

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

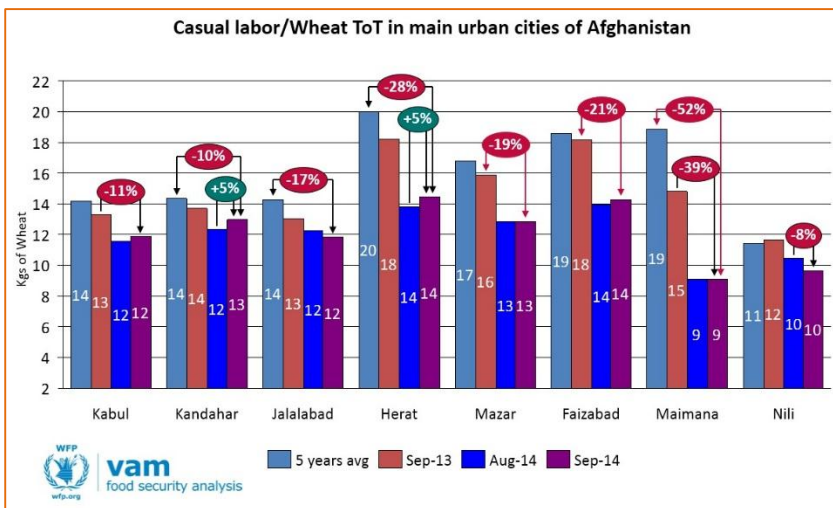
HIGHLIGHTS:

- Wheat: Average wheat grain retail price in the main cities of the country was decreasing during April – June 2013, slightly increased during July 2013 – May 2014, slightly decreased from June - July 2014, and further decreased from August – September 2014.
- The current average wheat price in main cities of Afghanistan (23.8 AFN/Kg) is higher by 10.3% in comparison to the same time last year (Sep 2013), and by 24.9% compared to the last 5-year average price of the same months (Sep 2009 – 2013).
- Wheat flour (High Price): Average retail price in main urban cities of Afghanistan was slightly decreased during April – June 2013, relatively stable during July – September 2013 and was slightly increasing during October – December 2013. It slightly decreased during January - February 2014, however, the price was again increasing during March - September 2014. The price was higher by 11.6% compared to the same month last year (Sep 2013), and significantly higher by 23.7% 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 Low Quality Rice is lower by 8.3% compared to the same month last year (September 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 1.2% compared to the same month last year (September 2013), and by 29% higher compared to the last 5-year average price of the same months.

Terms of Trade (ToT):

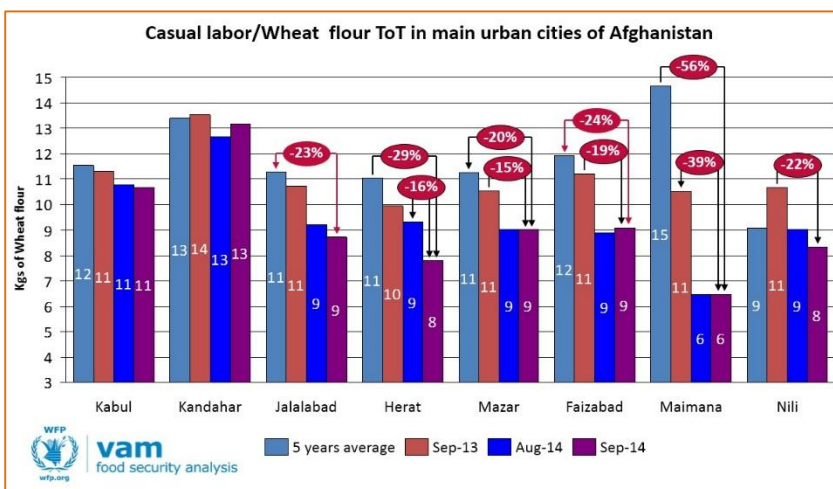
Casual Labor and Wheat (ToT): The Terms of Trade (ToT) between casual Labor and wheat is a proxy indicator or the purchasing capacity of households relying on casual labor as main income, and purchase of wheat in the market. This ToT reveal how many Kilograms of wheat can be purchased with one day of 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 12.1 Kgs of Wheat. On average, this ToT negligibly deteriorated (by 0.7%) from August to September 2014, mainly due to decreased labor wage (by 1.1%). This deterioration was also experienced in the same period during the three preceding years: 6.6% in August – September 2013, 4.4% in August – September 2012 and by 2.9% in August – September 2011.
- In comparison to the same month one year ago (September 2013), this ToT significantly deteriorated by 18.4%, mainly due to increased Wheat price (by 10.3%) and decreased labor wage (by 8.8%).
- On the two-year comparison (September 2012), this ToT significantly deteriorated by 31.5%.
- Compared to the 5-year average of the same months (September 2009-2013), this ToT significantly deteriorated by 24.5%.



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 9.2 Kgs of Wheat flour which slightly deteriorated by 2.8% from August to September 2014, mainly related to



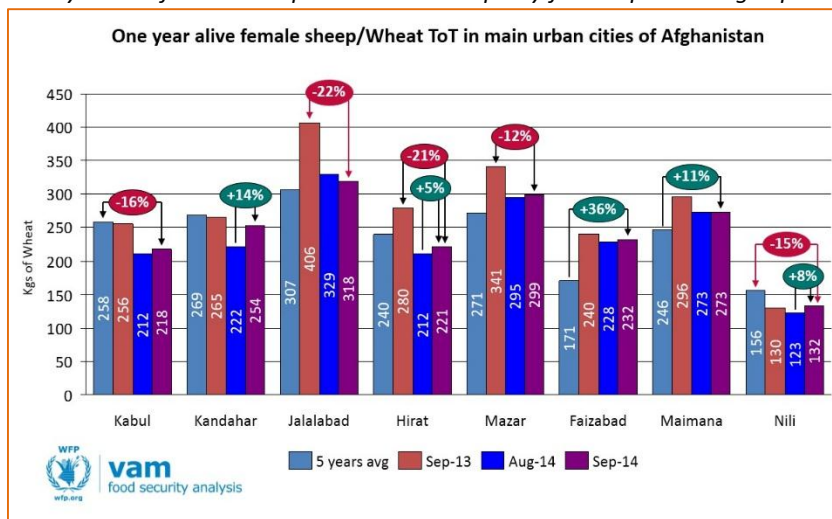
increased wheat flour price (by 2.6%) and decreased labor wage (by 1.1%).

This deterioration was also experienced in the same period during the three preceding years: 3.3% in August – September 2013, 6.1% in August – September 2012 and by 1.2% in August – September 2011.

- Compared to the same month one year ago (September 2013), this ToT significantly deteriorated by 17.3%, mainly related to increased wheat flour price (by 11.6%) and decreased labor wage (by 8.8%).
- On the two-year comparison (September 2012), this ToT significantly deteriorated by 27.5%.
- Compared to the 5-year average of the same months (September 2009-2013), this ToT significantly deteriorated by 22.3%.

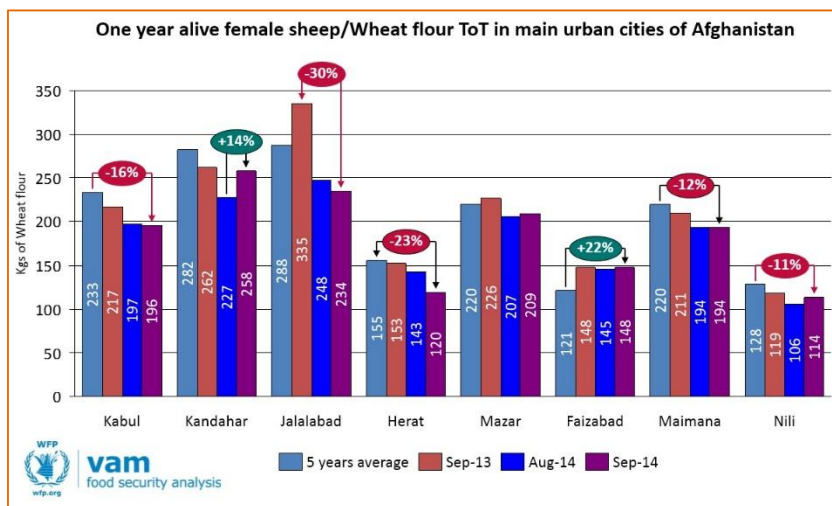
Sheep and Wheat (ToT): *The Terms of Trade between a one year old female sheep and Wheat is a proxy for the purchasing capacity of those households that are mainly reliant on income from livestock (pastoralists). It says how many kilograms of Wheat can be obtained when selling a one year old female sheep.*

- Sheep-Wheat ToT for the reporting month was 243 Kgs of wheat against one year alive female sheep, which slightly improved by 2.9% from August to September 2014. Main reason for improvement was increased sheep price (by 2.1%) and decreased wheat price (by 1.4%). This improvement was only experienced in 2011 with an improvement by 0.7% in August – September 2011, while deteriorated by 3.5% in August – September 2013 and 2012.
- Compared to the same month one year ago (September 2013), this ToT significantly deteriorated by 12%, mainly related to increased Wheat price (by 10.3%) and decreased Sheep price (by 1.7%).
- On the two-year comparison (September 2012), this ToT significantly deteriorated by 17.7%.
- Compared to 5-year average of the same months (September 2009-2013), this ToT slightly improved by 1.4%.



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 184 Kgs of Wheat flour against one-year alive female sheep, which negligibly improved by 0.4% from August to September 2014. The improvement was related to increased Sheep price (by 2.1%). This improvement was only experienced in 2011, with an improvement by 3.7% in August – September 2011, while deteriorated by 2.2% in August – September 2013 and by 5.3% in August – September 2012.
- Compared to the same month one year ago (September 2013), this ToT significantly deteriorated by 11.9%, mainly due to increased wheat flour price (by 11.6%) and decreased Sheep price (by 1.7%).
- On the two-year comparison (September 2012), this ToT significantly deteriorated by 14.7%.
- Compared to 5-year average of the same months (September 2009-2013), this ToT significantly deteriorated by 10.7%.



Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of Wheat in main urban markets of Afghanistan was AFN 23.8/Kg in September 2014. Compared to the past month (August 2014), the average price slightly decreased by 1.4%. The variation in all main cities was within a normal

limit (-4.7% to 3.5%). This decrease was only experienced in 2011, with a decrease by 1.1% in August – September 2011, while increased by 1.8% in August – September 2013 and by 4.5% in August – September 2012.

- Compared to the same month one year ago (September 2013), the average price significantly increased by 10.3%. The highest increase occurred in Hirat (26.3%), Mazar (15.1%), Kabul (12.2%) and Jalalabad (10%), mainly due to increased price of imported Wheat. The variation in other main cities was within a normal range (3.3% to 9.1%).
- On the two-year comparison (September 2012), the average price was significantly higher by 21.7%.
- Compared to the last 5-year average price of the same months (September 2009 - 2013), the price significantly increased by 24.9%.

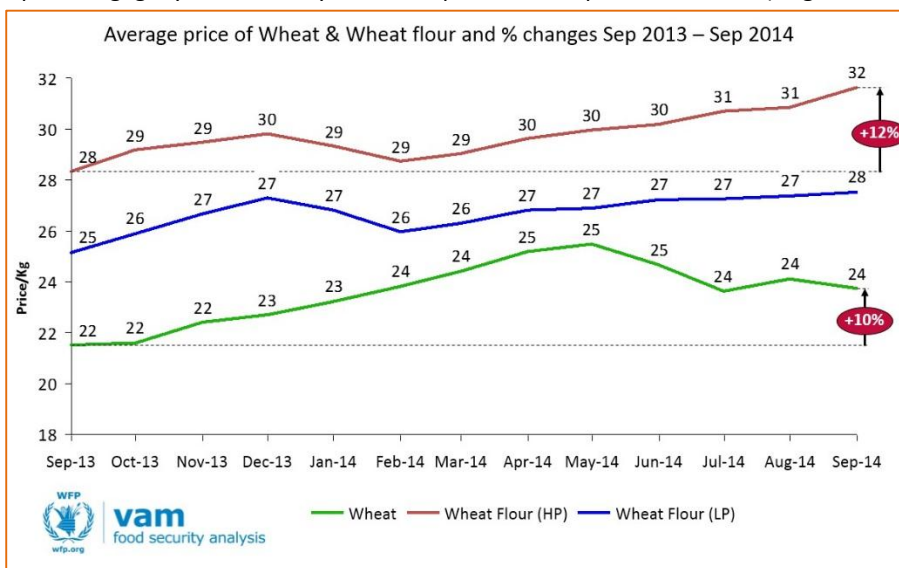
Retail Price of Wheat flour in Main Urban Cities:

Wheat flour (High Price):

- The monthly average price of Wheat flour (High Price) in main urban markets was AFN 31.6/Kg in the reporting month (September 2014). The average price slightly increased by 2.6% compared to the previous month (August 2014). The highest increase occurred only in Hirat (by 19.6%) and Jalalabad (by 5.8%), and the main reason for the increase was increased price of imported Wheat flour in border town markets. The variation in other main cities was within a normal limit (-4% to 0.9%). This increase was only experienced in 2012 during the three preceding years: increased by 6.8% in August – September 2012, while decreased by 0.9% in August – September 2013 and by 2.6% in August – September 2011.
- Compared to the same month one year ago (September 2013), the current average price significantly increased by 11.6%. The highest increase occurred in Hirat (by 27.6%) and Jalalabad (23.2%). The variation in other main cities was within a normal range (2.7% to 9.9%).
- Compared to the same month two years ago (September 2012), the average price of Wheat flour significantly increased by 15.8%.
- Compared to 5-year average price of the same months (September 2009-2013), the average price significantly increased by 23.7%.

Wheat flour (Low Price): The monthly average price of Wheat flour (Low Price) in main urban markets was AFN 27.5/Kg in the reporting month (September 2014). The average price negligibly increased by 0.6% compared to the previous month (August 2014). The highest increase occurred only in Jalalabad (by 5.9%), while a decrease occurred only in Mazar (by 3.8%). The variation in other main cities was within a normal limit (-3.8% to 1.8%). This increase was only experienced in 2012 during the three preceding years: increased by 4.2% in August – September 2012, while decreased by 1.5% in August – September 2013 and by 4% in August – September 2011.

- Compared to the same month one year ago (September 2013), the current average price increased by 9.3%. The highest increase was noticed in Jalalabad (by 15.1%), Mazar (12.4%), Kabul (11.2%), Nili (11.1%) and Maimana (10.5%). Main reason for the increase was increased price of imported Wheat flour in border town markets. The variation in other main cities was normal (3% and 6.8%).
- Compared to the same month two years ago (September 2012), the average price significantly increased by 17.3%.



Retail Price of Rice in Main Urban Cities:

Rice (High Quality): The monthly average price of Rice (High Quality) was AFN 87/Kg in the reporting month (September 2014) which was negligibly increased by 0.4% compared to previous month (August 2014). The variation in all main cities was within a normal limit (-1.9% to 2.3%). In the last three preceding years, this increase was also experienced: increased by 4% in August – September 2012 and by 0.7% in August – September 2011, while decreased by 1.2% in August – September 2013.

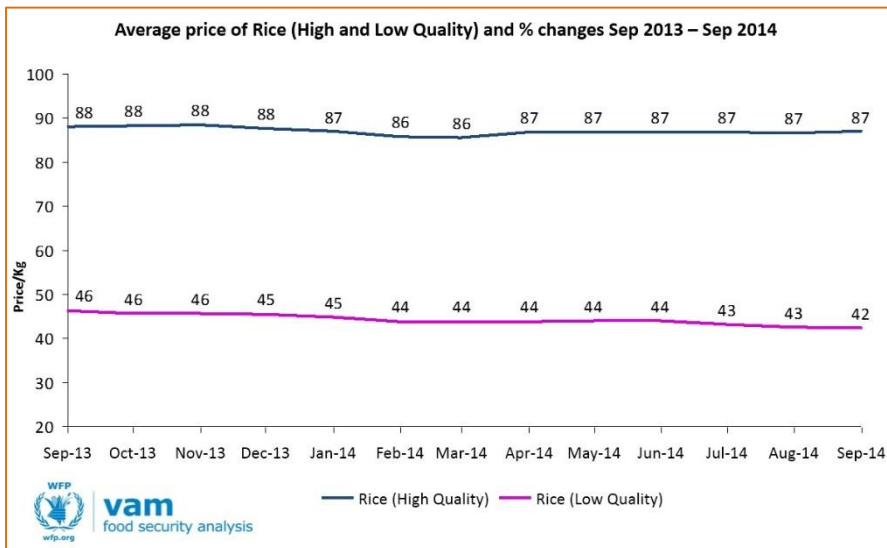
- Compared to the same month one year ago (September 2013), the average price slightly decreased by 1.2%. The variation in all main city markets was within a normal range (-7.1% to 4.7%).

- Compared to the same month two years ago (August 2012), the average price significantly increased by 19.6%.
- Compared to 5-year average price of the some months (September 2009-2013), the average price significantly increased by 29%.

Rice (Low Quality): The monthly average price of Rice (Low Quality) was AFN 42.3/Kg in the reporting month (September 2014), which negligibly decreased by 0.7% compared to the previous month (August 2014). The highest decrease occurred only in Jalalabad (by 9.6%), mainly due to maintained supply of Rice from Pakistan, while a significant increase occurred only in Kandahar (by 11.3%) and main reason for this increase was increased price of rice in Kandahar border town market. The variation in other main cities was normal (-3.1% to 0%).

In the last three preceding years, this slight decrease was only experienced in 2013: decreased by 0.9% in August – September 2013, while the price was increased by 3.7% in August – September 2012 and by 1% in August – September 2011.

- Compared to the same month one year ago (September 2013), the average price decreased by 8.3%. The largest decrease was occurred in Jalalabad (37.2%) and Maimana (16.7%). The variation in remaining main city markets was within a normal range (-7% to 5.9%). Main reason for the decrease was maintained supply of rice from Pakistan and India.
- Compared to the same month two years ago (September 2012), the average price slightly increased by 3.6%.
- Compared to 5-year average price of same months (September 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 79.8/Kg in the reporting month (September 2014), which was slightly decreased by 1% compared to previous month (August 2014). The highest decrease occurred only in Kandahar (by 7.2%), mainly due to maintained supply of cooking oil from Malaysia. The variation in other main cities was within a normal limit (-1.6% to 0.5%). In the last three preceding years, this slight decrease was only experienced in 2011: decreased by 0.3% in August – September 2011, while the price was increased by 1.3% in August – September 2013 and by 1.6% in August – September 2012.

- Compared to the same month one year ago (September 2013), the average price slightly decreased by 3.1%. The variation in all main cities was normal (-7.4% to 5.6%).
- Compared to the same month two years ago (September 2012), the average price decreased by 7.7%.
- Compared to 5-year average of the same months (September 2009 – 2013), the current average price slightly increased by 4.7%.

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

Salt: The average price of Salt for the month of September 2014 was AFN 14/Kg, which was slightly increased by 1.1% compared to previous month (August 2014), the highest increase occurred only in Kandahar (by 15.2%). The variation in other main cities was within a normal range (0% to 2.1%).

Sugar: The average price of Sugar for the month of September 2014 was AFN 44.9/Kg, which negligibly decreased by 0.3% compared to the previous month (August 2014). The highest decrease occurred only in Jalalabad (by 5.1%). The variation in other main cities was within a normal limit (0% to 3.8%).

Number of days averagely worked a laborer: The monthly average number of days worked by a laborer during September 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			
			5Y Ave	2Y	1Y	1M	5Y Ave	2Y	1Y	1M				5Y Ave	2Y	1Y	1M	5Y Ave	2Y	1Y	1M
KABUL	Wheat	25.3	27.5	23.2	12.2	-2.9	▲	▲	▲	▲	Livestock-One year live Sheep (Female)										
	Wheat flour (HP)	28.1	15.8	3.2	6.1	0.9	▲	▶	▶	▶	KABUL	Sheep	5,500	-2.5	-7.6	-4.3	0.0	▶	▶	▶	▶
	Rice High Quality	98.0	45.9	32.4	4.7	0.0	▲	▲	▶	▶	KANDAHAR	Sheep	6,856	8.9	10.6	1.3	9.0	▶	▲	▶	▲
	Rice Low Qaulity	50.0	47.3	31.6	0.0	0.0	▲	▲	▶	▶	JALALABAD	Sheep	7,000	6.1	-11.1	-13.8	0.0	▶	▼	▼	▶
	Cooking Oil	81.0	5.2	-5.8	-7.4	0.0	▶	▶	▶	▶	HIRAT	Sheep	4,600	12.5	1.1	0.0	0.0	▲	▶	▶	▶
KANDAHAR	Wheat	27.0	29.2	35.1	5.8	-4.7	▲	▲	▶	▶	MAZAR	Sheep	6,275	19.2	-7.0	0.8	1.2	▲	▶	▶	▶
	Wheat flour (HP)	26.6	18.6	22.8	2.7	-4.0	▲	▲	▶	▶	FAIZABAD	Sheep	4,875	39.9	21.9	5.4	-0.5	▲	▲	▶	▶
	Rice High Quality	79.1	29.0	17.6	-1.4	1.9	▲	▲	▶	▶	MAIMANA	Sheep	6,000	15.8	10.1	0.0	0.0	▲	▲	▶	▶
	Rice Low Qaulity	29.7	-11.8	3.3	2.3	11.3	▼	▶	▶	▶	NILI	Sheep	4,100	2.2	2.5	5.5	7.9	▶	▶	▶	▲
	Cooking Oil	64.4	-2.6	-14.8	-4.0	-7.2	▶	▼	▶	▼	Terms of Trade Kgs of Wheat/Wheat flour										
JALALABAD	Wheat	22.0	21.4	22.2	10.0	3.5	▲	▲	▲	▲	KABUL	Casual Labor/Wheat	11.9	-16.3	-18.9	-10.9	3.0	▼	▼	▼	▶
	Wheat flour (HP)	29.9	30.1	36.6	23.2	5.8	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat	13.0	-9.7	-13.7	-5.5	4.9	▶	▼	▶	▶
	Rice High Quality	78.8	32.9	20.2	-0.6	2.3	▲	▲	▶	▶	JALALABAD	Casual Labor/Wheat	11.8	-17.3	-37.0	-9.1	-3.4	▼	▼	▶	▶
	Rice Low Qaulity	35.5	1.8	-24.1	-37.2	-9.6	▶	▼	▼	▼	HIRAT	Casual Labor/Wheat	14.4	-27.8	-26.0	-20.8	4.6	▼	▼	▼	▶
	Cooking Oil	76.9	3.5	-1.8	-5.1	0.5	▶	▶	▶	▶	MAZAR	Casual Labor/Wheat	12.9	-23.4	-35.2	-19.1	0.0	▼	▼	▼	▶
HIRAT	Wheat	20.8	41.0	34.9	26.3	-4.4	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat	14.3	-23.2	-37.6	-21.4	2.4	▼	▼	▼	▶
	Wheat flour (HP)	38.5	45.4	36.1	27.6	19.6	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat	9.1	-51.8	-54.2	-38.6	0.0	▼	▼	▼	▶
	Rice High Quality	75.6	24.5	5.7	-1.0	0.5	▲	▶	▶	▶	NILI	Casual Labor/Wheat	9.7	-15.3	-13.7	-17.1	-7.7	▼	▼	▼	▼
	Rice Low Qaulity	28.5	7.3	-0.9	5.9	0.0	▶	▶	▶	▶	KABUL	Sheep /Wheat	217.8	-15.7	-25.0	-14.8	3.0	▼	▼	▼	▶
	Cooking Oil	72.7	4.1	-11.3	0.9	-1.6	▶	▼	▶	▶	KANDAHAR	Sheep /Wheat	253.7	-5.8	-18.2	-4.3	14.4	▶	▼	▶	▲
MAZAR	Wheat	21.0	29.2	18.3	15.1	0.0	▲	▲	▲	▲	JALALABAD	Sheep /Wheat	318.2	3.7	-27.3	-21.7	-3.4	▶	▼	▼	▶
	Wheat flour (HP)	30.0	24.9	5.3	9.1	0.0	▲	▶	▶	▶	HIRAT	Sheep /Wheat	221.4	-7.8	-25.2	-20.8	4.6	▶	▼	▼	▶
	Rice High Quality	85.0	23.8	9.0	-7.1	0.9	▲	▶	▶	▶	MAZAR	Sheep /Wheat	298.8	10.1	-21.8	-12.4	1.2	▲	▶	▶	▶
	Rice Low Qaulity	40.0	14.4	-10.1	-7.0	0.0	▲	▼	▶	▶	FAIZABAD	Sheep /Wheat	232.1	35.7	1.5	-3.4	1.9	▲	▶	▶	▶
	Cooking Oil	78.0	6.3	-13.3	-1.3	0.0	▶	▼	▶	▶	MAIMANA	Sheep /Wheat	272.7	10.7	1.0	-8.0	0.0	▲	▶	▶	▶
FAIZABAD	Wheat	21.0	13.6	20.0	9.1	-2.3	▲	▲	▶	▶	NILI	Sheep /Wheat	132.3	-15.4	-11.6	2.1	7.9	▼	▼	▶	▲
	Wheat flour (HP)	33.0	14.7	12.8	5.6	-2.2	▲	▲	▶	▶	KABUL	Casual Labor/Wheat flour	10.7	-7.6	-3.1	-5.8	-0.9	▶	▶	▶	▶
	Rice High Quality	91.3	25.7	34.2	-4.9	-1.9	▲	▲	▶	▶	KANDAHAR	Casual Labor/Wheat flour	13.2	-1.7	-5.0	-2.6	4.1	▶	▶	▶	▶
	Rice Low Qaulity	47.0	-2.2	-12.1	-4.1	-3.1	▶	▼	▶	▶	JALALABAD	Casual Labor/Wheat flour	8.7	-22.9	-43.6	-18.8	-5.4	▼	▼	▼	▼
	Cooking Oil	98.0	7.1	-6.7	-6.0	-0.5	▶	▶	▶	▶	HIRAT	Casual Labor/Wheat flour	7.8	-29.5	-26.5	-21.7	-16.4	▼	▼	▼	▼
MAIMANA	Wheat	22.0	18.6	8.6	8.6	0.0	▲	▶	▶	▶	MAZAR	Casual Labor/Wheat flour	9.0	-20.0	-26.7	-14.7	0.0	▼	▼	▼	▶
	Wheat flour (HP)	31.0	30.2	24.0	8.8	0.0	▲	▲	▶	▶	FAIZABAD	Casual Labor/Wheat flour	9.1	-23.7	-33.5	-18.8	2.3	▼	▼	▼	▶
	Rice High Quality	88.0	31.4	22.6	-1.7	0.0	▲	▲	▶	▶	MAIMANA	Casual Labor/Wheat flour	6.5	-56.0	-59.7	-38.7	0.0	▼	▼	▼	▶
	Rice Low Qaulity	40.0	1.7	-7.0	-16.7	0.0	▶	▶	▼	▶	NILI	Casual Labor/Wheat flour	8.3	-8.3	2.1	-22.0	-7.7	▶	▶	▼	▼
	Cooking Oil	85.0	8.7	-3.4	5.6	0.0	▶	▶	▶	▶	KABUL	Sheep /Wheat flour	195.6	-16.2	-10.4	-9.9	-0.9	▼	▼	▶	▶
NILI	Wheat	31.0	22.3	15.9	3.3	0.0	▲	▲	▶	▶	KANDAHAR	Sheep /Wheat flour	258.2	-8.5	-9.9	-1.4	13.6	▶	▶	▶	▲
	Wheat flour (HP)	36.0	12.9	-2.0	9.9	0.0	▲	▶	▶	▶	JALALABAD	Sheep /Wheat flour	234.3	-18.6	-34.9	-30.1	-5.4	▼	▼	▼	▼
	Rice High Quality	100.0	21.2	16.6	2.0	0.0	▲	▲	▶	▶	HIRAT	Sheep /Wheat flour	119.6	-23.0	-25.7	-21.7	-16.4	▼	▼	▼	▼
	Rice Low Qaulity	68.0	60.8	55.4	1.5	0.0	▲	▲	▶	▶	MAZAR	Sheep /Wheat flour	209.2	-4.8	-11.7	-7.6	1.2	▶	▼	▶	▶
	Cooking Oil	82.0	3.5	-4.9	-5.7	0.0	▶	▶	▶	▶	FAIZABAD	Sheep /Wheat flour	147.7	21.8	8.0	-0.2	1.8	▲	▶	▶	▶
											MAIMANA	Sheep /Wheat flour	193.5	-12.2	-11.2	-8.1	0.0	▼	▼	▶	▶
											NILI	Sheep /Wheat flour	113.9	-11.1	4.6	-4.1	7.9	▼	▶	▶	▶

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 Sep 2018 and 2Y = Compared to Sep 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