

Initial Market Price Bulletin for the month of January 2016 (Reported in February 2016)

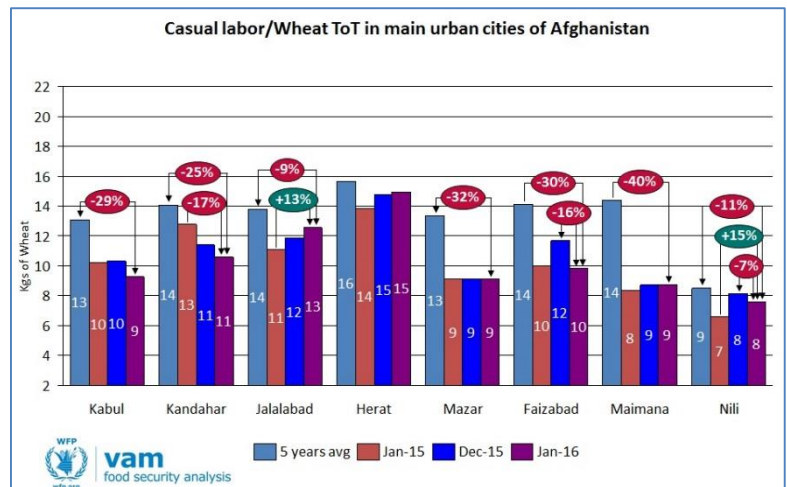
HIGHLIGHTS:

- **Wheat:** Average wheat grain retail price in the main cities' markets of the country was slightly fluctuating in 2013 and 2014. In 2015, it was decreasing from January – August, and negligibly increased from August 2015 to January 2016.
- The current average wheat price in main cities' markets of Afghanistan (AFN 25.1/Kg) is higher by 1.3% compared to the same time last year (January 2015), but significantly higher by 16.2% compared to the last 5-year average price of the same months (Januaries 2011 - 2015).
- **Wheat flour (High Price)** retail price in main cities' markets of Afghanistan was relatively stable in 2013 and up to September 2014. Then, it was slightly decreasing from September 2014 to May 2015, and then negligibly increased from June – October 2015 and negligibly decreased in November, December 2015 and January 2016. The current retail price (AFN 30.0/kg) is negligibly higher by 3.3% compared to the same month last year (January 2015), but slightly higher by 7.7% 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 (AFN 40.6/kg) is lower by 1.1% compared to the same month last year (January 2015), while negligibly higher by 3.1% compared to the last 5-year average price of the same months. The current average price of High Quality Rice (AFN 77.9/kg) is slightly lower by 9.5% compared to the same month last year (January 2015), but slightly higher by 5.8% compared to the last 5-year average price of the same months.

Terms of Trade (ToT)

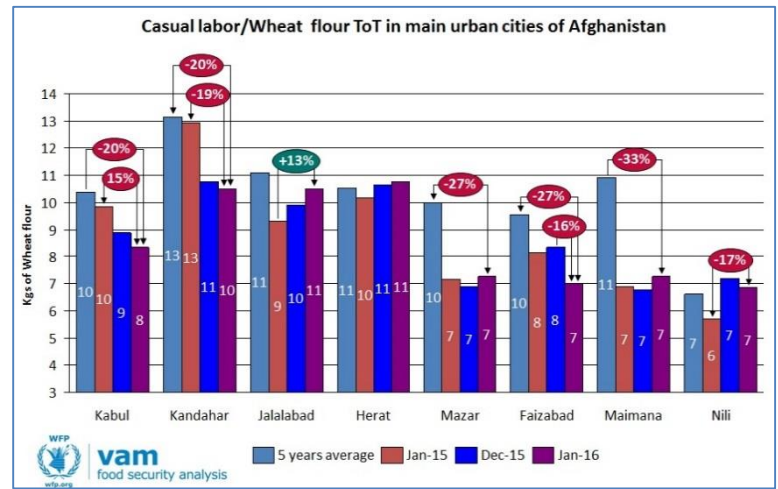
Casual Labor and Wheat (ToT): The Terms of Trade (ToT) between casual Labor and wheat is a proxy indicator or the purchasing capacity of households mainly relying on casual labor as main income, and purchase of wheat in the market. This ToT reveals how many Kilograms of wheat can be purchased with one- 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 average ToT for the reporting month was 10.3 Kgs of Wheat. On average, this ToT deteriorated (by 3.9%) from December 2015 to January 2016, mainly due to increased wheat price (by 1.9 %) and decreased labor wage (by 3.0%). In the last three proceeding years, this deterioration was also experienced in:
 - December - January 2015 (by 9.0%)
 - December - January 2014 (by 7.5%)
 - December - January 2013 (by 3.6%),
- In comparison to the same month one year ago (January 2015), this ToT negligibly improved by 0.8%, mainly due to increased labor wage (by 0.6%).
- On the two-year comparison (January 2014), this ToT significantly deteriorated by 13.0%.
- Compared to the 5-year average of the same months (Januaries 2011 - 2015), this ToT significantly deteriorated by 22.9%.



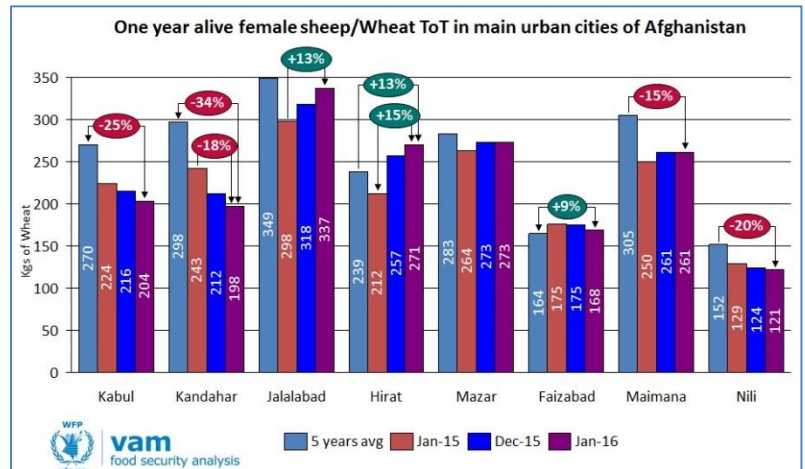
Casual Labor and High Price Wheat flour (ToT): The Terms of Trade (ToT) between casual Labor and High Price Wheat Flour is a proxy indicator or the purchasing capacity of households mainly relying on casual labor as main income, and purchase of Wheat Flour in the market. This ToT reveals how many Kilograms 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) average ToT for the reporting month was 8.6 Kgs of Wheat flour which slightly deteriorated by 1.3% from December 2015 to January 2016, mainly related to decreased labor wage (by 3.0%). In the last three proceeding years, this deterioration was also experienced in
 - December - January 2015 (by 6.2%)
 - December - January 2014 (by 3.9%)
 - December - January 2013 (by 0.4%),
- Compared to the same month one year ago (January 2015), this ToT slightly deteriorated by 2.4%, mainly related to increase wheat flour price (by 3.3%).
- On the two-year comparison (January 2014), this ToT deteriorated by 7.9%.
- Compared to the 5-year average of the same months (Januaries 2011 - 2015), this ToT significantly deteriorated by 16.7%.



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 average ToT for the reporting month was 229 Kgs of wheat against one-year old female sheep, which slightly deteriorated by 0.2% from December 2015 to January 2016, mainly due to increase wheat price (by 1.9%). In the last three proceeding years, this deterioration was also experienced in:
 - December - January 2015 (by 0.1%)
 - December - January 2014 (by 1.5%)
 - December - January 2013 (by 2.3%),
- Compared to the same month one year ago (January 2015), this ToT slightly improved by 2.1%, mainly related to increased sheep price (by 0.4%).
- On the two-year comparison (January 2014), this ToT deteriorated by 3.7%.
- Compared to 5-year average of the same months (Januaries 2011 - 2015), this ToT significantly deteriorated by 11.1%.



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.*

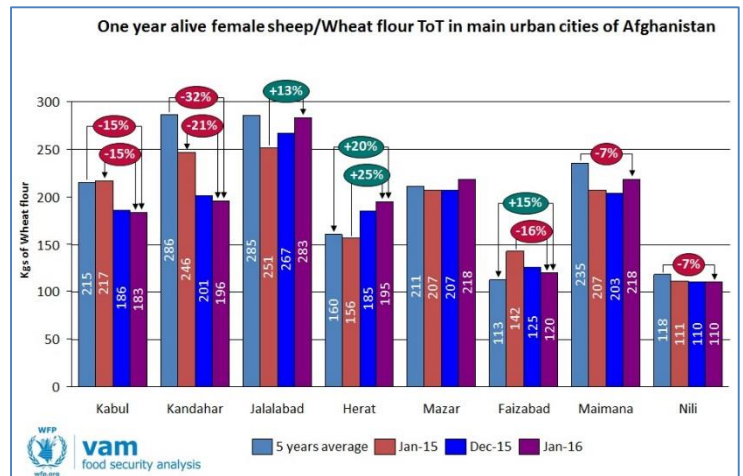
- Sheep-Wheat flour (HP) average ToT for the reporting month was 190.3 Kgs of Wheat flour against one-year alive female sheep, which negligibly improved by 2.6% from December 2015 to January 2016, mainly due to decreased wheat flour price (by 1.1%) and improved one year alive female sheep price (by 0.5%). In the last three proceeding years, this improvement was also experienced in:

- December - January 2015 (by 3.2%)
- December - January 2014 (by 2.4%)
- December - January 2013 (by 1.4%),

- Compared to the same month one year ago (January 2015), this ToT slightly deteriorated by 1.0%, mainly due to increased wheat flour price (by 3.3%).

- On the two-year comparison (January 2014), this ToT slightly improved by 1.5%.

- Compared to 5-year average of the same months (Januaries 2011 - 2015), this ToT slightly deteriorated by 6.3%.



Retail Price of Wheat Grain in Main Urban Cities:

The monthly average price of Wheat in main cities' markets of Afghanistan was AFN 25.1/kg in January 2016. Compared to the past month (December 2015), the average price slightly increased by 1.9%. The highest increase occurred in Kandahar (by 7.4%) and Kabul (by 5.9%), mainly related to increased purchase of bulk of local wheat for milling purposes, caused reduced wheat availability and at the same time decreased supply from source points and depreciation of Afghani currency against US dollar, while a decrease occurred only in Jalalabad (by 5.7%). The variation in other main cities was within a normal range (-1.1% to 3.9%). During the last three proceeding years, this increase was also experienced in:

- December – January 2015 (by 0.2%)
- December – January 2014 and December – January 2013 (by 2.1%).
- Compared to the same month one year ago (January 2015), the average wheat price slightly increased by 1.3%. The highest increase occurred in Kabul (by 10.2%) and the largest decrease occurred in Jalalabad (11.7%), the variation in all other main cities was within a normal range (-7.4% to 9.1%).
- On the two-year comparison (January 2014), the average price slightly increased by 8.2%.
- Compared to the last 5-year average price of the same months (Januaries 2011 - 2015), the average price significantly increased by 16.2%.

Retail Price of Wheat flour in Main Urban Cities:

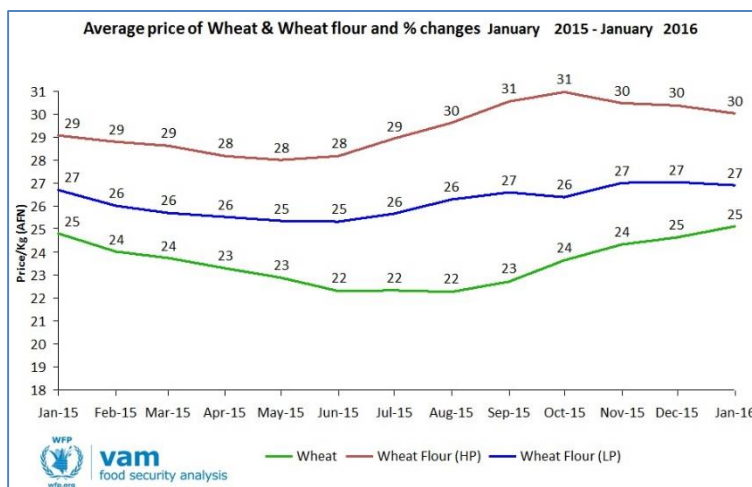
Wheat flour (High Price):

- The monthly average price of Wheat flour (High Price) in main cities' markets was AFN 30.0/Kg in the reporting month (January 2016). The average price negligibly decreased by 1.1% compared to the previous month (December 2015). The largest decrease occurred in Maimana (6.8%), Jalalabad (5.7%) and Mazar (5.2%). while the variation in the remaining main cities was within a normal limit (-1.2% to 4.2%).

In the last three proceeding years, this decrease was also experienced in:

- December - January 2015 (by 2.8%)
- December - January 2014 (by 1.5%)
- December - January 2013 (by 0.6%),

- Compared to the same month one year ago (January 2015), the current average price negligibly increased by 3.3%, mainly due to depreciation of Afghan currency against US dollar. The highest increase occurred in Faizabad (by 22%) and Kabul (by 18.2%) and the largest decrease occurred in Jalalabad (11.2%), the variation in all other main cities was within a normal range (-5.3% to 5.7).
- Compared to the same month two years ago (January 2014), the average price of wheat flour slightly increased by 2.3%.
- Compared to 5-year average price of the same months (Januaries 2011 - 2015), the average price slightly increased by 7.7%.



Wheat flour (Low Price):

- The monthly average price of Wheat flour (Low Price) in main cities' markets was AFN 26.9/Kg in the reporting month (January 2016). The average price negligibly decreased by 0.5% compared to previous month (December 2015). The highest decrease occurred in Maimana (5.8%) and the highest increase occurred only in Kandahar (5.3%) and, the variation in other main cities was within a normal range (-4.8% to 2.9%). In the last three proceeding years, this decrease was also experienced in:
 - December - January 2015 (by 2.4%)
 - December - January 2014 (by 1.8%)
 - December - January 2013 (by 0.3%),
- Compared to the same month one year ago (January 2015), the current average price slightly increased by 0.7%. The highest increase only occurred in Kabul (14.3%) and the largest decrease only occurred in Jalalabad (12.7%), mainly due to maintained supply of imported wheat flour from Pakistan. The variation in other main cities was within a normal range (-9.3% to 9.7 %).
- Compared to the same month two years ago (January 2014), the average price negligibly increased by 0.4%.
- Compared to 5-year average price of the same months (Januaries 2011 - 2015), the average price slightly increased by 9.8%.

Retail Price of Rice in Main Urban Cities:

Rice (High Quality): The monthly average price of Rice (High Quality) in main cities' markets was AFN 77.9/Kg in the reporting month (January 2016) which negligibly decreased by 0.5% compared to previous month (December 2015). The variation in all main cities' markets was within a normal limit (-2.6% to 0.0%). In the last three proceeding years, this decrease was experienced in:

- December - January 2015 (by 1.4%)
- December - January 2014 (by 0.7%)

While the price increase in

- December - January 2013 (by 0.1%)

- Compared to the same month one year ago (January 2015), the average price decreased by 9.5%. The largest decrease occurred in Maimana (21.1%) and Kabul (18.4%), mainly due to maintained supply of rice from Pakistan and normalized price in border town markets after it had reached a ceiling level in the past years. The variation in other main cities was within a normal range -8% up to -3%
- Compared to the same month two years ago (January 2014), the average price significantly decreased by 10.4%.
- Compared to 5-year average price of the some months (Januaries 2011 - 2015), the average price slightly increased by 5.8%.

Rice (Low Quality): The monthly average price of Rice (Low Quality) in main cities' markets was AFN 40.6/Kg in the reporting month (January 2016), which negligibly increased by 0.9% compared to the previous month (December 2015). The largest increase only occurred in Kandahar (7.1%) due to increase demand at this time of the year for cooking sweet rice (Shula Sherin) for cultural celebrations. The variation in all main cities was within a normal range (-2.2% to 3.3%).

In the last three preceding years, this increase was only experienced in:

- December - January 2013 (by 1.3%)

While the price decrease in;

- December - January 2015 (by 1.2%)
- December - January 2014 (by 1.1%)

- Compared to the same month one year ago (January 2015), the average price decreased by 1.1%. The variation in the all main cities was within a normal range (-7.5% to 3.9%), except Kabul observed an increase (by 16%).
- Compared to the same month two years ago (January 2014), the average price slightly decreased by 9.5%.
- Compared to 5-year average price of same months (Januaries 2011 - 2015), the average price negligibly increased by 3.1%.



Retail Price of Cooking Oil in Main Urban Cities:

The monthly average price of Cooking Oil in main cities' markets was AFN 77.6/Kg in the reporting month (January 2016), which negligibly increased by 0.5% compared to previous month (December 2015). The variation in all main cities was within a normal range (-0.7% to 1.9%). This increase was not experienced in the last three preceding years and have seen the decrease in:

- December - January 2015 (by 1.5%)
- December - January 2014 (by 1.2%)
- December - January 2013 (by 1.7%),

- Compared to the same month one year ago (January 2015), the average price negligibly increased by 0.7%, r, there was a drastic increase in Kandahar (by 38.3%) due to reduced supply from Pakistan. The variation in other main cities was within a normal limit (-0.6 to -5.9%).
- Compared to the same month two years ago (January 2014), the average price slightly decreased by 4.8%.
- Compared to 5-year average of the same months (Januaries 2011 - 2015), the average price slightly decreased by 4.4%.

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

Salt: The monthly average price of Salt in January 2016 in main cities' markets was AFN 13.9/Kg, which negligibly increased by 0.2% compared to previous month (December 2015). Compared to the same month last year (January 2015), the average price negligibly increased by 2.2% and compared to the same month two year ago (January 2014), the average price negligibly decreased by 1.0%.

Sugar: The monthly average price of Sugar in January 2016 in main cities' markets was AFN 44.9/Kg, which slightly increased by 1.4% compared to previous month (December 2015). The highest increase only occurred in Maimana (11.6%), mainly due to depreciation of Afghan currency against US dollar and reduced supply of sugar from supplying market. The variation in other main cities was within a normal limit (-2.4% to 1.7%). Compared to the same month last year (January 2015), the average price negligibly increased by 3.1% and compared to the same month two year ago (January 2014), the average price negligibly decreased by 7.0%.

- **Number of days averagely worked by a labourer:** The monthly average number of days worked by a laborer during January 2016 was reported at 8 days. The highest number of working days was in Hirat (16 days), followed by Jalalabad (14 days), Kandahar, Mazar and Maimana (8 days), and while the lowest number of working days was in Nili (0 day) Faizabad (2 days) and Kabul (4 days) due to the winter. Overall, compared to the past month it decreased by 2.2 days per month related to a decrease by 8 days per month in Kabul and Nili, 1.8 days in Faizabad. The average number of working days remained unchanged in other main cities.
- Compared to the same month last year (January 2015), the average number of working days decreased by 2.3 day per month.
- Compared to the same month two years ago (January 2014), the average number of working days decreased by 4.0 day per month.

Market Watch:

Markets	Major Comm	Current Price per Kg	Price change (%)				Average				Markets	Major Comm	Current Price in AFN	Price change				Average				
			5 Y Ave	2 Y	1 Y	1M	5 Y Ave	2 Y	1 Y	1M				5 Y Ave	2 Y	1 Y	1M	5 Y Ave	2 Y	1 Y	1M	
KABUL	Wheat	27.0	26.6	17.4	10.2	5.9	▲	▲	▲	▲	Livestock-One year live Sheep (Female)	KABUL	Sheep	5,500	-3.3	-0.5	0.0	0.0	▶	▶	▶	▶
	Wheat flour (HP)	30.0	12.2	8.6	18.2	1.3	▶	▶	▶	▶		KANDAHAR	Sheep	5,600	-17.4	-16.9	-15.9	0.0	▼	▼	▼	▶
	Rice High Quality	80.0	3.8	-17.5	-18.4	0.0	▶	▶	▶	▶		JALALABAD	Sheep	7,000	-1.1	7.7	0.0	0.0	▶	▶	▶	▶
	Rice Low Quality	58.0	48.0	16.0	16.0	0.0	▶	▶	▶	▶		HIRAT	Sheep	5,431	23.4	18.1	18.1	3.9	▶	▶	▶	▶
Cooking Oil	79.0	-3.3	-2.3	-2.2	1.3	▶	▶	▶	▶	MAZAR		Sheep	6,000	12.8	0.8	3.4	0.0	▶	▶	▶	▶	
KANDAHAR	Wheat	28.3	21.6	2.9	3.2	7.4	▶	▶	▶	▶		FAIZABAD	Sheep	4,500	26.9	16.9	2.9	0.0	▶	▶	▶	▶
	Wheat flour (HP)	28.6	19.1	5.4	5.7	2.7	▶	▶	▶	▶		MAIMANA	Sheep	6,000	-1.5	0.0	0.0	0.0	▶	▶	▶	▶
	Rice High Quality	68.3	4.8	-12.7	-6.8	-2.6	▶	▶	▶	▶		NILI	Sheep	4,000	-6.8	27.0	2.6	0.0	▶	▶	▶	▶
	Rice Low Quality	29.3	1.8	14.8	1.0	7.1	▶	▶	▶	▶		Terms of Trade										
Cooking Oil	75.2	14.9	9.8	38.3	1.2	▶	▶	▶	▶	Kgs of wheat/wheat flour												
JALALABAD	Wheat	20.8	2.3	-1.2	-11.7	-5.7	▶	▶	▶	▶		KABUL	Casual Labor/wheat	9.3	-29.2	-18.9	-9.3	-10.2	▼	▼	▼	▼
	Wheat flour (HP)	24.8	-0.5	-4.8	-11.2	-5.7	▶	▶	▶	▶		KANDAHAR	Casual Labor/wheat	10.6	-24.7	-16.6	-16.9	-6.8	▼	▼	▼	▼
	Rice High Quality	76.0	14.5	-2.1	-6.0	0.0	▶	▶	▶	▶	JALALABAD	Casual Labor/wheat	12.5	-9.3	1.3	13.3	6.1	▶	▶	▶	▶	
	Rice Low Quality	29.5	-21.5	-39.9	-0.8	0.0	▶	▶	▶	▶	HIRAT	Casual Labor/wheat	14.9	-4.5	-1.6	8.0	1.1	▶	▶	▶	▶	
Cooking Oil	73.5	-7.0	-4.4	-3.1	-0.7	▶	▶	▶	▶	MAZAR	Casual Labor/wheat	9.1	-32.0	-22.2	0.0	0.0	▼	▼	▼	▶		
HIRAT	Wheat	20.1	8.3	1.7	-7.4	-1.1	▶	▶	▶	▶	FAIZABAD	Casual Labor/wheat	9.8	-30.4	-25.8	-1.7	-15.7	▼	▼	▼	▼	
	Wheat flour (HP)	27.9	0.7	1.8	-5.3	-1.2	▶	▶	▶	▶	MAIMANA	Casual Labor/wheat	8.7	-39.7	-27.0	4.3	0.0	▼	▼	▼	▶	
	Rice High Quality	59.7	-4.4	-15.7	-7.5	-1.7	▶	▶	▶	▶	NILI	Casual Labor/wheat	7.6	-11.0	20.4	14.6	-7.0	▼	▼	▶	▶	
	Rice Low Quality	26.8	2.1	8.5	3.9	-2.2	▶	▶	▶	▶	KABUL	Sheep /wheat	203.7	-24.6	-15.2	-9.3	-5.6	▼	▼	▼	▼	
Cooking Oil	67.3	-9.4	-4.6	-3.2	-0.2	▶	▶	▶	▶	KANDAHAR	Sheep /wheat	197.9	-33.5	-19.2	-18.5	-6.8	▼	▼	▼	▼		
MAZAR	Wheat	22.0	16.7	14.3	0.0	0.0	▶	▶	▶	▶	JALALABAD	Sheep /wheat	337.3	-3.4	9.0	13.3	6.0	▶	▶	▶	▶	
	Wheat flour (HP)	27.5	9.2	5.8	-1.8	-5.2	▶	▶	▶	▶	HIRAT	Sheep /wheat	270.7	13.3	16.2	27.5	5.2	▶	▶	▶	▶	
	Rice High Quality	80.0	6.0	-8.6	-8.0	0.0	▶	▶	▶	▶	MAZAR	Sheep /wheat	272.7	-3.8	-11.8	3.4	0.0	▶	▶	▶	▶	
	Rice Low Quality	38.0	5.8	-11.6	-5.0	0.0	▶	▶	▶	▶	FAIZABAD	Sheep /wheat	168.2	2.4	-9.3	-3.9	-3.7	▶	▶	▶	▶	
Cooking Oil	77.5	-3.2	-3.4	-0.6	-0.3	▶	▶	▶	▶	MAIMANA	Sheep /wheat	260.9	-14.6	-8.7	4.3	0.0	▼	▶	▶	▶		
FAIZABAD	Wheat	26.8	16.7	14.3	0.0	0.0	▶	▶	▶	▶	NILI	Sheep /wheat	121.2	-20.2	28.4	-6.0	-2.3	▼	▶	▶	▶	
	Wheat flour (HP)	37.5	9.2	5.8	-1.8	-5.2	▶	▶	▶	▶	KABUL	Casual Labor/wheat flour	8.3	-19.7	-12.3	-15.4	-6.0	▼	▼	▼	▼	
	Rice High Quality	90.0	6.0	-8.6	-8.0	0.0	▶	▶	▶	▶	KANDAHAR	Casual Labor/wheat flour	10.5	-20.2	-18.7	-18.9	-2.6	▼	▼	▼	▶	
	Rice Low Quality	46.5	5.8	-11.6	-5.0	0.0	▶	▶	▶	▶	JALALABAD	Casual Labor/wheat flour	10.5	-5.3	5.1	12.6	6.1	▶	▶	▶	▶	
Cooking Oil	92.0	-3.2	-3.4	-0.6	-0.3	▶	▶	▶	▶	HIRAT	Casual Labor/wheat flour	10.8	2.1	-1.8	5.7	1.2	▶	▶	▶	▶		
MAIMANA	Wheat	23.0	24.0	28.9	7.0	3.9	▶	▶	▶	▶	MAZAR	Casual Labor/wheat flour	7.3	-27.3	-16.0	1.8	5.5	▼	▼	▶	▶	
	Wheat flour (HP)	27.5	18.9	11.9	22.0	4.2	▶	▶	▶	▶	FAIZABAD	Casual Labor/wheat flour	7.0	-26.7	-14.7	-13.9	-16.0	▼	▼	▼	▶	
	Rice High Quality	75.0	17.3	-5.3	-3.0	0.0	▶	▶	▶	▶	MAIMANA	Casual Labor/wheat flour	7.3	-33.4	-16.4	5.5	7.3	▼	▼	▶	▶	
	Rice Low Quality	37.0	-6.6	-9.7	-7.0	3.3	▶	▶	▶	▶	NILI	Casual Labor/wheat flour	6.8	3.5	25.2	20.3	-4.8	▶	▶	▶	▶	
Cooking Oil	81.5	-9.0	-14.4	-5.9	0.5	▶	▶	▶	▶	KABUL	Sheep /wheat flour	183.3	-14.8	-8.3	-15.4	-1.3	▼	▶	▶	▶		
NILI	Wheat	33.0	14.1	-1.1	9.1	2.3	▶	▶	▶	▶	KANDAHAR	Sheep /wheat flour	195.8	-31.6	-21.2	-20.5	-2.6	▼	▼	▼	▶	
	Wheat flour (HP)	36.5	-0.4	-4.9	3.9	0.0	▶	▶	▶	▶	JALALABAD	Sheep /wheat flour	282.8	-0.9	13.1	12.6	6.1	▶	▶	▶	▶	
	Rice High Quality	94.0	6.6	-4.3	-3.1	0.0	▶	▶	▶	▶	HIRAT	Sheep /wheat flour	194.8	21.9	16.0	24.7	5.2	▶	▶	▶	▶	
	Rice Low Quality	60.0	8.0	-10.8	-6.3	0.0	▶	▶	▶	▶	MAZAR	Sheep /wheat flour	218.2	3.2	-4.7	5.3	5.5	▶	▶	▶	▶	
Cooking Oil	75.0	-9.1	-14.4	-2.9	0.0	▶	▶	▶	▶	FAIZABAD	Sheep /wheat flour	120.0	6.7	4.4	-15.7	-4.0	▶	▶	▶	▶		
										MAIMANA	Sheep /wheat flour	218.2	-7.3	4.5	5.5	7.3	▶	▶	▶	▶		
										NILI	Sheep /wheat flour	109.6	-7.4	33.5	-1.3	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 January 2015 and 2Y= Compared to January 2014

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