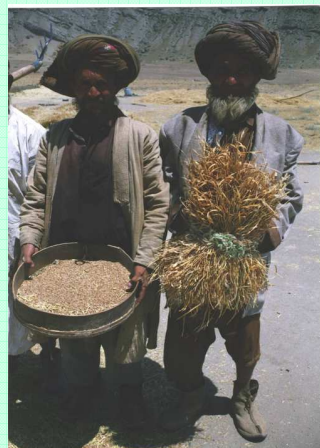




vam
food security analysis



Consumer Price Index (CPI):

Retail Price of Local Wheat across the Country

Wheat Flour (Imported) Retail Price in Border Town

International Monthly Wheat Prices

Afghanistan Market Price Bulletin Supplement to October 2010 Issue

<http://www.wfp.org/content/afghanistan-market-price-bulletins-2010>

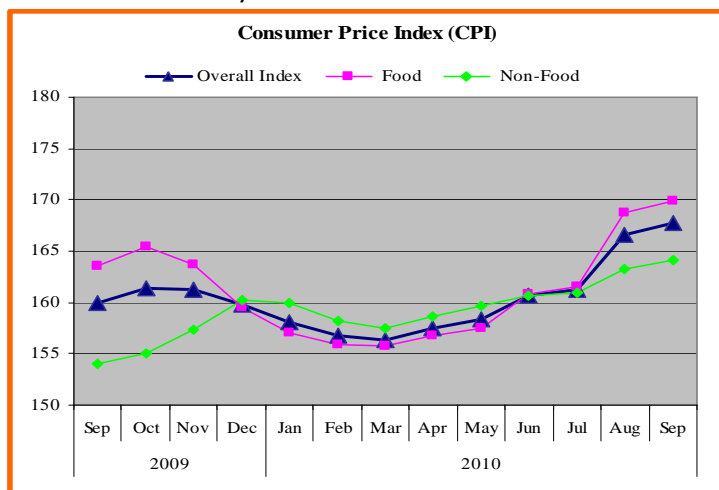
Highlights

- **During September 2010, wheat prices remained stable in Afghanistan, although increased in the global markets. Changes in regional markets (Delhi, Karachi and Lahore) were not significant. Pakistan markets showed slight increase, most likely as a consequence of the recent massive floods, while Delhi market shows a slight decrease.**
 - **Global wheat prices increased due to production decreases in the key wheat exporting countries.**
 - **Imported wheat flour price in border towns and main cities of Afghanistan show an inter-month increase of 8%.**
 - **Consumer Price Index (food and none food) are on the increase.**
-
- **The National Consumer Price Index (CPI):** compared to September 2009, CPI increased **7.8** points; food index increased **6.3 %** and non-food index increased by **10.1** point.
 - **The average price of wheat in September 2010** was **15 Afs/kg, 7.3%** higher than August 2010; **9.0 %** lower than September 2009 and **52.8%** lower than September 2008.
 - The average price of imported wheat flour in border markets in September was 22.1 Afs/Kg, increasing **8%** from August 2010 and **4.4%** compared to August 2009. In the main cities, there was a **6.5%** inter-month increase and **11.6%** inter-annual increase.
 - The prices of wheat in the main cities of Afghanistan, Delhi (India), Karachi and Lahore (Pakistan) and International markets in September 2010 were **333, 291, 303, 292 and 304 US\$/MT** respectively. The price in Afghanistan is **9.5%** up the US Gulf one, and the highest in the region.

Consumer Price Index (CPI):¹

The overall CPI increased by 1.1 points from the past month. The food index increased 1.2 point, the non-food index increased by only 1 point and the bread and cereal index increased 0.3 percent points.

On inter-annual comparison, the overall CPI increased by 7.8 points and the food component of the national CPI increased 6.3 points. For food items, the bread and cereal component shows an inter-annual increase of 3.9 points and the index for non-food items increased by 10.1%.



On inter-annual comparison, CPI increased in all main cities, the highest increase happening in Jalalabad (11%), followed by Khost(9 %), Kabul (8.8%), Mazar(8.3%) and Hirat(5.6%). The smaller increase was in Kandahar (4.5%).

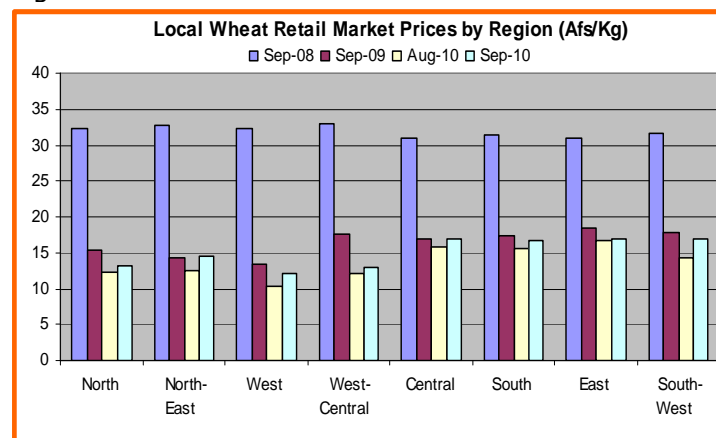
The inter-annual increase in the food component of the CPI was higher in Khost (12.4%), followed by Jalalabad (11.2%), Kabul (7.8%), Mazar (6.6%), Kandahar (2.5%). There was no significant change in Herat city (0.3%).

The non-food component of the national CPI (inter-annual) increased in all cities: Hirat (14.1%), Mazar (11.5%), Jalalabad (10.5%), Kabul (10.4%), Kandahar (7.5%), and Khost (3.9%).

Local wheat, retail price across the country:²

The average price of wheat for the reporting month was **15 Afs/Kg**, an increase of 7.3 % from the past month and a decrease of **9 %** from the same time one year ago.

Compared to August 2010, the higher regional increases occurred in the South-West (18.9%) followed by West (16.5%), North-East(15.1), West-Central(8.3), South(7.3) North and Central(6.5%) and East areas(1.2%). No decrease occurred on the regional level.



Compared to the same month one year and two years ago, the average price was 9% and 52.8% lower, respectively.

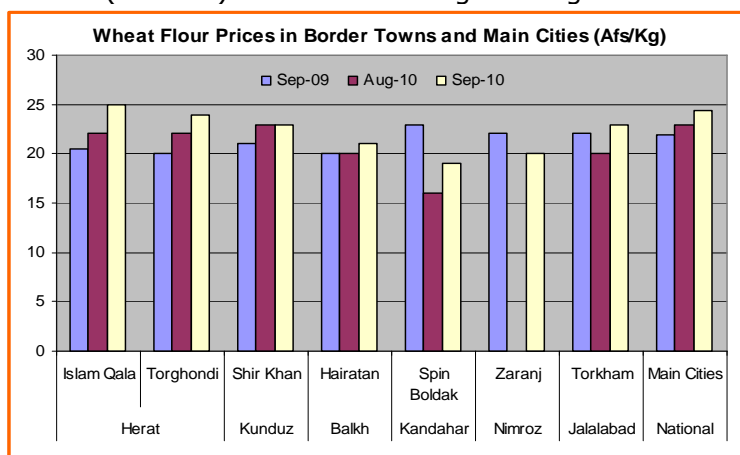
¹ CPI Source: Central Statistics Organization (CSO). Consumer Price Indices (CPI) is a measure of the average price of consumer goods and services purchased by households. It is a price index determined by measuring the price of a standard group of goods meant to represent the typical market basket of a typical urban consumer.

² Data source MAIL-FAAHM

Imported wheat flour retail prices in border towns: ³

In border city markets, the average price of imported wheat flour for the reporting month was 22.1 Afs/Kg; 8% higher than August 2010 and 4.4% higher than the same month last year. Wheat flour prices in main cities increased 6.5% from last month and 11.6% from one year ago.

Compared to the past month, the prices of imported wheat flour increased in all border towns (No data from Nimroz -Zaranj-). Increases were more in Kandahar (Spin Boldak) (18.8%) followed by Jalalabad (Torkham) (15%), Heart (Islam Qala) (13.6%), Heart (Torghondi) (9.1%) and Balkh (Hairatan) (5%), while Shirkhan Bandar (Kunduz) showed no change during this month.



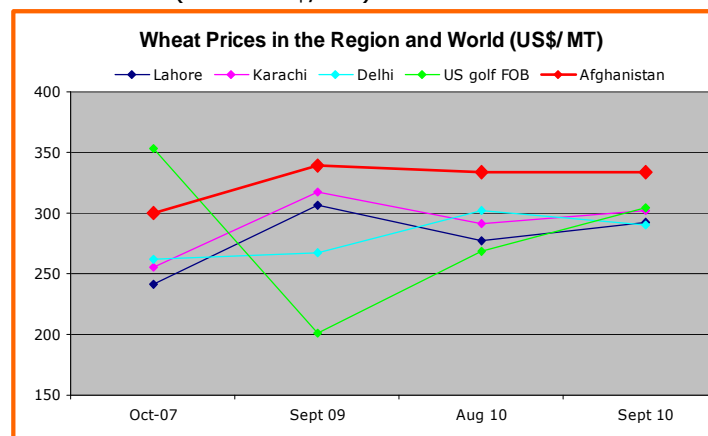
The average price of wheat flour in the main cities was 6.5% higher than last month, 11.6% higher than one year ago, and 46.2% higher than the food price pre-crisis (Jan-Oct 2007) level.

³ Data source MAIL-FAAHM

Monthly price of wheat in regional and global markets: ⁴

The international prices of wheat decreased along 2009 up to September, increased in October and November and again restarted decreasing since December 2009 up to June 2010. Then, a new increase started in July 2010, continuing up to present.

The US wheat (No. 2 Hard Red Winter, FOB Gulf) averaged US\$ 304 per MT in the reporting month, been 13.4 percent higher than the previous month, 51.2 percent higher than one year ago, 14% lower than October 2007 and 37% lower than its peak price in March 2008 (482 US \$/MT).



The wheat price in Karachi (Pakistan) was US\$ 303 per MT; 4% higher than the previous month and 4.6% lower than one year ago, but 18.5% higher than October 2007.

In Afghanistan, the price of wheat for the reporting month was 333 US \$/MT with no monthly changes. This is a 1.6% annual decrease and 11.1% increase in comparison to the same time two years ago. It was also 9.6% higher than the international price (US gulf FOB) and 12.9%, 10% and 14.7% higher than the regional average, Karachi, and Delhi markets (respectively).

⁴ Source: WFP/MAIL-FAAHM