

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

### HIGHLIGHTS:

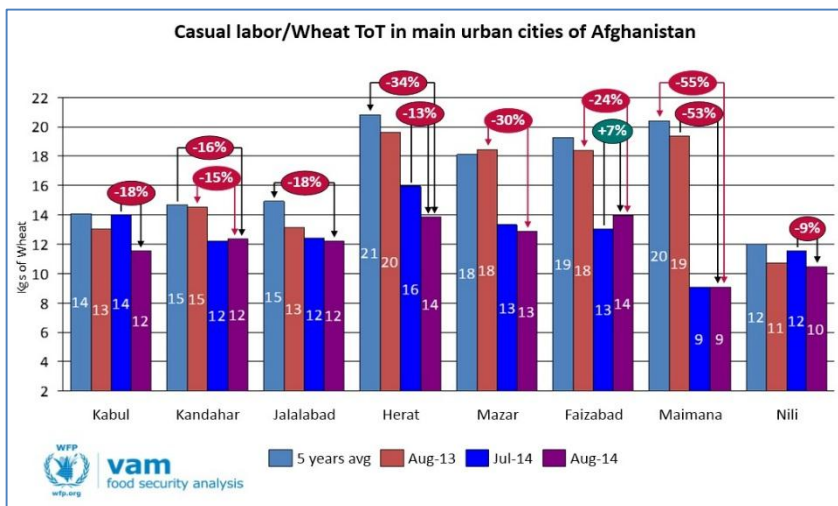
- Wheat: Average wheat grain retail price in the main cities of the country was increasing from August 2012 through March 2013, then it was decreasing during April – June 2013, slightly increased during July 2013 – May 2014, and slightly decreased from June - July 2014, the average price was increased in the current month (August 2014).
- The current average wheat price in main cities of Afghanistan (24.1 AFN/Kg) is higher by 14% in comparison to the same time last year (August 2013), and by 29.1% compared to the last 5-year average price of the same months (August 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 - August 2014. The price was slightly higher by 7.8% compared to the same month last year (August 2013), and significantly higher by 23% 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 8.6% compared to the same month last year (August 2013) and significantly higher by 15.4% compared to the last 5-year average price of the same months. The current average price of High Quality Rice is slightly lower by 2.8% compared to the same month last year (August 2013), and by 30.1% higher 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.

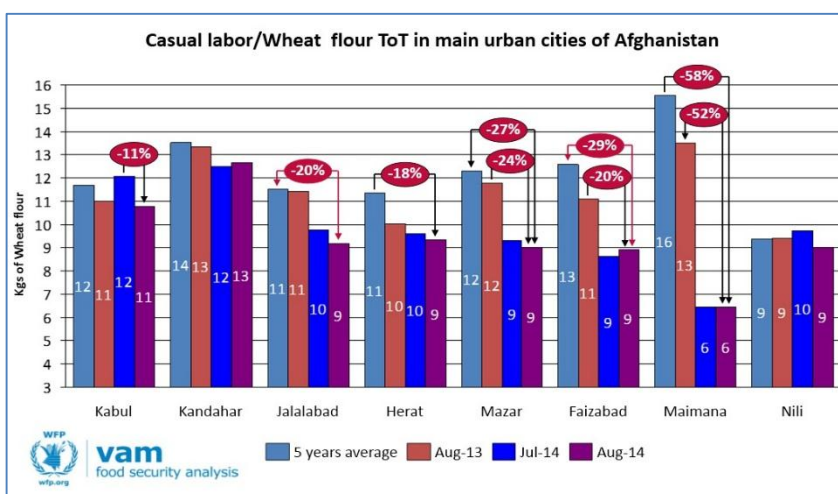
Wage labor-Wheat ToT average for the reporting month was 12 Kgs of Wheat. On average, this ToT deteriorated (by 5.2%) from July to August 2014, mainly due to decreased labor wage (by 3.2%) and increased Wheat price (by 2.1%). This deterioration was also experienced in the same period during the three preceding years: 3.5% (July – August 2013) and 2.3% (July – August 2012), except in 2011 in which this ToT was improved by 4.6% (July – August 2011).

- In comparison to the same month one year ago (August 2013), this ToT significantly deteriorated by 24.3%, mainly due to increased Wheat price (by 14%) and decreased labor wage (by 11.3%).
- On the two-year comparison (August 2012), this ToT significantly deteriorated by 35%.
- Compared to the 5-year average of the same months (August 2009-2013), this ToT significantly deteriorated by 28.2%.



**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 9.4 Kgs of Wheat flour which slightly deteriorated by 3.5% from July to August 2014, and was mainly related to



decreased labor wage (by 3.2%) and increased Wheat flour price (by 0.4%).

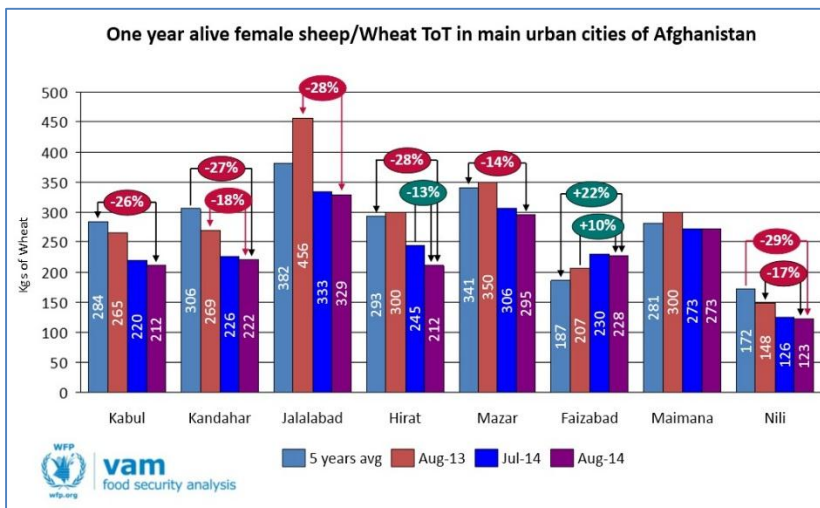
This deterioration was also experienced in the same period during the three preceding years: 3.3% (July – August 2013) and 6.2% (July – August 2012), except in 2011 in which this ToT was improved by 5.9% (July – August 2011).

- Compared to the same month one year ago (August 2013), this ToT significantly deteriorated by 17.7%, mainly related to decreased labor wage (by 11.3%) and increased Wheat flour price (by 7.8%).
- On the two-year comparison (August 2012), this ToT significantly deteriorated by 30%.
- Compared to the 5-year average of the same months (August 2009-2013), this ToT significantly deteriorated by 23%.

**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.*

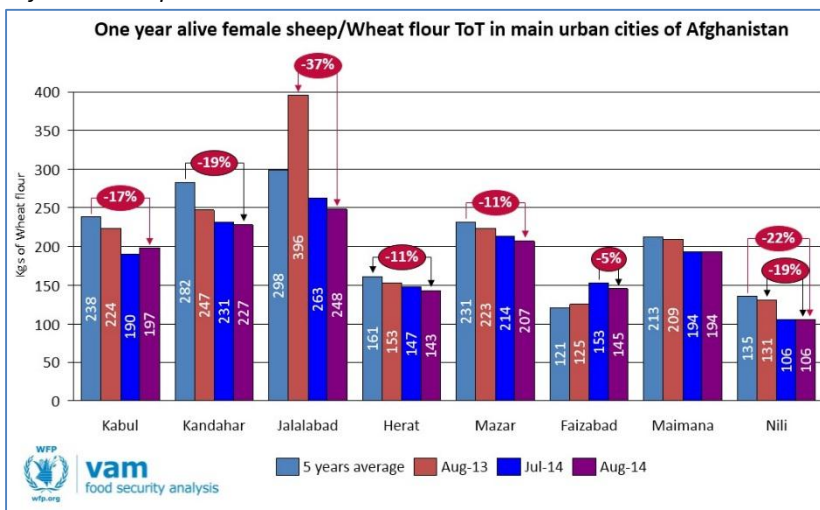
Sheep-Wheat ToT for the reporting month was 237 Kgs of Wheat against one year alive female sheep, which slightly deteriorated by 3.4% from July to August 2014. Main reason for deterioration was increased Wheat price (by 2.1%) and decreased Sheep price (by 1.3%). This deterioration was also experienced in the same period during the three preceding years: 0.4% (July – August 2013) and 3.6% (July – August 2011), except in 2012 in which this ToT was negligibly improved by 0.3% (July – August 2012).

- Compared to the same month one year ago (August 2013), this ToT significantly deteriorated by 17.5%, mainly related to increased Wheat price (by 14%) and decreased Sheep price (by 5.5%)
- On the two-year comparison (August 2012), this ToT significantly deteriorated by 22.7%.
- Compared to 5-year average of the same months (July 2009-2013), this ToT significantly deteriorated by 15.7%.



**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 183 Kgs of Wheat flour against one-year alive female sheep, which slightly deteriorated by 2% from July to August 2014. The deterioration was related to decreased Sheep price (by 1.3%) and increased Wheat flour price (by 0.4%). This deterioration was also experienced in the same period during the three preceding years: 3.3% (July – August 2012) and 1.8% (July – August 2011), except in 2013 in which this ToT was negligibly improved by 0.5% (July – August 2013).
- Compared to the same month one year ago (August 2013), this ToT significantly deteriorated by 14.1%, mainly due to increased Wheat flour price (by 7.8%) and decreased Sheep price (by 5.5%).



- On the two-year comparison (August 2012), this ToT significantly deteriorated by 19.5%.
- Compared to 5-year average of the same months (August 2009-2013), this ToT significantly deteriorated by 12.7%.

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

- The monthly average price of Wheat in main urban markets of Afghanistan was AFN 24.1/Kg in August 2014. Compared to the past month (July 2014), the average price increased by 2.1%. The highest increase occurred only in Herat (by 15.6%), main reason for the increase was increased demand by traders to purchase Wheat in bulk in order to supply to other neighbouring

provincial markets, while significant decrease occurred only in Faizabad (6.5%). The variation in other main cities was within a normal limit (-1% to 4%). This increase was also experienced in the last three preceding years: increased by 0.2% (July – August 2013), and by 1.3% (July – August 2012), while negligibly decreased by 0.1% in July – August 2011.

- Compared to the same month one year ago (August 2013), the average price significantly increased by 14%. The highest increase occurred in Hirat (41.8%), Kandahar (17.5%), Mazar (16.7%), Faizabad (13.2%), Kabul (13%) and Maimana (10%), mainly due to increased price of imported Wheat flour. The variation in Jalalabad and Nili main cities was within a normal range (3.3% to 7.6%).
- On the two-year comparison (August 2012), the average price was significantly higher by 29%.
- Compared to the last 5-year average price of the same months (August 2009 - 2013), the price significantly increased by 29.1%.

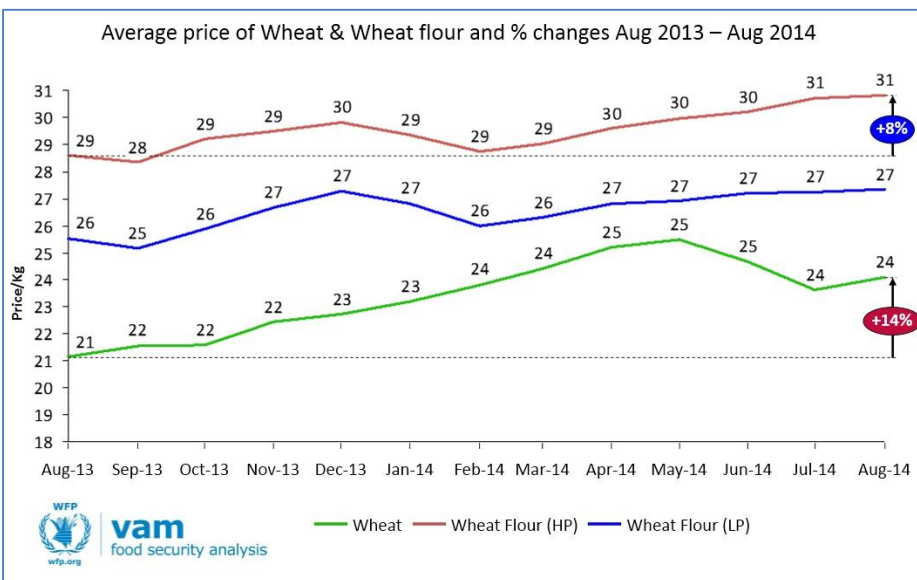
### Retail Price of Wheat flour in Main Urban Cities:

**Wheat flour (High Price):** The monthly average price of Wheat flour (High Price) in main urban markets was AFN 30.8/Kg in the reporting month (August 2014). The average price negligibly increased by 0.4% compared to the previous month (July 2014). The highest increase occurred only in Jalalabad (by 6.1%), main reason for the increase was increased price of imported Wheat flour in border town market. The variation in other main cities was within a normal limit (-3.9% to 3.4%). This increase was only experienced in 2012 in the last three preceding years: increased by 6.1% in July – August 2012, remained unchanged in July – August 2013 and slightly decreased by 1.5% in July – August 2011.

- Compared to the same month one year ago (August 2013), the current average price slightly increased by 7.8%. The highest increase occurred in Jalalabad (by 24.2%). The variation in other main cities was within a normal range (2.3% to 7.8%).
- Compared to the same month two years ago (August 2012), the average price of Wheat flour significantly increased by 20.5%.
- Compared to 5-year average price of the same months (August 2009-2013), the average price significantly increased by 23%.

**Wheat flour (Low Price):** The monthly average price of Wheat flour (Low Price) in main urban markets was AFN 27.4/Kg in the reporting month (August 2014). The average price negligibly increased by 0.4% compared to the previous month (July 2014). The highest increase occurred only in Jalalabad (by 5.8%), while a decrease occurred only in Faizabad (by 5.6%). The variation in other main cities was within a normal limit (-1.4% to 4%). This increase was also experienced in the last three preceding years: by 0.9% in July – August 2013 and by 3% in July – August 2012, while decreased by 2.7% in July – August 2011.

- Compared to the same month one year ago (August 2013), the current average price increased by 7.1%. The highest increase was noticed in Mazar (by 18.2%) and Jalalabad (16.1%). Main reason for the increase was increased price of imported Wheat flour in border town markets. The variation in other main cities was normal (2% and 8.4%).
- Compared to the same month two years ago (August 2012), the average price significantly increased by 21.5%.



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

**Rice (High Quality):** The monthly average price of Rice (High Quality) was AFN 86.6/Kg in the reporting month (August 2014) which was negligibly decreased by 0.2% compared to previous month (July 2014). The variation in all main cities was within a normal limit (-2.1% to 1.6%). In the last three preceding years, this negligible decrease was only experienced in 2011: decreased by 0.2% in July – August 2011, while increased by 1.2% in July – August 2013 and by 1.9% in July – August 2012.

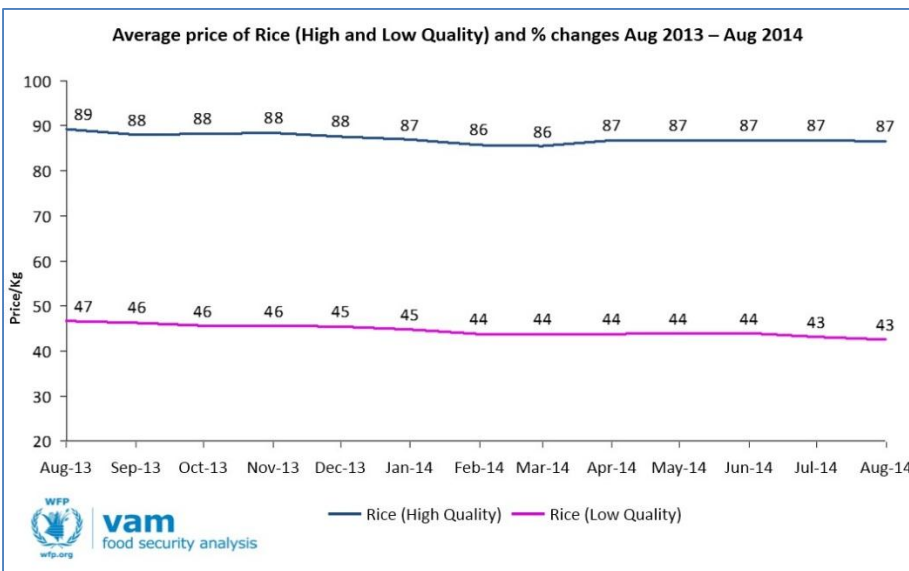
- Compared to the same month one year ago (August 2013), the average price slightly decreased by 2.8%. The variation in all main city markets was within a normal range (-9.9% to 5.2%).
- Compared to the same month two years ago (August 2012), the average price significantly increased by 23.9%.
- Compared to 5-year average price of the some months (August 2009-2013), the average price significantly increased by 30.1%.



**Rice (Low Quality):** The monthly average price of Rice (Low Quality) was AFN 42.6/Kg in the reporting month (August 2014), which was slightly decreased by 1.4% compared to the previous month (July 2014). The highest decrease occurred only in Jalalabad (by 6.8%), main reason for the decrease was maintained supply of Rice from Pakistan. The variation in other main cities was normal (-3% to 0.7%).

In the last three preceding years, this slight decrease was only experienced in 2011: decreased by 2.2% in July – August 2011, while the price was increased by 0.2% in July – August 2013 and by 4.6% in July – August 2012.

- Compared to the same month one year ago (August 2013), the average price decreased by 8.6%. The largest decrease was occurred in Jalalabad (29.9%) and Maimana (21.6%). The variation in remaining main city markets was within a normal range (-8% to 3.3%). Main reason for the decrease was maintained supply of Rice from Pakistan and India.
- Compared to the same month two years ago (August 2012), the average price increased by 8.1%.
- Compared to 5-year average price of same months (August 2009-2013), the average price significantly increased by 15.4%.



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

The monthly average price of Cooking Oil was AFN 80.5/Kg in the reporting month (August 2014), which was negligibly decreased by 0.5% compared to previous month (July 2014). The variation in all main cities was within a normal limit (-2% to 0.3%). In the last three preceding years, this negligible decrease was not experienced, while the price was unchanged in July – August 2013, increased by 0.6% in July – August 2012 and by 0.3% in July – August 2011.

- Compared to the same month one year ago (August 2013), the average price was negligibly decreased by 0.8%. The variation in all main cities was normal (-8% to 6.6%).
- Compared to the same month two years ago (August 2012), the average price slightly decreased by 5.3%.
- Compared to 5-year average of the same months (August 2009 – 2013), the current average price increased by 6.4%.

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

**Salt:** The average price of Salt for the month of August 2014 was AFN 14/Kg, which was negligibly increased by 0.7% compared to previous month (July 2014), the highest increase occurred only in (by 14.6%). The variation in other main cities was within a normal range (-3.8% to 0%).

**Sugar:** The average price of Sugar for the month of August 2014 was AFN 45.1/Kg, which negligibly increased by 0.2% compared to the previous month (July 2014). The highest increase occurred only in Mazar (by 5.3%). The variation in other main cities was within a normal limit (-3.4% to 1.5%).

**Number of days averagely worked a laborer:** The monthly average number of days worked by a laborer during August 2014 was reported 12 days. The highest number of days worked was in Kabul, Hirat, Maimana and Nili (16 days), followed by other remaining cities (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	26.0	28.8	31.6	13.0	4.0	▲	▲	▲	▲	Livestock-One year live Sheep (Female)											
	Wheat flour (HP)	27.9	15.8	11.5	2.3	-3.9	▲	▲	▲	▲	KABUL	Sheep	5,500	-3.6	-7.2	-9.8	0.0	▲	▲	▲	▲	
	Rice High Quality	98.0	48.8	46.3	5.2	1.6	▲	▲	▲	▲	KANDAHAR	Sheep	6,288	-0.2	-2.5	-3.1	-2.9	▲	▲	▲	▲	
	Rice Low Qaulity	50.0	47.3	42.9	0.0	0.0	▲	▲	▲	▲	JALALABAD	Sheep	7,000	3.7	-11.1	-22.2	0.0	▲	▼	▼	▲	
	Cooking Oil	81.0	6.0	-4.4	-8.0	0.3	▲	▲	▲	▲	HIRAT	Sheep	4,600	13.2	1.1	0.0	0.0	▲	▲	▲	▲	
KANDAHAR	Wheat	28.4	38.2	39.3	17.5	-1.0	▲	▲	▲	▲	MAZAR	Sheep	6,200	17.6	-7.5	-1.6	0.0	▲	▲	▲	▲	
	Wheat flour (HP)	27.7	23.7	22.9	5.2	-1.3	▲	▲	▲	▲	FAIZABAD	Sheep	4,900	46.5	22.5	24.8	-7.5	▲	▲	▲	▲	
	Rice High Quality	77.6	28.4	18.9	-5.5	-0.4	▲	▲	▲	▲	MAIMANA	Sheep	6,000	20.1	11.1	0.0	0.0	▲	▲	▲	▲	
	Rice Low Qaulity	26.7	-11.8	-3.9	-5.6	0.7	▼	▲	▲	▲	NILI	Sheep	3,800	-8.9	-1.3	-14.6	0.0	▲	▲	▼	▲	
	Cooking Oil	69.4	4.7	-8.5	6.6	0.1	▲	▲	▲	▲	Terms of Trade Kgs of Wheat/Wheat flour											
JALALABAD	Wheat	21.3	21.5	18.4	7.6	1.2	▲	▲	▲	▲	KABUL	Casual Labor/Wheat	11.5	-17.8	-24.1	-11.5	-17.6	▼	▼	▼	▼	
	Wheat flour (HP)	28.3	24.7	27.7	24.2	6.1	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat	12.3	-16.0	-16.3	-14.9	1.0	▼	▼	▼	▲	
	Rice High Quality	77.0	34.2	19.4	-1.0	0.7	▲	▲	▲	▲	JALALABAD	Casual Labor/Wheat	12.2	-17.9	-37.3	-7.1	-1.2	▼	▼	▲	▲	
	Rice Low Qaulity	39.3	1.8	-13.7	-29.9	-6.8	▲	▲	▼	▼	HIRAT	Casual Labor/Wheat	13.8	-33.6	-33.3	-29.5	-13.5	▼	▼	▼	▼	
	Cooking Oil	76.5	2.2	-0.3	-5.6	0.0	▲	▲	▲	▲	MAZAR	Casual Labor/Wheat	12.9	-29.1	-38.5	-30.4	-3.6	▼	▼	▼	▼	
HIRAT	Wheat	21.7	55.0	49.8	41.8	15.6	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat	14.0	-27.6	-40.7	-24.3	7.0	▼	▼	▼	▲	
	Wheat flour (HP)	32.2	27.1	28.0	7.2	2.7	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat	9.1	-55.4	-57.2	-53.1	0.0	▼	▼	▼	▲	
	Rice High Quality	75.3	24.8	7.5	-4.4	-1.1	▲	▲	▲	▲	NILI	Casual Labor/Wheat	10.5	-12.6	-15.3	-1.7	-9.4	▼	▼	▲	▼	
	Rice Low Qaulity	28.5	7.3	1.8	3.3	-0.7	▲	▲	▲	▲	KABUL	Sheep /Wheat	211.5	-25.6	-29.5	-20.2	-3.8	▼	▼	▼	▲	
	Cooking Oil	73.9	6.5	-9.9	4.2	-2.0	▲	▲	▲	▲	KANDAHAR	Sheep /Wheat	221.8	-27.5	-30.0	-17.6	-2.0	▼	▼	▼	▲	
MAZAR	Wheat	21.0	32.9	25.4	16.7	3.7	▲	▲	▲	▲	JALALABAD	Sheep /Wheat	329.4	-13.8	-24.9	-27.7	-1.2	▼	▼	▼	▲	
	Wheat flour (HP)	30.0	30.5	23.0	6.2	3.4	▲	▲	▲	▲	HIRAT	Sheep /Wheat	211.7	-27.8	-32.5	-29.5	-13.5	▼	▼	▼	▼	
	Rice High Quality	84.3	22.7	13.7	-9.9	0.0	▲	▲	▲	▲	MAZAR	Sheep /Wheat	295.2	-13.5	-26.2	-15.6	-3.6	▼	▼	▼	▲	
	Rice Low Qaulity	40.0	14.4	-8.0	-8.0	-1.2	▲	▲	▲	▲	FAIZABAD	Sheep /Wheat	227.9	22.1	-3.1	10.3	-1.1	▲	▲	▲	▲	
	Cooking Oil	78.0	9.6	-12.4	0.6	0.0	▲	▼	▲	▲	MAIMANA	Sheep /Wheat	272.7	-3.0	-4.6	-9.1	0.0	▲	▲	▲	▲	
FAIZABAD	Wheat	21.5	17.7	26.5	13.2	-6.5	▲	▲	▲	▼	NILI	Sheep /Wheat	122.6	-28.5	-22.8	-17.4	-2.4	▼	▼	▼	▲	
	Wheat flour (HP)	33.8	21.0	20.0	7.1	-2.9	▲	▲	▲	▲	KABUL	Casual Labor/Wheat flour	10.8	-7.9	-10.3	-2.2	-10.8	▲	▼	▲	▼	
	Rice High Quality	93.0	28.1	36.8	-4.1	-2.1	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat flour	12.7	-6.3	-5.1	-5.0	1.4	▲	▲	▲	▲	
	Rice Low Qaulity	48.5	-2.2	-7.4	-3.0	-3.0	▲	▲	▲	▲	JALALABAD	Casual Labor/Wheat flour	9.2	-19.8	-41.8	-19.5	-5.8	▼	▼	▼	▼	
	Cooking Oil	98.5	8.4	-6.2	-1.7	-1.5	▲	▲	▲	▲	HIRAT	Casual Labor/Wheat flour	9.3	-17.7	-21.9	-6.7	-2.6	▼	▼	▲	▲	
MAIMANA	Wheat	22.0	20.6	16.6	10.0	0.0	▲	▲	▲	▲	MAZAR	Casual Labor/Wheat flour	9.0	-26.8	-37.3	-23.5	-3.3	▼	▼	▼	▲	
	Wheat flour (HP)	31.0	30.3	33.3	7.8	0.0	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat flour	8.9	-29.4	-37.5	-20.0	3.0	▼	▼	▼	▲	
	Rice High Quality	88.0	32.2	21.4	-3.3	0.0	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat flour	6.5	-58.5	-62.5	-52.1	0.0	▼	▼	▼	▲	
	Rice Low Qaulity	40.0	1.7	-7.0	-21.6	0.0	▲	▲	▼	▲	NILI	Casual Labor/Wheat flour	9.0	-3.6	2.7	-4.1	-7.1	▲	▲	▲	▼	
	Cooking Oil	85.0	7.6	0.6	4.9	0.0	▲	▲	▲	▲	KABUL	Sheep /Wheat flour	197.3	-16.9	-16.7	-11.9	4.0	▼	▼	▼	▲	
NILI	Wheat	31.0	25.0	27.8	3.3	2.5	▲	▲	▲	▲	KANDAHAR	Sheep /Wheat flour	227.4	-19.4	-20.7	-7.9	-1.6	▼	▼	▼	▲	
	Wheat flour (HP)	36.0	14.0	5.5	5.9	0.0	▲	▲	▲	▲	JALALABAD	Sheep /Wheat flour	247.8	-16.9	-30.4	-37.4	-5.8	▼	▼	▼	▲	
	Rice High Quality	100.0	23.6	28.2	0.0	0.0	▲	▲	▲	▲	HIRAT	Sheep /Wheat flour	143.1	-11.3	-21.0	-6.7	-2.6	▼	▼	▲	▲	
	Rice Low Qaulity	68.0	60.8	68.9	2.3	0.0	▲	▲	▲	▲	MAZAR	Sheep /Wheat flour	206.7	-10.7	-24.7	-7.3	-3.3	▼	▼	▲	▲	
	Cooking Oil	82.0	5.7	-0.6	-4.7	-0.6	▲	▲	▲	▲	FAIZABAD	Sheep /Wheat flour	145.2	20.3	2.1	16.5	-4.8	▲	▲	▲	▲	
											MAIMANA	Sheep /Wheat flour		193.5	-9.1	-16.7	-7.3	0.0	▲	▼	▲	▲
											NILI	Sheep /Wheat flour		105.6	-22.0	-6.4	-19.4	0.0	▼	▲	▼	▲

**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 Aug 2013 and 2Y = Compared to Aug 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