



Food Commodities Photo WFP/Aman ur Rehman khan

# Market Monitor Report

WFP VAM | Food Security Analysis

## Pakistan | November 2021

### HIGHLIGHTS

- Overall, the prices of staple cereals and non-cereal food commodities in October 2021 experienced negligible to significant fluctuations when compared to the previous month's prices.
- In October 2021, the retail price slightly increased for wheat (7.1%) and negligibly increased for wheat flour (0.6%) from September 2021. Moreover, the price of rice *Irri-6* slightly decreased by 1.6% while the price of rice *Basmati* negligibly increased by 0.1% from the previous month.
- In October 2021, compared to the previous month, a significant increase was noted in the retail price of live chicken (20.3%) along with slight increases for cooking oil (2.6%) and vegetable ghee (2.4%) and a negligible increase for pulse *Masoor* (0.2%). Whereas slight decreases were noted for sugar (3.5%), pulse *Moong* (3.5%), and pulse Gram (1.4%) along with negligible decreases for pulse *Mash* (0.2%) and eggs (0.3%) from the previous month.
- Headline inflation based on the Consumer Price Index (CPI) increased in October 2021 by 1.90% over September 2021 and increased by 9.19% over October 2020.
- In October 2021, the average ToT slightly increased by 2.3% from the previous month.
- In November 2021, the total global wheat production for 2021/22 is projected at 775.28 million MT, indicating a production decrease of 0.6 million MT compared to the projection in October 2021.

### Headline inflation

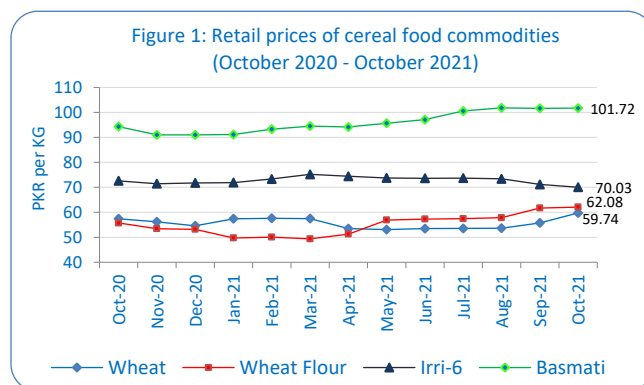
Headline inflation based on the Consumer Price Index (CPI) increased in October 2021 by 1.90% over September 2021 and increased by 9.19% over October 2020. The food/non-food values of CPI disaggregated at urban and rural areas is presented in Table 1. The weighted contribution of food group in the overall CPI increased from 158.85 indices in September 2021 to 162.19 in October 2021 registering an increase of 2.10%, while it increased in October 2021 by 8.30% over October 2020<sup>1</sup>.

Period 2021	CPI (%)							
	Food				Non-Food			
	Urban		Rural		Urban		Rural	
	YoY	MoM	YoY	MoM	YoY	MoM	YoY	MoM
September	10.8	3.6	9.1	3.7	8.1	1.1	8.5	1.0
October	9.4	1.5	7.2	2.6	9.7	1.8	10.0	1.9

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

### Retail prices<sup>2</sup> of staple cereals

In October 2021, the average retail prices of wheat and wheat flour across the country's main markets<sup>3</sup> were recorded at PKR 59.74 and PKR 62.08 per kg, respectively, indicating a slight<sup>4</sup> increase in the price of wheat (7.1%) and a negligible increase in the price of wheat flour (0.6%) from September 2021. Further, the prices of rice *Irri-6* and rice *Basmati* were recorded at PKR 70.03 and PKR 101.72, respectively, indicating a slight decrease for rice *Irri-6* (1.6%) and a negligible increase for rice *Basmati* (0.1%) from the previous month, Figure 1.



Compared to three months ago (July 2021), the prices increased significantly for wheat (11.6%) and more than slightly for wheat flour (8.1%) in October 2021. Whereas the price decreased slightly for rice *Irri-6* (5.0%) it increased slightly for rice *Basmati* (1.2%) in October 2021 when compared to their prices from three months ago.

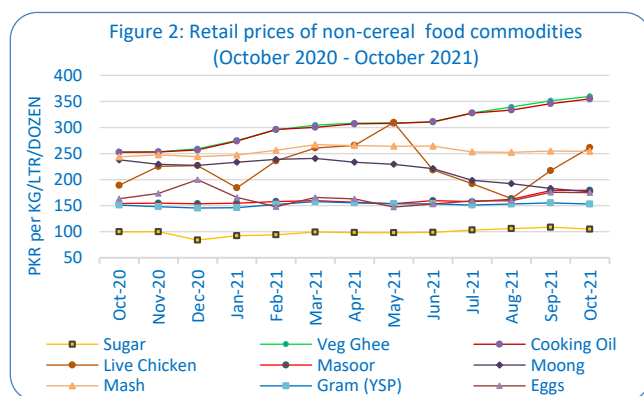
Compared to six months ago (April 2021), the prices increased significantly for wheat (11.7%) and wheat flour (21.1%) in October 2021. Whereas the price decreased slightly for rice *Irri-6* (5.9%) it increased more than slightly for rice *Basmati* (8%) in October 2021, when compared to their prices from six months ago.

On one-year comparison (October 2020), in October 2021, a slight increase was noted in the price of wheat (4.1%) and a significant increase in the price of wheat flour (11.4%). Moreover, a slight decrease was noted in the price of rice *Irri-6* (3.5%) and a slight increase in the price of rice *Basmati* (7.8%) over the same period.

### Retail prices<sup>5</sup> of non-cereal food commodities

In October 2021, 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 2021, compared to the prices from the previous month, a significant increase was noted in the average retail price of live chicken (20.3%) along with slight increases for cooking oil (2.6%) and vegetable ghee (2.4%) and a negligible increase for pulse *Masoor* (0.2%) compared to their prices from



<sup>1</sup> Pakistan Bureau of Statistics, Government of Pakistan.

<sup>2</sup> Source: Pakistan Bureau of Statistics, Government of Pakistan.

<sup>3</sup> Lahore, Multan, Karachi, Peshawar, and Quetta.

<sup>4</sup> Ranges of terms: Negligible: >0 to <1%, Slight: 1% to <8%, More than slight: 8% to <10%, Significant: 10% or higher.

<sup>5</sup> Source: Pakistan Bureau of Statistics, Government of Pakistan.

the previous month. On the other hand, slight decreases in prices were noted for sugar (3.5%), pulse *Moong* (3.5%) and pulse *Gram* (1.4%) along with negligible decreases for pulse *Mash* (0.2%) and eggs (0.3%) when compared to their prices from the previous month.

Compared to three months ago (July 2021), in October 2021, significant increases were noted in the prices of live chicken (36%), pulse *Masoor* (13.8%), and eggs (10.1%). Moreover, more than slight increases were noted in the prices of vegetable ghee (9.7%) and cooking oil (8.3%) along with slight increases for sugar (1.5%) and pulse *Gram* (1.3%) and a negligible increase for pulse *Mash* (0.5%) compared to prices from three months ago. Whereas a significant decrease was noted in the price of pulse *Moong* (11.1%) compared to its price from three months ago.

Compared to six months ago (April 2021), in October 2021, significant increases were noted in the prices of vegetable ghee (16.6%), cooking oil (15.6%), and pulse *Masoor* (14.7%) along with slight increases for eggs (7.3%) and sugar (6.7%). Whereas a significant decrease in price was observed for pulse *Moong* (24.3%) along with slight decreases for pulse *Mash* (4.2%), pulse *Gram* (1.5%) and live chicken (1.6%) compared to six months ago.

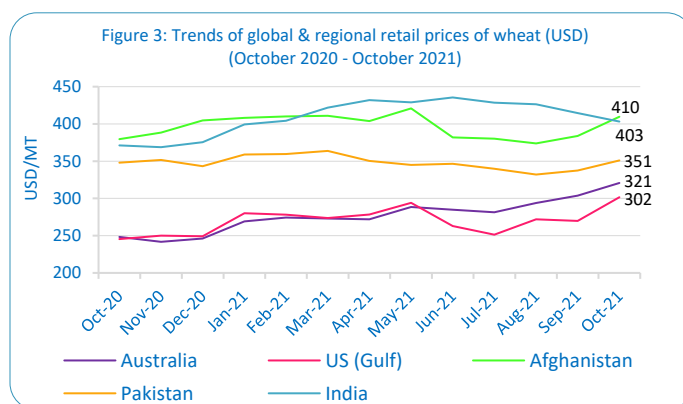
Compared to a year ago (October 2020), significant increases were noted in the prices of vegetable ghee (42.2%), cooking oil (40.5%), live chicken (38.2%), and pulse *Masoor* (16.5%) along with slight increases for eggs (7.1%), sugar (5.0%), pulse *Mash* (4.3%), and pulse *Gram* (1.4%). Whereas a significant decrease was observed in the price of pulse *Moong* (25.7%) compared to a year ago.

Major markets across the country were found generally well-integrated for most of the essential cereal and non-cereal products in October 2021, except for markets in Quetta, where the prices of pulses (*Moong* and *Gram*) were found the highest among the 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*, sugar, ghee, cooking oil, live chicken, and eggs compared to the other cities. Further, markets in Karachi also recorded price hikes for several essential food commodities with the highest price for wheat, wheat flour, rice *Basmati*, and pulse *Masoor* along with matching highest prices with Quetta for ghee and cooking oil, while markets in Lahore had the highest price for pulse *Mash* compared to the other cities.

### Global wheat production

In November 2021, the total global wheat production projection for 2021/22 decreased to 775.28<sup>6</sup> million MT from 775.87 million MT in October 2021 indicating a projected production decrease of 0.6 million MT in November 2021.

Total global wheat consumption for 2021/22 is projected to increase in November 2021 by 0.4 million MT. Moreover, the total global ending stocks of wheat are projected to decrease by 1.4 million MT in November 2021<sup>7</sup>.



In October 2021, the price of wheat increased in USA (11.8%)<sup>8</sup>, Afghanistan (6.7%)<sup>9</sup>, Australia (5.6%)<sup>10</sup>, and Pakistan (4%), while it decreased in India (2.8%)<sup>11</sup> and compared to the previous month.

<sup>6</sup> World Agriculture Supply and Demand Estimates, USDA.

<sup>7</sup> Ibid.

<sup>8</sup> FAO Global Information and Early Warning System (GIEWS).

<sup>9</sup> WFP, Afghanistan.

<sup>10</sup> FAO Global Information and Early Warning System (GIEWS).

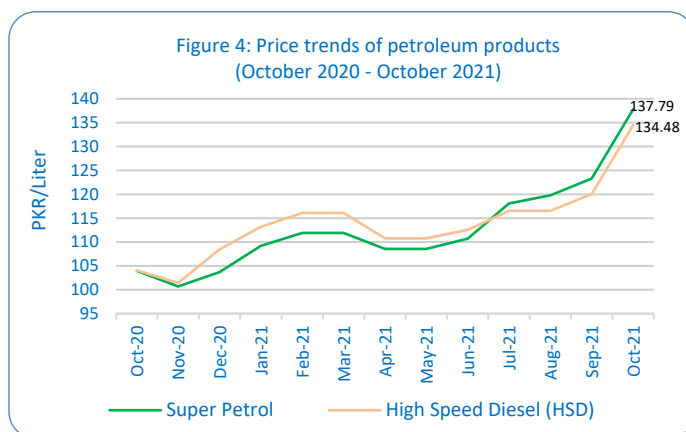
<sup>11</sup> Ibid.

In October 2021, the retail price of wheat in Pakistan was 16% higher than in USA, 9% higher than in Australia, while it was 14% lower than in Afghanistan and 13% lower than in India. Trends of global and regional retail prices of wheat are presented in Figure 3.

### Prices of petroleum products

In October 2021, retail prices of Super Petrol and High-Speed Diesel (HSD) were recorded at PKR 137.79 and PKR 134.48<sup>12</sup> per liter, respectively, indicating significant increases in the prices of Super Petrol (11.8%) and HSD (12.0%) when compared to their prices from the previous month (Figure 4).

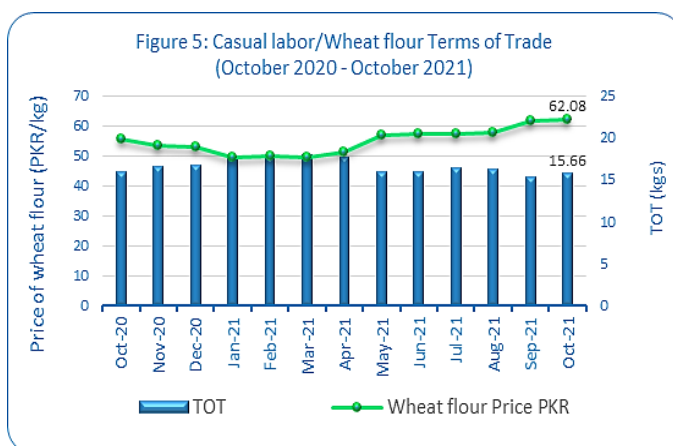
On a three-month comparison (July 2021), in October 2021 the prices increased significantly for Super Petrol (16.7%) and HSD (15.4%). On a six-month comparison (April 2021), the prices increased significantly for Super Petrol (26.9%) and HSD (21.4%). Compared to a year ago (October 2020), the prices also increased significantly for Super Petrol (32.5%) and HSD (29.2%).



### Terms-of-Trade (ToT)<sup>13</sup>

In October 2021, the average ToT was recorded at 15.66 kg of wheat flour. The ToT slightly increased by 2.3% from the previous month, mainly due to a slight increase in the average wage rate from the previous month while the price of wheat flour increased only negligibly when compared to the previous month, (Figure 5).

Compared to three months ago (July 2021), the ToT slightly decreased in October 2021 by 4.2%, while compared to six months ago (April 2021) it decreased significantly by 11%. Whereas it decreased slightly by 1.1% compared to a year ago (October 2020).



City-wise, the ToT varied across different cities due to variations either in wheat flour price or the labor wage<sup>14</sup>, or both. The highest ToT was observed in Lahore at 18.2 kg, mainly due to higher wage rate and lower price of wheat flour, while the lowest ToT was in Peshawar at 13.8 kg<sup>15</sup> mainly due to higher price of wheat flour and low wage rate.

<sup>12</sup> Pakistan State Oil (PSO).

<sup>13</sup> 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 of casual unskilled labor wage but does not say how many days a laborer can get work to cover the family food needs.

<sup>14</sup> The income base for computation of ToT is the average wage rate of five major cities (Lahore, Multan, Karachi, Peshawar & Quetta).

<sup>15</sup> Pakistan Bureau of Statistics, Government of Pakistan.

RETAIL PRICES OF ESSENTIAL FOOD COMMODITIES IN MAJOR CITIES – OCTOBER 2021											
Major Commodities	Markets	Current Prices October 2021 per kg		% Change Over				Change Direction			
		PKR	USD	1M	3M	6M	1Y	1M	3M	6M	1Y
Wheat	Lahore	59.89	0.35	7.43%	13.36%	10.63%	-0.84%	▲	▲	▲	▶
	Multan	55.79	0.33	9.40%	12.89%	15.92%	0.07%	▲	▲	▲	▶
	Karachi	64.17	0.38	6.50%	14.58%	15.00%	12.57%	▲	▲	▲	▶
	Peshawar	58.16	0.34	11.14%	16.33%	20.18%	1.99%	▲	▲	▲	▶
	Quetta	60.71	0.36	2.03%	2.03%	-0.47%	6.69%	▲	▶	▶	▶
Wheat Flour	Lahore	55.00	0.32	-5.15%	0.86%	22.64%	27.91%	▼	▶	▲	▲
	Multan	55.00	0.32	-4.05%	2.45%	11.83%	27.91%	▼	▶	▲	▲
	Karachi	73.41	0.43	7.77%	18.65%	20.34%	4.73%	▲	▲	▲	▶
	Peshawar	57.98	0.34	-4.61%	4.13%	20.84%	-5.15%	▼	▶	▲	▶
	Quetta	69.00	0.41	7.17%	12.20%	29.24%	12.49%	▲	▲	▲	▶
Rice Irri-6	Lahore	60.00	0.35	0.00%	0.00%	0.00%	0.00%	▶	▶	▶	▶
	Multan	56.62	0.33	-5.43%	-17.50%	-18.45%	-15.71%	▼	▼	▼	▼
	Karachi	80.62	0.47	0.36%	0.84%	2.21%	13.66%	▶	▶	▶	▲
	Peshawar	63.00	0.37	-4.12%	-10.00%	-14.68%	-10.00%	▼	▼	▼	▶
	Quetta	89.91	0.53	0.00%	0.00%	0.00%	-5.27%	▶	▶	▶	▶
Rice Basmati (Broken)	Lahore	91.14	0.54	1.67%	2.66%	11.07%	18.56%	▲	▶	▲	▲
	Multan	100.87	0.59	0.47%	2.79%	7.59%	7.59%	▶	▶	▲	▶
	Karachi	116.65	0.69	0.40%	1.39%	5.99%	19.38%	▶	▶	▲	▲
	Peshawar	95.00	0.56	-2.03%	-0.91%	5.56%	1.68%	▼	▶	▲	▶
	Quetta	104.92	0.62	0.00%	0.00%	10.55%	-4.45%	▶	▶	▲	▶
Sugar	Lahore	96.27	0.57	-12.40%	-7.02%	1.02%	-2.88%	▼	▼	▶	▶
	Multan	95.02	0.56	-10.66%	-6.63%	-0.99%	-3.40%	▼	▼	▶	▶
	Karachi	112.37	0.66	1.48%	7.36%	12.64%	15.04%	▲	▲	▲	▶
	Peshawar	108.45	0.64	1.50%	6.81%	7.70%	4.40%	▲	▲	▲	▶
	Quetta	112.42	0.66	2.57%	6.95%	12.42%	11.77%	▲	▲	▲	▶
Vegetable Ghee (Tin)	Lahore	357.93	2.10	1.57%	2.27%	16.37%	42.04%	▲	▶	▲	▲
	Multan	354.00	2.08	0.70%	14.19%	14.19%	39.37%	▶	▲	▲	▲
	Karachi	365.93	2.15	3.37%	6.18%	18.04%	44.07%	▲	▲	▲	▲
	Peshawar	354.00	2.08	0.91%	13.21%	16.45%	40.48%	▶	▲	▲	▲
	Quetta	365.93	2.15	5.55%	13.94%	18.04%	44.99%	▲	▲	▲	▲
Cooking Oil (Tin)	Lahore	352.69	2.07	3.06%	11.70%	14.51%	40.52%	▲	▲	▲	▲
	Multan	349.00	2.05	0.63%	13.31%	14.66%	37.94%	▶	▲	▲	▲
	Karachi	360.19	2.12	3.21%	5.74%	16.94%	42.37%	▲	▲	▲	▲
	Peshawar	351.96	2.07	1.20%	6.57%	14.95%	39.12%	▲	▲	▲	▲
	Quetta	360.19	2.12	5.16%	4.90%	16.94%	42.71%	▲	▶	▲	▲
Chicken Live (Farm)	Lahore	235.44	1.38	22.01%	41.02%	-0.98%	44.41%	▲	▲	▶	▲
	Multan	243.23	1.43	12.61%	26.89%	-5.93%	28.95%	▲	▲	▼	▲
	Karachi	283.02	1.66	20.72%	54.38%	-0.91%	34.77%	▲	▲	▶	▲
	Peshawar	253.36	1.49	20.50%	36.47%	-0.53%	39.81%	▲	▲	▶	▲
	Quetta	291.25	1.71	25.22%	25.20%	-0.09%	44.18%	▲	▶	▶	▲
Pulse Masoor (Washed)	Lahore	185.62	1.09	1.11%	17.15%	17.15%	30.79%	▲	▲	▲	▲
	Multan	166.29	0.98	-3.47%	12.57%	16.08%	11.82%	▼	▲	▲	▲
	Karachi	190.81	1.12	3.24%	21.81%	18.46%	21.11%	▲	▲	▲	▲
	Peshawar	180.00	1.06	0.00%	20.00%	21.89%	15.61%	▶	▲	▲	▲
	Quetta	174.95	1.03	0.00%	-0.56%	1.76%	5.14%	▶	▶	▶	▶
Pulse Moong (Washed)	Lahore	176.6	1.04	-5.27%	-6.48%	-25.02%	-25.61%	▼	▼	▼	▼
	Multan	139	0.81	-4.69%	-7.85%	-32.55%	-36.07%	▼	▼	▼	▼
	Karachi	197.73	1.16	-3.83%	-8.50%	-20.62%	-23.14%	▼	▼	▼	▼
	Peshawar	145	0.85	-3.03%	-27.50%	-29.78%	-33.26%	▼	▼	▼	▼
	Quetta	224.96	1.32	-1.28%	-5.35%	-16.67%	-13.46%	▼	▼	▼	▼
Pulse Mash (Washed)	Lahore	277.46	1.63	-0.22%	0.97%	-3.34%	11.87%	▶	▶	▶	▲
	Multan	222.18	1.31	-1.52%	2.06%	-10.89%	-3.24%	▼	▼	▼	▶
	Karachi	246.46	1.45	1.20%	3.51%	-4.17%	4.58%	▲	▶	▶	▶
	Peshawar	250.00	1.47	-0.53%	-2.59%	-4.86%	5.98%	▶	▶	▶	▶
	Quetta	274.97	1.62	0.00%	-1.06%	1.85%	2.26%	▶	▶	▶	▶
Pulse Gram (a.k.a. Yellow Split Peas)	Lahore	142.79	0.84	0.00%	5.65%	-1.89%	6.78%	▶	▲	▶	▶
	Multan	133.80	0.79	-5.78%	-4.04%	-5.64%	-3.48%	▼	▶	▼	▶
	Karachi	164.47	0.97	0.07%	5.21%	0.83%	3.22%	▶	▲	▶	▶
	Peshawar	150.00	0.88	-1.92%	0.00%	-2.55%	-1.99%	▼	▶	▶	▶
	Quetta	174.95	1.03	0.00%	0.00%	1.17%	2.36%	▶	▶	▶	▶

▲ 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](mailto:Islamabad.vam@wfp.org) or [amanur-rehman.khan@wfp.org](mailto:amanur-rehman.khan@wfp.org)