



vam  
food security analysis

# Afghanistan Market Price Bulletin December 2011

(Reporting November 2011)

## Highlights

- ❖ **Wheat grain retail price remains stable during Nov. 2011 compared to the last month, mainly due to the stability of wheat prices on the global and regional markets. It is estimated that wheat grain price can get high in Afghanistan due to the poor 2011 wheat harvest as a result of the drought situation in the country.**
- ❖ **Following the Wheat grain price trend, Wheat flour average price also remains stable or slightly decreased (1.3%). But increased by 55% above pre-food price crisis (Jan-Oct 2007) level. All cereals together are 56.3% higher than the pre-crisis level. The difference between wheat and wheat flour prices is worrisome.**
- The average wheat price in the main city markets was 20.5Afs/Kg (in Nov.2011), being:
  - Stable or very slightly increased (0.4%) compared to the October 2011 prices;
  - 21.2% higher on the inter-annual comparison (November 2010 prices);
  - 22.7% higher than November 2009 and
  - 48.7% higher than pre-crisis level average (January to October 2007).
- The average price of wheat flour in the main urban markets was 25.8 Afs/Kg (in Nov.2011), showing:
  - 1.3% decrease in comparison to October 2011;
  - 6% increase compared to November 2010;
  - 20.8% increase from November 2009 prices;
  - 55% increase from pre-crisis average (January to October 2007).
- The average Terms of Trade between casual labor daily salary and wheat has been stable on the monthly comparison due to stability in the wheat prices during November 2011.  
On the one year comparison, the above ToT deteriorated by 7.5%, while improved on the two years and pre-crisis level comparison by 7.5% and 20% respectively.
- The average Terms of Trade between sheep and wheat has also been stable or slightly improved by (0.7%), However It deteriorated by 16.6%, 4% and 19% on the one year, 2 years and pre-crisis level comparison respectively.

## Price of Wheat in Main Urban Cities

## Price of Wheat flour in Main Urban Cities

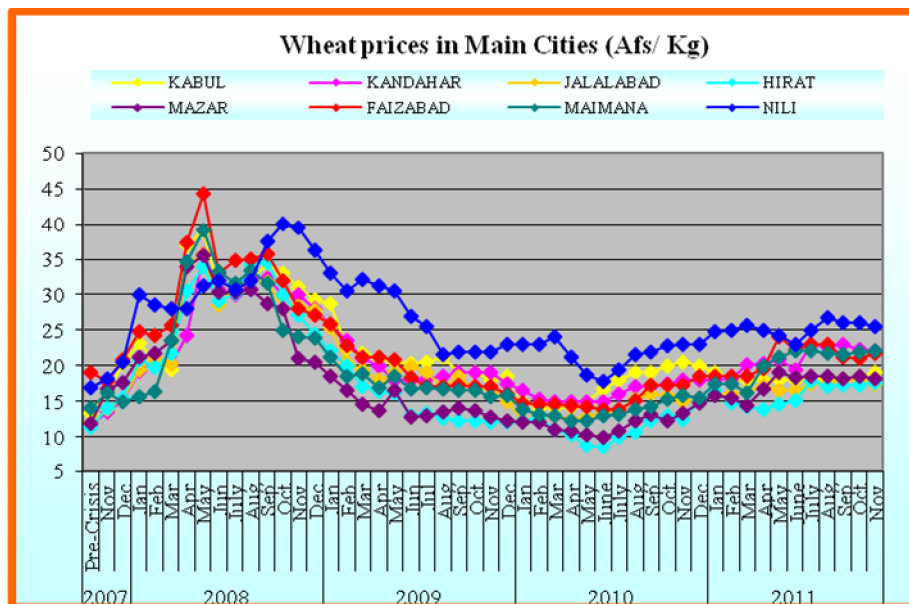
## Terms of Trade

## Wheat Retail Price in Main Cities<sup>1</sup>

The monthly average price of wheat in the main urban markets was 20.5Afs/Kg.

Compared to the past month the average price has not significantly changed (0.4% increase).

Compared to one year ago (November 2010) the average price



increase is 21.2%. The highest increase is in Hirat (41.4%) followed by Maimana (40.6%), Mazar (36.4%), Faizabad (26.5%), Kandahar (22.6%), Jalalabad (16.7%) and Nili (11%). However there is a decrease of 7% in Kabul.

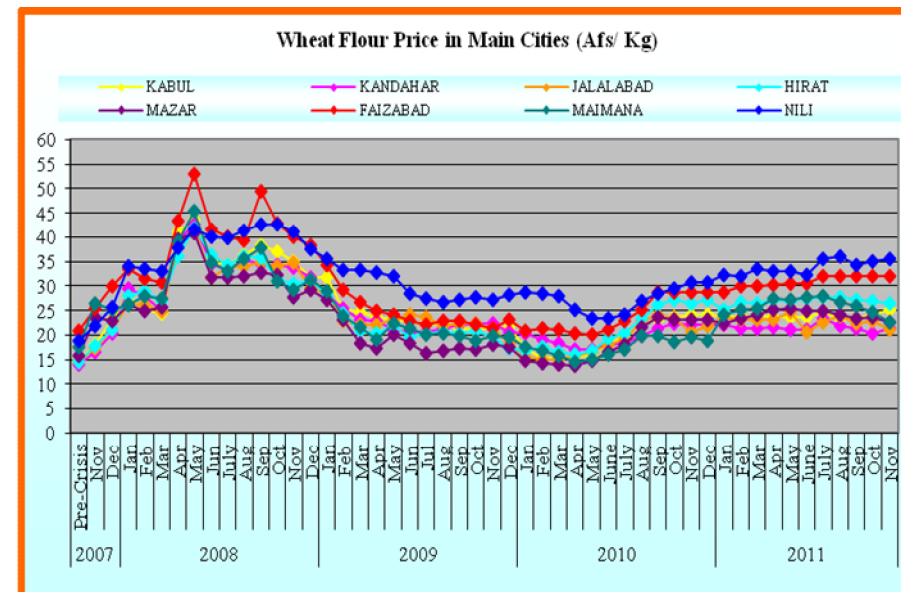
On the two-year comparison, the average price increased by 22.7%, and compared with the pre-crisis average (Jan-Oct 2007), the current prices are 48.7% higher.

<sup>1</sup> 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: <sup>2</sup>

The monthly average price of wheat flour in the main urban markets was 25.8Afs/Kg, which shows no significant change compared to the previous month (1.3% decrease).

On the year comparison (November 2010), the average wheat flour price increased in main cities (6%). The highest increase noticed in



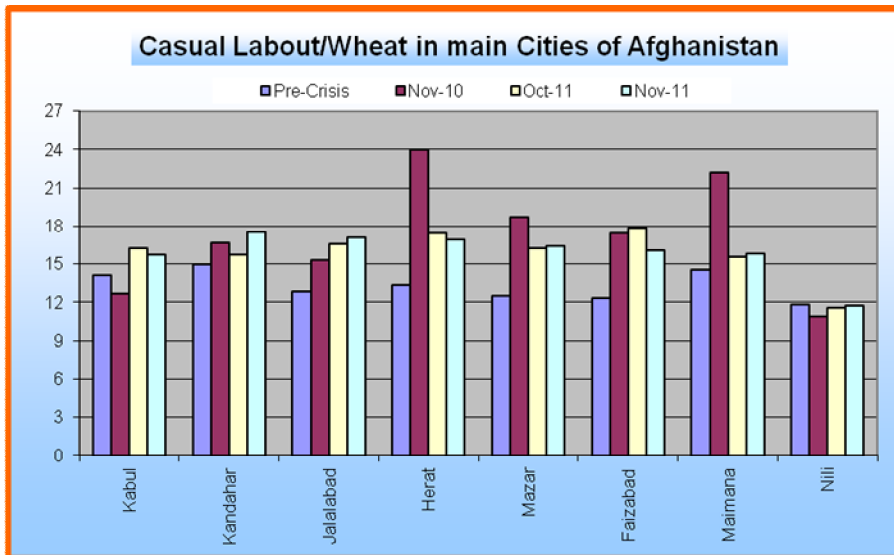
Maimana (16%), followed by Nili (15.4%), Faizabad (11.9%) and Kabul (5%). The variation in other main cities is non-significant (-3% to 3%).

On the two-year comparison (November 2009), the average prices increased by 21%, and compared with the pre-crisis average (Jan-Oct 2007), the current prices are high by 55%.

<sup>2</sup> Source: WFP VAM Market Data from Afghanistan main cities

### Terms of Trade (ToT):<sup>3</sup>

**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 days a month a laborer can get to cover the family food needs.



On average, this ToT remained stable or slightly improved (0.2%) from October to November 2011. The only improvement is in Kandahar (11.4%), while the only deterioration occurred in Faizabad (10%). The variation in other main cities is normal (-3.3% to 3%).

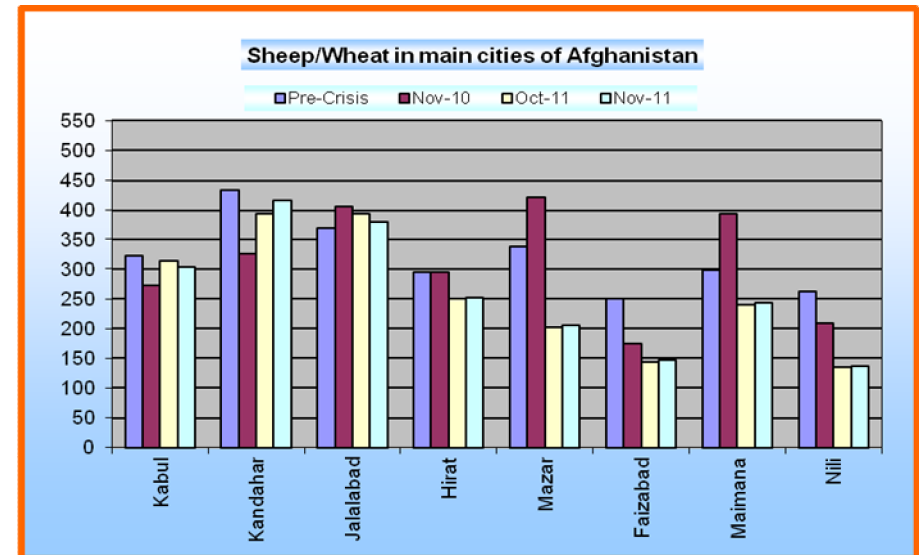
In comparison to one year ago (November 2010), the average ToT deteriorated by 7.5%. The highest deterioration occurred in Herat (29.3%) followed by Maimana (28.8%), Mazar (12.1%) and Faizabad (7.7%). However there is improvement of 24%, 11.8%, 8.3% and 5.4% in Kabul, Jalalabad, Nili and Kandahar respectively. Improvements over 2-year back and pre-crisis levels are 7.5% and 20% respectively.

<sup>3</sup> Source: WFP/VAM  
VULNERABILITY ANALYSIS AND MAPPING (VAM), WORLD FOOD PROGRAMME, AFGHANISTAN

### Sheep and Wheat:<sup>4</sup>

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

On average, this ToT remained stable or slightly improved (0.7%)



over the past month due to increase in sheep prices because of the Eid. The only improvement occurred in Kandahar (5.8%). The variation in other main cities is normal (-3.6% to 2.6%).

Compared to one year ago, the average ToT deteriorated (16.6%). The highest deterioration occurred in Mazar (51.2%), followed by Maimana (38.4%), Nili (34.2%), Faizabad (16%), Hirat (14.6%) and Jalalabad (6.6%). However, there is an improvement of 27.7% and 11.3% in Kandahar and Kabul respectively.

On the 2-year comparison, the average sheep/wheat ToT has deteriorated by 4%, while on the pre-crisis level comparison, it has deteriorated by 19%.

<sup>4</sup> Source: WFP/VAM



## Market Watch on Main Food Commodities in Main Cities of Afghanistan - November 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   | 1 M  | PC PA          | 2 Y | 1 Y | 1 M |   |                       |                     | PCP A            | 2 Y   | 1 Y   | 1 M   | PC PA          | 2 Y | 1 Y | 1 M |   |
| KABUL     | Wheat (kg)            | 19.1                 | 42.6             | 6.0   | -7.0  | 3.5  | ▲              | ▶   | ▶   | ▶   | <b>Livestock-One year live Sheep (Female)</b>   | KABUL                 | Sheep               | 5800             | 35.1  | 9.2   | 3.6   | 0.4            | ▲   | ▶   | ▶   | ▶ |
|           | Wheat/Flour (kg)      | 25.3                 | 72.0             | 16.8  | 5.0   | 4.1  | ▲              | ▶   | ▶   | ▶   |   | KANDAHAR              | Sheep               | 9200             | 80.0  | 71.2  | 56.6  | 5.1            | ▲   | ▲   | ▲   | ▲ |
|           | Rice Low Quality (Kg) | 29.2                 | 51.9             | 7.1   | 4.2   | -0.6 | ▲              | ▶   | ▶   | ▶   |   | JALALABAD             | Sheep               | 6650             | 51.3  | 43.8  | 9.0   | -6.6           | ▲   | ▲   | ▶   | ▼ |
|           | Oil (kg)              | 88.0                 | 59.5             | 56.4  | 34.4  | -0.1 | ▲              | ▶   | ▶   | ▶   |   | HIRAT                 | Sheep               | 4450             | 33.9  | 21.5  | 20.7  | 3.5            | ▲   | ▲   | ▲   | ▶ |
| KANDAHAR  | Wheat (kg)            | 22.1                 | 87.3             | 16.2  | 22.6  | -0.6 | ▲              | ▶   | ▶   | ▶   |   | MAZAR                 | Sheep               | 3750             | -6.2  | -13.3 | -33.5 | 0.7            | ▶   | ▼   | ▼   | ▶ |
|           | Wheat/Flour (kg)      | 21.3                 | 51.9             | -4.3  | -3.2  | 4.4  | ▲              | ▶   | ▶   | ▶   |   | FAIZABAD              | Sheep               | 3188             | -31.6 | 9.9   | 6.3   | 6.3            | ▼   | ▶   | ▶   | ▶ |
|           | Rice Low Quality (Kg) | 27.5                 | 22.8             | -16.7 | -21.4 | -1.1 | ▲              | ▼   | ▼   | ▶   |   | MAIMANA               | Sheep               | 5375             | 28.9  | 1.4   | -13.3 | 2.4            | ▲   | ▶   | ▼   | ▶ |
|           | Oil (kg)              | 68.5                 | 31.4             | 28.6  | 7.0   | -2.8 | ▲              | ▶   | ▶   | ▶   |   | NILI                  | Sheep               | 3500             | -20.8 | -7.9  | -27.1 | 0.0            | ▼   | ▶   | ▼   | ▶ |
| JALALABAD | Wheat (kg)            | 17.5                 | 47.6             | 4.0   | 16.7  | -3.0 | ▲              | ▶   | ▶   | ▶   |   | <b>Terms of Trade</b> |                     |                  |       |       |       |                |     |     |     |   |
|           | Wheat/Flour (kg)      | 21.1                 | 45.9             | -0.8  | 3.0   | -7.5 | ▲              | ▶   | ▶   | ▶   |   | KABUL                 | Casual Labour/Wheat | 11.5             | 13.2  | 23.9  | -3.3  | ▼              | ▼   | ▼   | ▶   |   |
|           | Rice Low Quality (Kg) | 25.8                 | 49.5             | -15.1 | -9.6  | -8.3 | ▲              | ▼   | ▶   | ▶   |   | KANDAHAR              | Casual Labour/Wheat | 17.1             | 33.5  | 5.4   | 11.4  | ▼              | ▼   | ▶   | ▶   |   |
| HIRAT     | Oil (kg)              | 88.0                 | 51.9             | 53.9  | 30.9  | -1.3 | ▲              | ▶   | ▶   | ▶   |   | JALALABAD             | Casual Labour/Wheat | 33.6             | 25.3  | 11.8  | 3.1   | ▼              | ▼   | ▼   | ▶   |   |
|           | Wheat (kg)            | 17.7                 | 56.2             | 46.7  | 41.4  | 2.9  | ▲              | ▶   | ▶   | ▶   | HIRAT   | Casual Labour/Wheat   | 27.4                | -18.1            | -29.3 | -2.8  | ▼     | ▼              | ▶   | ▶   |     |   |
|           | Wheat/Flour (kg)      | 26.5                 | 82.4             | 35.0  | 0.0   | -1.4 | ▲              | ▶   | ▶   | ▶   | MAZAR-  | Casual Labour/Wheat   | 31.7                | 43.4             | -12.1 | 1.4   | ▼     | ▼              | ▶   | ▶   |     |   |
|           | Rice Low Quality (Kg) | 27.8                 | 4.0              | 6.7   | 6.7   | -0.9 | ▶              | ▶   | ▶   | ▶   | FAIZABAD  | Casual Labour/Wheat   | 30.4                | -8.0             | -7.7  | -9.8  | ▼     | ▶              | ▶   | ▶   |     |   |
| MAZAR     | Oil (kg)              | 79.8                 | 52.9             | 52.8  | 17.5  | 0.3  | ▲              | ▶   | ▶   | ▶   | MAIMANA   | Casual Labour/Wheat   | 9.2                 | -17.3            | -28.8 | 1.6   | ▶     | ▶              | ▶   | ▶   |     |   |
|           | Wheat (kg)            | 18.3                 | 52.6             | 41.7  | 36.4  | -1.4 | ▲              | ▶   | ▶   | ▶   | NILI  | Casual Labour/Wheat   | -0.6                | 29.5             | 8.3   | 2.0   | ▶     | ▼              | ▶   | ▶   |     |   |
|           | Wheat/Flour (kg)      | 22.5                 | 42.4             | 25.0  | -2.2  | -4.3 | ▲              | ▶   | ▶   | ▶   | KABUL   | Sheep /Wheat          | -5.4                | 3.0              | 11.3  | -2.9  | ▶     | ▶              | ▼   | ▶   |     |   |
|           | Rice Low Quality (Kg) | 30.0                 | 27.1             | -5.5  | 11.1  | 0.0  | ▲              | ▶   | ▶   | ▶   | KANDAHAR  | Sheep /Wheat          | -4.1                | 47.3             | 27.7  | 5.8   | ▶     | ▶              | ▼   | ▶   |     |   |
| FAIZABAD  | Oil (kg)              | 83.4                 | 53.8             | 58.1  | 5.5   | -1.9 | ▲              | ▶   | ▶   | ▶   | JALALABAD   | Sheep /Wheat          | 2.4                 | 38.3             | -6.6  | -3.6  | ▶     | ▶              | ▼   | ▶   |     |   |
|           | Wheat (kg)            | 21.8                 | 14.3             | 26.9  | 26.5  | 3.6  | ▲              | ▶   | ▶   | ▶   | HIRAT   | Sheep /Wheat          | -14.7               | -17.2            | -14.6 | 0.6   | ▲     | ▶              | ▶   | ▶   |     |   |
|           | Wheat/Flour (kg)      | 32.0                 | 53.5             | 49.5  | 11.9  | 0.0  | ▲              | ▶   | ▶   | ▶   | MAZAR   | Sheep /Wheat          | -39.3               | -38.8            | -51.2 | 2.1   | ▶     | ▶              | ▶   | ▶   |     |   |
|           | Rice Low Quality (Kg) | 49.0                 | 47.4             | 5.6   | 10.6  | 0.0  | ▲              | ▶   | ▶   | ▶   | FAIZABAD  | Sheep /Wheat          | -41.6               | -13.4            | -16.0 | 2.6   | ▶     | ▶              | ▶   | ▶   |     |   |
| MAIMANA   | Oil (kg)              | 110.0                | 85.2             | 39.5  | 32.0  | 0.0  | ▲              | ▶   | ▶   | ▶   | MAIMANA   | Sheep /Wheat          | -18.8               | -28.1            | -38.4 | 1.5   | ▶     | ▶              | ▶   | ▶   |     |   |
|           | Wheat (kg)            | 22.2                 | 58.5             | 41.1  | 40.6  | 0.9  | ▲              | ▶   | ▶   | ▶   | NILI  | Sheep /Wheat          | -47.5               | -20.5            | -34.2 | 2.0   | ▶     | ▶              | ▶   | ▶   |     |   |
|           | Wheat/Flour (kg)      | 22.6                 | 28.6             | 14.8  | 16.0  | -8.6 | ▲              | ▶   | ▶   | ▶   | <b>Remark</b>   |                       |                     |                  |       |       |       |                |     |     |     |   |
|           | Rice Low Quality (Kg) | 34.9                 | 25.8             | -10.6 | 17.2  | -5.7 | ▲              | ▼   | ▶   | ▶   | ▲ Price increase above normal price fluctuation   |                       |                     |                  |       |       |       |                |     |     |     |   |
| NILI      | Oil (kg)              | 87.9                 | 59.7             | 40.6  | 11.6  | -1.8 | ▲              | ▶   | ▶   | ▶   | ▶ Normal Price fluctuation  |                       |                     |                  |       |       |       |                |     |     |     |   |
|           | Wheat (kg)            | 25.5                 | 50.6             | 15.9  | 10.9  | -1.9 | ▲              | ▶   | ▶   | ▶   | ▼ Price decrease below normal price fluctuation   |                       |                     |                  |       |       |       |                |     |     |     |   |
|           | Wheat/Flour (kg)      | 35.5                 | 89.5             | 30.3  | 15.4  | 1.4  | ▲              | ▶   | ▶   | ▶   | Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months                 |                       |                     |                  |       |       |       |                |     |     |     |   |
|           | Rice Low Quality (Kg) | 40.0                 | -6.0             | 14.3  | 25.0  | 0.0  | ▶              | ▶   | ▶   | ▶   | IM= Compared to month ago 1Y= Compared to Nov. 2010 and 2Y= Compared to Nov. 2009 PCPA=Pre-Crisis Prices Average (Jan-Oct 2007) |                       |                     |                  |       |       |       |                |     |     |     |   |
|           | Oil (kg)              | 84.5                 | 18.7             | 40.8  | 7.3   | -4.0 | ▲              | ▶   | ▶   | ▶   |   |                       |                     |                  |       |       |       |                |     |     |     |   |