

Initial Market Price Bulletin for the month of **July 2014** (Reported in August 2014)

HIGHLIGHTS:

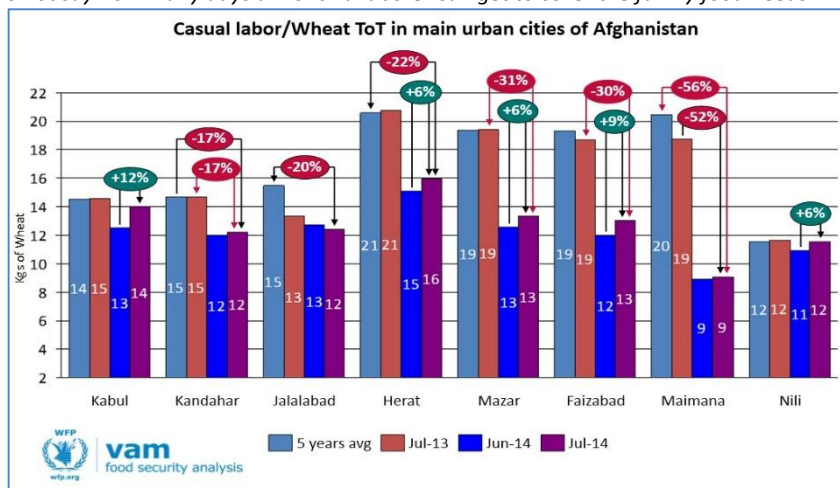
- Wheat: Average wheat grain retail price in the main cities of the country was increasing from August 2012 through March 2013, then it was decreasing during April – June 2013, slightly increased during July 2013 – May 2014, and slightly decreased from June - July 2014.
- The current average wheat price in main cities of Afghanistan is higher by 11.9% in comparison to the same time last year (July 2013), and by 27.6% compared to the last 5-year average price of the same months (July 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, followed by a slight decrease during January - February 2014. However, the price again increased during March - July 2014. The price was slightly higher by 7.4% compared to the same month last year (July 2013), and significantly higher by 26.4% compared to the last 5-year average price of the same months.
- Rice is considered as the 2nd main staple food in Afghanistan. The current average retail price of Rice (Low Quality) is slightly lower by 7% compared to the same month last year (July 2013) and significantly higher by 19% compared to the last 5-year average price of the same months. The current average price of High Quality Rice is slightly lower by 1.5% compared to the same month last year (July 2013), and by 31.2% 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.

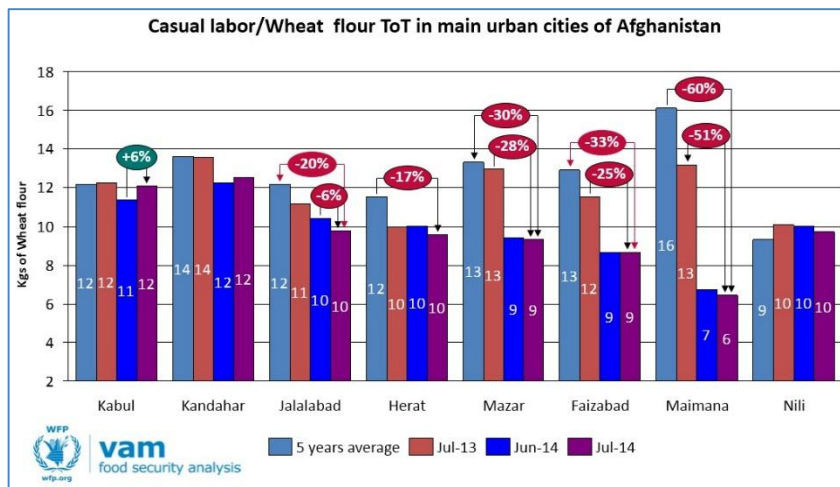
Wage labor-Wheat ToT average for the reporting month was 12.7 Kgs of Wheat. On average, this ToT improved (by 5%) from June to July 2014, mainly due to increased labor wage (by 7.9%) and decreased wheat price (by 4.3%). This improvement was also experienced in the same period during the three preceding years: 0.5% (June – July 2013) and 3.1% (June – July 2012), except in 2011 in which this ToT was deteriorated by 2.7% (June – July 2011).

- In comparison to the same month one year ago (July 2013), this ToT significantly deteriorated by 23%, mainly due to increased Wheat price (by 11.9%) and decreased labor wage (by 11.5%).
- On the two-year comparison (July 2012), this ToT significantly deteriorated by 33%.
- Compared to the 5-year average of the same months (July 2009-2013), this ToT significantly deteriorated by 25.2%.



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 9.8 Kgs of Wheat flour which negligibly deteriorated by 0.9% from



June to July 2014, and was mainly related to increased Wheat flour price (by 1.7%).

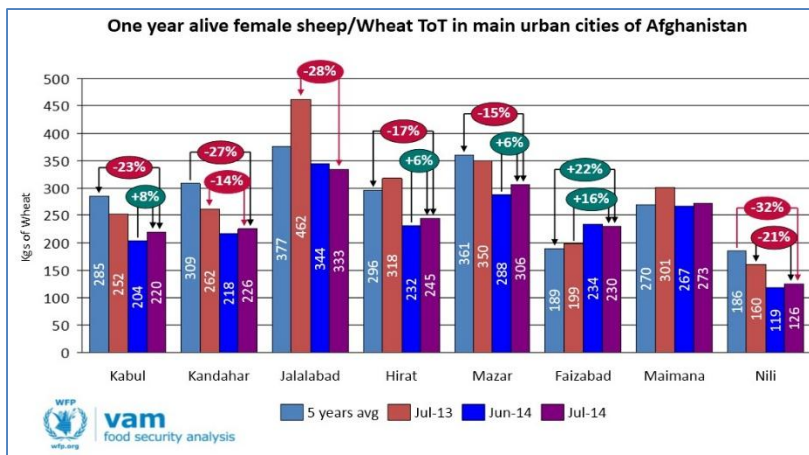
This improvement was also experienced in the same period during the three preceding years: 1% (June – July 2013), 3% (June – July 2012) and 1.7% (June – July 2011).

- Compared to the same month one year ago (July 2013), this ToT significantly deteriorated by 17.6%, mainly related to decreased labor wage (by 11.5%) and increased Wheat flour price (by 7.4%).
- On the two-year comparison (July 2012), this ToT significantly deteriorated by 32%.
- Compared to the 5-year average of the same months (July 2009-2013), this ToT significantly deteriorated by 22.8%.

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 245 Kgs of Wheat against one year alive female sheep, which slightly improved by 2.9% from June to July 2014. Main reason for improvement was decreased Wheat price (by 4.3%). This slight improvement was only experienced in 2012 during the last three preceding years, which improved by 1% (June – July 2012), while deteriorated by 1.6% from June – July 2013 and by 7.3% from June – July 2011.

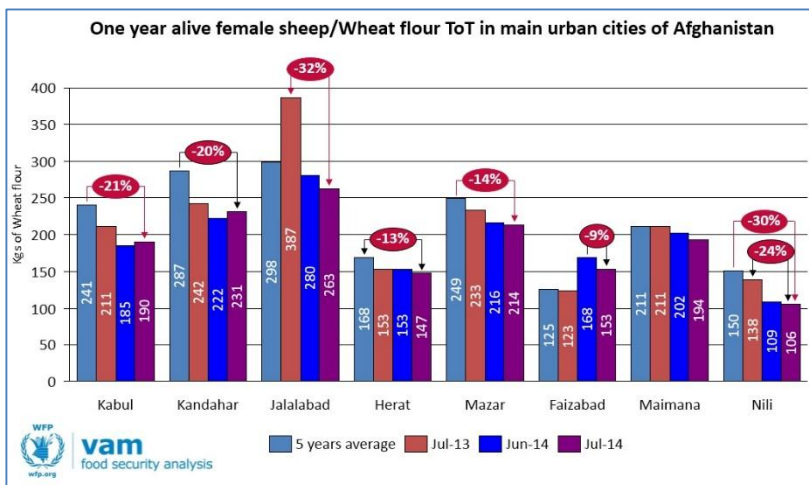
- Compared to the same month one year ago (July 2013), this ToT significantly deteriorated by 14.9%, mainly related to increased Wheat price (by 11.9%) and decreased Sheep price (by 4.1%)
- On the two-year comparison (July 2012), this ToT significantly deteriorated by 19.8%.
- Compared to 5-year average of the same months (July 2009-2013), this ToT significantly deteriorated by 13.8%.



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 187 Kgs of Wheat flour against one-year alive female sheep, which slightly deteriorated by 2.5% from June to July 2014. The deterioration was related to increased Wheat flour price (by 1.7%) and decreased Sheep price (by 0.9%). This deterioration was also experienced in last three preceding years: by 3.4% from June – July 2013, by 4.1% from June – July 2012 and by 5.7% from June – July 2011.

- Compared to the same month one year ago (July 2013), this ToT significantly deteriorated by 12%, mainly due to increased Wheat flour price (by 7.4%) and decreased Sheep price (by 4.1%).
- On the two-year comparison (July 2012), this ToT significantly deteriorated by 20.6%.
- Compared to 5-year average of the same months (July 2009-2013), this ToT significantly deteriorated by 13.5%.



Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of Wheat in main urban markets of Afghanistan was AFN 23.6/Kg in July 2014. Compared to the past month (June 2014), the average price decreased by 4.3%. Main reason for the decrease was seasonally decreased Wheat price after harvest. The highest decrease occurred in Faizabad (by 8%), Kabul (by 7.4%), Mazar (by 5.8%), Nili (by 5.5%) and Herat (by 5.3%). The variation in other main cities was within a normal limit (-2.2% to 3.1%). This decrease was not experienced in the last

three preceding years, while the price was increased: June – July 2013 (by 2%), June – July 2012 (by 1.2%) and in June – July 2011 (by 6.8%).

- Compared to the same month one year ago (July 2013), the average price significantly increased by 11.9%. The highest increase occurred in Hirat (30.1%), Faizabad (21.1%), Kandahar (19.9%), Mazar (12.5%) and Maimana (10%), mainly due to depreciation of Afghan currency against US dollar and increased imported Wheat flour price. The variation in other main cities was within a normal range (0.8% to 7.7%).
- On the two-year comparison (July 2012), the average price was significantly higher by 28.1%.
- Compared to the last 5-year average price of the same months (July 2009 - 2013), the price significantly increased by 27.6%.

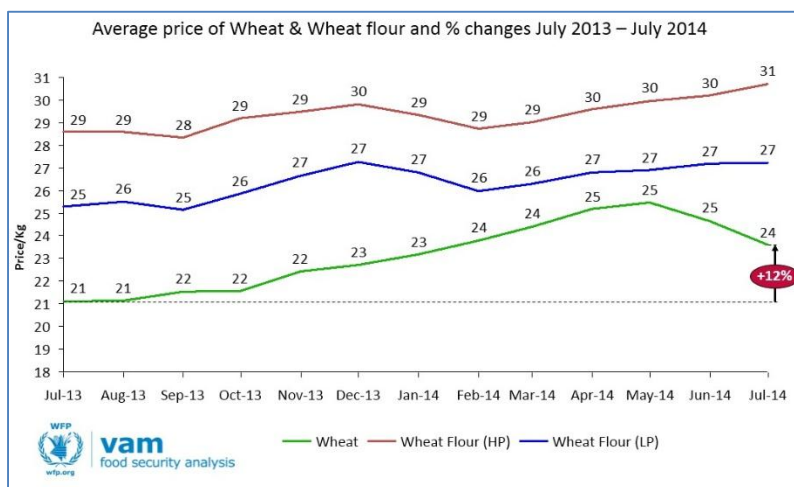
Retail Price of Wheat flour in Main Urban Cities:

Wheat flour (High Price): The monthly average price of Wheat flour (High Price) in main urban markets was AFN 30.7/Kg in the reporting month (July 2014). The average price negligibly increased by 1.7% compared to the previous month (June 2014). The highest increase occurred only in Jalalabad (by 6.5%), main reason for the increase was increased price of imported Wheat flour. The variation in other main cities was within a normal limit (-2.5% to 4.2%). This increase was also experienced in the last three preceding years: by 0.8% in June – July 2013, by 6.6% in June – July 2012 and by 5% in June – July 2011.

- Compared to the same month one year ago (July 2013), the current average price slightly increased by 7.4%. The highest increase occurred in Jalalabad (by 14.5%) and Faizabad (by 13%). The variation in other main cities was within a normal range (1.3% to 8.8%).
- Compared to the same month two years ago (July 2012), the average price of Wheat flour significantly increased by 27.4%.
- Compared to 5-year average price of the same months (July 2009-2013), the average price significantly increased by 26.4%.

Wheat flour (Low Price): The monthly average price of Wheat flour (Low Price) in main urban markets was AFN 27.2/Kg in the reporting month (July 2014). The average price negligibly increased by 0.1% compared to the previous month (June 2014). The variation in all main cities was within a normal limit (-4.5% to 4.5%). This increase was also experienced in the last three preceding years: by 3.5% in June – July 2013, by 4.9% in June – July 2012 and by 2% in June – July 2011.

- Compared to the same month one year ago (July 2013), the current average price slightly increased by 7.7%. The highest increase was noticed in Mazar (by 13.6%) and Maimana (11.5%). Main reason for the increase was increased price of imported Wheat flour. The variation in other main cities was normal (3.8% and 9.1%).



- Compared to the same month two years ago (July 2012), the average price significantly increased by 24.7%.

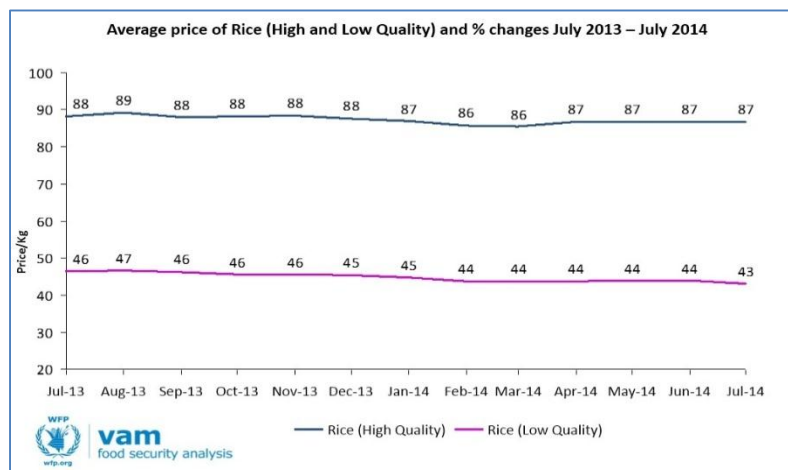
Retail Price of Rice in Main Urban Cities:

Rice (High Quality): The monthly average price of Rice (High Quality) was AFN 86.8/Kg in the reporting month (July 2014) which was unchanged compared to previous month (June 2014). The variation in all main cities was within a normal limit (-0.9% to 0.5%). In the last three preceding years, this unchanged price was not experienced, while the price was increase by 3% in June – July 2013, by 3.8% in June – July 2012 and by 1.3% in June – July 2011.

- Compared to the same month one year ago (July 2013), the average price slightly decreased by 1.5%. The variation in all main city markets was within a normal range (-5.8% to 3.6%).
- Compared to the same month two years ago (July 2012), the average price significantly increased by 26.5%.
- Compared to 5-year average price of the some months (July 2009-2013), the average price significantly increased by 31.2%.

Rice (Low Quality): The monthly average price of Rice (Low Quality) was AFN 43.2/Kg in the reporting month (July 2014), which was slightly decreased by 1.6% compared to the previous month (June 2014). The highest decrease occurred only in Jalalabad (by 6.6%), main reason for the decrease was daily price fluctuation. The variation in other main cities was normal (-3.6% to 0.7%). In the last three preceding years, this slight decrease was experienced, while the price was increased by 0.1% in June – July 2013, by 5.1% in June – July 2012 and unchanged in June – July 2011.

- Compared to the same month one year ago (July 2013), the average price slightly decreased by 7%. The largest decrease was seen in Jalalabad (25.3%) and Maimana (23.1%). The variation in remaining main city markets was within a normal range (-1.8% to 1.8%). Main reason for the decrease was maintained supply of Rice from Pakistan and India.
- Compared to the same month two years ago (July 2012), the average price significantly increased by 14.7%.
- Compared to 5-year average price of same months (July 2009-2013), the average price significantly increased by 19%.



Retail Price of Cooking Oil in Main Urban Cities:

The monthly average price of Cooking Oil was AFN 80.9/Kg in the reporting month (July 2014), which was unchanged compared to previous month (June 2014). The variation in all main cities was within a normal limit (-1.8% to 1.6%). In the last three preceding years, this change in price was not experienced, while the price was increased by 0.5% in June – July 2013, by 1.6%, in June – July 2012 and by 5.1% in June – July 2011.

- Compared to the same month one year ago (July 2013), the average price was negligibly decreased by 0.4%. The variation in all main cities was normal (-7.5% to 9.2%).
- Compared to the same month two years ago (July 2012), the average price slightly decreased by 4.3%.
- Compared to 5-year average of the same months (July 2009 – 2013), the current average price increased by 9.1%.

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

Salt: The average price of Salt for the month of July 2014 was AFN 14/Kg, which was negligibly decreased by 0.9% compared to previous month (June 2014), the highest decrease occurred only in Mazar (by 6.8%). The variation in other main cities was within a normal range (-1.3% to 0%).

Sugar: The average price of Sugar for the month of July 2014 was AFN 45/Kg, which slightly increased by 1.9% compared to the previous month (June 2014). The highest increase occurred only in Maimana (by 7.1%). The variation in other main cities was within a normal limit (-2.5% to 3.7%).

Number of days averagely worked a laborer: The monthly average number of days worked a laborer during July 2014 was reported 12 days. The highest number of days worked was in Kabul, Hirat and Nili (16 days), follow by Kandahar, Mazar, Faizabad and Maimana (12 days), and Jalalabad (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	25.1	31.6	4.1	-7.4	▲	▲	▲	▼	Livestock-One year live Sheep (Female)										
	Wheat/Flour (LP)	29.0	22.2	21.7	1.3	-2.5	▲	▲	▲	▲	KABUL	Sheep	5,500	-2.7	-6.0	-9.1	0.0	▲	▲	▲	▲
	Rice High Quality	96.5	47.0	48.5	3.6	0.5	▲	▲	▲	▲	KANDAHAR	Sheep	6,475	3.3	-3.7	3.6	2.0	▲	▲	▲	▲
	Rice Low Qaulity	50.0	50.9	51.5	1.8	0.0	▲	▲	▲	▲	JALALABAD	Sheep	7,000	7.0	0.0	-22.2	0.0	▲	▲	▼	▲
	Cooking Oil	80.8	6.6	-3.9	-7.5	-0.3	▲	▲	▲	▲	HIRAT	Sheep	4,600	13.8	2.2	0.0	0.0	▲	▲	▲	▲
KANDAHAR	Wheat	28.6	41.1	41.4	19.9	-1.9	▲	▲	▲	▲	MAZAR	Sheep	6,200	16.7	-7.5	-1.6	0.0	▲	▲	▲	▲
	Wheat/Flour (LP)	28.0	28.5	33.5	8.5	-1.9	▲	▲	▲	▲	FAIZABAD	Sheep	5,300	59.9	32.5	40.4	-9.4	▲	▲	▲	▲
	Rice High Quality	77.9	29.6	22.2	-3.0	0.3	▲	▲	▲	▲	MAIMANA	Sheep	6,000	24.5	12.7	-0.4	0.0	▲	▲	▲	▲
	Rice Low Qaulity	26.5	-13.1	-2.8	-0.6	0.7	▼	▲	▲	▲	NILI	Sheep	3,800	-16.2	0.0	-20.8	0.0	▼	▲	▼	▲
	Cooking Oil	69.4	9.6	-4.0	9.2	0.4	▲	▲	▲	▲	Terms of Trade Kgs of Wheat/Wheat flour										
JALALABAD	Wheat	21.0	20.7	21.6	7.7	3.1	▲	▲	▲	▲	KABUL	Casual Labor/Wheat	14.0	-3.4	-11.3	-3.9	12.0	▲	▼	▲	▲
	Wheat/Flour (LP)	26.6	21.5	25.3	14.5	6.5	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat	12.2	-16.7	-17.5	-16.6	1.9	▼	▼	▼	▲
	Rice High Quality	76.5	35.4	27.0	-0.8	0.0	▲	▲	▲	▲	JALALABAD	Casual Labor/Wheat	12.4	-19.9	-43.8	-7.1	-3.0	▼	▼	▼	▲
	Rice Low Qaulity	42.1	18.0	6.3	-25.3	-6.6	▲	▲	▲	▼	HIRAT	Casual Labor/Wheat	16.0	-22.5	-24.3	-23.1	5.6	▼	▼	▼	▲
	Cooking Oil	76.5	6.9	0.7	-5.3	0.0	▲	▲	▲	▲	MAZAR	Casual Labor/Wheat	13.3	-31.3	-36.3	-31.4	6.2	▼	▼	▼	▲
HIRAT	Wheat	18.8	34.9	31.9	30.1	-5.3	▲	▲	▲	▼	FAIZABAD	Casual Labor/Wheat	13.0	-32.5	-44.6	-30.2	8.7	▼	▼	▼	▲
	Wheat/Flour (LP)	31.3	29.2	37.7	4.2	4.3	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat	9.1	-55.5	-56.5	-51.5	2.3	▼	▼	▼	▲
	Rice High Quality	76.1	24.6	9.1	-5.8	0.0	▲	▲	▲	▲	NILI	Casual Labor/Wheat	11.6	0.4	-7.4	-0.8	5.8	▲	▲	▲	▲
	Rice Low Qaulity	28.7	8.4	2.5	1.4	-1.4	▲	▲	▲	▲	KABUL	Sheep /Wheat	220.0	-22.9	-28.5	-12.6	8.0	▼	▼	▼	▲
	Cooking Oil	75.4	8.6	-10.0	1.7	1.6	▲	▲	▼	▲	KANDAHAR	Sheep /Wheat	226.2	-26.7	-31.9	-13.6	4.0	▼	▼	▼	▲
MAZAR	Wheat	20.3	32.8	26.6	12.5	-5.8	▲	▲	▲	▼	JALALABAD	Sheep /Wheat	333.3	-11.5	-17.7	-27.8	-3.0	▼	▼	▼	▲
	Wheat/Flour (LP)	29.0	33.0	28.2	7.4	0.9	▲	▲	▲	▲	HIRAT	Sheep /Wheat	244.7	-17.4	-22.6	-23.1	5.6	▼	▼	▼	▲
	Rice High Quality	84.3	26.0	15.8	-3.7	-0.9	▲	▲	▲	▲	MAZAR	Sheep /Wheat	306.2	-15.1	-26.9	-12.5	6.2	▼	▼	▼	▲
	Rice Low Qaulity	40.5	19.6	-0.6	1.3	-3.6	▲	▲	▲	▲	FAIZABAD	Sheep /Wheat	230.4	22.0	-2.1	16.0	-1.5	▲	▲	▲	▲
	Cooking Oil	78.0	11.7	-5.5	2.6	0.0	▲	▲	▲	▲	MAIMANA	Sheep /Wheat	272.7	1.1	1.2	-9.5	2.3	▲	▲	▲	▲
FAIZABAD	Wheat	23.0	27.9	35.3	21.1	-8.0	▲	▲	▲	▼	NILI	Sheep /Wheat	125.6	-32.4	-20.7	-21.5	5.8	▼	▼	▼	▲
	Wheat/Flour (LP)	34.8	29.5	31.1	13.0	0.0	▲	▲	▲	▲	KABUL	Casual Labor/Wheat flour	12.1	-0.8	-4.2	-1.3	6.4	▲	▲	▲	▲
	Rice High Quality	95.0	32.2	39.7	-1.0	0.0	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat flour	12.5	-8.2	-12.6	-7.9	2.0	▲	▼	▲	▲
	Rice Low Qaulity	50.0	1.3	-3.8	-0.5	-1.5	▲	▲	▲	▲	JALALABAD	Casual Labor/Wheat flour	9.8	-19.7	-45.4	-12.7	-6.1	▼	▼	▼	▲
	Cooking Oil	100.0	11.5	-4.8	-0.7	0.0	▲	▲	▲	▲	HIRAT	Casual Labor/Wheat flour	9.6	-16.9	-27.4	-4.0	-4.2	▼	▼	▲	▲
MAIMANA	Wheat	22.0	19.6	11.4	10.0	-2.2	▲	▲	▲	▲	MAZAR	Casual Labor/Wheat flour	9.3	-30.1	-37.1	-28.2	-0.9	▼	▼	▼	▲
	Wheat/Flour (LP)	31.0	31.9	29.2	8.8	4.2	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat flour	8.6	-33.1	-42.8	-25.2	0.0	▼	▼	▼	▲
	Rice High Quality	88.0	30.7	19.7	-2.5	0.0	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat flour	6.5	-59.9	-62.5	-51.0	-4.0	▼	▼	▼	▲
	Rice Low Qaulity	40.0	2.3	-1.8	-23.1	0.0	▲	▲	▲	▼	NILI	Casual Labor/Wheat flour	9.7	4.5	0.5	-3.5	-2.8	▲	▲	▲	▲
	Cooking Oil	85.0	7.6	-7.1	5.6	0.0	▲	▲	▲	▲	KABUL	Sheep /Wheat flour	189.7	-21.2	-22.8	-10.3	2.6	▼	▼	▼	▲
NILI	Wheat	30.3	22.0	26.0	0.8	-5.5	▲	▲	▲	▼	KANDAHAR	Sheep /Wheat flour	231.0	-19.6	-27.9	-4.5	4.0	▼	▼	▼	▲
	Wheat/Flour (LP)	36.0	17.8	16.1	3.6	2.9	▲	▲	▲	▲	JALALABAD	Sheep /Wheat flour	262.9	-11.9	-20.2	-32.1	-6.1	▼	▼	▼	▲
	Rice High Quality	100.0	25.2	31.6	0.0	0.0	▲	▲	▲	▲	HIRAT	Sheep /Wheat flour	147.0	-12.7	-25.8	-4.0	-4.2	▼	▼	▲	▲
	Rice Low Qaulity	68.0	59.6	70.0	-1.8	0.0	▲	▲	▲	▲	MAZAR	Sheep /Wheat flour	213.8	-14.1	-27.8	-8.4	-0.9	▼	▼	▲	▲
	Cooking Oil	82.5	9.8	1.2	-5.2	-1.8	▲	▲	▲	▲	FAIZABAD	Sheep /Wheat flour	152.5	21.9	1.0	24.2	-9.4	▲	▲	▼	▲
											MAIMANA	Sheep /Wheat flour	193.5	-8.2	-12.8	-8.4	-4.0	▲	▼	▲	▲
											NILI	Sheep /Wheat flour	105.6	-29.8	-13.9	-23.6	-2.8	▼	▼	▼	▲

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 July 2013 and 2Y = Compared to July 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