

## Initial Market Price Bulletin for the month of **January 2014** (Reported in February 2014)

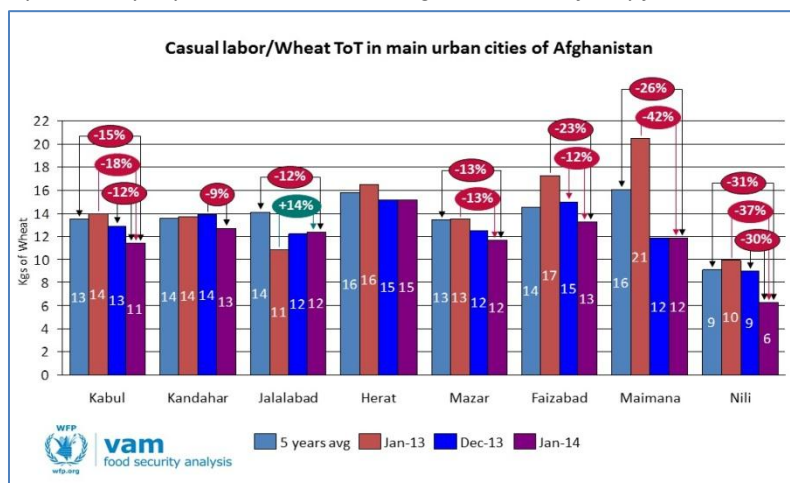
### HIGHLIGHTS:

- Wheat: Average wheat grain retail price in the main cities of the country was increasing from August 2012 through March 2013, and then it was decreasing during April – June 2013 and slightly increased during July 2013 – January 2014.
- The current average price of wheat in main cities of Afghanistan is slightly higher by 5.9% in comparison to the same time last year (January 2013), and significantly higher by 15.9% compared to the last 5-year average price of the same months (January 2009 - 2013).
- Wheat flour (High Price): Average retail price in main urban cities of Afghanistan was increasing during June 2012 – March 2013. It slightly decreased during April – June 2013 and relatively stable during July – September 2013, was slightly increasing during October – December 2013 and with a slight decrease in January 2014. The price was slightly lower by 4.5% compared to the same month last year (January 2013), and significantly increased by 12.6% compared to the last 5-year average price of the same months (January 2009 – 2013).
- Rice is considered as the 2<sup>nd</sup> main staple food in Afghanistan. The current average retail price of Rice (Low Quality) is slightly lower by 4.8% compared to the same month last year (January 2013) and significantly higher by 23.3% compared to the last 5-year average price of the same months. The current average price of High Quality Rice is significantly higher by 11.5% compared to the same month last year (January 2013), and by 33.4% compared to the last 5-year average price of the same months.

### Terms of Trade (ToT):

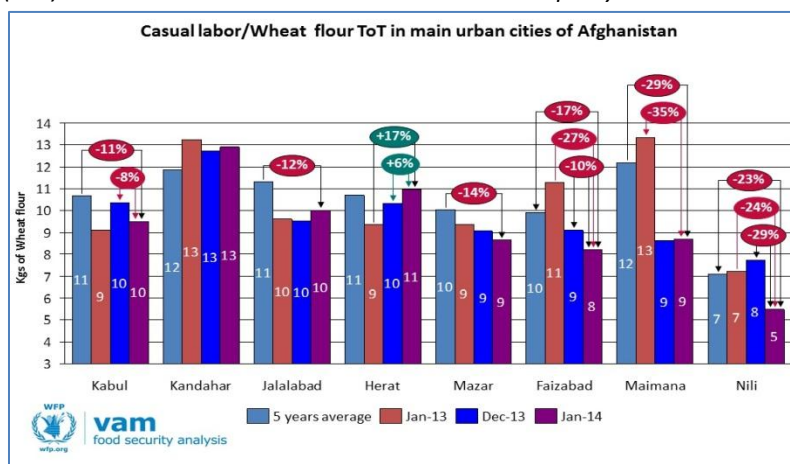
**Casual Labor and Wheat (ToT):** The Terms of Trade (ToT) between casual Labor and wheat is a proxy indicator or the purchasing capacity of households relying on casual labor as main income, and purchase of wheat in the market. This ToT reveal how many Kilograms of wheat can be purchased with one day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

- Wage labor-Wheat ToT average for the reporting month was 11.9 Kgs of Wheat. On average, this ToT significantly deteriorated (by 7.5%) from December 2013 to January 2014. The deterioration was due to a significant decrease in labor wage (by 6.8%) and a slight increase in Wheat price (by 2.1%). However, this significant deterioration still lies almost within a changing range observed in the same time during the three preceding years: -3.6% (December 2012 – January 2013), -1.4% (December 2011 – January 2012) and -7.3% (December 2010 – January 2011).
- In comparison to the same month one year ago (January 2013), this ToT significantly deteriorated by 18.4%, mainly due to decreased labor wage (by 14.1%) and increased Wheat price (by 5.9%).
- On the two years comparison (January 2012), this ToT significantly deteriorated by 24.4%.
- Compared to the 5-year average of the same months (January 2009-2013), this ToT deteriorated by 13.8%.



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

- Wage labor-Wheat Flour ToT average for the reporting month was 9.3 Kgs of wheat flour. The average of this ToT slightly deteriorated by 4% from December 2013 to January 2014. The deterioration was mostly attributed to decreased labor wage (by 6.8%). This slight deterioration lies within a changing

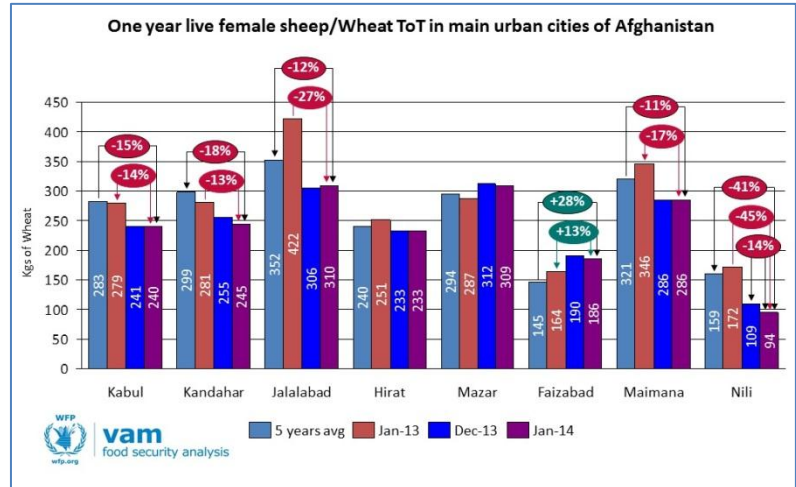


range observed in the same time during the three preceding years: -0.4% (December 2012 – January 2013), -4.1% (December 2011 – January 2012) and -6.1% (December 2010 – January 2011).

- Compared to the same month one year ago (January 2013), this ToT deteriorated by 9.9%, mainly related to decreased labor wage (by 14.1%).
- On the two years comparison (January 2012), this ToT significantly deteriorated by 25.4%.
- Compared to the 5-year average of the same months (January 2009-2013), this ToT significantly deteriorated by 11.2%.

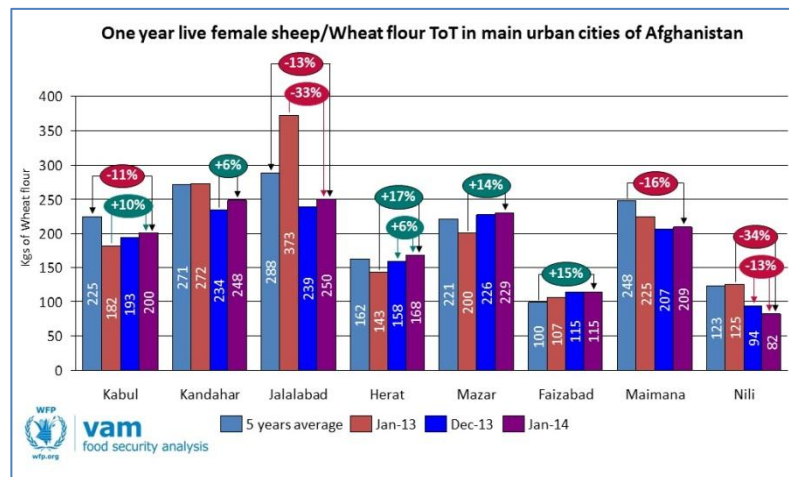
**Sheep and Wheat (ToT):** *The Terms of Trade between a one year old female sheep and Wheat is a proxy for the purchasing capacity of those households that are mainly reliant on income from livestock (pastoralists). It says how many kilograms of Wheat can be obtained when selling a one year old female sheep.*

- Sheep-Wheat ToT for the reporting month was 238 Kgs of Wheat against one year alive female sheep. The average of this ToT slightly deteriorated by 1.5% from December 2013 to January 2014. Main reason for deterioration was slightly increased Wheat price (by 2.1%) and negligibly decreased Sheep price (by 0.2%). This slight deterioration lies within a changing range observed in the same time during the three preceding years: -2.3% (December 2012 – January 2013), 4.6% (December 2011 – January 2012) and -3.5% (December 2010 – January 2011).
- Compared to the same month one year ago (January 2013), this ToT significantly deteriorated by 13.6%, mainly related to decreased Sheep price (by 10.9%) and slightly increased Wheat price (by 5.9%)
- On the two years comparison (January 2012), this ToT significantly deteriorated by 12.2%.
- Compared to 5-year average of the same months (January 2009-2013), this ToT slightly deteriorated by 9%.



**Sheep and Wheat Flour (ToT):** *The Terms of Trade between a one year old female sheep and Wheat Flour 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 Flour can be obtained when selling a one year old female sheep.*

- Sheep-Wheat flour ToT for the reporting month was 188 Kgs of Wheat flour against one-year alive female sheep. The average of this ToT slightly improved by 2.4% from December 2013 to January 2014. The improvement is related to slightly decreased Wheat flour price (by 1.5%). This slight improvement lies within a changing range observed in the same time during the three preceding years: 1.4% (December 2012 – January 2013), 4.7% (December 2011 – January 2012) and -3.2% (December 2010 – January 2011).
- Compared to the same month one year ago (January 2013), this ToT deteriorated by 7.7%, mainly due to decreased Sheep price (by 10.9%).
- On the two years comparison (January 2012), this ToT significantly deteriorated by 17.5%.
- Compared to 5-year average of the same months (January 2009-2013), this ToT deteriorated by 8.4%.



### Retail Price of Wheat Grain in Main Urban Cities:

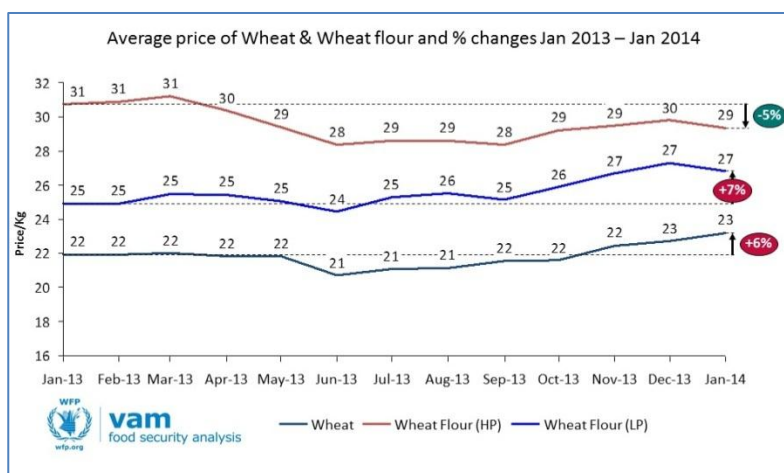
- The monthly average price of Wheat in main urban markets of Afghanistan was 23.2 AFN/Kg in January 2014. Compared to the past month (December 2013), the average price slightly increased by 2.1%. The highest increase occurred in Kandahar by 9.3%, with a main reason being seasonally decreased availability of Wheat in this city and increased demand by consumers. The variation in other main cities was within a normal limit (-1.2% - 4.1%). This average slight increase lies within a changing range

observed in the same time during the three preceding years: 2.1% (December 2012 – January 2013), -1.8% (December 2011 – January 2012) and 4.2% (December 2010 – January 2011).

- Compared to the same month one year ago (January 2013), the average price slightly increased by 5.9%. The highest increase occurred in Kandahar (25.8%) and Nili (10.3%), mainly due to depreciation of Afghan currency to US dollar (both cities), for Kandahar city it was low availability of wheat grain due to ease in wheat flour supply from Pakistan. The variation in other main cities was within a normal limit (-8.7% - 7.7%).
- On the two year comparison (January 2012), the average price was significantly higher by 16.6%.
- Compared to the last 5-year average price of the same months (January 2009-2013), the price was significantly increased by 10.6%.

### Retail Price of Wheat Flour in Main Urban Cities:

- **Wheat flour (High Price):** The monthly average price of Wheat flour (High Price) in main urban markets was 29.3 AFN/Kg in the reporting month (January 2014). The average price was slightly decreased by 1.5% compared to the previous month (December 2013). The highest decrease occurred in Hirat by 5.8%, mainly due to maintained supply of imported Wheat flour from Pakistan and Kazakhstan. The variation in other main cities was within a normal limit (-4.7% - 3.4%). This average slight decrease lies within a changing range observed in the same time during the three preceding years: -0.6% (December 2012 – January 2013), -1.6% (December 2011 – January 2012) and 2.8% (December 2010 – January 2011).
- Compared to the same month one year ago (January 2013), the current average price slightly decreased by 4.5%. The highest decrease was noticed in Kabul (by 16.3%) and Hirat (by 14.5%), mainly due to maintained supply of imported Wheat flour from Pakistan and Kazakhstan. Meanwhile, a significant increase occurred in Kandahar (by 19.9%), mostly due to depreciation of Afghan currency against US dollar. The variation in other main cities was normal (-7.5% - 2.1%).
- Compared to the same month two years ago (January 2012), the average price of Wheat flour significantly increased by 17.2%.
- Compared to 5-year average price of the same months (January 2009-2013), the average price significantly increased by 12.6%.
- **Wheat flour (Low Price):** The monthly average price of Wheat flour (Low Price) in main urban markets was 26.8 AFN/Kg in the reporting month (January 2014). The average price was slightly decreased by 1.8% compared to the previous month (December 2013). The highest decrease occurred in Hirat by 6.5% and Kandahar (5.3%), mainly attributed to maintained supply of imported Wheat flour from Pakistan and Kazakhstan. The variation in other main cities was within a normal limit (-4% - 3.2%). This average slight decrease lies within a changing range observed in the same time during the three preceding years: -0.3% (December 2012 – January 2013), -1.6% (December 2011 – January 2012) and 2.9% (December 2010 – January 2011).
- Compared to the same month one year ago (January 2013), the current average price slightly increased by 7.5%. The highest increase was noticed in Kandahar (by 21.2%), Hirat (11.4%) and Faizabad (10.5%). Main reason for the increase was depreciation of Afghan currency against US dollar. The variation in other main cities was normal (-3.3% - 9.2%).
- Compared to the same month two years ago (January 2012), the average price significantly increased by 22.5%.

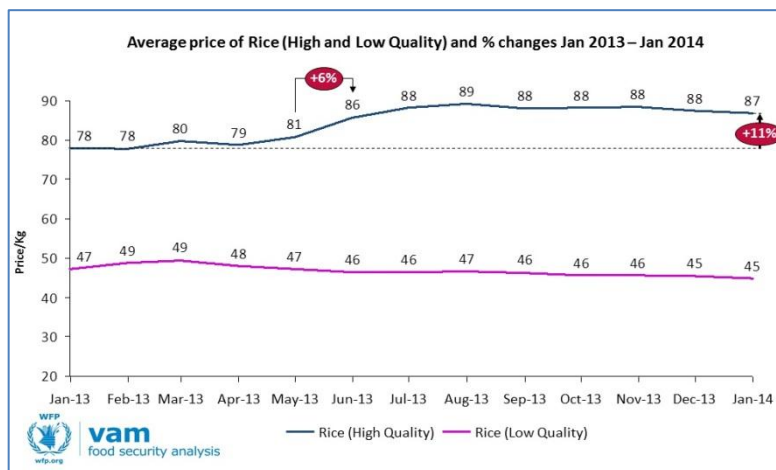


### Retail Price of Rice in Main Urban Cities:

- **Rice (High Quality):** The monthly average price of Rice (High Quality) was 86.9 AFN/Kg in the reporting month (January 2014) which is 0.7% lower than the previous month (December 2013). Main reason for this slight decrease was daily market fluctuation. The variation in all main cities was within a normal limit (-3.1% - 1%). This average slight decrease is observed for the first time as contrasted to all increases observed in the same time during the three preceding years: 0.1% (December 2012 – January 2013), 0.6% (December 2011 – January 2012) and 1.7% (December 2010 – January 2011).



- Compared to the same month one year ago (January 2013), the average price significantly increased by 11.5%, main reason for the increase was increased Rice price in neighbouring countries and depreciation of Afghan currency against US dollar.
- Compared to the same month two years ago (January 2012), the average price significantly increased by 47.2%.
- Compared to 5-year average price of the some months (January 2009-2013), the average price significantly increased by 33%.



**Rice (Low Quality):** The monthly average price of Rice (Low Quality) was 44.9 Afs/Kg in the reporting month (January 2014) which was slightly decreased by 1.1% compared to the previous month (December 2013). The highest decrease occurred in Kandahar (by 5.2%), mainly due to maintained supply of Rice from Pakistan. The variation in other main cities was normal (-3.7% – 1%). The average price of Rice (LQ) in the same time of last 3-year was: 1.3%, 1.3% and 0.2%.

- Compared to the same month one year ago (January 2013), the average price slightly decreased by 4.8%.
- Compared to the same month two years ago (January 2012), the average price significantly increased by 36.3%.
- Compared to 5-year average price of same months (January 2009-2013), the average price significantly increased by 23.3%.

#### Retail Price of Cooking Oil in Main Urban Cities:

- The monthly average price of Cooking Oil was 81.6 Afs/Kg in the reporting month (January 2014), which was slightly decreased (by 1.2%) compared to the previous month (December 2013). The variation in all main cities was within a normal limit (-4% - 1.8%). This average slight decrease lies within a changing range observed in the same time during the three preceding years: -1.7% (December 2012 – January 2013), -1.3% (December 2011 – January 2012) and 2.8% (December 2010 – January 2011).
- Compared to the same month one year ago (January 2013), the average price slightly varied within a normal limit (3.2% decrease). The highest decrease occurred in Maimana (by 15.5%) and Hirat (by 12.7%). Main reason for the decrease was maintained supply of Cooking Oil from importing countries. The variation in other main cities was normal (-5.7% to 7.5%).
- Compared to the same month two years ago (January 2012), the average price slightly decreased by 3.1%.
- Compared to 5-year average of the same months (January 2009 – 2013), the average price increased by 9.6%.

#### Retail Price of Salt, Sugar and No. of days averagely worked by a laborer:

**Salt:** The average price of Salt for the month of January 2014 was 14 AFN/Kg. The highest average price was reported in Kabul, Faizabad and Nili (20 AFN/Kg), followed by Jalalabad (19 AFN/Kg), Mazar (10 AFN/Kg), Maimana (9 AFN/Kg), Hirat (8 AFN/Kg) and Kandahar (7 AFN/Kg).

**Sugar:** The average price of Sugar for the month of January 2014 was 48 AFN/Kg. The highest average price was reported in Jalalabad (65 AFN/Kg), followed by Nili (59 AFN/Kg), Faizabad and Maimana (50 AFN/Kg), Mazar (49 AFN/Kg), Hirat (40 AFN/Kg), Kabul (39 AFN/Kg) and Kandahar (35 AFN/Kg).

**Number of days averagely worked a laborer:** The monthly average number of days worked a laborer during January 2014 was reported 12 days. The highest number of days worked was in Kabul, Kandahar and Hirat (16 days), followed by Maimana and Nili (12 days), Jalalabad and Mazar (8 days) and Faizabad (4 days).

## Market Watch:

Markets	Major Comm	Current Price per Kg	Price change (%)				Average				Markets	Major Comm	Current Price	Price change				Average			
			5 Y Ave	2 Y	1Y	1M	5 Y Ave	2 Y	1Y	1M				5 Y Ave	2 Y	1Y	1M	5 Y Ave	2 Y	1Y	1M
KABUL	Wheat	23.0	11.8	24.3	7.0	-1.1	▲	▲	▲	▲	Livestock-One year live Sheep (Female)										
	Wheat/Flour (LP)	27.6	6.5	15.3	-16.3	-4.7	▲	▲	▼	▲	KABUL	Sheep	5,525	-0.3	-4.7	-7.9	-1.3	▲	▲	▲	▲
	Rice High Quality	97.0	52.2	71.7	18.3	1.0	▲	▲	▲	▲	KANDAHAR	Sheep	6,738	10.9	-19.3	9.6	5.0	▲	▼	▲	▲
	Rice Low Qaulity	50.0	57.0	72.4	19.0	1.0	▲	▲	▲	▲	JALALABAD	Sheep	6,500	0.9	-1.1	-33.0	0.0	▲	▲	▼	▲
	Cooking Oil	80.9	9.6	-6.2	-2.0	-4.0	▲	▲	▲	▲	HIRAT	Sheep	4,600	16.1	2.8	0.4	0.0	▲	▲	▲	▲
KANDAHAR	Wheat	27.5	32.7	27.3	25.8	9.3	▲	▲	▲	▲	MAZAR	Sheep	5,950	25.1	42.5	6.3	-0.8	▲	▲	▲	▲
	Wheat/Flour (LP)	27.1	18.6	27.6	19.9	-1.3	▲	▲	▲	▲	FAIZABAD	Sheep	3,850	34.6	28.3	10.0	1.3	▲	▲	▲	▲
	Rice High Quality	78.3	31.5	45.0	11.2	-1.5	▲	▲	▲	▲	MAIMANA	Sheep	6,000	6.7	0.8	-11.1	0.0	▲	▲	▼	▲
	Rice Low Qaulity	25.5	-20.4	-7.7	-4.7	-5.2	▼	▲	▲	▲	NILI	Sheep	3,150	-25.9	-14.9	-39.4	-10.0	▼	▼	▼	▼
	Cooking Oil	68.5	10.2	3.4	-1.0	-1.1	▲	▲	▲	▲	Terms of Trade Kgs of Wheat/Wheat flour										
JALALABAD	Wheat	21.0	10.9	17.0	-8.7	-1.2	▲	▲	▲	▲	KABUL	Casual Labor/Wheat	11.4	-15.3	-29.6	-18.2	-11.5	▼	▼	▼	▼
	Wheat/Flour (LP)	26.0	13.2	24.1	0.0	-4.6	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat	12.7	-6.3	-20.1	-7.3	-8.5	▲	▼	▲	▼
	Rice High Quality	77.6	36.9	56.0	1.5	-0.5	▲	▲	▲	▲	JALALABAD	Casual Labor/Wheat	12.4	-12.2	-26.5	13.9	1.2	▼	▼	▲	▲
	Rice Low Qaulity	49.1	47.9	120.8	-17.4	-3.7	▲	▲	▼	▲	HIRAT	Casual Labor/Wheat	15.2	-3.7	-13.9	-7.6	0.2	▲	▲	▲	▲
	Cooking Oil	76.9	4.3	-12.6	-5.7	-2.1	▲	▼	▲	▲	MAZAR	Casual Labor/Wheat	11.7	-12.8	-29.9	-13.3	-6.3	▼	▼	▼	▼
HIRAT	Wheat	19.7	15.3	19.7	8.2	-0.2	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat	13.3	-8.5	-16.7	-23.3	-11.6	▼	▼	▼	▼
	Wheat/Flour (LP)	27.4	8.1	11.7	-14.5	-5.8	▲	▲	▼	▼	MAIMANA	Casual Labor/Wheat	11.9	-25.8	-28.6	-42.0	0.0	▼	▼	▼	▲
	Rice High Quality	70.8	18.3	36.2	-1.7	-1.2	▲	▲	▲	▲	NILI	Casual Labor/Wheat	6.3	-30.9	-34.6	-36.6	-29.8	▼	▼	▼	▼
	Rice Low Qaulity	24.7	-8.7	-8.5	-8.5	-0.4	▲	▲	▲	▲	KABUL	Sheep /Wheat	240.2	-15.0	-23.4	-13.9	-0.3	▼	▼	▼	▼
	Cooking Oil	70.5	3.8	-9.4	-12.7	-4.0	▲	▲	▼	▲	KANDAHAR	Sheep /Wheat	244.8	-18.0	-36.6	-12.9	-4.0	▼	▼	▼	▲
MAZAR	Wheat	19.3	15.3	8.5	-1.3	0.0	▲	▲	▲	▲	JALALABAD	Sheep /Wheat	309.5	-12.1	-15.5	-26.6	1.2	▼	▼	▼	▲
	Wheat/Flour (LP)	26.0	14.2	20.2	-7.1	-1.9	▲	▲	▲	▲	HIRAT	Sheep /Wheat	233.0	-2.9	-14.1	-7.2	0.2	▲	▲	▲	▲
	Rice High Quality	87.5	32.0	40.6	10.8	-0.6	▲	▲	▲	▲	MAZAR	Sheep /Wheat	309.1	5.0	31.4	7.6	-0.8	▲	▲	▲	▲
	Rice Low Qaulity	43.0	31.3	36.5	13.2	0.0	▲	▲	▲	▲	FAIZABAD	Sheep /Wheat	185.5	27.6	36.5	13.4	-2.3	▲	▲	▲	▲
	Cooking Oil	80.3	11.8	-2.4	0.6	0.3	▲	▲	▲	▲	MAIMANA	Sheep /Wheat	285.7	-10.9	-9.7	-17.4	0.0	▼	▲	▼	▲
FAIZABAD	Wheat	20.8	0.9	-6.0	-3.0	3.8	▲	▲	▲	▲	NILI	Sheep /Wheat	94.4	-40.6	-33.7	-45.1	-13.5	▼	▼	▼	▼
	Wheat/Flour (LP)	33.5	12.8	4.7	2.1	1.5	▲	▲	▲	▲	KABUL	Casual Labor/Wheat flour	9.5	-10.6	-24.1	4.5	-8.1	▼	▼	▲	▼
	Rice High Quality	95.0	40.3	50.8	38.7	-3.1	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat flour	12.9	9.1	-8.6	-2.7	1.3	▲	▲	▲	▲
	Rice Low Qaulity	51.5	-0.2	5.1	-5.0	-2.8	▲	▲	▲	▲	JALALABAD	Casual Labor/Wheat flour	10.0	-13.2	-30.2	4.0	4.8	▼	▼	▲	▲
	Cooking Oil	107.5	16.1	-2.3	7.5	-0.5	▲	▲	▲	▲	HIRAT	Casual Labor/Wheat flour	11.0	2.6	-10.5	16.9	6.2	▲	▼	▲	▲
MAIMANA	Wheat	21.0	15.6	11.6	7.7	0.0	▲	▲	▲	▲	MAZAR	Casual Labor/Wheat flour	8.7	-16.3	-36.6	-7.7	-4.4	▼	▼	▲	▲
	Wheat/Flour (LP)	28.8	19.4	44.1	-4.2	-0.9	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat flour	8.2	-15.8	-24.9	-27.2	-9.7	▼	▼	▼	▼
	Rice High Quality	91.0	40.6	51.7	13.8	0.0	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat flour	8.7	-52.2	-42.2	-34.8	0.9	▼	▼	▼	▲
	Rice Low Qaulity	48.0	20.0	29.7	-13.1	0.0	▲	▲	▼	▲	NILI	Casual Labor/Wheat flour	5.5	-16.2	-21.2	-24.3	-29.3	▼	▼	▼	▼
	Cooking Oil	80.3	3.0	-1.8	-15.5	-0.9	▲	▲	▼	▲	KABUL	Sheep /Wheat flour	200.0	-11.1	-17.4	10.0	3.6	▼	▼	▲	▲
NILI	Wheat	33.4	21.8	28.4	10.3	4.1	▲	▲	▲	▲	KANDAHAR	Sheep /Wheat flour	248.4	-8.5	-36.8	-8.6	6.3	▲	▼	▲	▲
	Wheat/Flour (LP)	38.4	10.3	6.6	-7.5	3.4	▲	▲	▲	▲	JALALABAD	Sheep /Wheat flour	250.0	-13.3	-20.3	-33.0	4.8	▼	▼	▼	▲
	Rice High Quality	98.3	18.5	31.0	2.9	0.3	▲	▲	▲	▲	HIRAT	Sheep /Wheat flour	168.0	3.6	-8.0	17.4	6.2	▲	▲	▲	▲
	Rice Low Qaulity	67.3	57.5	68.1	-9.7	0.4	▲	▲	▲	▲	MAZAR	Sheep /Wheat flour	228.8	3.8	18.5	14.4	1.1	▲	▲	▲	▲
	Cooking Oil	87.6	16.6	8.5	3.1	1.8	▲	▲	▲	▲	FAIZABAD	Sheep /Wheat flour	114.9	15.3	22.6	7.7	-0.2	▲	▲	▲	▲
											MAIMANA	Sheep /Wheat flour	208.7	-15.7	-30.0	-7.2	0.9	▼	▼	▲	▲
											NILI	Sheep /Wheat flour	82.1	-33.5	-20.1	-34.5	-12.9	▼	▼	▼	▼

**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, one year, two year and 5 years.    1M = Compared to month ago    1Y = Compared to Jan 2013 and 2Y = Compared to Jan 2012

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