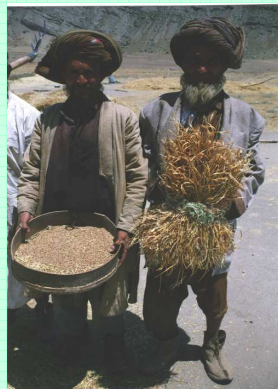




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food security analysis



Consumer Price Index (CPI):

Retail Price of Local Wheat across the Country

Wheat Flour (Imported) Retail Price in Border Town

Afghanistan Market Price Bulletin Supplement to August 2011 Issue

<http://www.wfp.org/content/afghanistan-market-price-bulletins-2011>

Highlights

The upward trend of wheat price which was started in June 2010, slightly decreased in February, March and June 2011, again maintained during July 2011. Across the international market, wheat prices decreased, while showed increase on the regional market level (in Delhi and Karachi) during the reporting month.

Following a dry spring, the estimated wheat production has considerably reduced in Afghanistan which can take the prices up on the coming lean season of wheat.

Imported wheat flour prices in border towns show decrease, while at the same time prices in the main cities of Afghanistan have showed increase compared to June 2011. But, were 28.3% and 37.5% high than last year in the border towns and Main cities of Afghanistan respectively. The intermonth difference among the border towns and main city market prices is due to the price transmission processes from the border towns to the main city markets that usually take some time (depends up on destination).

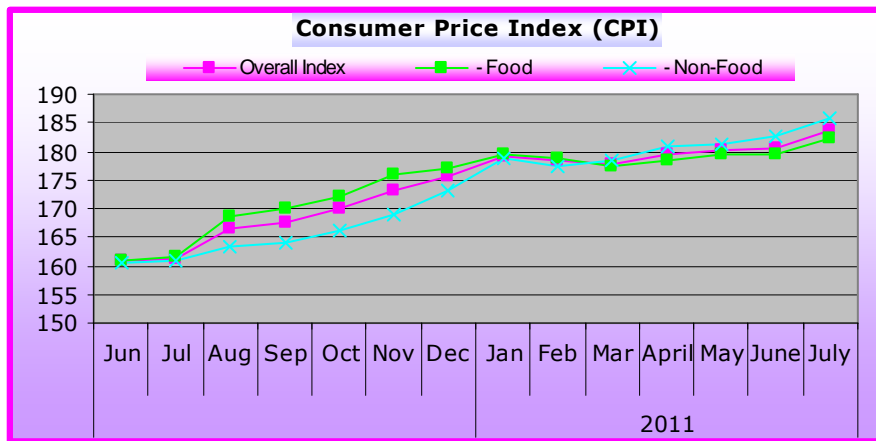
- **National Consumer Price Index (CPI):** July 2011 followed the increasing trend initiated in April 2010, after a slight decrease during February and March 2011. Compared to June 2011 overall CPI, food and none food component increased by 1.6%, 1.5% and 1.6% respectively, while on the yearly comparison this increase was almost nine times higher. The food and bread & cereals item components show an inter-month increase during the reporting month.
- The average price of wheat for July 2011 was **19.5Afs/kg**, **8.9%** higher than June 2011; **47.3%** higher than July 2010, **17.5%** Higher than July 2009 and **37.2** above the pre-crisis average. The continued increase started in June 2010 stopped in February and March 2011, again started in April and extended to July 2011.
- The average price of imported wheat flour in border markets was 21.71 Afs/Kg, showed 3.2% decrease compared to June 2011, but compared to this month last year, it increased by 28.3%. A similar trend has been noticed in the main cities at yearly comparison, showing 37.2% increase on the inter-annual level.

Consumer Price Index (CPI):¹

The overall CPI increased by 1.6 points from the past month (June 2011).

Increases in food, none food and bread & cereals indexes were 1.5, 1.6 and 1.9 points respectively.

On the inter-annual comparison, the overall CPI increased by 13.8 points. The food, non-food and bread & cereal components of the national CPI increased by 12.8, 15.3 and 12 points respectively



There is CPI increase in all main cities on the yearly comparison. The highest increase happened in Mazar (21.7) followed by Jalalabad (18.3), Kabul (14.9), Khost (12.1), Kandahar (12), and Hirat (5.7) points.

The inter-annual increase in the food component of the CPI was higher in Mazar (23.2), followed by Jalalabad (19.6), Kabul (13.5), Khost (11.8), Kandahar (10.8) and least in Hirat (1.8) points.

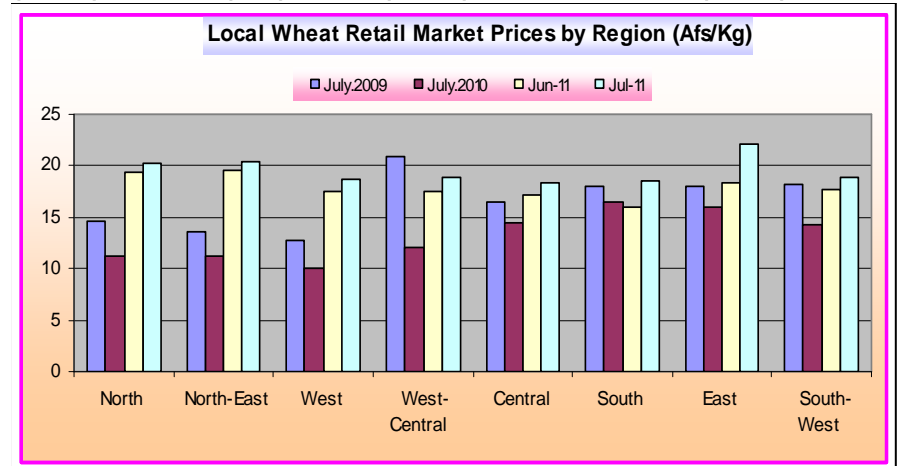
The non-food component of the national CPI (inter-annual) increased in all cities: Mazar (19.3), Kabul (17.0), Jalalabad (16.2), Kandahar (13.9), Khost (12.7) and Hirat (12.6), points.

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.

Local wheat, retail price across the country:²

The average price of wheat for the reporting month was **19.5Afs/Kg**, showing an increase of 8.9% from the past month, an increase of 47.3% from the same month last year, an increase of 17.5% on the 2 years comparison (June-2009) and is 37.2% higher than the pre-crisis level.

Compared to June 2011, the highest regional increase occurred in the Eastern region (20.8%) followed by South (15.6%), West-Central (7.4%), Central (7%), West (6.9%) and South-West (6.2%). Variation



in other regions has been normal (4.1%).

In comparison to the same month one year ago, the highest increase occurred in the West (87%) followed by North-East (80.5%), North (80.4), West-Central (56.7%), East (38.1%), South-West (31.5%), Central (26.2%) and South (12.1%).

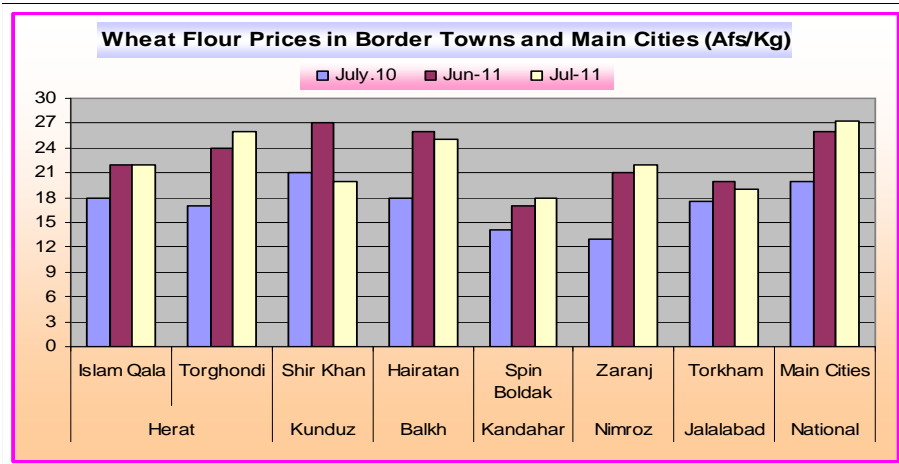
On the 2 year comparison (July. 2009), highest increase is in North-East (50 %), followed by West (47.2%), North (38.4), East (22.8) and Central (10.9). However, the only decrease occurred in West-Central region (10.5%). Variation in other regions is not significant (2.8 to 3.3%).

² Data source MAIL-FAAHM

Imported wheat flour retail prices in border towns: ³

In the border city markets, the average price of imported wheat flour for the reporting month was 21.71 Afs/Kg; 3.2% lower than June 2011 and 28.3% higher than the same month last year.

Compared to the past month, the highest price decrease occurred in Kunduz/Sher Khan Bandar (25.9%) followed by Torkham/Jalalabad (5%). However, there is an increase in Torghondi/Hirat (8.3%) followed by Kandahar/Spinboldak (5.9%) and Nimroz/Zaranj (5%). The variation in other border towns is not significant (-4% to 0).



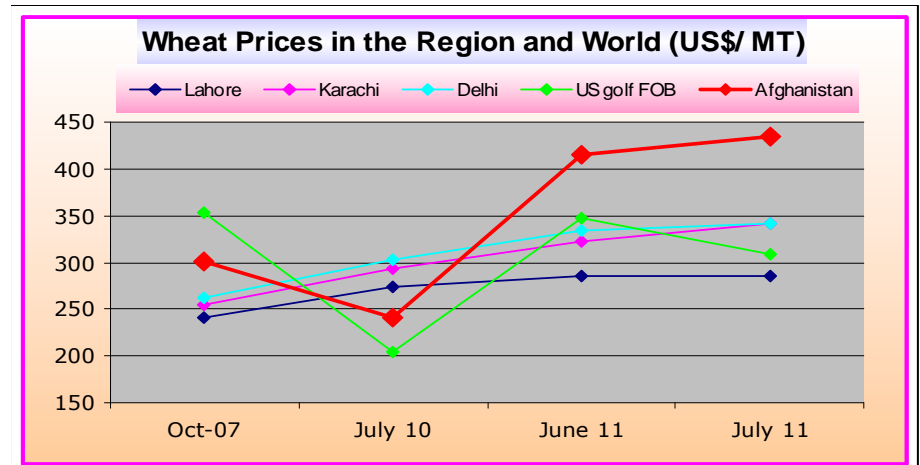
Compared to one year ago, most of the border towns show significant increases: Nimroz/Zaranj (69.2), Hirat/Torghondi (52.9%), Balkh/Hairatan (38.9%), Spin Boldak/Kandahar (28.6%), Islam Qala/Hirat (22.2%), and Jalalabad/Torkham (8.6%). However, there is a decrease of 5% in Kunduz/Sher Khan Bandar.

The average price of wheat flour in the main cities was 5% higher than last month, 37.2% higher than the same time one year ago and (63.7%) higher than the pre-crisis (Jan-Oct 2007) level.

Monthly price of wheat in regional and global markets: ⁴

The international market trend of wheat (US Gulf No, 2), was on increase since July 2010, showed a decrease in October and November and again followed the increasing trend from December 2010 till April 2011. It again shows decrease in March, June and July 2011.

The US wheat (No. 2 Hard Red, Gulf) averaged US\$ 308 per MT in the reporting month, been 11.2 percent lower than the previous month, 50.2 percent higher than one year ago and 12.9 percent lower than October 2007 and 36.1% lower than its peak price in March 2008 (482 US \$/MT).



The wheat price in Karachi (Pakistan) reported US\$ 342 per MT; 6.1 percent higher than the previous month, 16.6% higher than one year ago and 33.7% higher than October 2007.

In Afghanistan, the retail price of wheat for the reporting month was 434 US\$/MT; 4.6% higher than previous month, 80.7% higher than the same month one year ago and 44.7% higher than October 2007. It was also 41% higher than the international price (US gulf FOB), and 34.5%, 27.1% and 26.9%, higher than the regional average, Karachi, and Delhi markets respectively.

³ Data source MAIL-FAAHM

⁴ Source: WFP/MAIL-FAAHM