highest ToT was observed in Lahore at 21.3 kg, mainly due to higher wage rate and lower wheat flour price, while the lowest ToT was in Peshawar at 13.1 kg¹⁴ mainly due to lower wage rate and higher price of wheat flour.

Note: Lately, an anomaly was observed in the price difference between wheat and wheat flour prices as in few cities the prices of wheat flour were found lower than the prices of wheat. The possible reasons for this anomaly were explored with relevant sources. Pakistan Bureau of Statistics (PBS), which is the source for the prices we quote in this report, has informed that the difference between wheat and wheat flour prices exists due to the reason that, wheat prices are collected from open market, whereas wheat flour prices are collected which are subsidized by the Government of Pakistan.

¹¹ Pakistan State Oil (PSO).

¹² The ratio of the price of the primary income good relative to the price of the primary expenditure good, it simply measures the purchasing power of a particular livelihood group. In this Bulletin, the Terms of Trade (ToT) between casual unskilled labor wage and wheat flour is applied. This ToT reveals how many kilograms of wheat flour can be purchased with one-day casual unskilled labor wage but does not say how many days a month a laborer can get to cover the family food needs.

¹³ The income base for computation of ToT is the average wage rate of five major cities (Lahore, Multan, Karachi, Peshawar & Quetta).

¹⁴ Pakistan Bureau of Statistics, Government of Pakistan.

| Retail prices of essential food commodities in major cities – October 2020 | | | | | | | | | | | |
|--|----------|--------------------------------|------|---------------|---------|---------|--------|------------------|----|----|----|
| Major Commodities | Markets | Current Prices-October-2020/kg | | % Change Over | | | | Change Direction | | | |
| | | PKR | USD | 1M | 3M | 6M | 1Y | 1M | 3M | 6M | 1Y |
| Wheat | Lahore | 60.40 | 0.37 | 9.62% | 17.69% | 34.82% | 70.14% | ▲ | ▲ | ▲ | ▲ |
| | Multan | 55.75 | 0.34 | 6.02% | 19.21% | 45.56% | 52.74% | ▲ | ▲ | ▲ | ▲ |
| | Karachi | 57.00 | 0.35 | 6.20% | 19.76% | 24.28% | 35.71% | ▲ | ▲ | ▲ | ▲ |
| | Peshawar | 57.03 | 0.35 | 1.78% | 8.84% | 36.43% | 35.78% | ▲ | ▲ | ▲ | ▲ |
| | Quetta | 56.90 | 0.34 | 3.45% | 15.67% | 16.12% | 53.78% | ▲ | ▲ | ▲ | ▲ |
| Wheat Flour | Lahore | 43.00 | 0.26 | 0.00% | -9.61% | 6.83% | 6.17% | ▶ | ▼ | ▲ | ▶ |
| | Multan | 43.00 | 0.26 | 0.00% | -5.83% | 6.83% | 6.35% | ▶ | ▼ | ▲ | ▶ |
| | Karachi | 70.10 | 0.42 | 4.53% | 16.49% | 30.22% | 34.52% | ▲ | ▲ | ▲ | ▲ |
| | Peshawar | 61.12 | 0.37 | 10.06% | 8.72% | 32.50% | 36.97% | ▲ | ▲ | ▲ | ▲ |
| | Quetta | 61.34 | 0.37 | 2.45% | 12.41% | 21.33% | 31.92% | ▲ | ▲ | ▲ | ▲ |
| Rice Irri-6 | Lahore | 60.00 | 0.36 | 0.00% | 5.89% | 5.89% | 5.89% | ▶ | ▲ | ▲ | ▶ |
| | Multan | 67.17 | 0.41 | -0.01% | 3.48% | 14.86% | 22.24% | ▶ | ▶ | ▲ | ▲ |
| | Karachi | 70.93 | 0.43 | 1.85% | 2.51% | 4.62% | 15.55% | ▲ | ▶ | ▶ | ▲ |
| | Peshawar | 70.00 | 0.42 | 0.00% | 0.00% | 0.85% | 16.67% | ▶ | ▶ | ▶ | ▲ |
| | Quetta | 94.91 | 0.58 | 0.00% | 0.00% | 4.56% | 15.77% | ▶ | ▶ | ▶ | ▲ |
| Rice Basmati (Broken) | Lahore | 76.87 | 0.47 | 0.00% | 2.89% | 2.89% | 2.89% | ▶ | ▶ | ▶ | ▶ |
| | Multan | 93.75 | 0.57 | 0.00% | 0.00% | 6.32% | 7.57% | ▶ | ▶ | ▲ | ▶ |
| | Karachi | 97.71 | 0.59 | 2.06% | 3.13% | 5.45% | 10.85% | ▲ | ▶ | ▲ | ▲ |
| | Peshawar | 93.43 | 0.57 | 3.81% | 5.17% | 7.97% | 8.65% | ▲ | ▲ | ▲ | ▲ |
| | Quetta | 109.81 | 0.67 | -4.45% | -4.45% | -4.45% | 4.66% | ▼ | ▶ | ▶ | ▶ |
| Sugar | Lahore | 99.12 | 0.60 | 3.57% | 18.24% | 17.61% | 31.41% | ▲ | ▲ | ▲ | ▲ |
| | Multan | 98.36 | 0.60 | 5.90% | 18.36% | 23.23% | 36.45% | ▲ | ▲ | ▲ | ▲ |
| | Karachi | 97.68 | 0.59 | 2.63% | 15.32% | 18.09% | 32.39% | ▲ | ▲ | ▲ | ▲ |
| | Peshawar | 103.88 | 0.63 | 6.00% | 20.16% | 23.62% | 37.69% | ▲ | ▲ | ▲ | ▲ |
| | Quetta | 100.58 | 0.61 | 4.65% | 15.60% | 18.92% | 34.11% | ▲ | ▲ | ▲ | ▲ |
| Vegetable Ghee (Tin) | Lahore | 252.00 | 1.53 | 0.00% | 0.13% | -2.26% | 15.60% | ▶ | ▶ | ▶ | ▲ |
| | Multan | 254.00 | 1.54 | 0.00% | -3.05% | -3.05% | 16.51% | ▶ | ▶ | ▶ | ▲ |
| | Karachi | 254.00 | 1.54 | 0.14% | -0.75% | -3.05% | 16.51% | ▶ | ▶ | ▶ | ▲ |
| | Peshawar | 252.00 | 1.53 | 0.00% | -3.82% | -3.82% | 15.60% | ▶ | ▶ | ▶ | ▲ |
| | Quetta | 252.39 | 1.53 | 0.96% | 0.96% | -1.84% | 15.78% | ▶ | ▶ | ▶ | ▲ |
| Cooking Oil (Tin) | Lahore | 250.99 | 1.52 | 1.20% | 1.20% | -1.62% | 9.60% | ▲ | ▶ | ▶ | ▶ |
| | Multan | 253.00 | 1.53 | 0.00% | -2.69% | -2.69% | 10.48% | ▶ | ▶ | ▶ | ▲ |
| | Karachi | 253.00 | 1.53 | 0.18% | -0.37% | -2.69% | 10.48% | ▶ | ▶ | ▶ | ▲ |
| | Peshawar | 253.00 | 1.53 | -2.69% | -2.69% | -2.69% | 10.48% | ▼ | ▶ | ▶ | ▲ |
| | Quetta | 252.40 | 1.53 | 0.96% | 1.77% | -1.07% | 10.22% | ▶ | ▶ | ▶ | ▲ |
| Chicken Live (Farm) | Lahore | 163.04 | 0.99 | 20.09% | -9.75% | 28.18% | 6.91% | ▲ | ▼ | ▲ | ▶ |
| | Multan | 188.63 | 1.14 | 22.65% | -2.49% | 35.81% | 10.91% | ▲ | ▶ | ▲ | ▲ |
| | Karachi | 210.00 | 1.27 | 34.43% | 3.54% | 32.89% | 7.21% | ▲ | ▶ | ▲ | ▶ |
| | Peshawar | 181.22 | 1.10 | 13.95% | -8.01% | 27.85% | 10.00% | ▲ | ▼ | ▲ | ▶ |
| | Quetta | 202.00 | 1.22 | 25.35% | -3.64% | 40.72% | 9.30% | ▲ | ▶ | ▶ | ▶ |
| Pulse Masoor (Washed) | Lahore | 141.92 | 0.86 | 0.00% | -4.62% | -17.06% | 6.66% | ▶ | ▶ | ▼ | ▶ |
| | Multan | 148.71 | 0.90 | 1.56% | 7.64% | -2.69% | 25.12% | ▲ | ▲ | ▶ | ▲ |
| | Karachi | 157.55 | 0.95 | 2.39% | 4.22% | -3.96% | 23.13% | ▲ | ▶ | ▶ | ▲ |
| | Peshawar | 155.70 | 0.94 | 3.10% | 3.95% | 3.02% | 36.24% | ▲ | ▶ | ▶ | ▲ |
| | Quetta | 166.40 | 1.01 | 4.03% | -2.07% | 0.41% | 4.14% | ▲ | ▶ | ▶ | ▶ |
| Pulse Moong (Washed) | Lahore | 237.4 | 1.44 | 0.00% | -2.60% | -16.67% | 44.57% | ▶ | ▶ | ▼ | ▶ |
| | Multan | 217 | 1.31 | -1.88% | -1.53% | -24.04% | 28.29% | ▼ | ▶ | ▼ | ▲ |
| | Karachi | 257.25 | 1.56 | 5.50% | -0.43% | -6.84% | 42.68% | ▲ | ▶ | ▼ | ▲ |
| | Peshawar | 217 | 1.32 | -6.20% | -12.18% | -18.67% | 28.99% | ▼ | ▶ | ▼ | ▲ |
| | Quetta | 259.95 | 1.58 | 1.47% | -14.72% | -11.45% | 28.48% | ▲ | ▼ | ▼ | ▲ |
| Pulse Mash (Washed) | Lahore | 248.01 | 1.50 | 0.48% | -0.14% | -12.51% | 37.85% | ▶ | ▶ | ▼ | ▲ |
| | Multan | 229.62 | 1.39 | 2.13% | 8.00% | 5.46% | 32.75% | ▲ | ▲ | ▲ | ▲ |
| | Karachi | 235.67 | 1.43 | 2.16% | 4.32% | 1.49% | 33.96% | ▲ | ▶ | ▶ | ▲ |
| | Peshawar | 235.90 | 1.43 | -1.37% | -6.86% | -9.92% | 30.95% | ▼ | ▶ | ▶ | ▲ |
| | Quetta | 268.89 | 1.63 | -1.28% | -8.79% | -4.57% | 12.10% | ▼ | ▼ | ▶ | ▲ |
| Pulse Gram (a.k.a. Yellow Split Peas) | Lahore | 133.72 | 0.81 | 1.77% | 3.57% | -16.08% | 11.00% | ▲ | ▶ | ▼ | ▲ |
| | Multan | 138.62 | 0.84 | 0.92% | 16.25% | -9.37% | 12.31% | ▶ | ▲ | ▼ | ▲ |
| | Karachi | 159.34 | 0.97 | 2.63% | 6.38% | -5.50% | 14.58% | ▲ | ▲ | ▼ | ▲ |
| | Peshawar | 153.04 | 0.93 | -0.66% | 2.18% | -8.35% | 0.37% | ▶ | ▶ | ▶ | ▶ |
| | Quetta | 170.91 | 1.04 | 0.61% | -4.95% | -5.97% | 0.65% | ▶ | ▶ | ▼ | ▶ |

▲ Price increase above normal fluctuation ▼ Price decrease above normal fluctuation ▶ Normal price fluctuation. M= One month, 3M= Three months, 6M= Six month, 1Y= One year
 Price fluctuation is considered normal if the price change is 1% for one month, 5% during three and six months, and 10% during one-year period.
 Monthly price bulletins and more VAM publications are available on <http://vam.wfp.org/pk/>. For feedback email to: Islamabad.vam@wfp.org or amanur-rehman.khan@wfp.org