

Initial Market Price Bulletin December 2014 (Reported in January 2015)

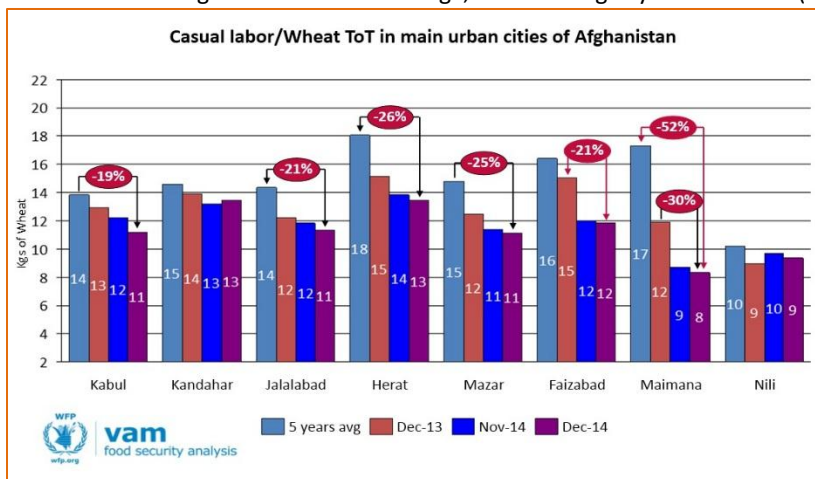
HIGHLIGHTS:

- Wheat: Average wheat grain retail price in the main cities' markets of the country was decreasing during April – June 2013, slightly increasing during July 2013 – May 2014, slightly decreasing in June – September 2014, and negligibly increasing from September to December 2014.
- The current average wheat price in main cities of Afghanistan (AFN 24.7/Kg) is higher by 8.9% compared to the same time last year (Dec 2013), and by 25.8% compared to the last 5-year average price of the same months (Decembers 2009 – 2013).
- Wheat flour (High Price): Average retail price in main cities' markets of Afghanistan was slightly decreasing during April – June 2013, relatively stable during July – September 2013 and slightly increasing during October – December 2013. After a slight decrease during January - February 2014, it was slightly increasing again during March - September 2014, however, was slightly decreasing from September to December 2014. The current retail price (AFN 29.9/kg) is higher by 0.4% compared to the same month last year (December 2013), and by 13.8% 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 (AFN 41.6/kg) is lower by 8.4% compared to the same month last year (November 2013), but significantly higher by 10.8% compared to the last 5-year average price of the same months. The current average price of High Quality Rice (AFN 87.3/kg) is negligibly lower by 0.4% compared to the same month last year (December 2013), but higher by 29.5% compared to the last 5-year average price of the same months.

Terms of Trade (ToT):

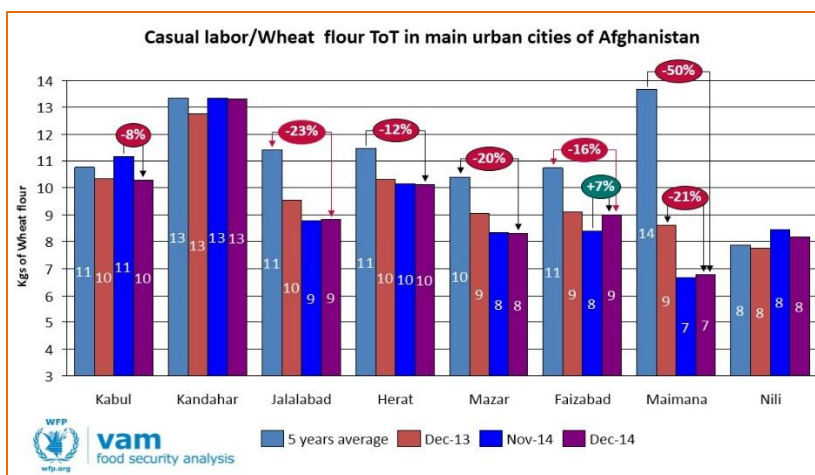
Casual Labor and Wheat (ToT): The Terms of Trade (ToT) between casual Labor and wheat is a proxy indicator or the purchasing capacity of households mainly relying on casual labor as main income, and purchase of wheat in the market. This ToT reveals how many Kilograms of wheat can be purchased with one- day casual unskilled labor wage, but does 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 11.3 Kgs of Wheat. On average, this ToT slightly deteriorated (by 3.1%) from November to December 2014, mainly due to decreased labor wage (by 2%) and increased wheat price (by 1.1%). This deterioration was also experienced in the same period during the three preceding years: by 3.3% in November – December 2013, 2.7% in November – December 2012 and by 0.2% in November – December 2011.
- In comparison to the same month one year ago (December 2013), this ToT significantly deteriorated by 12.2%, mainly due to increased Wheat price (by 8.9%) and decreased labor wage (by 3.2%).
- On the two-year comparison (December 2012), this ToT significantly deteriorated by 25.3%.
- Compared to the 5-year average of the same months (Decembers 2009-2013), this ToT significantly deteriorated by 24.7%.



Casual Labor and High Price Wheat flour (ToT): The Terms of Trade (ToT) between casual Labor and High Price Wheat Flour is a proxy indicator or the purchasing capacity of households mainly relying on casual labor as main income, and purchase of Wheat Flour in the market. This ToT reveals how many Kilograms of Wheat Flour (HP) can be purchased with one-day casual unskilled labor wage, but does not say how many days a month a laborer can get to cover the family food needs.

- Wage labor-Wheat flour (HP) ToT average for the reporting month was 9.3 Kgs of Wheat flour

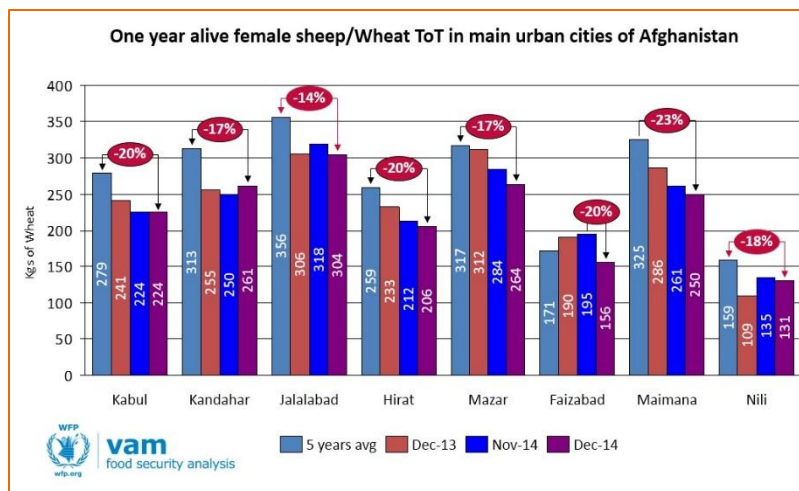


which negligibly deteriorated by 0.7% from November to December 2014, mainly related to decreased labor wage (by 2%). This deterioration was also experienced in November – December 2013 (by 3%) and November – December 2012 (by 2.2%), while it improved by 0.3% during November-December 2011.

- Compared to the same month one year ago (December 2013), this ToT slightly deteriorated by 3.5%, mainly related to decreased labor wage (by 3.2%) and increased Wheat flour price (by 0.4%).
- On the two-year comparison (December 2012), this ToT deteriorated by 9.8%.
- Compared to the 5-year average of the same months (Decembers 2009-2013), this ToT significantly deteriorated by 16.6%.

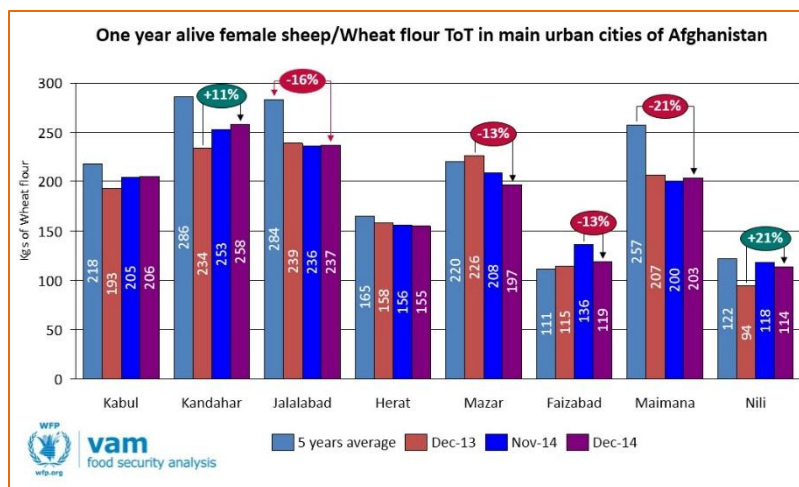
Sheep and Wheat (ToT): *The Terms of Trade between a one year old female sheep and Wheat is a proxy for the purchasing capacity of those households mainly relying on income from livestock (pastoralists). It says how many kilograms of Wheat can be obtained when selling a one year old female sheep.*

- Sheep-Wheat ToT for the reporting month was 224 Kgs of wheat against one year alive female sheep, which slightly deteriorated by 4.5% from November to December 2014, mainly due to decreased sheep price (by 3.1%) and increased wheat price (by 1.1%). This deterioration was also experienced in November – December 2013 (by 2.1%) and in November – December 2011 (by 0.6%), while unchanged in November – December 2012.
- Compared to the same month one year ago (December 2013), this ToT slightly deteriorated by 7%, mainly related to increased Wheat price (by 8.9%).
- On the two-year comparison (December 2012), this ToT significantly deteriorated by 20.3%.
- Compared to 5-year average of the same months (Decembers 2009-2013), this ToT significantly deteriorated by 17.5%.



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

- Sheep-Wheat flour ToT for the reporting month was 186 Kgs of Wheat flour against one-year alive female sheep, which slightly deteriorated by 1.5% from November to December 2014, mainly due to decreased sheep price (by 3.1%). This deterioration was also experienced in November – December 2013 (by 1.8%) and in November – December 2011 (by 0.5%), while improved by 0.6% in November – December 2012.
- Compared to the same month one year ago (December 2013), this ToT slightly improved by 1.6%, mainly due to increased sheep price (by 2.9%).
- On the two-year comparison (December 2012), this ToT deteriorated by 7.1%.
- Compared to 5-year average of the same months (Decembers 2009-2013), this ToT significantly deteriorated by 10.4%.



Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of Wheat in main cities' markets of Afghanistan was AFN 24.7/Kg in December 2014. Compared to the past month (November 2014), the average price slightly increased by 1.1%. The variation in all main cities was within a normal limit (-1.9% to 4.5%). This increase was also experienced in November – December 2013 (by 1.3%) and November – December 2012 (by 0.1%), while it decreased by 1.2% during November –December 2011.

- Compared to the same month one year ago (December 2013), the average price slightly increased by 8.9%. The highest increase occurred in Faizabad (25%), Mazar and Maimana (14.3%), and Hirat (13.1%), mainly due to seasonally increased price of wheat after harvesting. The variation in other main cities was within a normal range (-3.4% to 8.2%).
- On the two-year comparison (December 2012), the average price significantly increased by 15.3%.
- Compared to the last 5-year average price of the same months (Decembers 2009 - 2013), the price significantly increased by 25.8%.

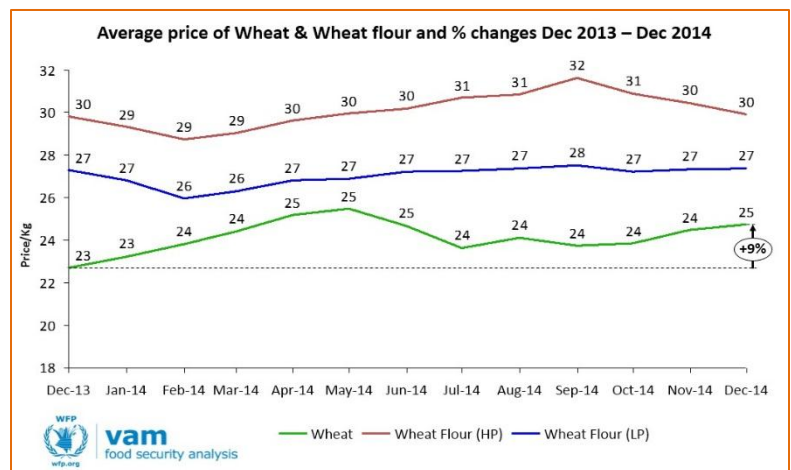
Retail Price of Wheat flour in Main Urban Cities:

Wheat flour (High Price):

- The monthly average price of Wheat flour (High Price) in main cities' markets was AFN 29.9/Kg in the reporting month (December 2014). The average price slightly decreased by 1.7% compared to the previous month (November 2014). The highest decrease occurred only in Faizabad (by 8.4%), main reason for the decrease was maintained supply of imported Wheat flour from neighboring provincial markets. The variation in other main cities was within a normal limit (-1.7% to 0.4%). During the last three preceding years, this decrease was also experienced in November – December 2012 (by 0.4%) and in November – December 2011 (by 1.6%), while it increased by 1% in November – December 2013.
- Compared to the same month one year ago (December 2013), the current average price negligibly increased by 0.4%. The highest increase occurred only in Mazar (by 11.3%). The variation in other main cities was within a normal range (-4.4% to 8.3%).
- Compared to the same month two years ago (December 2012), the average price of wheat flour slightly decreased by 3.2%.
- Compared to 5-year average price of the same months (Decembers 2009-2013), the average price significantly increased by 13.8%.

Wheat flour (Low Price): The monthly average price of Wheat flour (Low Price) in main cities' markets was AFN 27.4/Kg in the reporting month (December 2014). The average price negligibly increased by 0.1% compared to the previous month (November 2014). The variation in all main cities was within a normal limit (-3% to 3.2%). During the last three preceding years, this increase (by 2.3%) was experienced only in November-December 2013, while it decreased by 0.7% in November – December 2012 and by 0.9% in November – December 2011.

- Compared to the same month one year ago (December 2013), the current average price negligibly increased by 0.3%. The variation in all main cities was normal (-4.9% and 6%).
- Compared to the same month two years ago (December 2012), the average price increased by 9.4%.



Retail Price of Rice in Main Urban Cities:

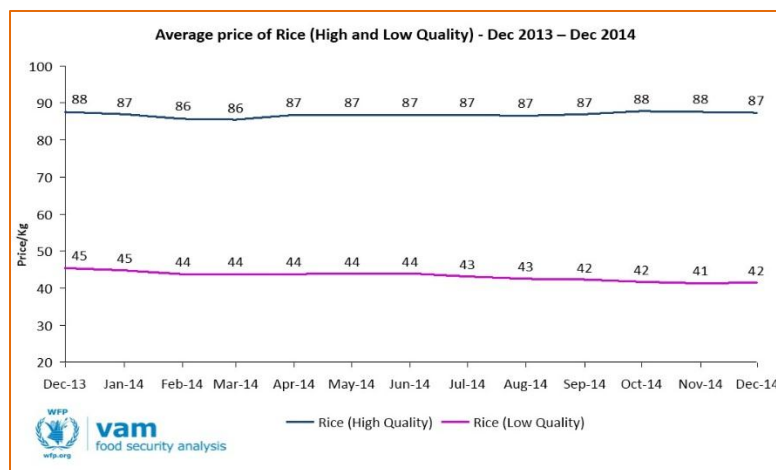
Rice (High Quality): The monthly average price of Rice (High Quality) was AFN 87.3/Kg in the reporting month (December 2014) which was negligibly decreased by 0.4% compared to previous month (November 2014). The highest decrease occurred only in Hirat (by 8.4%), while an increase occurred only in Maimana (by 6.8%). The variation in other main cities was within a normal limit (-2.9% to 0%). In the last three preceding years, this decrease was only experienced in November – December 2013 (by 1.1%), while it increased by 1% in October – November 2012 and by 0.5% in November – December 2011.

- Compared to the same month one year ago (December 2013), the average price negligibly decreased by 0.2%. The variation in all main city markets was within a normal range (-6.1% to 5.8%).
- Compared to the same month two years ago (December 2012), the average price significantly increased by 12%.
- Compared to 5-year average price of the some months (Decembers 2009-2013), the average price significantly increased by 29.5%.

Rice (Low Quality): The monthly average price of Rice (Low Quality) was AFN 41.6/Kg in the reporting month (December 2014), which negligibly increased by 0.5% compared to the previous month (November 2014). The variation in all main cities was normal (-1.1% to 3.7%).

In the last three preceding years, this increase was only experienced in November – December 2012 (increased by 4.7%), while the price decreased by 0.6% in November – December 2013 and by 1.5% in November – December 2011.

- Compared to the same month one year ago (December 2013), the average price decreased by 8.4%. The largest decrease occurred in Jalalabad (41.2%) and Maimana (16.7%). The variation in remaining main cities' markets was within a normal range (-7.5% to 8.6%). Main reason for the decrease was maintained supply of rice from Pakistan and India.
- Compared to the same month two years ago (December 2012), the average price significantly decreased by 10.6%.
- Compared to 5-year average price of same months (Decembers 2009-2013), the average price significantly increased by 10.8%.



Retail Price of Cooking Oil in Main Urban Cities:

The monthly average price of Cooking Oil was AFN 78.3/Kg in the reporting month (December 2014), which negligibly decreased by 0.7% compared to previous month (November 2014). The variation in all main cities was within a normal limit (-2.6% to 0%). This decrease was also experienced in the last three preceding years, decreased by 0.3% in November – December 2013, by 1% in November – December 2012 and by 1.2% in November – December 2011.

- Compared to the same month one year ago (December 2013), the average price slightly decreased by 5.2%. The highest decrease occurred only in Kandahar (by 18.3%). The variation in other main cities was normal (-8.8% to 2.5%).
- Compared to the same month two years ago (December 2012), the average price decreased by 8.6%.
- Compared to 5-year average of the same months (Decembers 2009 – 2013), the current average price slightly increased by 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 December 2014 was AFN 14/Kg, which remained unchanged compared to previous month (November 2014).

Sugar: The average price of Sugar in December 2014 was AFN 44.2/Kg, which negligibly decreased by 0.5% compared to the previous month (November 2014). The variation in all main cities was within a normal limit (-3.5% to 0.5%).

Number of days averagely worked a laborer: The monthly average number of days worked by a laborer during December 2014 was reported at 12 days. The highest number of days worked was in Kabul and Hirat (16 days), followed by Kandahar, Jalalabad and Nili (12 days), Mazar and Maimana (8 days), and Faizabad (4 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	24.5	20.2	14.0	5.4	0.0	▲	▲	▲	▲	Livestock-One year live Sheep (Female)										
	Wheat flour (HP)	26.8	1.2	-19.5	-7.8	-0.5	▲	▼	▲	▲	KABUL	Sheep	5,500	-2.7	-8.3	-1.8	0.0	▲	▲	▲	▲
	Rice High Quality	98.0	42.3	21.0	2.1	0.0	▲	▲	▲	▲	KANDAHAR	Sheep	6,795	4.6	9.2	5.9	2.4	▲	▲	▲	▲
	Rice Low Qaulity	50.0	41.4	19.0	1.0	0.0	▲	▲	▲	▲	JALALABAD	Sheep	7,000	6.9	-27.8	7.7	0.0	▲	▼	▲	▲
	Cooking Oil	81.5	4.8	-5.2	-3.3	0.0	▲	▲	▲	▲	HIRAT	Sheep	4,600	9.9	0.4	0.0	0.0	▲	▲	▲	▲
KANDAHAR	Wheat	26.0	24.6	18.3	3.4	-1.9	▲	▲	▲	▲	MAZAR	Sheep	5,800	13.2	3.6	-3.3	-7.2	▲	▲	▲	▼
	Wheat flour (HP)	26.3	14.7	14.4	-4.2	0.3	▲	▲	▲	▲	FAIZABAD	Sheep	3,900	17.5	-2.5	2.6	-20.0	▲	▲	▲	▼
	Rice High Quality	76.3	28.2	6.6	-4.1	-2.9	▲	▲	▲	▲	MAIMANA	Sheep	6,000	1.4	-3.2	0.0	0.0	▲	▲	▲	▲
	Rice Low Qaulity	29.2	-2.7	1.7	8.6	0.6	▲	▲	▲	▲	NILI	Sheep	4,050	-2.9	-22.1	15.7	-3.6	▲	▼	▲	▲
	Cooking Oil	56.6	-12.6	-22.2	-18.3	-2.6	▼	▼	▼	▼	Terms of Trade Kgs of Wheat/Wheat flour										
JALALABAD	Wheat	23.0	25.8	4.5	8.2	4.5	▲	▲	▲	▲	KABUL	Casual Labor/Wheat	11.2	-18.9	-19.6	-13.0	-8.3	▼	▼	▼	▼
	Wheat flour (HP)	29.5	28.1	9.3	8.3	-0.4	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat	13.4	-7.9	-1.6	-3.3	2.0	▲	▲	▲	▲
	Rice High Quality	82.5	45.0	7.8	5.8	0.0	▲	▲	▲	▲	JALALABAD	Casual Labor/Wheat	11.3	-21.3	-0.5	-7.6	-4.3	▼	▲	▲	▲
	Rice Low Qaulity	30.0	-19.4	-50.0	-41.2	0.0	▼	▼	▼	▼	HIRAT	Casual Labor/Wheat	13.4	-25.6	-20.6	-11.6	-3.2	▼	▼	▼	▲
	Cooking Oil	76.9	2.6	-6.8	-2.0	-0.8	▲	▲	▲	▲	MAZAR	Casual Labor/Wheat	11.1	-24.8	-32.8	-10.7	-2.0	▼	▼	▼	▲
HIRAT	Wheat	22.4	36.5	26.0	13.1	3.2	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat	11.8	-28.1	-34.0	-21.3	-1.7	▼	▼	▼	▲
	Wheat flour (HP)	29.6	14.1	-4.4	1.9	0.4	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat	8.3	-51.8	-58.7	-30.0	-4.3	▼	▼	▼	▲
	Rice High Quality	68.7	15.6	-4.5	-4.1	-8.4	▲	▲	▲	▼	NILI	Casual Labor/Wheat	9.4	-7.9	-6.5	4.4	-3.3	▲	▲	▲	▲
	Rice Low Qaulity	26.4	0.2	-2.2	6.5	-1.1	▲	▲	▲	▲	KABUL	Sheep /Wheat	222.2	-19.6	-19.6	-6.8	0.0	▼	▼	▲	▲
	Cooking Oil	69.8	-2.8	-13.9	-5.0	-2.1	▲	▼	▲	▲	KANDAHAR	Sheep /Wheat	265.4	-16.5	-7.7	2.4	4.4	▼	▲	▲	▲
MAZAR	Wheat	22.0	33.5	21.4	14.3	0.0	▲	▲	▲	▲	JALALABAD	Sheep /Wheat	318.2	-14.5	-31.0	-0.5	-4.3	▼	▼	▼	▲
	Wheat flour (HP)	29.5	25.5	3.5	11.3	-1.7	▲	▲	▲	▲	HIRAT	Sheep /Wheat	222.5	-20.5	-20.3	-11.6	-3.2	▼	▼	▼	▲
	Rice High Quality	87.0	26.5	8.1	-1.1	0.0	▲	▲	▲	▲	MAZAR	Sheep /Wheat	297.7	-16.7	-14.7	-15.4	-7.2	▼	▼	▼	▲
	Rice Low Qaulity	40.0	17.3	3.9	-7.0	0.0	▲	▲	▲	▲	FAIZABAD	Sheep /Wheat	228.6	-8.8	-19.3	-17.9	-20.0	▲	▼	▼	▼
	Cooking Oil	78.0	2.3	-8.2	-2.5	0.0	▲	▲	▲	▲	MAIMANA	Sheep /Wheat	272.7	-23.1	-21.3	-12.5	-4.2	▼	▼	▼	▲
FAIZABAD	Wheat	25.0	28.4	20.8	25.0	0.0	▲	▲	▲	▲	NILI	Sheep /Wheat	135.5	-17.6	-24.6	19.7	-3.6	▼	▼	▲	▲
	Wheat flour (HP)	32.8	9.6	0.3	-0.8	-8.4	▲	▲	▲	▲	KABUL	Casual Labor/Wheat flour	10.3	-4.6	13.9	-0.6	-7.9	▲	▲	▲	▼
	Rice High Quality	92.0	29.4	34.3	-6.1	0.0	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat flour	13.3	-0.1	2.0	4.4	-0.3	▲	▲	▲	▲
	Rice Low Qaulity	49.0	0.7	-9.6	-7.5	3.7	▲	▲	▲	▲	JALALABAD	Casual Labor/Wheat flour	8.8	-22.8	-4.8	-7.6	0.4	▼	▲	▲	▲
	Cooking Oil	98.5	4.4	-1.5	-8.8	-0.5	▲	▲	▲	▲	HIRAT	Casual Labor/Wheat flour	10.1	-11.7	4.6	-1.9	-0.4	▼	▲	▲	▲
MAIMANA	Wheat	24.0	29.3	22.3	14.3	4.3	▲	▲	▲	▲	MAZAR	Casual Labor/Wheat flour	8.3	-20.3	-21.1	-8.3	-0.3	▼	▼	▲	▲
	Wheat flour (HP)	29.5	23.1	-4.8	1.7	-1.7	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat flour	9.0	-16.2	-20.5	-0.9	7.3	▼	▼	▲	▲
	Rice High Quality	94.0	32.1	17.5	3.3	6.8	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat flour	6.8	-50.4	-46.8	-21.4	1.7	▼	▼	▼	▲
	Rice Low Qaulity	40.0	-2.8	-25.6	-16.7	0.0	▲	▼	▼	▲	NILI	Casual Labor/Wheat flour	8.2	3.8	11.6	5.5	-3.3	▲	▲	▲	▲
	Cooking Oil	83.0	0.1	-12.6	2.5	0.0	▲	▼	▲	▲	KABUL	Sheep /Wheat flour	205.6	-5.6	13.9	6.5	0.5	▲	▲	▲	▲
NILI	Wheat	31.0	15.6	3.3	-3.4	0.0	▲	▲	▲	▲	KANDAHAR	Sheep /Wheat flour	258.2	-9.6	-4.6	10.5	2.1	▲	▲	▲	▲
	Wheat flour (HP)	35.5	2.5	-13.4	-4.4	0.0	▲	▼	▲	▲	JALALABAD	Sheep /Wheat flour	237.3	-16.3	-34.0	-0.5	0.4	▼	▼	▲	▲
	Rice High Quality	100.0	19.8	7.0	2.0	0.0	▲	▲	▲	▲	HIRAT	Sheep /Wheat flour	155.3	-6.0	5.1	-1.9	-0.4	▲	▲	▲	▲
	Rice Low Qaulity	68.0	43.5	0.0	1.5	0.0	▲	▲	▲	▲	MAZAR	Sheep /Wheat flour	196.6	-10.7	0.1	-13.2	-5.6	▼	▲	▼	▼
	Cooking Oil	81.8	5.8	-1.5	-5.0	-0.3	▲	▲	▲	▲	FAIZABAD	Sheep /Wheat flour	119.1	6.8	-2.8	3.4	-12.7	▲	▲	▲	▼
											MAIMANA	Sheep /Wheat flour	203.4	-20.8	1.7	-1.7	1.7	▼	▲	▲	▲
											NILI	Sheep /Wheat flour	114.1	-6.6	-10.0	21.0	-3.6	▲	▼	▲	▲

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 Dec 2013 and 2Y = Compared to Dec 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