



### Highlights:

- In December 2014, the average nominal retail prices of wheat flour and rice were SYP117/kg and SYP202/kg, respectively. From May 2014 to December 2014 - an increase of 14.3 percent in the price of wheat flour and 20 percent in the retail price of rice were recorded. When compared to 2011 price level, the retail price trends show significant increases (192% for wheat flour and by 387% for rice).
- The average nominal retail prices of (public and shop) bread were SYP34/kg and SYP65/kg, respectively. Since May 2014 the average retail prices of both type of bread rose by approximately 50 percent .
- In December 2014, shortages of fuels was reported in most of the monitored market. The average price of diesel was SYP151/l and for a cylinder of butane gas it was SYP2,670/25kg. Compared to the same month last year, diesel is up by 81 percent and a cylinder of butane gas is up by 32.3 percent. In Dara the price of diesel (in the black market) reached SYP367/L, which is 360 percent more than the official price (SYP80/L).
- The overall market monitoring information in December 2014 indicates that supplies of essential food commodities in some markets of Quneitra, Dara'a and Rural Damascus have been disrupted. In markets in the rest of the country essential food commodities have generally continued to be available. Due to increase in the price of essential food commodities and fuel, household purchasing power has decreased between May and December 2014. Consequently, the food security situation of poor households, who mainly depend on purchased food, is believed to further deteriorate.

### A. Inflation and Consumer Price Index (CPI)<sup>1</sup>

Note: The information on inflation and CPI is not published yet from CBS and it will be updated as data becomes available.

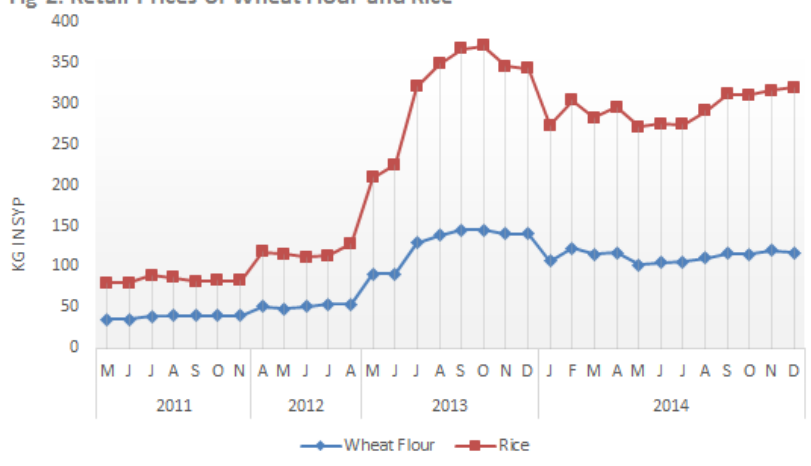
1- The **CPI** is a measure of the average change in the prices of consumer items over time compared with a base year — goods and services that people buy for day-to-day living.

## B: Retail Prices

### 1- Wheat Flour and Rice:

In December 2014, the average nominal retail prices of wheat flour and rice were SYP117/kg and SYP202/kg, respectively. Compared to November 2014 the price of wheat flour has slightly decreased by 2.1 percent while the price of rice has increased by 3 percent. However, the retail price trends show significant increases (192% for wheat flour and 387% for rice) when compared to 2011 prices. From May 2014 to December 2014, there was an increase of 14.3 percent and 20 percent in the price of wheat flour and rice respectively. The increase in the price of main food commodities in the past six months can be attributed to the effect of conflict on food production, which stands at 38% below that of an average year. Recent hikes in fuel costs (and hence in transport costs) and a harsh winter are expected to lead to further increases in of the main food commodities prices. In general, similar trends are observed with other basic commodities, which will further worsen the food security situation for households who are highly reliant on purchase from local markets.

Fig 2: Retail Prices of Wheat Flour and Rice

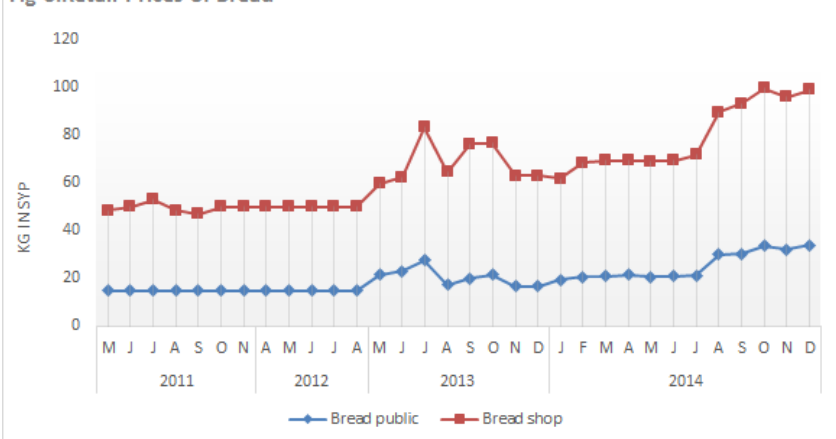


Looking at the pattern of retail prices for wheat flour and rice across the main markets during the month of reporting, the highest price recorded for wheat flour was SYP 183/kg (Deir Ezzor), with the lowest (SYP 72/kg) in Aleppo's, Cha'r Market. Deir Ezzor markets also recorded the highest price for rice (SYP 275/kg) while Shrebishat of Damascus market had the lowest (SYP 100/kg) (See Table 1 for more details). Source: WFP sub offices.

### 2- Bread:

In December 2014, the average nominal retail prices for public (subsidized) bread and shop bread were SYP34/kg and SYP65/kg, respectively. There was an increase of 6.2 percent in the price of public bread and 1.6 percent in the price of shop bread (Figures 3). The increase in prices in both type of bread is mainly due to rising fuel prices, high costs of milling and transportation as well as increased demands during the month. However, between May and December 2014, the average retail prices of both type of bread rose by approximately 50 percent, reaching their highest levels in December 2014.

Fig 3: Retail Prices of Bread



Looking at the pattern of retail prices of shop bread across the main markets during the month of reporting, Cha'ar market of Aleppo had the highest price for public bread (SYP75/kg) while Hama, Homs, Lattakia, Sweida, Tartous and Damascus markets had the lowest (SYP 25/kg). The highest price for shop bread was SYP200/kg (Dara'a) and the lowest was recorded in Hama, Homs, Lattakia and Tartous (SYP30/kg). (See Table 1 for more details). Source: WFP sub offices.

### 3– Diesel and cylinder of butane gas:

In December 2014, fuel shortages were reported in most of the monitored market. The shortage of fuel and high demand for diesel has forced poor Syrian households in harsh winter to queue at fuel stations for hours. The price of diesel varies by city, the average price of diesel was SYP151/l and for a cylinder of butane gas it was SYP2,670/25kg. Compared to the same month last year, diesel is up by 81 percent and a cylinder of butane gas is up by 32.3 percent (Figures 4 and 5). Between November and December 2014, the average retail prices of diesel rose by 5 percent. In Dara the price of diesel (in the black market) reached SYP367/L, 359 percent more than the official price (SYP80/l). The rise in the retail prices for diesel and cylinders of butane stem from a combination of several factors, including fuel shortages, conflict, seasonal demands, and the gradual removal of fuel subsidies. Source: WFP sub offices (See Table 1).

Fig 4: Retail Prices of Diesel

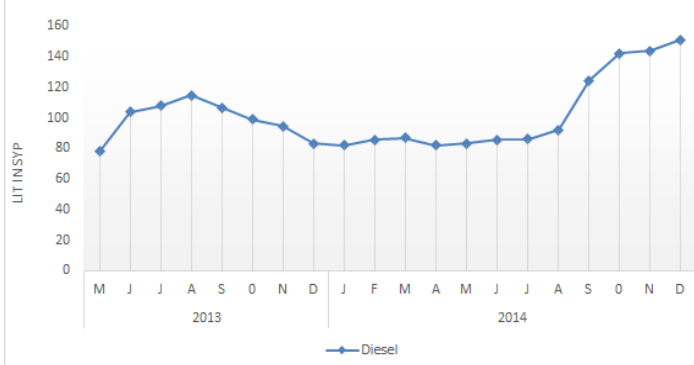
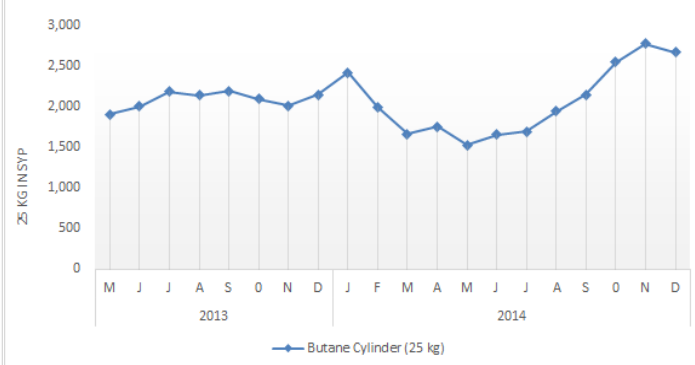


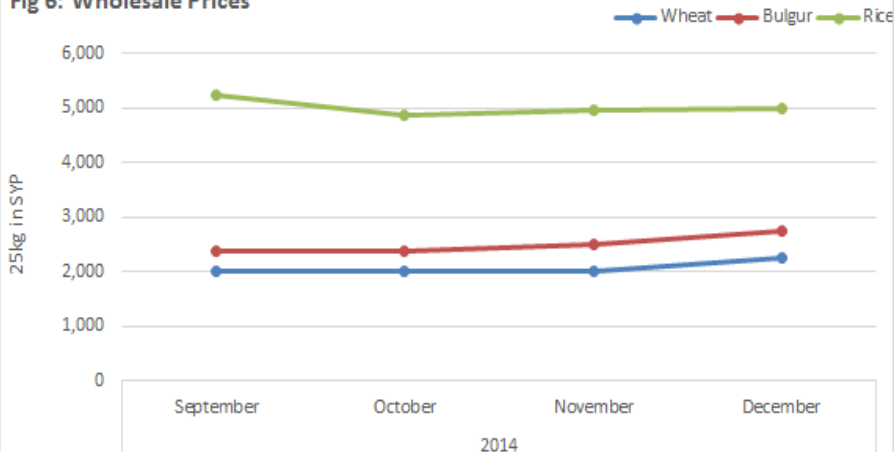
Fig 5: Retail Prices of Butane Cylinder



### C. Wholesale Prices of Wheat, White Rice and Bulgur in Damascus Market:

During the reporting period, the average nominal wholesale price of wheat grain was SYP2,250/25kg while that of Bulgur was SYP2,750/25kg and white rice was SYP5,000/25kg. Compared to November 2014 the prices have increased by 11 percent for wheat, 10 percent for bulgur and 1 percent for white rice. The increase in wholesale price is mainly due to an increase in transportation cost, inflation as local currencies weaken against the dollar and seasonal demand. During the month of reporting, the wholesale prices of all the other food and non-food commodities have generally remained at their high levels. Further food price rises are anticipated during January 2015, if fuel prices and food inflation continue to fluctuate. (see Figures 6). Source: Traders in Damascus

Fig 6: Wholesale Prices



### D. Food Supply to Markets:

During the month of reporting, the supply of essential food commodities has been disrupted in Quneitra, Dara'a and Rural Damascus mainly due to conflict and instability. Furthermore, Idleb and Rural Aleppo, as well as the north-eastern governorates, are also witnessing an interruption of food supply to local markets due to periodic clashes between armed groups. The coastal governorates, Sweida, and Damascus, are experiencing better food supply in both main and/secondary markets compared to previous months. Source:

## F. Terms of Trade (TOT):

The TOT are proxy indicators of the purchasing power of households that rely on livestock and/or casual labour as their main source of income for the purchase of cereals from local markets. TOT are important components of food security analysis. Changes in the terms of trade between wages/livestock and staple food commodities are indicative of the trends in purchasing power and the impact on the food security situation of households dependent on food purchases through income from daily wage labour and/or the sale of livestock.

### ◆ TOT between wage labour and wheat flour:

In December 2014, the nominal average daily wage rate in the monitored markets was stable, and at almost the same level as reported in November (SYP895), but varied between market locations, ranging from SYP 500 (in Tartus) to SYP1300 in market in Rural Damascus. The average TOT between a daily unskilled labour wage and the retail price of wheat flour was 7.6Kg/day in December 2014, which was about 2 percent higher than that recorded for the previous month (7.5Kg/day). The highest TOT between wage labour and wheat was reported in Aleppo (13.9Kg/day) and the lowest was in Hassakeh (4.7Kg/day). Source: WFP sub offices (See Table 1).

### ◆ TOT between sheep and wheat flour:

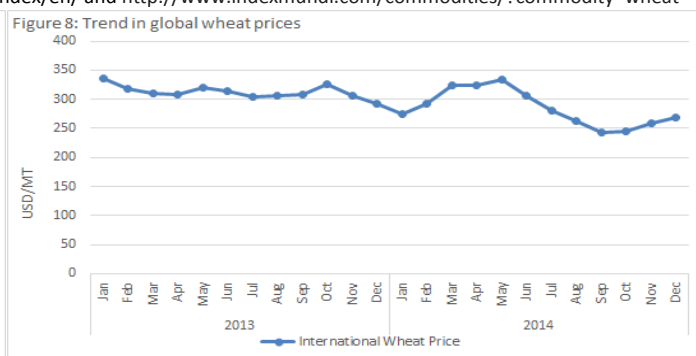
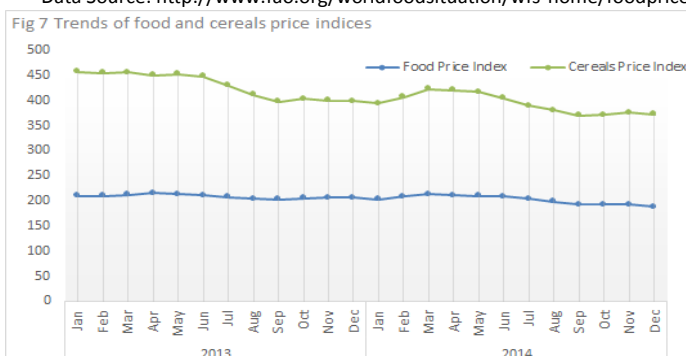
For the month of reporting, the average price of a two-year old male sheep was SYP30,396, which is the same level as November 2014. It ranged between SYP22,000 in Hassakeh to SYP40 in Aleppo. The national average TOT between a sheep and wheat flour was 259.8kg/sheep. The highest TOT for the month was recorded in Aleppo (566.6Kg/Sheep) and the lowest in Hassakeh (136Kg/Sheep). Consequently, households which derive some of their income from the sale of sheep had to sell more sheep than a similar of household in Aleppo to purchase the same amount of wheat flour. Source: WFP sub offices (See Table 1).

## F. International Market prices:

In December 2014, the FAO Food Price Index averaged 188.6 points, down by 3.2 points (1.7 percent) from November 2014. The Index, which had been in a downward trend between March and September, remained fairly stable in October and November, before falling again in December.

International wheat prices increased by 4.2 percent between November and December 2014, but was still 7.2% lower than the prices recorded for December 2013 (Figure 8). Although local market dynamics are more influenced by the monopolistic nature of the domestic markets than foreign price changes, this increase in international prices will result in some increase of prices in Syria markets in coming months.

Data Source: <http://www.fao.org/worldfoodsituation/wfs-home/foodpricesindex/en/> and <http://www.indexmundi.com/commodities/?commodity=wheat>



Note: This market price analysis should be interpreted with caution as it is not measure or indicate the severity of the likely impact that changes may have on different households due to different livelihoods, and households' capacities to cope against shocks.

