

Initial Market Price Bulletin for the month of **May 2016** (Reported in June 2016)

HIGHLIGHTS:

- **Wheat:** Average wheat grain retail price in the main cities' markets of the country was relatively stable, with slight or negligible fluctuations within a normal limit during 2013 - 2015. In 2016, the price negligibly increased in January, but was negligibly decreasing in February - May.
- The current average wheat price in main cities' markets of Afghanistan (AFN 24.0/Kg) is slightly higher by 5.0% compared to the same time last year (May 2015), but significantly higher by 10.7% compared to the last 5-year average price of the same months (Mays 2011 - 2015).
- **Wheat flour (High Price)** retail price in main cities' markets of Afghanistan was relatively stable with slight or negligible fluctuations within a normal limit during 2013-2015. In 2016, the price was negligibly decreasing in January -March, negligibly increased in April, while negligibly decreased in May. The current retail price (AFN 28.6/kg) is negligibly higher by 2.1% compared to the same month last year (May 2015), and slightly higher by 5.0% 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 40.0/kg) is slightly higher by 3.3% compared to the same month last year (May 2015), and also negligibly higher by 0.8% compared to the last 5-year average price of the same months. The current average price of High Quality Rice (AFN 76.5/kg) is slightly lower by 3.9% compared to the same month last year (May 2015), but slightly higher by 3.7% compared to the last 5-year average price of the same months.

Terms of Trade (ToT)

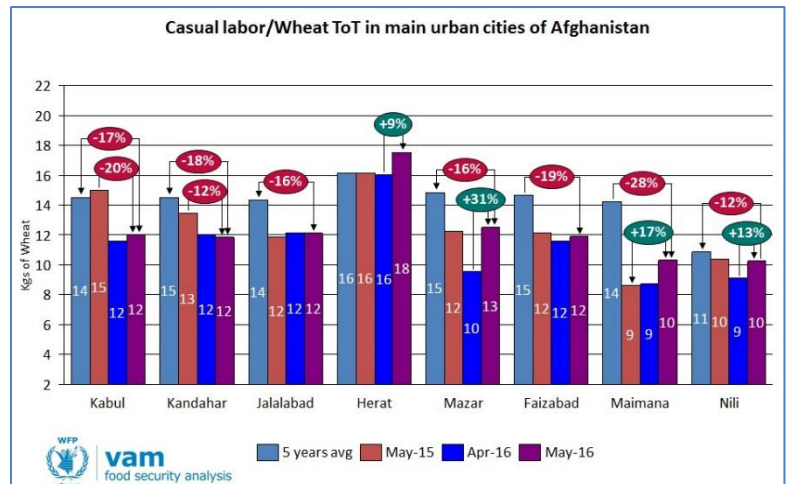
Casual Labor and Wheat (ToT): *The Terms of Trade (ToT) between casual Labor and wheat is a proxy indicator or the purchasing capacity of households mainly relying on casual labor as main income, and purchase of wheat in the market. This ToT reveals how many Kilograms of wheat can be purchased with one- 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 12.3 Kgs of Wheat. On average, this ToT improved (by 8.7%) from April to May 2016, mainly due to increased labor wage (by 6.9%) and decreased wheat price (by 1.0 %). In the last three proceeding years, this improvement was also experienced;
 - April - May 2015 (by 3.1%)
 - April - May 2014 (by 0.5%)

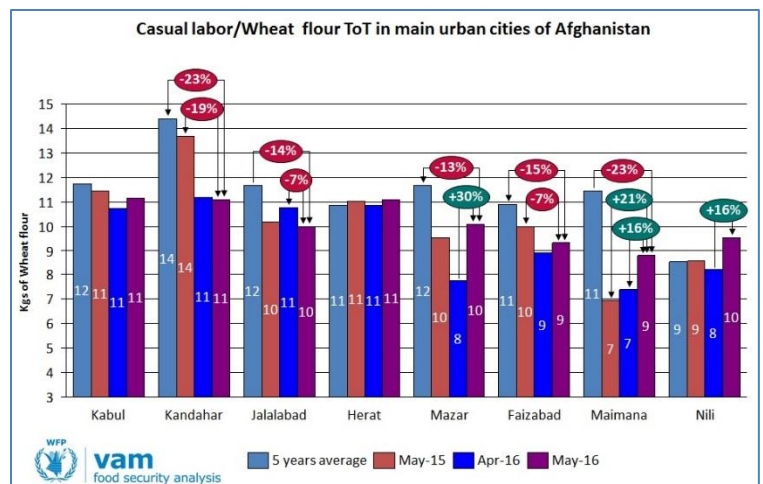
While a deterioration was seen;

- April - May 2013 (by 3.3%)

- In comparison to the same month one year ago (May 2015), this ToT slightly deteriorated by 1.3%, mainly due to increased Wheat price (by 5.0%).
- On the two-year comparison (May 2014), this ToT significantly improved by 12.9%.
- Compared to the 5-year average of the same months (Mays 2011-2015), this ToT significantly deteriorated by 13.8%.



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 10.1 Kgs of Wheat flour which slightly improved by 7.0% from April to May 2016, mainly related to increased labor wage (by 6.9%) and decreased wheat flour price (by 0.4 %).

This improvement was also experienced;

- April - May 2015 (by 1.5%)
- April – May 2014 (by 0.5%)
- April - May 2013 (by 1.2%)

- Compared to the same month one year ago (May 2015), this ToT slightly deteriorated by (0.4%), mainly related to increased wheat flour price (by 2.1%).
- On the two-year comparison (May 2014), this ToT slightly improved by 9.9%.
- Compared to the 5-year average of the same months (Mays 2011 - 2015), this ToT significantly deteriorated by 11.1%.

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.*

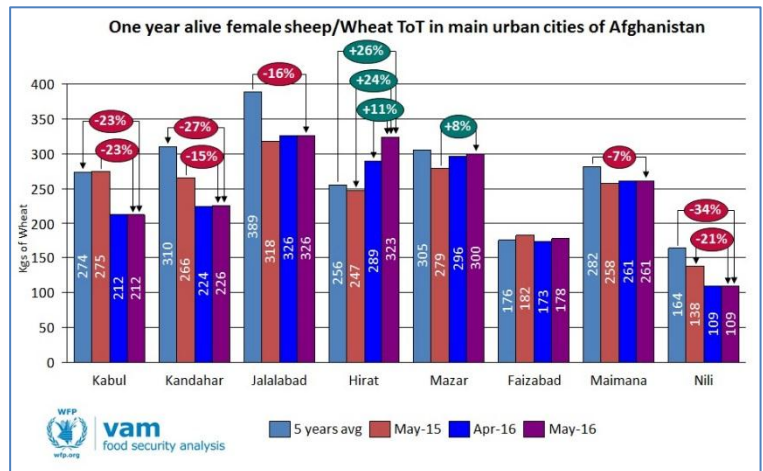
- Sheep/Wheat average ToT for the reporting month was 242 Kgs of wheat against one-year alive female sheep, which negligibly improved by 2.4% from April to May 2016, mainly due to decreased wheat price (by 1.0%). In the last three proceeding years, this improvement was only experienced;

- April - May 2015 (by 2.1%)

While deterioration were seen;

- April - May 2014 (by 0.4%)
- April - May 2013 (by 0.6%)

- Compared to the same month one year ago (May 2015), this ToT slightly deteriorated by 1.5%, mainly related to increased wheat price (by 5.0%).
- On the two-year comparison (May 2014) this ToT slightly improved by 5.3%.
- Compared to 5-year average of the same months (Mays 2011 - 2015), this ToT significantly deteriorated by 10.2%.



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.*

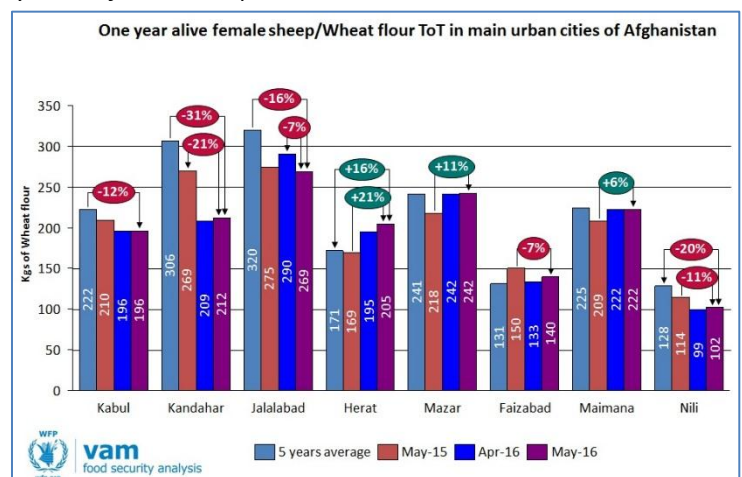
- Sheep-Wheat flour (HP) average ToT for the reporting month was 198.6 Kgs of Wheat flour against one-year alive female sheep, which negligibly improved by 0.1% from April to May 2016, mainly due to increased Sheep price (by 0.8%) as well as decreased wheat flour price (by 0.4%). In the last three proceeding years, this improvement was also experienced;

- April - May 2015 (by 1.0%)
- April - May 2013 (by 4.0%)

While a deterioration was seen;

- April - May 2014 (by 0.5%)

- Compared to the same month one year ago (May 2015), this ToT negligibly deteriorated by 1.6%, mainly due to increased wheat flour price (by 2.1%).
- On the two-year comparison (May 2014), this ToT slightly improved by 2.6%.
- Compared to 5-year average of the same months (Mays 2011 - 2015), this ToT slightly deteriorated by 9.0%.



Retail Price of Wheat Grain in Main Urban Cities:

The monthly average price of Wheat in main cities' markets of Afghanistan was AFN 24.0/Kg in May 2016. Compared to the past month (April 2016), the average price negligibly decreased by 1.0%. The largest decrease only occurred in Hirat (8.3%) due to increased supply from a neighboring district and also from Pakistan. The variation in all main cities was within a normal range (-2.9% to 1.5%). In the last three proceeding years, this decrease was only experienced in;

- April - May 2015 (by 1.8%)

While the price increase in;

- April - May 2014 (by 1.2%), and remained unchanged in April - May 2013.

- Compared to the same month one year ago (May 2015), the average wheat price slightly increased by 5.0%. The highest increase occurred in Kabul (by 30.0%) and Nili (by 13.8%), due to less amount available in the market. The variation in all other main cities was within a normal range (-7.8% to 5.4%).
- On the two-year comparison (May 2014), the average price slightly decreased by 5.7%.
- Compared to the last 5-year average price of the same months (Mays 2011 - 2015), the average price significantly increased by 10.7%.

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 28.6/Kg in the reporting month (May 2016). The average price negligibly decreased by 0.4% compared to the previous month (April 2016). The variation in the all main cities was within a normal limit (-4.4% to 1.0%), except the highest increase only occurred in Jalalabad (7.8%), mainly due to increased prices in source point in Pakistan. In the last three proceeding years, this decrease was also experienced;
 - April - May 2015 (by 0.6%)
 - April - May 2013 (by 3.2%)

While the price increase in;

- April - May 2014 (by 1.1%)

- Compared to the same month one year ago (May 2015), the current average price negligibly increased by 2.1%, mainly due to depreciation of Afghan currency against US dollar. The highest increase only occurred in Kandahar (13.9%). The variation in the remaining main cities was within a normal range (-6.1% to 6.7%).
- Compared to the same month two years ago (May 2014), the average price of wheat flour slightly decreased by 4.5%.
- Compared to 5-year average price of the same months (Mays 2011 - 2015), the average price slightly increased by 5.0%.

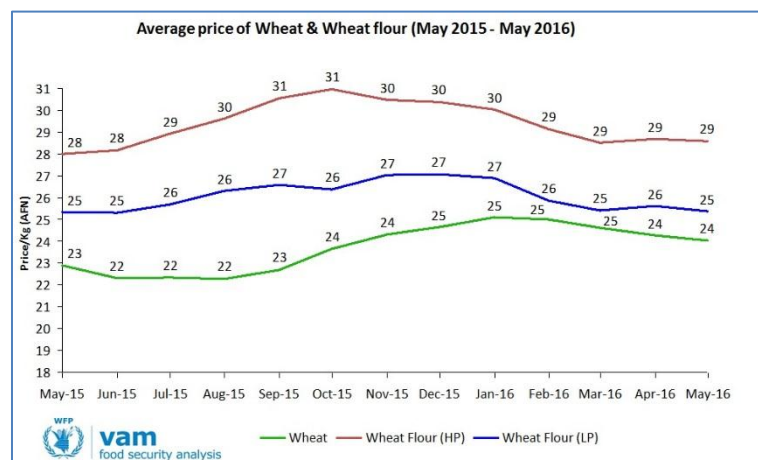
Wheat flour (Low Price):

- The monthly average price of Wheat flour (Low Price) in main cities' markets was AFN 25.4/Kg in the reporting month (May 2016). The average price negligibly decreased by 0.9% compared to previous month (April 2016). The highest decrease only occurred in Faizabad (5.4%) due to increase of supply from source of point (Pakistan). The variation in other main cities was within a normal range (-4.8% to 2.2%). In the last three proceeding years, this decrease was also experienced
 - April - May 2015 (by 0.7%)
 - April - May 2013 (by 1.5%)

While the price increase in;

- April - May 2014 (by 0.4%)

- Compared to the same month one year ago (May 2015), the current average price negligibly increased by 0.1%.



The highest increase only occurred in Kandahar (12.0%), while a significant decrease occurred in Hirat (14.4%) and Maimana (10.3%) mainly due to maintained supply of imported wheat flour from Pakistan and Kazakhstan. The variation in other main cities was within a normal range (1.7% to 6.7 %),

- Compared to the same month two years ago (May 2014), the average price slightly decreased by 5.7%.
- Compared to 5-year average price of the same months (Mays 2011 - 2015), the average price slightly increased by 4.8%.

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 76.5/Kg in the reporting month (May 2016) which negligibly decreased by 0.6% compared to the previous month (April 2016). The variation in all main cities was within a normal limit (-3.9% to 0.8%). In the last three preceding years, there was a decrease only ;
 - April - May 2015 (by 0.7%)

While the price increase in;

- April - May 2013 (by 2.3%), and remained the same in April - May 2014.

- Compared to the same month one year ago (May 2015), the average price slightly decreased by 3.9%. The largest decrease only occurred in Maimana (21.1%), 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 (-6.0% - 3.8%).
- Compared to the same month two years ago (May 2014), the average price significantly decreased by 11.8%.
- Compared to 5-year average price of the some months (Mays 2011 - 2015), the average price slightly increased by 3.7%.

Rice (Low Quality):

- The monthly average price of Rice (Low Quality) in main cities' markets was AFN 40.0/Kg in the reporting month (May 2016), which negligibly decreased by 1.6% compared to the previous month (April 2016). The largest decrease only occurred in Faizabad (12.9%), mainly due to maintained supply from Pakistan. The variation in all main cities was within a normal range (-0.4 to 2.8%).
- In the last three preceding years, this decrease was only experienced;
 - April - May 2013 (by 1.9%)

While the price increase in;

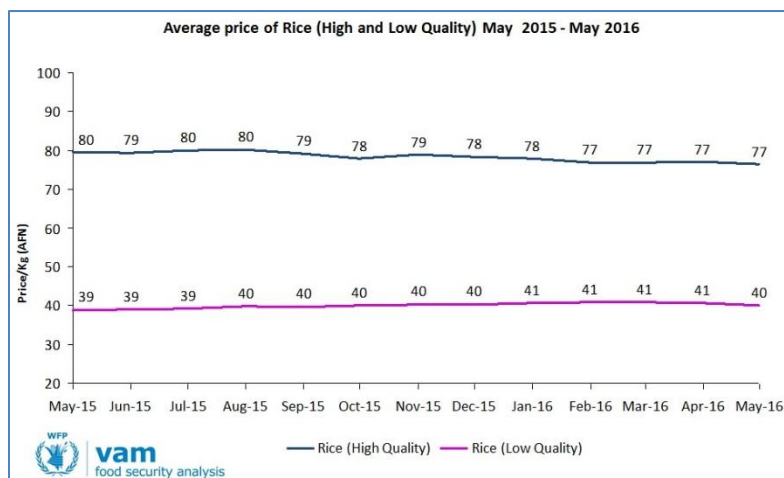
- April - May 2015 (by 0.6%)
- April - May 2014 (by 0.5%)

Compared to the same month one year ago (May 2015), the average price increased by 3.3%. The largest increase occurred in Kandahar (37.6%), Kabul (18.4%) and Hirat (13.6%), mainly due to decreased supply of rice from source points in Pakistan, while its price only significant decreased in Faizabad (15.6%). The variation in other main cities was within a normal range (-7.5% to 0.0%).

- Compared to the same month two years ago (May 2014), the average price slightly decreased by 9.0%.
- Compared to 5-year average price of same months (Mays 2011 - 2015), the average price negligibly increased by 0.8%.

Retail Price of Cooking Oil in Main Urban Cities:

- The monthly average price of Cooking Oil in main cities' markets was AFN 78.8/Kg in the reporting month (May 2016), being negligibly increased by 0.6% compared to previous month (April 2016). The variation in all main cities was within a normal range (0.0% to 1.9%). In the last three preceding years, this increase was also experienced
 - April - May 2014 , and
 - April - May 2013 (by 0.1%)



While the price decrease in;

○ April - May 2015 (by 0.5%)

- Compared to the same month one year ago (May 2015), the average price slightly increased by 4.1%. The largest increase only occurred in Kandahar (18.1%), mainly due to decreased supply of Oil from source points in Pakistan. The variation in main cities was within a normal limit (-1.2% to 9.1 %).
- Compared to the same month two years ago (May 2014), the average price slightly decreased by 2.5%.
- Compared to 5-year average of the same months (Mays 2011 - 2015), the average price slightly decreased by 1.9%.

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

Salt: The monthly average price of Salt in May 2016 in main cities' markets was AFN 13.93/Kg, being negligibly increased by 0.1% compared to the previous month (April 2016). Compared to the same month last year (May 2015), the average price slightly increased by 6.1%. Compared to the same month two year ago (May 2014), the average price remained unchanged.

Sugar: The monthly average price of Sugar in May 2016 in main cities' markets was AFN 47.6/Kg, being negligibly increased by 3.8% compared to the previous month (April 2016). Compared to the same month last year (May 2015) the average price significantly increased by 15.0%. Compared to the same month two year ago (May 2014) the average price slightly increased by 7.7%.

Number of days averagely worked by a labourer: The monthly average number of days worked by a laborer during May 2016 was reported at 12.4 days. The highest number of working days was in Kabul (20 days), Nili (16 days), followed by Jalalabad (14 days), Hirat (12 days), Mazar and Maimana (11 days) and Kandahar (8days). Meanwhile, the lowest number of working days was reported in Faizabad (7 days). Overall, compared to the past month it increased by 1.1 days per month due to an increase by 4 days in Kabul, 3 days in Mazar and Maimana, and 2.5 day in Faizabad, except decreased in Hirat by 4 days. The average number of working days remained unchanged in other main cities.

- Compared to the same month last year (May 2015), the average number of working days negligibly decreased by 0.1 day per month.
- Compared to the same month two years ago (May 2014), the average number of working days also negligibly decreased by 0.5 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			
			5Y Ave	2Y	1Y	1M	5Y Ave	2Y	1Y	1M				5Y Ave	2Y	1Y	1M	5Y Ave	2Y	1Y	1M
KABUL	Wheat	26.0	21.5	-7.1	30.0	0.0	▲	▶	▶	▶	Livestock-One year live Sheep (Female)										
	Wheat flour (HP)	28.0	8.2	-2.2	6.7	0.0	▶	▶	▶	▶	KABUL	Sheep	5,500	-3.3	0.0	0.0	0.0	▶	▶	▶	▶
	Rice High Quality	80.0	7.3	-16.7	0.0	0.0	▶	▼	▶	▶	KANDAHAR	Sheep	5,738	-18.3	-8.4	-10.4	2.5	▼	▶	▼	▶
	Rice Low Quality	58.0	44.3	16.0	18.4	0.0	▶	▶	▶	▶	JALALABAD	Sheep	7,000	-5.2	0.0	0.0	0.0	▶	▶	▶	▶
KANDAHAR	Cooking Oil	81.0	-2.3	0.0	1.3	0.0	▶	▶	▶	▶	HIRAT	Sheep	5,540	21.3	20.4	20.4	2.7	▶	▶	▶	▶
	Wheat	25.4	8.3	-13.1	5.4	1.5	▶	▶	▶	▶	MAZAR	Sheep	6,300	6.0	0.0	5.0	1.2	▶	▶	▶	▶
	Wheat flour (HP)	27.1	15.1	-4.8	13.9	0.7	▶	▶	▶	▶	FAIZABAD	Sheep	4,500	10.4	-18.2	0.0	0.0	▶	▼	▶	▶
	Rice High Quality	62.2	-4.3	-19.7	3.8	-0.9	▶	▶	▶	▶	MAIMANA	Sheep	6,000	1.9	0.0	0.0	0.0	▶	▶	▶	▶
JALALABAD	Rice Low Quality	30.2	3.6	17.0	37.6	-0.4	▶	▶	▶	▶	NILI	Sheep	3,600	-18.5	-5.3	-10.0	0.0	▶	▶	▶	▶
	Cooking Oil	74.9	10.7	8.6	18.1	1.9	▶	▶	▶	▶	Terms of Trade Kgs of Wheat/Wheat flour										
	Wheat	21.5	12.6	4.2	-2.3	0.0	▶	▶	▶	▶	KABUL	Casual Labor/Wheat	12.0	-17.1	34.6	-19.9	4.2	▶	▶	▶	▶
	Wheat flour (HP)	26.0	11.5	4.5	2.0	7.8	▶	▶	▶	▶	KANDAHAR	Casual Labor/Wheat	11.8	-18.5	-1.3	-12.4	-1.4	▶	▶	▶	▶
HIRAT	Rice High Quality	76.0	13.0	-0.7	0.7	0.0	▶	▶	▶	▶	JALALABAD	Casual Labor/Wheat	12.1	-15.8	-4.1	2.3	0.0	▶	▶	▶	▶
	Rice Low Quality	29.5	-22.4	-37.9	0.0	0.0	▶	▶	▶	▶	HIRAT	Casual Labor/Wheat	17.5	8.4	32.0	8.5	9.0	▶	▶	▶	▶
	Cooking Oil	77.8	-0.7	1.6	9.1	1.0	▶	▶	▶	▶	MAZAR	Casual Labor/Wheat	12.5	-15.9	14.4	2.4	31.3	▶	▶	▶	▶
	Wheat	17.2	-5.9	-24.2	-7.8	-8.3	▶	▶	▶	▶	FAIZABAD	Casual Labor/Wheat	11.9	-19.2	1.0	-2.0	3.0	▶	▶	▶	▶
MAZAR	Wheat flour (HP)	27.1	-0.8	-11.2	-0.6	-2.1	▶	▶	▶	▶	MAIMANA	Casual Labor/Wheat	10.3	-27.5	18.8	20.0	18.8	▶	▶	▶	▶
	Rice High Quality	60.6	-6.8	-20.2	0.3	0.8	▶	▶	▶	▶	NILI	Casual Labor/Wheat	10.2	-5.8	14.2	-1.1	12.5	▶	▶	▶	▶
	Rice Low Quality	29.2	8.0	2.1	13.6	2.8	▶	▶	▶	▶	KABUL	Sheep /Wheat	211.5	-22.7	7.7	-23.1	0.0	▶	▶	▶	▶
	Cooking Oil	71.3	-4.3	-4.4	8.6	0.6	▶	▶	▶	▶	KANDAHAR	Sheep /Wheat	226.1	-27.0	5.4	-14.9	0.9	▶	▶	▶	▶
FAIZABAD	Wheat	21.0	6.9	-2.3	-2.3	0.0	▶	▶	▶	▶	JALALABAD	Sheep /Wheat	325.6	-16.2	-4.1	2.3	0.0	▶	▶	▶	▶
	Wheat flour (HP)	26.0	3.0	-4.6	-5.5	1.0	▶	▶	▶	▶	HIRAT	Sheep /Wheat	323.3	26.5	59.0	30.7	11.8	▶	▶	▶	▶
	Rice High Quality	78.0	6.0	-8.2	-4.9	0.0	▶	▶	▶	▶	MAZAR	Sheep /Wheat	300.0	-1.6	2.4	7.5	1.2	▶	▶	▶	▶
	Rice Low Quality	36.0	-4.3	-14.3	0.0	0.0	▶	▶	▶	▶	FAIZABAD	Sheep /Wheat	178.2	1.3	-17.4	-2.0	3.0	▶	▶	▶	▶
MAIMANA	Cooking Oil	78.5	1.4	1.6	0.6	1.9	▶	▶	▶	▶	MAIMANA	Sheep /Wheat	260.9	-7.4	0.0	1.1	0.0	▶	▶	▶	▶
	Wheat	25.3	9.1	-1.0	2.0	-2.9	▶	▶	▶	▶	NILI	Sheep /Wheat	109.1	-33.6	-3.8	-20.9	0.0	▶	▶	▶	▶
	Wheat flour (HP)	32.3	3.2	-8.5	7.5	-4.4	▶	▶	▶	▶	KABUL	Casual Labor/Wheat flour	11.2	-4.8	27.8	-2.3	4.2	▶	▶	▶	▶
	Rice High Quality	86.5	11.7	-9.4	-6.0	-3.9	▶	▶	▶	▶	KANDAHAR	Casual Labor/Wheat flour	11.1	-22.9	-10.0	-19.0	-0.7	▶	▶	▶	▶
NILI	Rice Low Quality	40.5	-17.8	-19.0	-15.6	-12.9	▶	▶	▶	▶	JALALABAD	Casual Labor/Wheat flour	10.0	-14.2	-4.3	-1.9	-7.2	▶	▶	▶	▶
	Cooking Oil	90.0	-5.9	-10.0	0.6	0.0	▶	▶	▶	▶	HIRAT	Casual Labor/Wheat flour	11.1	2.1	12.6	0.6	2.1	▶	▶	▶	▶
	Wheat	23.0	9.0	0.0	-1.1	0.0	▶	▶	▶	▶	MAZAR	Casual Labor/Wheat flour	10.1	-13.4	17.1	5.8	30.0	▶	▶	▶	▶
	Wheat flour (HP)	27.0	1.3	-4.4	-6.1	0.0	▶	▶	▶	▶	FAIZABAD	Casual Labor/Wheat flour	9.3	-14.5	9.3	-7.0	4.7	▶	▶	▶	▶
KABUL	Rice High Quality	75.0	-5.6	-14.8	-21.1	0.0	▶	▶	▶	▶	MAIMANA	Casual Labor/Wheat flour	8.8	-23.2	24.2	26.4	18.8	▶	▶	▶	▶
	Rice Low Quality	37.0	-7.6	-7.5	-7.5	0.0	▶	▶	▶	▶	NILI	Casual Labor/Wheat flour	9.5	11.7	16.1	11.3	16.1	▶	▶	▶	▶
	Cooking Oil	82.0	-1.7	-2.7	-1.2	0.0	▶	▶	▶	▶	KABUL	Sheep /Wheat flour	196.4	-11.7	2.2	-6.3	0.0	▶	▶	▶	▶
	Wheat	33.0	19.8	-1.5	13.8	0.0	▶	▶	▶	▶	KANDAHAR	Sheep /Wheat flour	212.1	-30.8	-3.8	-21.3	1.7	▶	▶	▶	▶
KANDAHAR	Wheat flour (HP)	35.4	1.9	-3.1	1.1	-3.1	▶	▶	▶	▶	JALALABAD	Sheep /Wheat flour	269.2	-15.9	-4.3	-1.9	-7.2	▶	▶	▶	▶
	Rice High Quality	94.0	6.3	-6.0	2.2	0.0	▶	▶	▶	▶	HIRAT	Sheep /Wheat flour	204.8	19.4	35.6	21.1	4.9	▶	▶	▶	▶
	Rice Low Quality	60.0	6.0	-11.8	0.0	0.0	▶	▶	▶	▶	MAZAR	Sheep /Wheat flour	242.3	0.4	4.8	11.1	0.2	▶	▶	▶	▶
	Cooking Oil	75.0	-9.3	-10.7	0.0	0.0	▶	▶	▶	▶	FAIZABAD	Sheep /Wheat flour	139.5	6.5	-10.6	-7.0	4.7	▶	▶	▶	▶
MAIMANA	Wheat flour (HP)	35.4	1.9	-3.1	1.1	-3.1	▶	▶	▶	▶	MAIMANA	Sheep /Wheat flour	222.2	-1.1	4.6	6.5	0.0	▶	▶	▶	▶
	Cooking Oil	75.0	-9.3	-10.7	0.0	0.0	▶	▶	▶	▶	NILI	Sheep /Wheat flour	101.8	-20.5	-2.3	-11.0	3.2	▶	▶	▶	▶

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 May 2015 and 2Y = Compared to May 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