

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

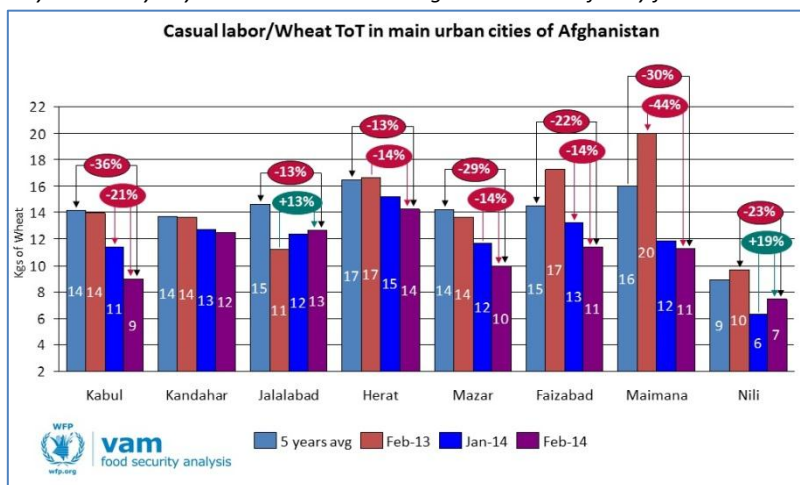
HIGHLIGHTS:

- 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 – February 2014.
- The current average price of wheat in main cities of Afghanistan is slightly higher by 8.7% in comparison to the same time last year (February 2013), and significantly higher by 24% compared to the last 5-year average price of the same months (February 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. The price was slightly increasing during October – December 2013, and showed a slight decrease during January - February 2014. The price was slightly lower by 6.9% compared to the same month last year (February 2013), and significantly increased by 14.5% compared to the last 5-year average price of the same months (February 2009 – 2013).
- Rice is considered as the 2nd main staple food in Afghanistan. The current average retail price of Rice (Low Quality) is significantly lower by 10.5% compared to the same month last year (February 2013) and significantly higher by 20% compared to the last 5-year average price of the same months. The current average price of High Quality Rice is significantly higher by 10.1% compared to the same month last year (February 2013), and by 32.6% compared to the last 5-year average price of the same months.

Terms of Trade (ToT):

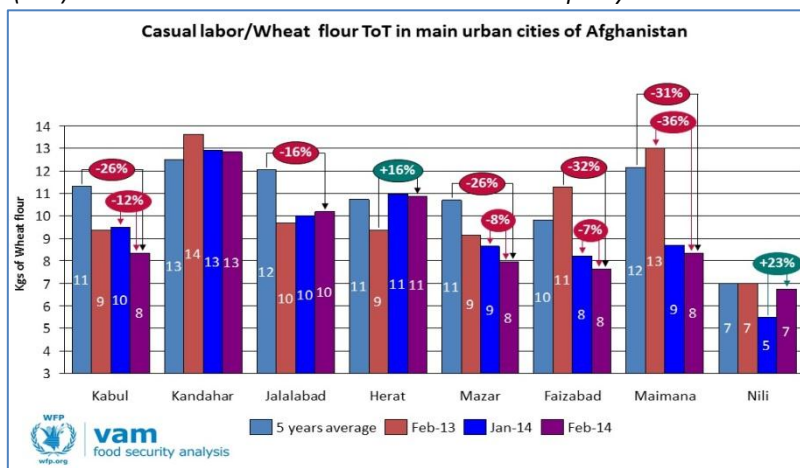
Casual Labor and Wheat (ToT): The Terms of Trade (ToT) between casual Labor and wheat is a proxy indicator or the purchasing capacity of households relying on casual labor as main income, and purchase of wheat in the market. This ToT reveal how many Kilograms of wheat can be purchased with one day of 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 11.1 Kgs of Wheat. On average, this ToT significantly deteriorated (by 6.6%) from January to February 2014. The deterioration was due to decrease in labor wage (by 3.2%) and increase in Wheat price (by 2.6%). This deterioration lies within a changing range observed in the same period during the three preceding years: -0.1% (January – February 2013), -0.6% (January – February 2012) and 1.1% (January – February 2011).
- In comparison to the same month one year ago (February 2013), this ToT significantly deteriorated by 23.7%, mainly due to decreased labor wage (by 16.7%) and increased Wheat price (by 8.7%).
- On the two years comparison (February 2012), this ToT significantly deteriorated by 29%.
- Compared to the 5-year average of the same months (February 2009-2013), this ToT significantly deteriorated by 21.4%.



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 9.1 Kgs of Wheat flour. The average of this ToT slightly deteriorated by 2% from January to February 2014. The deterioration was mostly attributed to decreased labor wage (by 3.2%). This slight deterioration lies within a

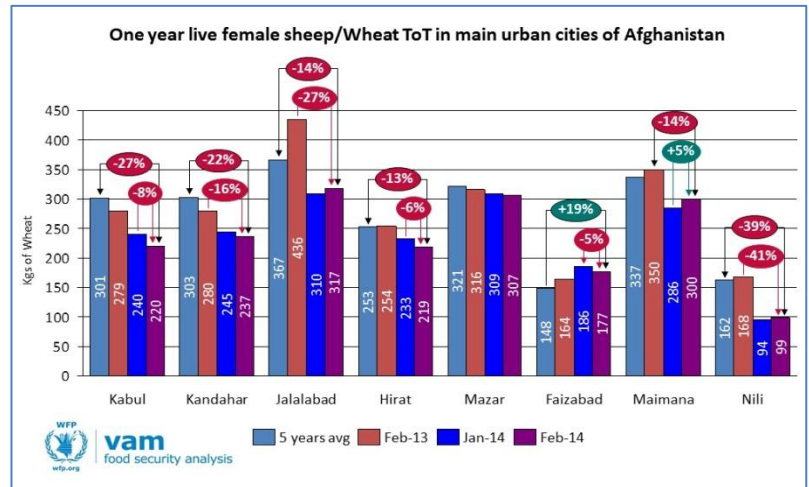


changing range observed in the same period during the three preceding years: -0.1% (January – February 2013), 1.6% (January – February 2012) and -2.1% (January – February 2011).

- Compared to the same month one year ago (February 2013), this ToT significantly deteriorated by 11.6%, mainly related to decreased labor wage (by 16.7%).
- On the two years comparison (February 2012), this ToT significantly deteriorated by 28.1%.
- Compared to the 5-year average of the same months (February 2009-2013), this ToT significantly deteriorated by 15.5%.

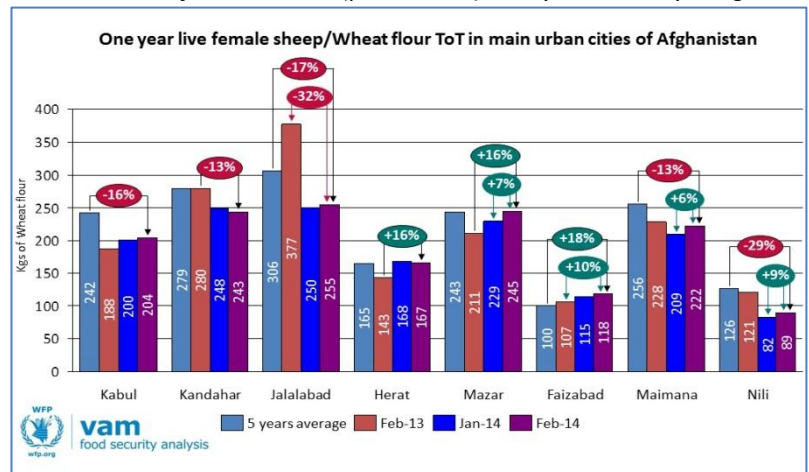
Sheep and Wheat (ToT): *The Terms of Trade between a one year old female sheep and Wheat is a proxy for the purchasing capacity of those households that are mainly reliant on income from livestock (pastoralists). It says how many kilograms of Wheat can be obtained when selling a one year old female sheep.*

- Sheep-Wheat ToT for the reporting month was 234 Kgs of Wheat against one year alive female sheep. The average of this ToT slightly deteriorated by 1.4% from January to February 2014. Main reason for deterioration was slightly increased Wheat price (by 2.6%). This slight deterioration was not experienced in the same period during the three preceding years, when this ToT was slightly improved: 2% (January – February 2013), 2.8% (January – February 2012) and 4% (January – February 2011).
- Compared to the same month one year ago (February 2013), this ToT significantly deteriorated by 16.5%, mainly related to decreased Sheep price (by 11.3%) and increased Wheat price (by 8.7%)
- On the two years comparison (February 2012), this ToT significantly deteriorated by 15.8%.
- Compared to 5-year average of the same months (February 2009-2013), this ToT significantly deteriorated by 14.4%.



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 193 Kgs of Wheat flour against one-year alive female sheep. The average of this ToT slightly improved by 2.8% from January to February 2014. The improvement is related to slightly decreased Wheat flour price (by 2%). This slight improvement lies within a changing range observed in the same period during the three preceding years: 1.6% (January – February 2013), 2.9% (January – February 2012) and 1.1% (January – February 2011).
- Compared to the same month one year ago (February 2013), this ToT deteriorated by 6.7%, mainly due to decreased Sheep price (by 11.3%).
- On the two years comparison (February 2012), this ToT significantly deteriorated by 17.6%.
- Compared to 5-year average of the same months (February 2009-2013), this ToT slightly deteriorated by 6.1%.



Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of Wheat in main urban markets of Afghanistan was 23.8 AFN/Kg in February 2014. Compared to the past month (January 2014), the average price slightly increased by 2.6%. The highest increase occurred in Kabul by 8.7%, followed by Mazar (6.5%), Herat (6.4%) and Faizabad (5.7%), with a main reason being seasonally decreased availability of Wheat in these cities. The variation in other main cities was within a normal limit (-4.8% - 1.9%). This increase was not experienced in the same time during the past three preceding years, when the price slightly decreased in the same period during the three preceding years: unchanged (January – February 2013), -1.2% (January – February 2012) and -1.8% (January – February 2011).

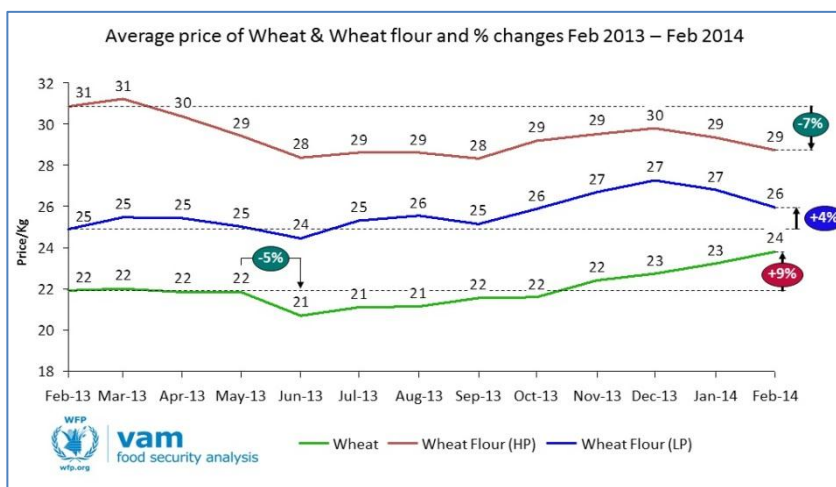
- Compared to the same month one year ago (February 2013), the average price slightly increased by 8.7%. The highest increase occurred in Kandahar (27.7%), Hirat (16.7%) and Kabul (16.3%), mainly due to depreciation of Afghan currency against US dollar in Hirat and Kabul. In Kandahar city, it was mainly due to low availability of wheat grain as a result of an ease in wheat flour supply from Pakistan. The variation in other main cities was within a normal limit (-8.4% - 8.1%).
- On the two year comparison (February 2012), the average price was significantly higher by 21.1%.
- Compared to the last 5-year average price of the same months (February 2009 - 2013), the price was significantly increased by 24%.

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 28.7 AFN/Kg in the reporting month (February 2014). The average price was slightly decreased by 2% compared to the previous month (January 2014). The largest decrease occurred in Maimana by 6.1%, mainly due to maintained supply of imported Wheat flour from neighboring provincial markets. The variation in other main cities was within a normal limit (-3.6% - 0.9%). This average slight decrease lies within a changing range observed in the same period during the three preceding years: 0.4% (January – February 2013), -1.6% (January – February 2012) and 1.7% (January – February 2011).

- Compared to the same month one year ago (February 2013), the current average price slightly decreased by 6.9%. The largest decrease was noticed in Kabul (15.6%), Nili (14%), Hirat (13.7%) and Maimana (by 12.2%), mainly due to maintained supply of imported Wheat flour from Pakistan and Kazakhstan. Meanwhile, a significant increase occurred in Kandahar (by 24%), mostly due to reduced supply caused by deteriorated insecurity. The variation in other main cities was normal (-9.6% - 0.1%).
- Compared to the same month two years ago (February 2012), the average price of Wheat flour significantly increased by 16.8%.
- Compared to 5-year average price of the same months (February 2009-2013), the average price significantly increased by 14.5%.

Wheat flour (Low Price): The monthly average price of Wheat flour (Low Price) in main urban markets was 26 AFN/Kg in the reporting month (February 2014). The average price was slightly decreased by 3.1% compared to the previous month (January 2014). The largest decrease occurred in Maimana (10.3%) and Nili (5.7%), mainly attributed to maintained supply of imported Wheat flour from neighboring provincial markets. The variation in other main cities was within a normal limit (-2.4% - 1.4%). This average slight decrease lies within a changing range observed in the same period during the three preceding years: -0.1% (January – February 2013), 0.1% (January – February 2012) and -0.6% (January – February 2011).



- Compared to the same month one year ago (February 2013), the current average price slightly increased by 4.2%. The highest increase was noticed in Kandahar (by 30%) Main reason for the increase was due to reduced supply caused by deteriorated insecurity. The variation in other main cities was normal (-7.4% - 9.5%).
- Compared to the same month two years ago (February 2012), the average price significantly increased by 18.5%.

Retail Price of Rice in Main Urban Cities:

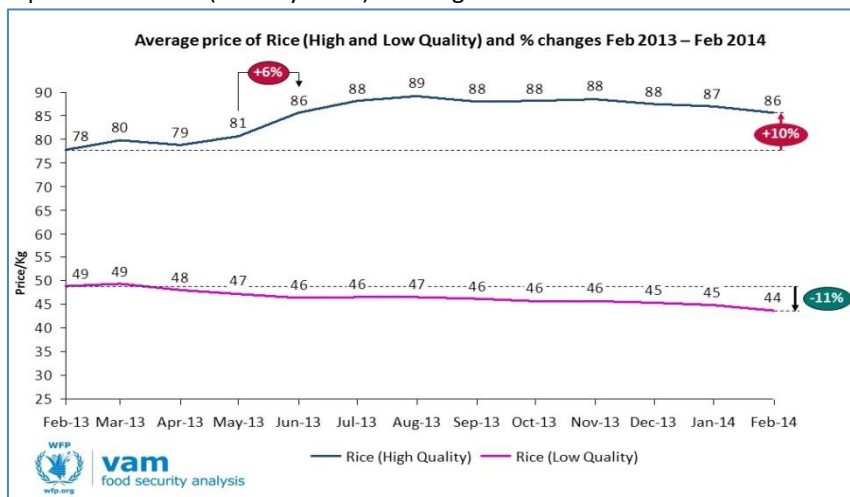
Rice (High Quality): The monthly average price of Rice (High Quality) was 85.7 AFN/Kg in the reporting month (February 2014) which was 1.4% lower than the previous month (January 2014). Main reason for this slight decrease was daily market price fluctuation. The variation in all main cities was within a normal limit (-4.3% - 0.9%). This average slight decrease lies within a changing range observed in the same period during the three preceding years: -0.2% (January – February 2013), -0.1% (January – February 2012) and -0.5% (January – February 2011).

- Compared to the same month one year ago (February 2013), the average price significantly increased by 10.1%. The highest increase occurred in Faizabad (34.3%), Kabul (17.1%) and Maimana (14.7%). The variation in other main city markets was within a normal range (-1.4% - 9.4%). 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 (February 2012), the average price significantly increased by 45.1%.

- Compared to 5-year average price of the same months (February 2009-2013), the average price significantly increased by 32.6%.

Rice (Low Quality): The monthly average price of Rice (Low Quality) was 43.7 AFN/Kg in the reporting month (February 2014) which was slightly decreased by 2.6% compared to the previous month (January 2014). The highest decrease occurred in Maimana (by 12%), mainly due to maintained supply of Rice from neighboring provincial markets. The variation in other main cities was normal (-4.4% – 2.8%). This average slight decrease was not experienced in the same period during the three preceding years, when it was slightly increased by 3.6% (January – February 2013), 2% (January – February 2012) and 1.5% (January – February 2011).

- Compared to the same month one year ago (February 2013), the average price significantly decreased by 10.5%. The largest decrease was seen in Maimana (29.6%), Nili (18.2%) and Jalalabad (17.5%), Kandahar (12.2%). While an increase was reported in Kabul (19%). The variation in remaining city markets was within a normal range (-8.5% - 9.9%)
- Compared to the same month two years ago (February 2012), the average price significantly increased by 30.1%.
- Compared to 5-year average price of same months (February 2009-2013), the average price significantly increased by 20%.



Retail Price of Cooking Oil in Main Urban Cities:

- The monthly average price of Cooking Oil was 80.6 AFN/Kg in the reporting month (February 2014), which was slightly decreased (by 1.2%) compared to the previous month (January 2014). The largest decrease occurred in Mazar (by 5.6%), mainly due to maintained supply of Cooking Oil from Pakistan. The variation in other main cities was within a normal limit (-1.5% - 0.6%). This average slight decrease lies within a changing range observed in the same time during the three preceding years: -1.2% (January – February 2013), -1.8% (January – February 2012) and 0.4% (January – February 2011).
- Compared to the same month one year ago (February 2013), the average price slightly varied within a normal limit (3.2% decrease). The largest decrease occurred in Maimana (by 14%). Main reason for the decrease was maintained supply of Cooking Oil from neighboring provincial markets. The variation in other main cities was normal (-9.3% to 5.9%).
- Compared to the same month two years ago (February 2012), the average price slightly decreased by 2.5%.
- Compared to 5-year average of the same months (February 2009 – 2013), the current average price increased by 9.5%.

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

Salt: The average price of Salt for the month of February 2014 was 14.2 AFN/Kg, which was negligibly increased by 0.8% compared to the previous month (January 2014). The largest increase occurred in Maimana (18.9%). Main reason for the increase was daily market price fluctuation. The variation in other main cities was within a normal limit (-5.2% - 2.6%).

Sugar: The average price of Sugar for the month of February 2014 was 45.3 AFN/Kg, which was decreased by 6.5% compared to the previous month (January 2014). The largest decrease occurred in Maimana (18.9%), Mazar (13.8%), Kabul (10.6%) and Kandahar (5.3%). Main reason for the decrease was maintained supply of Sugar from Pakistan. The variation in other main cities was within a normal limit (-3.8% - 0%).

Number of days averagely worked a laborer: The monthly average number of days worked a laborer during February 2014 was reported 8 days. The highest number of days worked was in Kabul and Hirat (16 days), followed by Kandahar and Jalalabad (12 days), Maimana, Faizabad and Nili (8 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	25.0	32.2	36.1	16.3	8.7	▲	▲	▲	▲	Livestock-One year live Sheep (Female)										
	Wheat/Flour (LP)	27.0	12.1	12.5	-15.6	-2.3	▲	▲	▲	▲	KABUL	Sheep	5,500	-0.9	-5.2	-8.3	-0.5	▶	▶	▶	▶
	Rice High Quality	96.0	52.4	69.9	17.1	-1.0	▲	▲	▲	▲	KANDAHAR	Sheep	6,638	9.8	-19.1	7.9	-1.5	▶	▼	▶	▶
	Rice Low Qaulity	50.0	57.2	72.4	19.0	0.0	▲	▲	▲	▲	JALALABAD	Sheep	6,500	0.7	2.0	-33.3	0.0	▶	▶	▼	▶
	Cooking Oil	80.0	7.0	-7.0	-1.2	-1.1	▶	▶	▶	▶	HIRAT	Sheep	4,600	14.9	2.2	0.4	0.0	▲	▶	▶	▶
KANDAHAR	Wheat	28.1	38.3	25.1	27.7	1.9	▲	▲	▲	▶	MAZAR	Sheep	6,300	25.7	31.3	5.0	5.9	▲	▲	▶	▶
	Wheat/Flour (LP)	27.3	24.5	25.4	24.0	0.6	▲	▲	▲	▶	FAIZABAD	Sheep	3,875	35.5	29.2	10.7	0.6	▲	▲	▲	▶
	Rice High Quality	77.0	31.2	49.5	9.4	-1.7	▲	▲	▶	▶	MAIMANA	Sheep	6,000	3.1	0.0	-14.3	0.0	▶	▶	▼	▶
	Rice Low Qaulity	24.4	-23.3	-12.9	-12.2	-4.4	▼	▼	▼	▶	NILI	Sheep	3,300	-23.3	-17.5	-36.5	4.8	▼	▼	▼	▶
	Cooking Oil	67.7	7.6	-0.9	-0.9	-1.3	▶	▶	▶	▶	Terms of Trade Kgs of Wheat/Wheat flour										
JALALABAD	Wheat	20.5	15.3	17.8	-8.4	-2.4	▲	▲	▶	▶	KABUL	Casual Labor/Wheat	9.0	-36.4	-44.9	-35.5	-21.1	▼	▼	▼	▼
	Wheat/Flour (LP)	25.5	19.9	30.8	-1.4	-1.9	▲	▲	▶	▶	KANDAHAR	Casual Labor/Wheat	12.5	-8.8	-6.7	-8.7	-1.9	▶	▶	▶	▶
	Rice High Quality	77.3	30.8	39.8	1.3	-0.5	▲	▲	▶	▶	JALALABAD	Casual Labor/Wheat	12.7	-13.5	-26.4	13.4	2.4	▼	▼	▲	▶
	Rice Low Qaulity	48.4	49.7	91.6	-17.5	-1.5	▲	▲	▼	▶	HIRAT	Casual Labor/Wheat	14.3	-13.5	-25.3	-14.3	-6.0	▼	▼	▼	▼
	Cooking Oil	77.1	7.4	-5.2	-5.2	0.3	▶	▶	▶	▶	MAZAR	Casual Labor/Wheat	10.0	-29.5	-40.2	-26.9	-14.4	▼	▼	▼	▼
HIRAT	Wheat	21.0	29.6	33.9	16.7	6.4	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat	11.4	-21.5	-28.4	-34.1	-14.0	▼	▼	▼	▼
	Wheat/Flour (LP)	27.6	10.7	13.9	-13.7	0.9	▲	▲	▼	▶	MAIMANA	Casual Labor/Wheat	11.3	-29.6	-30.8	-43.8	-5.5	▼	▼	▼	▼
	Rice High Quality	71.5	21.6	33.6	-1.4	0.9	▲	▲	▶	▶	NILI	Casual Labor/Wheat	7.5	-16.6	-23.9	-22.9	18.6	▼	▼	▼	▲
	Rice Low Qaulity	25.4	-6.3	-5.0	-8.5	2.8	▶	▶	▶	▶	KABUL	Sheep /Wheat	220.0	-27.0	-30.3	-21.2	-8.4	▼	▼	▼	▼
	Cooking Oil	71.0	7.2	-5.4	-9.3	0.6	▶	▶	▶	▶	KANDAHAR	Sheep /Wheat	236.6	-21.9	-35.3	-15.5	-3.3	▼	▼	▼	▶
MAZAR	Wheat	20.5	28.5	22.4	7.9	6.5	▲	▲	▶	▲	JALALABAD	Sheep /Wheat	317.1	-13.5	-13.5	-27.2	2.4	▼	▼	▼	▶
	Wheat/Flour (LP)	25.8	18.7	32.1	-9.6	-1.0	▲	▲	▶	▶	HIRAT	Sheep /Wheat	219.0	-13.4	-23.6	-13.9	-6.0	▼	▼	▼	▼
	Rice High Quality	83.8	28.1	39.6	7.4	-4.3	▲	▲	▶	▶	MAZAR	Sheep /Wheat	307.3	-4.3	7.2	-2.7	-0.6	▶	▶	▶	▶
	Rice Low Qaulity	41.8	27.9	26.5	9.9	-2.9	▲	▲	▶	▶	FAIZABAD	Sheep /Wheat	176.6	19.3	29.5	8.0	-4.8	▲	▲	▶	▶
	Cooking Oil	75.8	8.1	-2.6	-4.1	-5.6	▶	▶	▶	▼	MAIMANA	Sheep /Wheat	300.0	-10.9	-3.9	-14.3	5.0	▼	▶	▼	▼
FAIZABAD	Wheat	21.9	10.3	-0.3	2.5	5.7	▲	▶	▶	▲	NILI	Sheep /Wheat	98.5	-39.1	-37.2	-41.3	4.4	▼	▼	▼	▶
	Wheat/Flour (LP)	32.8	12.9	2.6	0.1	-2.0	▲	▶	▶	▶	KABUL	Casual Labor/Wheat flour	8.3	-26.4	-33.3	-11.1	-12.3	▼	▼	▼	▼
	Rice High Quality	92.0	37.9	46.0	34.3	-3.2	▲	▲	▲	▶	KANDAHAR	Casual Labor/Wheat flour	12.8	2.6	-7.0	-5.9	-0.5	▶	▶	▶	▶
	Rice Low Qaulity	50.0	1.6	2.0	-7.7	-2.9	▶	▶	▶	▶	JALALABAD	Casual Labor/Wheat flour	10.2	-15.5	-33.7	5.5	2.0	▼	▼	▶	▶
	Cooking Oil	105.9	15.7	-3.8	5.9	-1.5	▲	▲	▶	▶	HIRAT	Casual Labor/Wheat flour	10.9	1.3	-12.2	15.8	-0.9	▶	▼	▲	▶
MAIMANA	Wheat	20.0	13.2	4.1	0.0	-4.8	▲	▶	▶	▶	MAZAR	Casual Labor/Wheat flour	8.0	-25.7	-44.6	-12.7	-8.0	▼	▼	▼	▼
	Wheat/Flour (LP)	27.0	14.9	28.7	-12.2	-6.1	▲	▲	▼	▼	FAIZABAD	Casual Labor/Wheat flour	7.6	-22.4	-30.4	-32.5	-7.2	▼	▼	▼	▼
	Rice High Quality	89.5	42.9	55.7	14.7	-1.6	▲	▲	▲	▶	MAIMANA	Casual Labor/Wheat flour	8.3	-31.5	-44.1	-35.9	-4.2	▼	▼	▼	▶
	Rice Low Qaulity	42.3	3.9	11.9	-29.6	-12.0	▶	▲	▼	▼	NILI	Casual Labor/Wheat flour	6.8	-3.4	-5.4	-3.2	23.5	▶	▶	▲	▲
	Cooking Oil	80.0	5.1	-3.5	-14.0	-0.3	▶	▶	▼	▶	KABUL	Sheep /Wheat flour	203.7	-15.9	-15.7	8.6	1.9	▼	▼	▶	▶
NILI	Wheat	33.5	24.1	31.4	8.1	0.4	▲	▲	▶	▶	KANDAHAR	Sheep /Wheat flour	243.4	-12.9	-35.5	-12.9	-2.0	▼	▼	▶	▶
	Wheat/Flour (LP)	37.0	7.7	5.7	-14.0	-3.6	▶	▶	▼	▶	JALALABAD	Sheep /Wheat flour	254.9	-16.7	-22.0	-32.4	2.0	▶	▼	▼	▶
	Rice High Quality	98.5	19.0	31.3	1.5	0.3	▲	▲	▲	▶	HIRAT	Sheep /Wheat flour	166.5	1.0	-10.3	16.3	-0.9	▶	▼	▲	▶
	Rice Low Qaulity	67.5	47.5	68.8	-18.2	0.4	▲	▲	▼	▶	MAZAR	Sheep /Wheat flour	244.7	0.6	-0.6	16.2	6.9	▶	▲	▲	▲
	Cooking Oil	87.5	15.6	9.4	2.9	-0.1	▲	▲	▶	▶	FAIZABAD	Sheep /Wheat flour	118.1	18.1	25.9	10.6	2.7	▲	▲	▶	▶
											MAIMANA	Sheep /Wheat flour	222.2	-13.2	-22.3	-2.4	6.5	▼	▼	▶	▲
											NILI	Sheep /Wheat flour	89.2	-29.3	-22.0	-26.2	8.7	▼	▼	▼	▲

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 Feb 2013 and 2Y = Compared to Feb 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