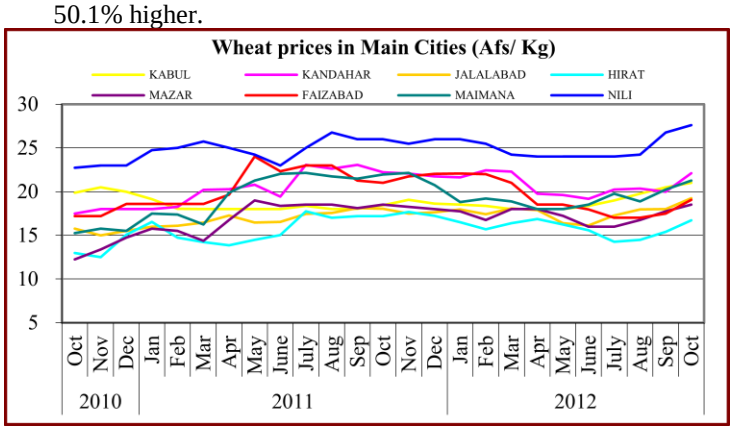
Initial Market Price Bulletin for the month of October 2012 (Reported in Nov 2012)

Main highlights:

- Average wheat grain retail prices were on decreasing trend since July 2011 and continued until July 2012, however an increasing trend started from August through October 2012. On the international market, a decreasing trend of wheat price was continuously observed during October 2011 and May 2012, but has been increasing from June through October 2012. The sharp increase of wheat grain in international markets (June-August 2012) is slightly transmitted to the Afghan market.
- Following the Wheat grain price trend, Wheat flour average price was also on decreasing since July 2011 till May 2012 while the price increased in the months of June - October 2012 in the main urban cities of Afghanistan.

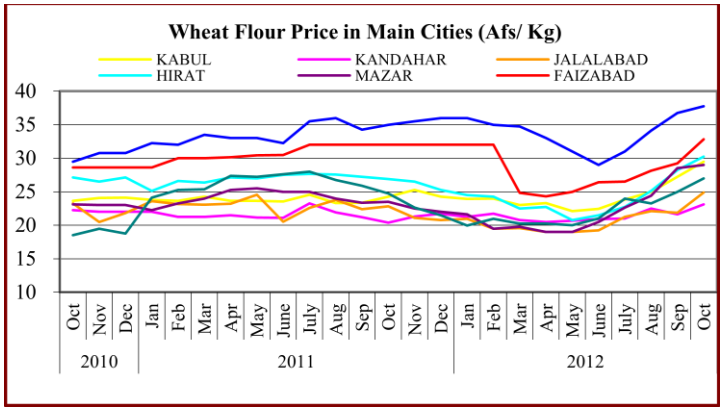
Price of Wheat Grain in Main Urban Cities:

- The monthly average price of wheat in the main urban markets was 20.7Afs/Kg. Compared to the past month (September 2012) the average price increased by 6 %. The increase occurred in all markets. The highest increase occurred in Kandahar (10.6 %) followed by Faizabad (8.9 %), Hirat (8.6%) and Jalalabad (6.9 %). The increase in other markets was normal (2.4 to 4.9%). The main reason for increase was due to increased price of imported Wheat Flour, depreciation of Afghan currency against US dollar and price fluctuation based on temporary supply and demand.
- Compared to one year ago (October 2011) the average price increased, but still normal (1.3%). The highest increase occurred in Kabul (13.9%), while the variation in other main cities was normal (-9.3 to 6.6%).
- On the two-year comparison (October 2010), the average price of wheat is higher by 23.9% and compared with the pre-crisis average (January-October 2007), the current average price is 50.1% higher.



Price of Wheat Flour in the Main Urban Cities:

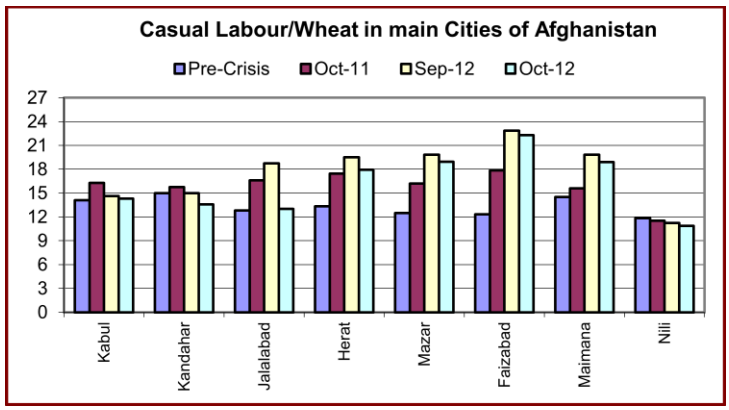
- The monthly average price of wheat flour in the main urban markets was 29.3 Afs/Kg in the reporting month (October 2012), which shows 7.2% increase compared to the past month (September 2012). It increased in all main cities. The highest increase was in Jalalabad (13.7 %) followed by Faizabad (12.2 %), Kabul (8.3 %), Maimana (8.0 %), Hirat (7.1 %) and Jalalabad (6.9 %). The increase in other main cities was normal (1.8 to 2.7%). Main reason for the increase was increased wheat flour price in neighbouring countries and depreciation of Afghani currency again US dollar.
- In the one year comparison (October 2011), the average wheat flour price increased by 11.8 %. The highest increase noticed in Mazar (23.4 %) followed by Kabul (21.6 %), Kandahar (13.4 %) and Hirat (12.6 %). The increase in other main cities was normal (2.6 to 9.1%). Main reason for the increase was increased Wheat flour price in neighbouring countries.
- On the two-year comparison (October 2010), the average prices of Wheat Flour increased by 19.6 %, and compared with the pre-crisis average (Jan-Oct 2007), the current average price is 75.5 % higher.



Terms of Trade (ToT):

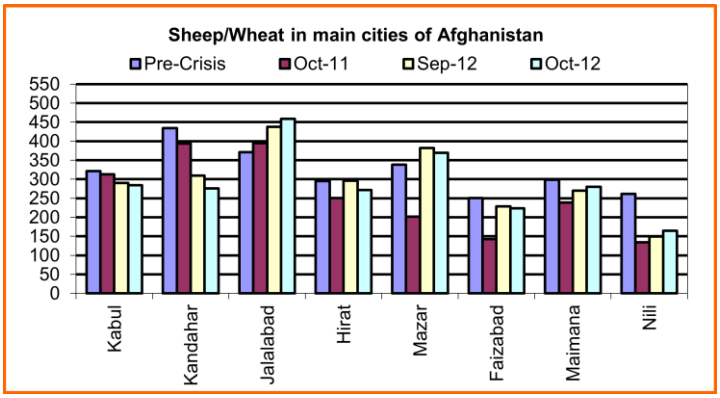
Casual Labor and Wheat: *The Terms of Trade (ToT) between casual Labor and wheat is a proxy indicator or the purchasing capacity of households relying on casual labor as main income, and purchase of wheat in the market. This ToT reveal how many Kilograms of wheat can be purchased with one day of casual labor wage, but do not say how many days a month a laborer can get to cover the family food needs.*

- Wage labour-Wheat ToT for the reporting month was 16.2 Kgs of wheat against one day labour wage.
- On average, this ToT deteriorated by 8.4% from September to October 2012. The highest deterioration was observed in Jalalabad (30.6 %) followed by Kandahar (9.5 %), Hirat (8.1 %), Maimana (4.7 %), Mazar (4.5 %), Nili (3.1 %), Faizabad (2.5 %) and Kabul (2.4 %). Main reason for deterioration was decreased labor wage and increased wheat price.
- In comparison to one year ago (October 2011), it improved by 2 %. The highest improvement occurred in Faizabad (24.9 %) followed by Maimana (21.2%), Mazar (16.8 %) and Hirat (2.8 %). However, there was deterioration in Jalalabad by 21.7% followed by Kandahar (13.9 %), Kabul (12.2 %) and Nili (5.8 %). On the 2 years comparison (October 2010) it deteriorated by 7.1%. The highest deterioration was in Hirat (22.6 %), Maimana (22.3%), Kandahar (13.5%), Jalalabad (11 %), Mazar (7.3 %) and Nili (1.1 %). However, there was improvement of 27.8% in Faizabad followed by Kabul (9.2 %).
- This ToT improved by 22 % over pre-crisis price level.



Sheep and Wheat (ToT): *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.*

- Sheep-Wheat ToT for the reporting month was 291 Kgs of wheat against one year life female sheep.
- On average, this ToT deteriorated by 1.5% over the past month (September 2012) due to slight decrease in sheep prices and increase in wheat price. The highest deterioration occurred in Kandahar (11.1 %) followed by Hirat (8.1 %), Mazar (3.4 %), Faizabad (2.4 %) and Kabul (2 %). While there was improvement in Nili by 9.9 % followed by Jalalabad (4.9 %) and Maimana (3.7 %).
- Compare to same month one year ago (October 2011), the average ToT improved by 12.5 %. The highest improvement occurred in Mazar (83.3 %) followed by Faizabad (56.2 %), Nili (22.1 %), Maimana (17.2 %), Jalalabad (16.4 %) and Hirat (8.8 %) due to increase in sheep price. However, there was deterioration in Kandahar (30 %) followed by Kabul (9.2 %).
- On the 2-year and pre-price crisis comparison, the average sheep/wheat ToT change was not significant, deteriorated by 2.2 and 9.5% respectively.



Markets	Major Comm	Current Price per Kg	Price change (%) PCPA	2 Y	1 Y	1 M	Average Change PCP A	2 Y	1 Y	1 M
KABUL	Wheat (kg)	21.0	57.0	5.7	13.9	2.4	▲	▶	▲	▶
	Wheat/Flour (kg)	29.5	101.0	24.7	21.6	8.3	▲	▲	▲	▲
	Rice Low Quality (Kg)	39.0	103.0	39.3	32.9	2.6	▲	▲	▲	▶
	Oil (kg)	87.0	57.7	43.8	-1.2	1.2	▲	▲	▶	▶
KANDAHAR	Wheat (kg)	22.1	87.7	26.4	-0.4	10.6	▲	▲	▶	▲
	Wheat/Flour (kg)	23.1	64.9	3.9	13.4	6.9	▲	▶	▲	▲
	Rice Low Quality (Kg)	33.5	49.6	-2.2	20.5	16.5	▲	▶	▲	▲
	Oil (kg)	74.5	42.9	27.4	5.7	-1.5	▲	▲	▶	▶
JALALABAD	Wheat (kg)	19.3	62.3	22.2	6.6	6.9	▲	▲	▶	▲
	Wheat/Flour (kg)	24.9	71.8	7.0	8.9	13.7	▲	▶	▶	▲
	Rice Low Quality (Kg)	52.3	203.3	75.6	86.1	11.8	▲	▲	▲	▲
	Oil (kg)	82.0	41.5	26.2	-8.0	4.8	▲	▲	▼	▶
HIRAT	Wheat (kg)	16.7	47.7	29.0	-2.7	8.6	▲	▲	▶	▲
	Wheat/Flour (kg)	30.3	108.2	11.5	12.6	7.1	▲	▲	▲	▲
	Rice Low Quality (Kg)	28.8	7.7	8.5	2.7	0.0	▶	▶	▶	▶
	Oil (kg)	80.0	53.3	30.1	0.6	-2.4	▲	▲	▶	▶
MAZAR	Wheat (kg)	18.5	54.6	51.0	0.0	4.2	▲	▲	▶	▶
	Wheat/Flour (kg)	29.0	83.5	25.4	23.4	1.8	▲	▲	▲	▶
	Rice Low Quality (Kg)	46.5	97.0	72.2	55.0	4.5	▲	▲	▲	▶
	Oil (kg)	90.5	66.9	36.1	6.5	0.6	▲	▲	▶	▶
FAIZABAD	Wheat (kg)	19.1	0.1	10.8	-9.3	8.9	▶	▲	▶	▲
	Wheat/Flour (kg)	32.8	57.5	14.8	2.6	12.2	▲	▲	▶	▲
	Rice Low Quality (Kg)	53.9	62.0	21.6	9.9	0.7	▲	▲	▶	▶
	Oil (kg)	105.0	76.8	65.6	-4.5	0.0	▲	▲	▶	▶
MAIMANA	Wheat (kg)	21.3	52.1	39.3	-3.2	4.9	▲	▲	▶	▶
	Wheat/Flour (kg)	27.0	53.5	45.9	9.1	8.0	▲	▲	▶	▲
	Rice Low Quality (Kg)	43.0	55.1	47.0	16.2	0.0	▲	▲	▲	▶
	Oil (kg)	90.0	63.6	23.3	0.6	2.3	▲	▲	▶	▶
NILI	Wheat (kg)	27.6	63.1	21.4	6.3	3.3	▲	▲	▶	▶
	Wheat/Flour (kg)	37.8	101.6	28.0	7.9	2.7	▲	▲	▶	▶
	Rice Low Quality (Kg)	44.5	4.6	41.3	11.3	1.7	▶	▲	▲	▶
	Oil (kg)	84.8	19.1	9.4	-3.7	-1.7	▲	▶	▶	▶

Markets	Major Comm	Current Price	Price change (%) PCPA	2 Y	1 Y	1 M	Average Change PCP A	2 Y	1 Y	1 M
Livestock-One year live Sheep (Female)										
KABUL	Sheep	5,975	39.2	8.6	3.5	0.4	▲	▶	▶	▶
KANDAHAR	Sheep	6,100	19.3	22.0	-30.3	-1.6	▲	▲	▼	▶
JALALABAD	Sheep	8,850	101.4	67.0	24.3	12.4	▲	▲	▲	▲
HIRAT	Sheep	4,550	36.9	26.4	5.8	0.0	▲	▲	▶	▶
MAZAR	Sheep	6,825	70.7	20.8	83.2	1.1	▲	▲	▲	▶
FAIZABAD	Sheep	4,250	-8.7	41.7	41.7	6.3	▶	▲	▲	▲
MAIMANA	Sheep	5,925	42.1	8.7	12.9	8.7	▲	▶	▲	▲
NILI	Sheep	4,550	3.0	-5.2	30.0	13.8	▶	▶	▲	▲
Terms of Trade		Kgs of Wheat								
KABUL	Casual Labour/Wheat	14.3	1.3	9.2	-12.2	-2.4	▶	▶	▲	▶
KANDAHAR	Casual Labour/Wheat	13.6	-9.5	-13.5	-13.9	-9.5	▶	▲	▲	▲
JALALABAD	Casual Labour/Wheat	13.0	1.4	-11.0	-21.7	-30.6	▶	▲	▲	▲
HIRAT	Casual Labour/Wheat	17.9	34.7	-22.6	2.8	-8.1	▼	▲	▶	▲
MAZAR-	Casual Labour/Wheat	18.9	51.7	-7.3	16.8	-4.5	▼	▶	▼	▶
FAIZABAD	Casual Labour/Wheat	22.3	80.6	27.8	24.9	-2.5	▼	▼	▼	▶
MAIMANA	Casual Labour/Wheat	18.9	30.3	-22.3	21.2	-4.7	▼	▲	▼	▶
NILI	Casual Labour/Wheat	10.9	-8.2	-1.1	-5.8	-3.1	▶	▶	▶	▶
KABUL	Sheep /Wheat	284.5	-11.5	2.8	-9.2	-2.0	▲	▶	▶	▶
KANDAHAR	Sheep /Wheat	275.7	-36.6	-3.5	-30.0	-11.1	▲	▶	▲	▲
JALALABAD	Sheep /Wheat	458.9	23.7	36.4	16.4	4.9	▼	▼	▼	▶
HIRAT	Sheep /Wheat	272.1	-7.8	-2.0	8.8	-8.1	▶	▶	▶	▲
MAZAR	Sheep /Wheat	369.1	9.0	-20.0	83.3	-3.4	▶	▲	▼	▶
FAIZABAD	Sheep /Wheat	223.2	-11.0	28.0	56.2	-2.4	▲	▼	▼	▶
MAIMANA	Sheep /Wheat	280.1	-6.3	-21.6	17.2	3.7	▶	▲	▼	▶
NILI	Sheep /Wheat	164.4	-37.1	-22.1	22.1	9.9	▲	▲	▼	▼

Remark

▲ Price increase above normal price fluctuation

▶ Normal Price fluctuation

▼ Price decrease below normal price fluctuation

Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months

Source:

WFP/VAM market data from Afghanistan main cities (Kabul, Kandahar, Mazar, Jalalabad, Faizabad, Hirat, Maimana and Nili)

Vulnerability Analysis and Mapping (VAM) – World Food Programme (WFP), Afghanistan