



Highlights:

- Average monthly prices of wheat flour and rice significantly increased (197 % for wheat flour and 403 % for rice) since 2011. Between July 2014 and January 2015, the average retail prices of bread rose by approximately 55 %, reaching their highest levels.
- In January 2015 the Syrian Government increased the official price of bread to SYP35/bundle from SYP25/bundle, of gas cylinder to SYP1,500 from SYP1,100, the price of diesel used for transportation purposes to SYP125/L and diesel for domestic use to SYP140/L from SYP80/L. Consequently, the purchasing power and food security situation of poor households, who mainly depend on local markets to cover their needs, is believed to have further deteriorated.

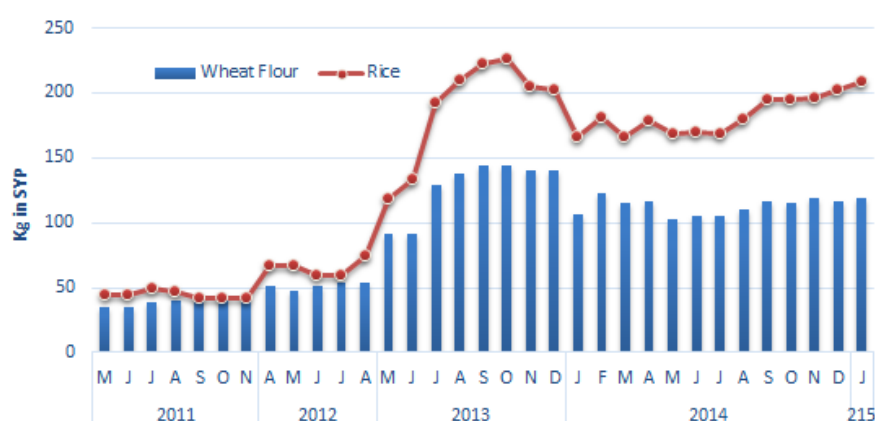
B: Retail Prices

1- Wheat Flour and Rice:

In January 2015, the average nominal retail price of wheat flour and rice were SYP119/kg and SYP209/kg respectively. Compared to December 2014 the price of wheat flour has slightly increased by 1.7 % and the price of rice has increased by 3.5 %. Since 2011, the average monthly price of wheat flour registered significant increases (197 % for wheat flour and 403 % for rice). From July 2014, the price of 1 kg of wheat flour and rice respectively rose by 12.8 % and 24 %. The increase in the price of main food commodities in the past months can be attributed to the effect of the conflict which disrupted the regular flow of supplies in some local markets as well as, recent hikes in the price of fuel due to growing demand for cooking and heating following.

During the current reporting period, Deir-ez-Zor recorded the highest price for wheat flour, sold at SYP 173/kg while the lowest price was observed in Aleppo where 1kg of wheat flour was sold at SYP 77. Markets in Deir-ez-Zor also registered the highest price for rice sold at SYP 275 per kg while the lowest price was observed in Idleb where 1 kg of rice was sold at SYP 110 (See Table 1 for more details). Source: WFP sub offices.

Fig 2: Retail Prices of Wheat Flour and Rice



2- Bread:

In January 2015, the average nominal retail prices for public (subsidized) bread and commercial bread were SYP36/bundle and SYP70/bundle, respectively. Compared to December 2014, there was an increase of 5.9 % in the price of public bread and 7.7 % in the price of commercial bread (Figures 3). The increase in prices in both types of bread was mainly due to the increase in the official price of fuel and gas which increased production costs of bread.

Between July 2014 and January 2015, the average retail price of both types of bread rose by approximately 55 %, reaching the highest peak in January 2015.

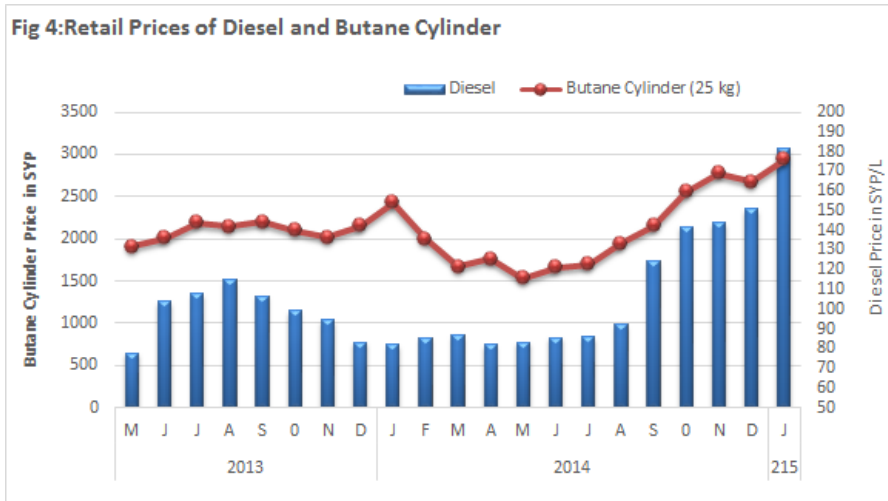
Looking at the pattern of retail prices of commercial bread across all main markets during January, Aleppo market registered the highest price for public bread (SYP 69.5/bundle) while Dar'a markets had the lowest (SYP28/bundle). On the other hand, Dar'a registered the the highest price for commercial bread at SYP175/bundle (while the lowest price was recorded in Lattakia and Tartous at SYP35/bundle) (See Table 1 for more details). Source: WFP sub offices.

Fig 3: Retail Prices of Bread



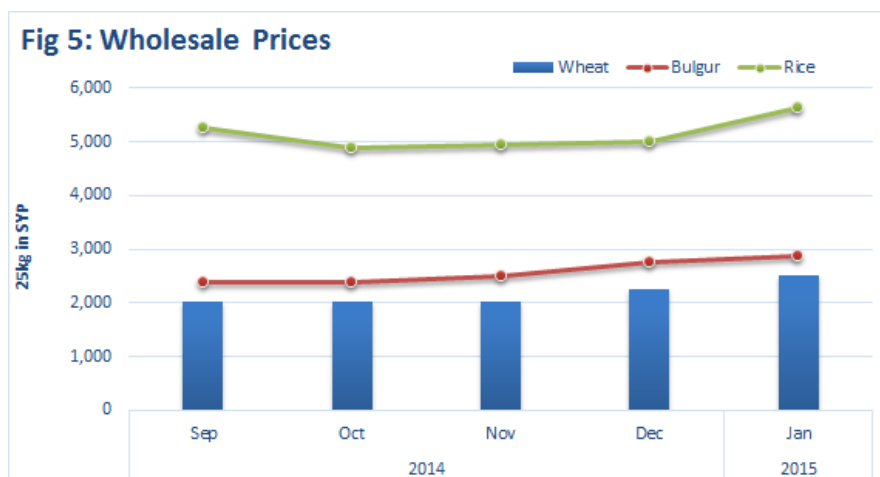
3– Diesel and cylinder of butane gas:

In January 2015, the average price of diesel was SYP181/L and SYP2,939 for a cylinder of butane gas. . Between December 2014 and January 2015, the average retail prices of diesel rose by 20 % and by 10 % for a cylinder of butane gas. Compared to the same month last year, diesel prices went up by 111 % and 73 % for a cylinder of butane gas (Figures 4). In Dar'a the black market price of diesel reached SYP274/L, or 120 % more than the latest official price (SYP125/L). A shortage in diesel and fuel gas available for domestic use as well as a reduction in Government subsidies on the price of gasoil accounted for a surge in fuel prices by about 200 % in January 2015. In turn, the increase in fuel prices as well as the continued depreciation of the Syrian Pound, will continue to inflate the prices of all main food commodities. Source: WFP sub offices



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 SYP 2,500/25kg, that of Bulgur was SYP2,875/25kg and that of white rice was SYP5,625/25kg. Compared to December 2014, prices have increased by 11.1 % for wheat grain, 4.6 % for bulgur wheat and 12.5 % for white rice (see Figures 5). The increase in wholesale prices is mainly due to an increase in transportation costs, the depreciation of the Syrian pound against the US dollar as well as raises in the seasonal demand. Further food price rises are anticipated during next few months, due to the recent increase in the official price of bread, diesel and gas in addition to the continued volatility of food prices . Source: Traders in Damascus



D. Food Supply to Markets:

Over the course of January, markets were generally functioning in in those areas enjoying relatively stable security conditions (Lattakia and Tartous, As-Sweida and Damascus as well as Al-Hasakeh). Although food commodities are available in all governorates, the quantities for sale in local markets have reduced compared to previous months. Supply of essential food commodities has been disrupted in Quneitra, Dara'a and Rural Damascus, mainly due to the conflict and disrupting the regular flow of commercial supplies. Compounding these constraints, drastic temperature drops and snowstorms during the winter season have also rendered many key supply routes impassable affecting the arrival of commodities in the country. 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. Source: WFP sub offices

F. Terms of Trade (TOT):²

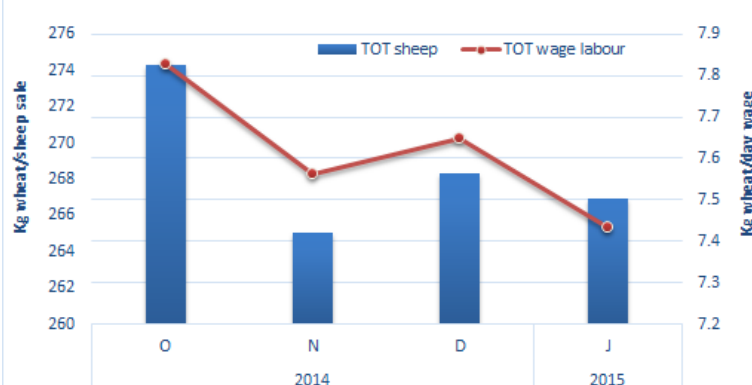
♦ TOT between wage labour and wheat flour:

In January 2015, the nominal average daily wage rate in the monitored markets was SYP881. The wage rate varied between market locations, ranging from SYP500 (in Lattakia) to SYP1300 in Rural Damascus. Compared to December 2014 the wage rate decreased by 3.6 %. The average TOT between a daily unskilled labour wage and the retail price of wheat flour was 7.4Kg/day, which was about 2.8 % lower than that recorded for the previous month (7.6Kg/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 SYP31,630, which is almost the same level as December 2014. The national average TOT between a sheep and wheat flour stand at 266.9kg/sheep which has slightly decreased by 0.5 % from December 2014. The highest TOT during the month of reporting were recorded in Aleppo (496.7Kg/Sheep) due higher sheep prices than in any other markets in the country, while the lowest TOT were in Sweida market (117Kg/Sheep). Source: WFP sub offices (See Table 1).

Fig 6 : Terms of Trade (TOT)



F. International Market prices:

The FAO Food Price Index averaged 182.7 points in January 2015, down 3.6 points compared with December 2014 value, the Food Price Index has been falling every month since April 2014. The FAO Cereal Price Index averaged 177.4 points in January, down 6.6 points from December. This marked decline was mostly driven by reduction in international wheat prices.

International wheat prices decreased by 7.8 % between December 2014 and January 2015, and were 9.8 percent lower than the prices recorded during January 2014 (Figure 8).

In the month of January 2015 the wheat price in local market averaged USD480/MT, which is 94 % higher compared to the price of wheat in the international market.

Fig 7 Trends of food and cereals price indices

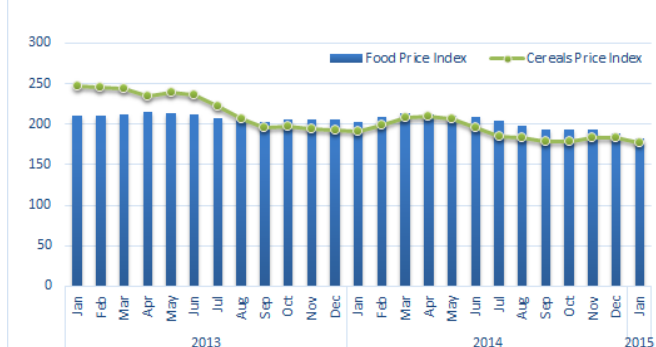
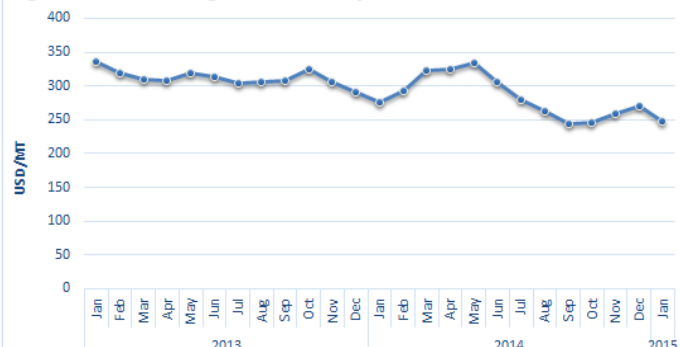


Figure 8: Trend in global wheat prices



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

2. 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.

Commodity	Governorate	Current Price	Price change (%)	Price change (%)	Average Change	Average Change	Commodity	Governorate	Current Price	Price change (%)	Price change (%)	Average Change	Average Change
			1M	6 M	1M	6 M				1M	6 M	1M	6 M
Bread Public (1.5 kg)	Aleppo	70	3	166	↑	↑	Rice (kg)	Aleppo	187	2	23	↔	↔
	Damascus	29	16	93	↑	↑		Damascus	191	27	4	↑	↔
	Daraa	28	12	(7)	↑	↔		Daraa	200	(4)	10	↔	↑
	Deir Ezzor	36	20	137	↑	↑		Deir Ezzor	276	2	12	↔	↑
	Edlib	54	(10)	260	↓	↑		Edlib	110	3	13	↔	↑
	Hama	30	20	100	↑	↑		Hama	191	27	28	↑	↑
	Hassakeh	37	4	46	↔	↑		Hassakeh	222	(2)	7	↔	↔
	Homs	30	20	100	↑	↑		Homs	218	(2)	43	↔	↑
	Lattakia	30	20	100	↑	↑		Lattakia	218	-	14	↔	↑
	Raqqa	50	-	54	↔	↑		Raqqa	253	9	35	↔	↑
	Rural Damascus	28	(4)	87	↔	↑		Rural Damascus	243	0	28	↔	↑
	Sweida	28	12	87	↑	↑		Sweida	137	34	128	↑	↑
	Tartous	30	20	100	↑	↑		Tartous	230	-	37	↔	↑
Bread Shops (1.5 kg)	Aleppo	113	-	82	↔	↑	Sheep 2Y old Male	Aleppo	38,250	1		↔	NA
	Damascus	72	44	106	↑	↑		Damascus	31,063	(2)		↔	NA
	Daraa	175	-	-	↔	↔		Daraa	28,000	8		↔	NA
	Deir Ezzor	86	10	30	↑	↑		Deir Ezzor	36,875	14		↑	NA
	Edlib	73	(3)	265	↔	↑		Edlib	35,500	15		↑	NA
	Hama	38	27	90	↑	↑		Hama	26,250	(15)		↓	NA
	Hassakeh	68	8	28	↔	↑		Hassakeh	30,000	27		↑	NA
	Homs	38	27	90	↑	↑		Homs	29,250	(5)		↔	NA
	Lattakia	35	17	40	↑	↑		Lattakia	40,000	-		↔	NA
	Raqqa	65	-	(7)	↔	↔		Raqqa	30,000	14		↑	NA
	Rural Damascus	61	(6)	51	↔	↑		Rural Damascus	35,063	2		↔	NA
	Sweida	39	11	95	↑	↑		Sweida	12,875	10		↑	NA
	Tartous	35	17	40	↑	↑		Tartous	40,000	-		↔	NA
Butane Cylinder (25 k	Aleppo	3,950	(9)	92	↓	↑	Sugar (kg)	Aleppo	106	2	6	↔	↔
	Damascus	2,925	75	144	↑	↑		Damascus	134	(1)	12	↔	↑
	Daraa	3,407	(0)	140	↑	↑		Daraa	135	0	17	↔	↑
	Deir Ezzor	4,100	87	46	↑	↑		Deir Ezzor	181	27	47	↑	↑
	Edlib	1,250	14	(12)	↑	↓		Edlib	115	7	24	↔	↑
	Hama	3,150	(11)	134	↓	↑		Hama	116	(5)	3	↔	↔
	Hassakeh	3,888	44	14	↑	↑		Hassakeh	131	4	16	↔	↑
	Homs	2,350	(11)	89	↓	↑		Homs	113	(6)	8	↔	↔
	Lattakia	1,425	6	19	↔	↑		Lattakia	160	-	47	↔	↑
	Raqqa	5,600	(8)	157	↔	↑		Raqqa	145	5	26	↔	↑
	Rural Damascus	1,875	3	42	↔	↑		Rural Damascus	155	-	21	↔	↑
	Sweida	2,000	9	74	↔	↑		Sweida	117	2	6	↔	↔
	Tartous	1,450	4	21	↔	↑		Tartous	160	-	47	↔	↑
Diesel (L)	Aleppo	244	12	194	↑	↑	Tea (kg)	Aleppo	1,119	5	18	↔	↑
	Damascus	238	58	197	↑	↑		Damascus	1,288	0	1	↔	↔
	Daraa	274	17	75	↑	↑		Daraa	1,500	2	28	↔	↑
	Deir Ezzor	160	41	43	↑	↑		Deir Ezzor	1,932	4	25	↔	↑
	Edlib	170	5										