

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

### HIGHLIGHTS:

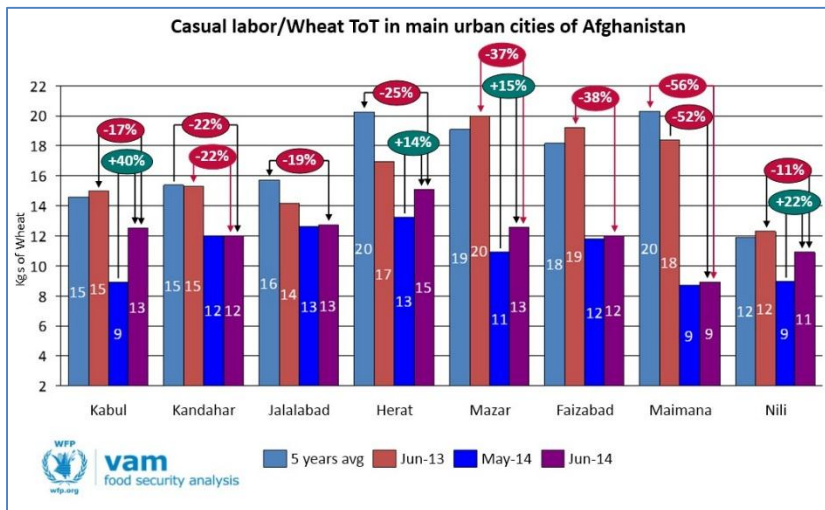
- Wheat: Average wheat grain retail price in the main cities of the country was increasing from August 2012 through March 2013, then it was decreasing during April – June 2013, slightly increased during July 2013 – May 2014, and slightly increased in the month of June 2014.
- The current average wheat price in main cities of Afghanistan is significantly higher by 19.2% in comparison to the same time last year (June 2013), and by 37% compared to the last 5-year average price of the same months (June 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 - June 2014. The price was slightly higher by 6.4% compared to the same month last year (June 2013), and significantly higher by 27.9% compared to the last 5-year average price of the same months.
- 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 5.5% compared to the same month last year (June 2013) and significantly higher by 22.9% compared to the last 5-year average price of the same months. The current average price of High Quality Rice is slightly higher by 1.4% compared to the same month last year (June 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.

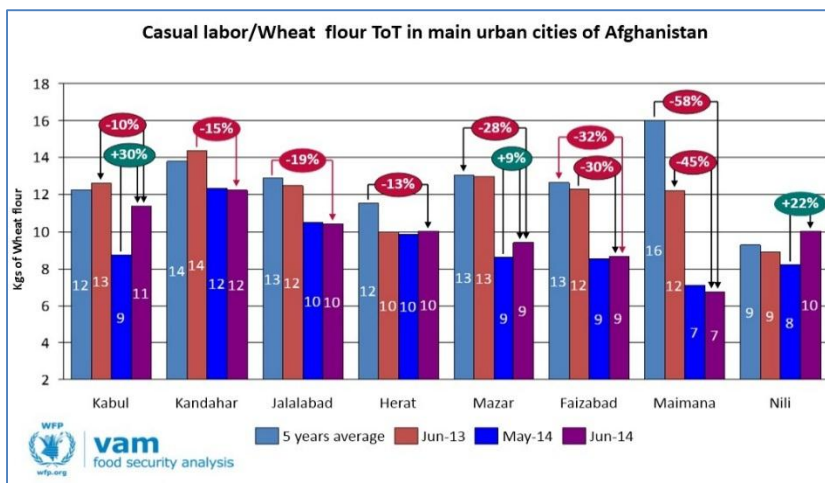
Wage labor-Wheat ToT average for the reporting month was 12.1 Kgs of Wheat. On average, this ToT significantly improved (by 11.1%) from May to June 2014, mainly due to increased labor wage (by 7.9%) and decreased wheat price (by 3.2%). This significant improvement was also experienced in the same period during the three preceding years: 8.5% (May – June 2013), 6.9% (May – June 2012) and 6.6% (May – June 2011).

- In comparison to the same month one year ago (June 2013), this ToT significantly deteriorated by 26.3%, mainly due to increased Wheat price (by 19.2%) and decreased labor wage (by 11.2%).
- On the two-year comparison (June 2012), this ToT significantly deteriorated by 34.2%.
- Compared to the 5-year average of the same months (June 2009-2013), this ToT significantly deteriorated by 28.5%.



**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 significantly improved by 6.7% from May to June 2014, and was mainly related increased labor wage (by 7.9%).



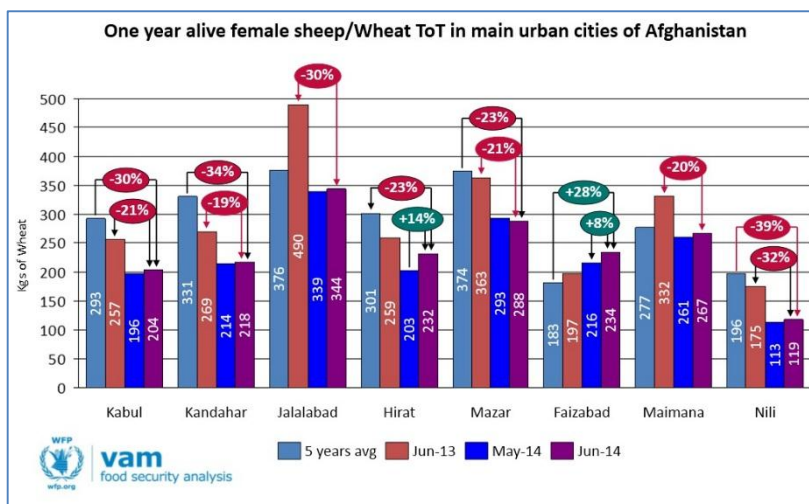
This improvement was also experienced in the same period during the three preceding years: 5.1% (May – June 2013), 2.1% (May – June 2012) and 7.5% (May – June 2011).

- Compared to the same month one year ago (June 2013), this ToT significantly deteriorated by 17.7%, mainly related to decreased labor wage (by 11.2%) and increased Wheat flour price (by 6.4%).
- On the two-year comparison (June 2012), this ToT significantly deteriorated by 33.4%.
- Compared to the 5-year average of the same months (June 2009-2013), this ToT significantly deteriorated by 22.3%.

**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.*

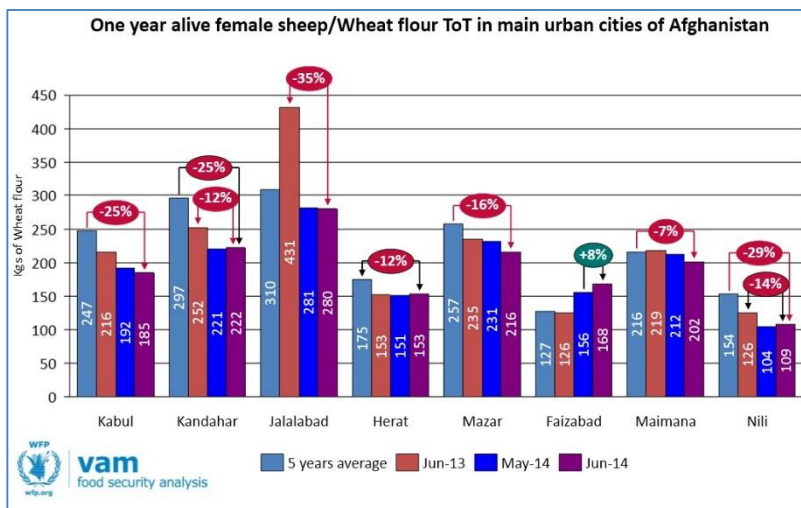
Sheep-Wheat ToT for the reporting month was 238 Kgs of Wheat against one year alive female sheep, which slightly improved by 3.7% from May to June 2014. Main reason for improvement was decreased Wheat price (by 3.2%). This slight improvement was not experienced in the same period during the three preceding years, while deteriorated by 5.2% (May – June 2013), 1.5% (May – June 2012) and 2.2% (May – June 2011).

- Compared to the same month one year ago (June 2013), this ToT significantly deteriorated by 18.7%, mainly related to increased Wheat price (by 19.2%) and decreased Sheep price (by 3.6%)
- On the two-year comparison (June 2012), this ToT significantly deteriorated by 21.2%.
- Compared to 5-year average of the same months (June 2009-2013), this ToT significantly deteriorated by 18.3%.



**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 192 Kgs of Wheat flour against one-year alive female sheep, which negligibly deteriorated by 0.9% from May to June 2014. The deterioration was related to increased Wheat flour price (by 0.8%). This deterioration was experienced in May – June 2012 (by 7%) and May – June 2011 (by 0.5%) in the same period of last three preceding years, while improved by 0.4% from May – June 2013.
- Compared to the same month one year ago (June 2013), this ToT significantly deteriorated by 12.8%, mainly due to increased Wheat flour price (by 6.4%) and decreased Sheep price (by 3.6%).
- On the two-year comparison (June 2012), this ToT significantly deteriorated by 22%.
- Compared to 5-year average of the same months (June 2009-2013), this ToT significantly deteriorated by 16%.



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

- The monthly average price of Wheat in main urban markets of Afghanistan was AFN 24.7/Kg in June 2014. Compared to the past month (May 2014), the average price slightly decreased by 3.2%. Main reason for the decrease was seasonally decreased Wheat price during harvest period. The highest decrease occurred only in Herat (by 12.3%). The variation in other main cities was within a normal limit (-4.5% to 0%). This decrease was also experienced in the last three preceding years: May – June 2013 (by 5.2%), May – June 2012 (by 1.5%) and in May – June 2011 (by 2.2%).

- Compared to the same month one year ago (June 2013), the average price significantly increased by 19.2%. The highest increase occurred in Faizabad (29.9%), Kandahar (27.7%), Mazar (22.9%), Maimana (18.4%), Nili (16.4%), Kabul (15.5%) and Jalalabad (10.9%), mainly due to depreciation of Afghan currency against US dollar and increased imported Wheat flour price.
- On the two-year comparison (June 2012), the average price was significantly higher by 35.5%.
- Compared to the last 5-year average price of the same months (June 2009 - 2013), the price significantly increased by 37%.

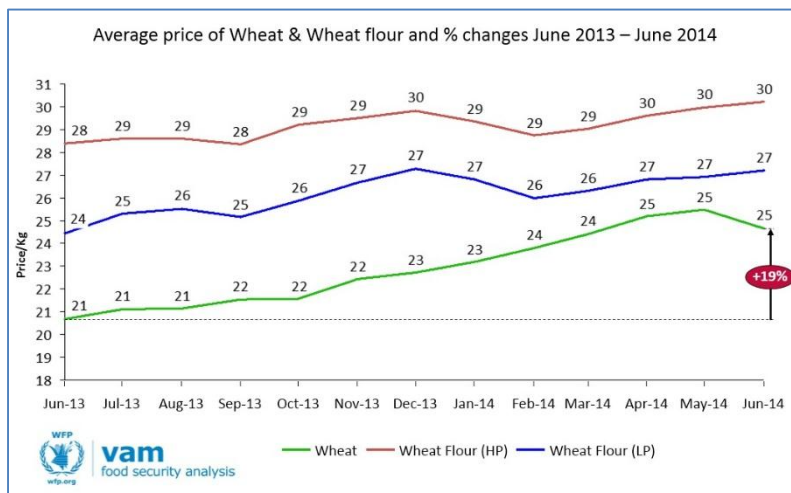
### Retail Price of Wheat Flour in Main Urban Cities:

**Wheat flour (High Price):** The monthly average price of Wheat flour (High Price) in main urban markets was AFN 30.2/Kg in the reporting month (June 2014). The average price negligibly increased by 0.8% compared to the previous month (May 2014). The highest increase occurred in Mazar (by 5.5%) and Maimana (by 5.3%), main reason for the increase was increased price of imported Wheat flour. The variation in other main cities was within a normal limit (-4.1% to 3.9%). In the last three preceding years, this slight increase was only experienced in May – June 2012 (increased by 1.9%), while it was slightly decreased by 3.5% in May – June 2013, and by 2.1% in May – June 2011.

- Compared to the same month one year ago (June 2013), the current average price slightly increased by 6.4%. The highest increase occurred in Jalalabad (19.8%), Kandahar (by 17.2%) and Faizabad (15.4%). The variation in other main cities was within a normal range (-7.9% to 7.2%).
- Compared to the same month two years ago (June 2012), the average price of Wheat flour significantly increased by 33.4%.
- Compared to 5-year average price of the same months (June 2009-2013), the average price significantly increased by 27.9%.

**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 (June 2014). The average price slightly increased by 1.2% compared to the previous month (May 2014). The highest increase occurred in Mazar (7.6%) and Maimana (5.7%). The variation in other main cities was within a normal limit (-4.9% to 4.3%). In the last three preceding years, this slight increase was only experienced in May – June 2012 (increased by 1.9%), while it slightly decreased by 2.3% in May – June 2013, and 1% in May – June 2011.

- Compared to the same month one year ago (June 2013), the current average price significantly increased by 11.3%. The highest increase was noticed in Kandahar (by 16.1%), Jalalabad (14.3%), Maimana (13.3%), Mazar (12.5%) and Kabul (12.2%). Main reason for the increase was due to reduced supply caused by deteriorated insecurity and increased price of imported Wheat flour in Pakistan border towns. The variation in Faizabad and Nili main cities was normal (8.7% and 5.4%).
- Compared to the same month two years ago (June 2012), the average price significantly increased by 30.7%.



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

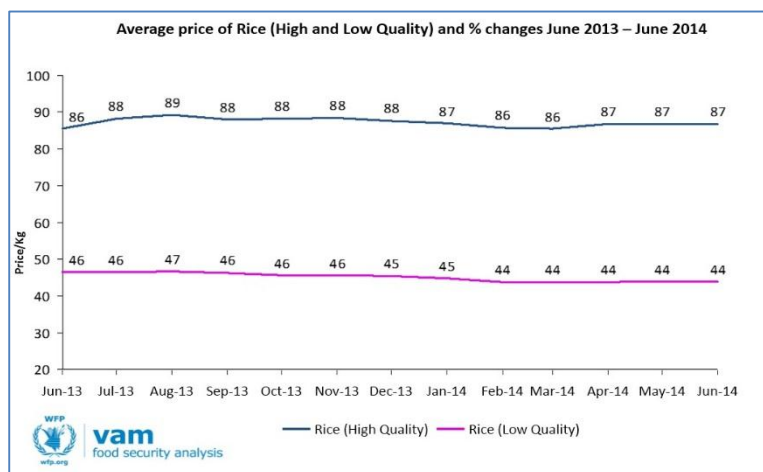
- **Rice (High Quality):** The monthly average price of Rice (High Quality) was AFN 86.8/Kg in the reporting month (June 2014) which was unchanged compared to previous month (May 2014). The variation in all main cities was within a normal limit (-0.5% to 0.3%). In the last three preceding years, this unchanged price was not experienced, while the price was increase by 6.1% in May – June 2013, 2.6% in May – June 2012 and decreased by 1.2% in May – June 2011.
- Compared to the same month one year ago (June 2013), the average price slightly increased by 1.4%. The variation in all main city markets was within a normal range (-1.2% to 5.2%).
- Compared to the same month two years ago (June 2012), the average price significantly increased by 31.3%.
- Compared to 5-year average price of the some months (June 2009-2013), the average price significantly increased by 33.4%.

**Rice (Low Quality):** The monthly average price of Rice (Low Quality) was AFN 43.9/Kg in the reporting month (June 2014), which was negligibly decreased by 0.2% compared to the previous month (May 2014). The variation in all main cities was normal (-5% to 2%).

In the last three preceding years, this slight decrease was experienced in May – June 2013 (by 1.5%) and in May – June 2011 (by 1.9%), while it was slightly increased by 3.1% in May – June 2012.



- Compared to the same month one year ago (June 2013), the average price slightly decreased by 5.5%. The largest decrease was seen in Maimana (21.6%) and Jalalabad (20.1%). The variation in remaining main city markets was within a normal range (-3.2% to 5%). Main reason for the decrease was maintained supply of Rice from Pakistan and India.
- Compared to the same month two years ago (June 2012), the average price significantly increased by 22.5%.
- Compared to 5-year average price of same months (June 2009-2013), the average price significantly increased by 22.9%.



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

The monthly average price of Cooking Oil was AFN 81/Kg in the reporting month (June 2014), which was negligibly increased (by 0.2%) compared to the previous month (May 2014). The variation in all main cities was within a normal limit (-0.6% to 1%). In the last three preceding years, this slight increase was experienced in May – June 2013 was unchanged, in May – June 2012 was increased by 1.1%, and in May – June 2011 was increased by 2.7%.

- Compared to the same month one year ago (June 2013), the average price was negligibly increased by 0.2%. The variation in all main cities was normal (-6.1% to 9%).
- Compared to the same month two years ago (June 2012), the average price slightly decreased by 2.7%.
- Compared to 5-year average of the same months (June 2009 – 2013), the current average price increased by 10.7%.

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

**Salt:** The average price of Salt for the month of June 2014 was AFN 14/Kg, which was unchanged compared to previous month (May 2014).

**Sugar:** The average price of Sugar for the month of June 2014 was AFN 44.1/Kg, which negligibly decreased by 0.1% compared to the previous month (May 2014). The highest decrease occurred only in Nili (by 5.1%). The variation in all main cities was within a normal limit (0% to 3.7%).

**Number of days averagely worked a laborer:** The monthly average number of days worked a laborer during June 2014 was reported 12 days. The highest number of days worked was in Nili (20 days), follow by Kabul and Hirat (16 days), Kandahar, Jalalabad Mazar, Faizabad and Maimana (12 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	27.0	39.4	46.9	15.5	-3.6	▲	▲	▲	▲	Livestock-One year live Sheep (Female)										
	Wheat/Flour (LP)	29.8	29.4	32.5	7.2	3.9	▲	▲	▲	▲	KABUL	Sheep	5,500	-2.0	-5.2	-8.3	0.0	▲	▲	▲	▲
	Rice High Quality	96.0	50.0	61.3	5.2	0.0	▲	▲	▲	▲	KANDAHAR	Sheep	6,348	2.0	-10.0	3.2	1.4	▲	▼	▲	▲
	Rice Low Qaulity	50.0	55.8	63.9	4.2	0.0	▲	▲	▲	▲	JALALABAD	Sheep	7,000	11.0	17.2	-22.2	0.0	▲	▲	▼	▲
	Cooking Oil	81.0	9.2	-4.7	-6.1	0.0	▲	▲	▲	▲	HIRAT	Sheep	4,600	13.3	-1.1	0.0	0.0	▲	▲	▲	▲
KANDAHAR	Wheat	29.2	54.4	52.2	27.7	-0.1	▲	▲	▲	▲	MAZAR	Sheep	6,200	15.6	-8.1	-2.4	-1.6	▲	▲	▲	▲
	Wheat/Flour (LP)	28.6	36.2	36.6	17.2	0.6	▲	▲	▲	▲	FAIZABAD	Sheep	5,850	78.1	51.9	53.9	6.4	▲	▲	▲	▲
	Rice High Quality	77.6	32.2	26.0	1.8	0.3	▲	▲	▲	▲	MAIMANA	Sheep	6,000	24.6	20.0	-4.8	0.0	▲	▲	▲	▲
	Rice Low Qaulity	26.3	-15.0	-2.5	-0.2	2.0	▼	▲	▲	▲	NILI	Sheep	3,800	-16.7	0.0	-20.8	0.0	▼	▲	▼	▲
	Cooking Oil	69.1	10.1	-4.6	9.0	0.1	▲	▲	▲	▲	Terms of Trade Kgs of Wheat/Wheat flour										
JALALABAD	Wheat	20.4	20.5	26.4	10.9	-1.2	▲	▲	▲	▲	KABUL	Casual Labor/Wheat	12.5	-14.3	-23.5	-16.5	40.0	▼	▼	▼	▲
	Wheat/Flour (LP)	25.0	21.7	29.9	19.8	0.5	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat	12.0	-21.8	-23.3	-21.7	0.1	▼	▼	▼	▲
	Rice High Quality	76.5	40.4	35.4	1.0	0.0	▲	▲	▲	▲	JALALABAD	Casual Labor/Wheat	12.8	-18.8	-41.2	-9.8	1.2	▼	▼	▲	▲
	Rice Low Qaulity	45.1	34.0	36.7	-20.1	-5.0	▲	▲	▼	▼	HIRAT	Casual Labor/Wheat	15.1	-25.2	-21.5	-10.6	14.0	▼	▼	▼	▲
	Cooking Oil	76.5	7.9	-0.6	-5.6	0.0	▲	▲	▲	▲	MAZAR	Casual Labor/Wheat	12.6	-34.2	-34.1	-37.2	14.9	▼	▼	▼	▲
HIRAT	Wheat	19.9	42.2	27.4	11.8	-12.3	▲	▲	▲	▼	FAIZABAD	Casual Labor/Wheat	12.0	-34.0	-42.7	-37.6	2.0	▼	▼	▼	▲
	Wheat/Flour (LP)	30.0	27.2	39.5	-0.4	-1.5	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat	8.9	-56.2	-58.9	-51.7	2.2	▼	▼	▼	▲
	Rice High Quality	76.1	25.3	11.5	-1.2	0.3	▲	▲	▲	▲	NILI	Casual Labor/Wheat	10.9	-7.8	-12.5	-10.9	22.1	▼	▼	▼	▲
	Rice Low Qaulity	29.1	8.4	5.8	3.0	1.7	▲	▲	▲	▲	KABUL	Sheep /Wheat	203.7	-30.5	-35.5	-20.6	3.7	▼	▼	▼	▲
	Cooking Oil	74.2	7.1	-9.4	-5.2	-0.6	▲	▲	▲	▲	KANDAHAR	Sheep /Wheat	217.6	-34.2	-40.8	-19.2	1.4	▼	▼	▼	▲
MAZAR	Wheat	21.5	44.1	34.4	22.9	0.0	▲	▲	▲	▲	JALALABAD	Sheep /Wheat	343.6	-8.7	-7.2	-29.9	1.2	▲	▲	▼	▲
	Wheat/Flour (LP)	28.8	34.2	40.2	6.5	5.5	▲	▲	▲	▲	HIRAT	Sheep /Wheat	231.7	-23.1	-22.4	-10.6	14.0	▼	▼	▼	▲
	Rice High Quality	85.0	29.3	24.1	2.1	0.0	▲	▲	▲	▲	MAZAR	Sheep /Wheat	288.4	-23.0	-31.6	-20.5	-1.6	▼	▼	▼	▲
	Rice Low Qaulity	42.0	23.7	5.0	5.0	0.0	▲	▲	▲	▲	FAIZABAD	Sheep /Wheat	234.0	28.1	9.0	18.5	8.5	▲	▲	▲	▲
	Cooking Oil	78.0	13.2	-2.5	6.8	1.0	▲	▲	▲	▲	MAIMANA	Sheep /Wheat	266.7	-3.6	-1.4	-19.6	2.2	▲	▲	▼	▲
FAIZABAD	Wheat	25.0	36.2	39.2	29.9	-2.0	▲	▲	▲	▲	NILI	Sheep /Wheat	118.8	-39.5	-25.0	-32.0	4.7	▼	▼	▼	▲
	Wheat/Flour (LP)	34.8	32.6	31.6	15.4	-1.4	▲	▲	▲	▲	KABUL	Casual Labor/Wheat flour	11.3	-7.3	-15.1	-10.1	29.9	▲	▼	▼	▲
	Rice High Quality	95.0	31.8	39.7	-1.0	-0.5	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat flour	12.2	-11.2	-14.6	-14.7	-0.6	▼	▼	▼	▲
	Rice Low Qaulity	50.8	4.5	-2.4	-1.0	1.5	▲	▲	▲	▲	JALALABAD	Casual Labor/Wheat flour	10.4	-19.1	-42.8	-16.5	-0.5	▼	▼	▼	▲
	Cooking Oil	100.0	15.8	-2.4	-0.5	0.0	▲	▲	▲	▲	HIRAT	Casual Labor/Wheat flour	10.0	-13.3	-28.3	0.4	1.5	▼	▼	▲	▲
MAIMANA	Wheat	22.5	26.0	21.6	18.4	-2.2	▲	▲	▲	▲	MAZAR	Casual Labor/Wheat flour	9.4	-28.0	-36.9	-27.6	8.9	▼	▼	▼	▲
	Wheat/Flour (LP)	29.8	29.6	41.7	3.5	5.3	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat flour	8.6	-31.7	-39.2	-29.7	1.4	▼	▼	▼	▲
	Rice High Quality	88.0	36.5	24.8	2.9	0.0	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat flour	6.7	-58.0	-64.7	-44.8	-5.0	▼	▼	▼	▲
	Rice Low Qaulity	40.0	7.0	8.8	-21.6	0.0	▲	▲	▲	▼	NILI	Casual Labor/Wheat flour	10.0	8.0	-3.3	12.6	21.7	▲	▲	▲	▲
	Cooking Oil	85.0	9.5	-0.3	8.3	0.9	▲	▲	▲	▲	KABUL	Sheep /Wheat flour	184.9	-25.3	-28.4	-14.5	-3.8	▼	▼	▼	▲
NILI	Wheat	32.0	34.2	33.3	16.4	-4.5	▲	▲	▲	▲	KANDAHAR	Sheep /Wheat flour	222.1	-28.9	-34.1	-12.0	0.7	▼	▼	▼	▲
	Wheat/Flour (LP)	35.0	15.9	20.7	-7.9	-4.1	▲	▲	▲	▲	JALALABAD	Sheep /Wheat flour	280.0	-11.2	-9.8	-35.1	-0.5	▼	▲	▼	▲
	Rice High Quality	100.0	24.5	31.6	0.3	0.0	▲	▲	▲	▲	HIRAT	Sheep /Wheat flour	153.3	-17.6	-29.1	0.4	1.5	▼	▼	▲	▲
	Rice Low Qaulity	68.0	60.9	70.0	-3.2	0.0	▲	▲	▲	▲	MAZAR	Sheep /Wheat flour	215.7	-12.6	-34.5	-8.3	-6.7	▼	▼	▲	▼
	Cooking Oil	84.0	11.7	2.4	-2.0	0.0	▲	▲	▲	▲	FAIZABAD	Sheep /Wheat flour	168.3	33.0	15.4	33.5	7.9	▲	▲	▼	▲
											MAIMANA	Sheep /Wheat flour	201.7	-15.4	-15.3	-8.0	-5.0	▼	▼	▲	▼
											NILI	Sheep /Wheat flour	108.6	-28.8	-17.1	-14.0	4.3	▼	▼	▼	▲

**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 June 2013 and 2Y = Compared to June 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