



Highlights:

- In conflict-affected areas, supply routes were severely disrupted by intensified clashes resulting in restricted market functionality and significant monthly food basket increases ranging from 12 to 36 percent in Idleb, Al-Hasakeh, Aleppo and Hama governorates.
- Notable fiscal deficit in most banks across the country, reflecting low financial liquidity and causing volatile exchange rate for Syrian Pound in the black markets that ranged between highest peak (630 SYP/1 USD) to lowest rate (300 SYP/1 USD) in less than three weeks.
- Insecurity and increased demand before Ramadan, significantly increased staple food prices compared to last year, wheat flour (+49%), rice (+74%), subsidized bread (+99.5%) and shop bread (+22.9%).

A: Standard Food Basket

The national average cost of a standard food basket¹ (group of essential commodities) during May 2016 was SYP 37,291, which presents an increase of 9 percent compared to last month. Deir-ez-Zor governorate continues to register the highest cost with SYP 112,384, while the lowest cost was observed in Homs governorate at SYP 24,244.

In most governorates, data indicate a significant increase compared to one month ago, mainly due to the onset of Ramadan and intensified clashes in different parts of country.

In Idleb, Aleppo and Al-Hasakeh supply routes were extremely disrupted during May, and food basket increased by 36, 13.8 and 32.6 percent respectively compared to last month.

In Rural Damascus, despite recent humanitarian access and slightly better food availability, prices are still increasing and the cost of the food basket rose by 1.6 and 24.1 percent compared to one and six months ago respectively. Highlighting the continuously deteriorating purchasing power of poor and vulnerable households who mainly depend on food purchases.

Governorate	Price May 2016	Price 1 month change	Price 6 months changes	Price 12 months changes
Aleppo	SYP 27,488	13.8%	45.4%	100.9%
Damascus	SYP 26,868	13.2%	46.8%	73.2%
Dar'a	SYP 25,938	5.8%	41.7%	57.6%
Deir-ez-Zor	SYP 112,384	-8.3%	-12.8%	171%
Hama	SYP 27,448	12.4%	54.0%	73.6%
Al-Hasakeh	SYP 39,900	32.6%	100.8%	161.0%
Homs	SYP 24,244	6.3%	31.6%	59.6%
Lattakia	SYP 29,694	22.8%	61.9%	95.3%
Ar-Raqqqa	SYP 40,245	21.0%	80.2%	168.4%
Rural Damascus	SYP 36,338	1.6%	24.1%	131%
As-Sweida	SYP 26,581	8.6%	35.5%	70.4%
Tartous	SYP 30,369	18.9%	64.5%	96.8%
Quneitra	SYP 26,485	5.0%	N/A	N/A
Idleb	SYP 33,515	36.0%	N/A	N/A
Average	SYP 37,291	9.0%	45.6%	141%

1. The cost of a standard basket of dry goods providing 1,930 kcal a day for a family of five during a month. The basket includes 37 kg of bread, 19 kg rice, 19 kg lentils, 5 kg of sugar, and 7 kg of vegetable oil.

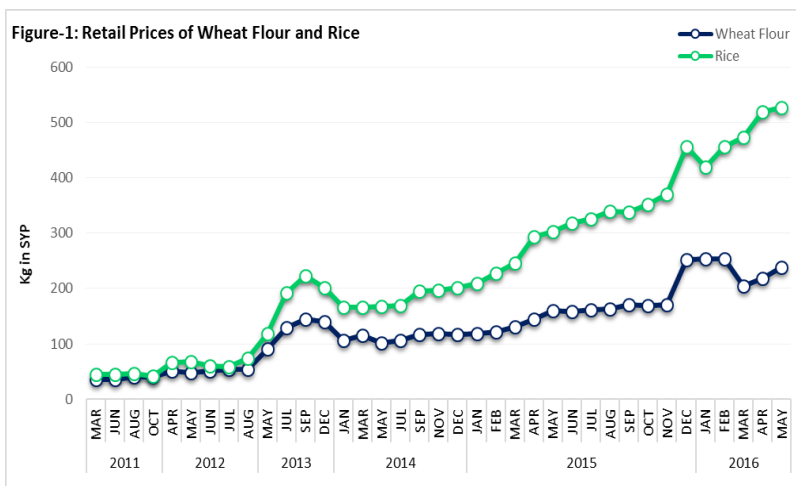
B: Retail Prices

1- Wheat Flour and Rice

In May 2016, the prices of wheat flour and rice continued to increase month-on-month in most markets as a result of increased demand before the Ramadan season as well as the monopoly by some traders.

During this month, the average price of rice was SYP 527/kg, representing a 1.5 percent increase compared to April price, a 42.2 percent increase compared to the price of rice six months ago and a 74 percent increase compared to the price of rice in May 2015. Compared to pre-crisis level prices, the price of rice increased by 1,070 percent.

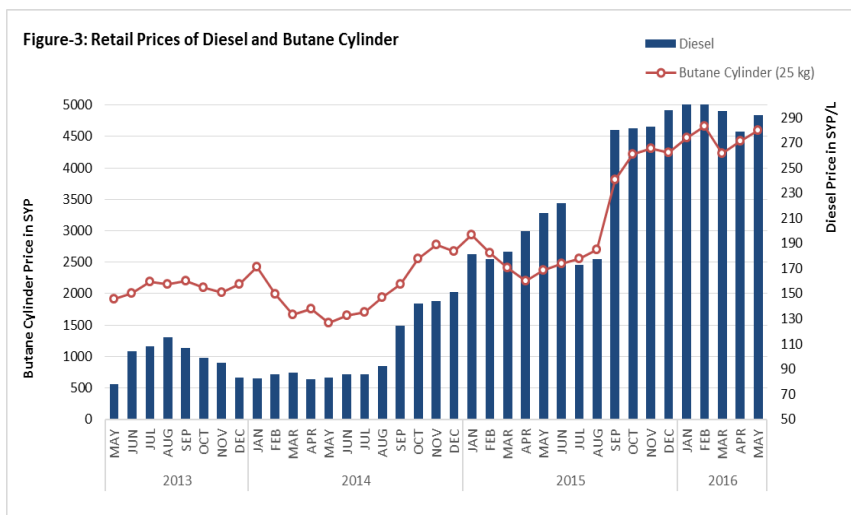
The average price of wheat flour in May was SYP 239/kg. This represents a 9.5 percent increase compared to the price of wheat flour in April, a 39.7 percent increase compared to the price of wheat flour in November 2015 and a 49 percent increase compared to the price of wheat flour in May 2015. Compared to pre-crisis level prices, the price of wheat flour has increased by 582 percent, highlighting deteriorating purchasing power of market dependent households hence limiting food accessibility.



3– Diesel and Cylinder of Butane Gas

In May 2016, the average price of diesel in monitored markets across the country was SYP 292/L and for a cylinder of butane gas it was SYP 4,599. Compared to last month, diesel is up by 4.7 percent and a cylinder of butane gas is up by 3.9 percent. Compared to the same period in 2015, average retail prices for diesel have increased by approximately 36.6 percent and a cylinder of butane gas prices went up by 94.3 percent.

Fuel availability continued to represent a significant problem in conflict-affected areas where clashes blocked supply routes and destroyed many major markets. As a result, fuel was not easily available in Idleb during the month and diesel prices increased by 191 percent compared to last month. Similarly in besieged Deir-ez-Zor city, Darayya and Madaya that all experienced a severe shortage in diesel during this month.

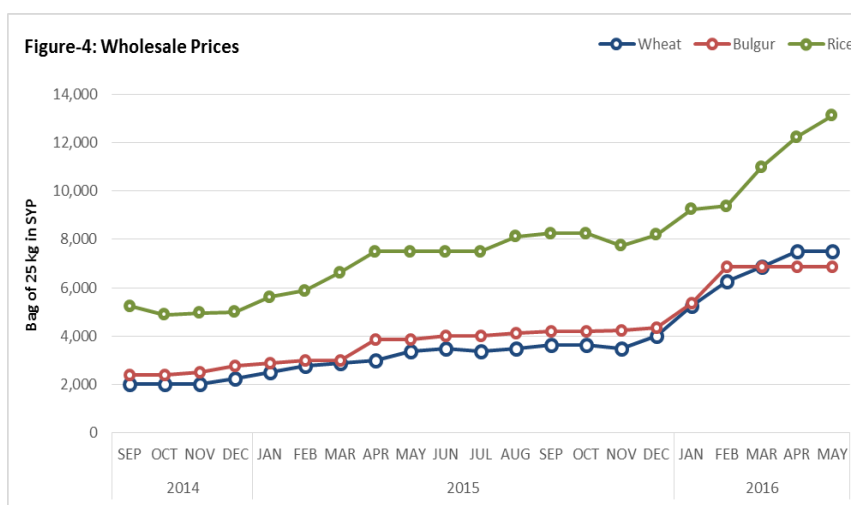


C. Wholesale Prices of Main Cereal in Damascus Market

Average local grain wholesale prices were relatively stable during the month of May where a 25 kg bag sold at SYP 7,500 for wheat and SYP 6,875 for bulgur respectively; these prices are unchanged compared to one month ago prices. However, in the case of rice, the price of a 25 kg bag was recorded at SYP 13,125, which is a 7.1 percent increase compared to April.

Between November 2015 and May 2016, the wholesale prices of wheat increased by 114 percent, bulgur by 62 percent and rice by 69 percent. The year-on-year wholesale price of wheat grain increased by 122 percent, bulgur by 77 percent and white rice by 75 percent. Wholesale prices for most food commodities are expected to increase during the next three months due to lower-than-

average seasonal rainfalls experienced across most of the Syrian governorates during 2016. Reports related to crop failure have been received from many locations.



D. Food Supply to Markets

During May 2016, the main supply routes to Idleb, Aleppo, Al-Hasakeh and Hama markets were severely disrupted by intensified clashes and airstrikes resulting in high prices and limited availability for some stable food commodities. In besieged areas, blockages and destroyed supply routes continued to severely deplete food stocks, especially in Darayya and Madaya where markets exhausted all food commodities. Furthermore, safe drinking water and bread were not/limited available, reflecting the dire food security situation of besieged households. In contrast, the coastal governorates, As-Sweida, Homs and Damascus are experiencing an improved food supply to main and/or secondary markets compared to previous months. Also, slight improvements in the Deir-ez-Zor city markets were recorded where prices for many food commodities witnessed a gradual decrease compared to the last months.

E. Terms of Trade (TOT):₂

TOT between wage labour and wheat flour

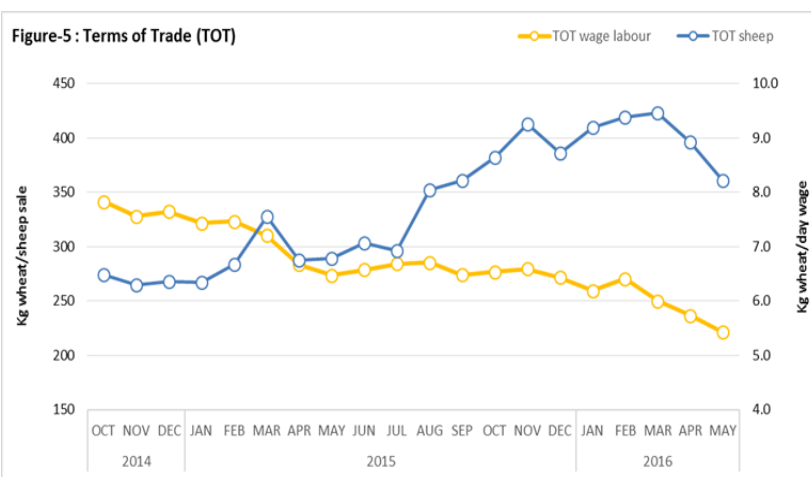
The purchasing power (measured by terms of trade) of casual labourers keep deteriorating reflecting the low wage rates against rising wheat flour prices. In May 2016, for a whole day of work, casual labourers could only buy about 5.4 kg of wheat flour/day, which is 5.3 percent lower than one month ago and 16.2 percent lower compared to November 2015.

The nominal average daily wage rate in May 2016 was SYP 1,296. The wage rate varied between market locations, ranging from SYP 890 in Homs to SYP 1,750 SYP in Ar-Raqqa.

TOT between sheep and wheat flour

During reporting month, the average price of a two-year old male sheep was SYP 86,195/head, similar to last month's price, but higher by 22.3 percent compared to six months ago.

In May 2016, the national average TOT between a sheep and wheat flour was 361kg/sheep, which is lower by 8.8 percent compared to last month and 12.5 percent compared to six months ago. The highest TOT was recorded in Deir-ez-Zor governorate (773kg/sheep), while the lowest TOT was in Rural Damascus governorate (194kg/sheep).



F. International Market Prices

The FAO Food Price Index averaged 155.8 points in May 2016, which is up by 2.1 percent compared to April average, but still 7 percent below its May 2015 level. The Cereal Price Index averaged 150 points in May 2016, which is up by 2.5 points (1.5 percent) from last month index, but still 5.3 percent down year-on-year. The May 2016 increase marked the first significant monthly gain since October 2015.

In the month of May 2016, the wheat price on local markets averaged USD 644.7/MT, which is more than four times higher than the price of wheat in the international market (USD 157.5/MT).

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

Figure-6: Trends of food and cereals price indices

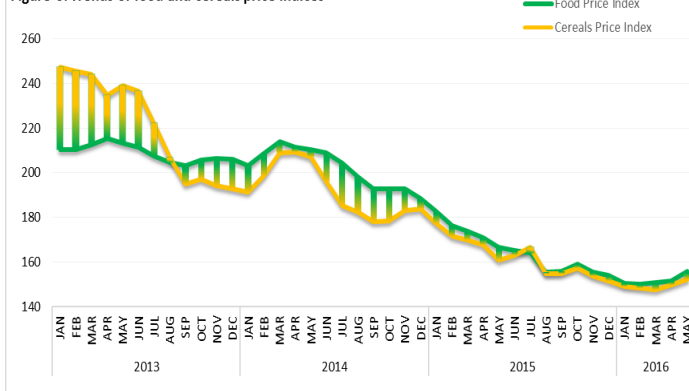
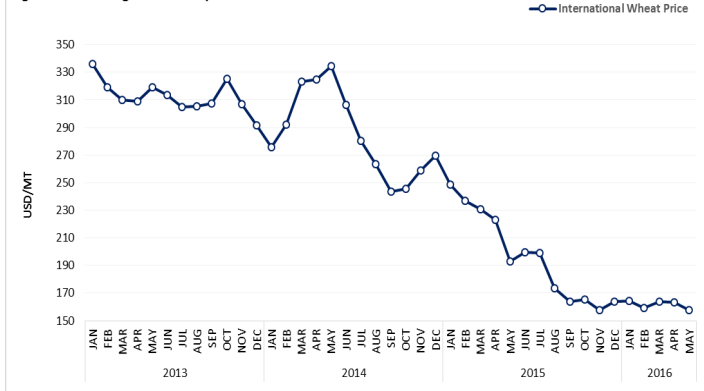


Figure-7: Trend in global wheat prices



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.

Table 1. Market Price of Main Commodities in Syrian Pounds

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	100	-	(14.6)	↔	↓	Rice (kg)	Aleppo	390	16.5	110.2	↑	↑		
	Damascus	50	-	-	↔	↔		Damascus	350	3.8	41.7	↔	↑		
	Dar'a	50	-	-	↔	↔		Dar'a	488	-	35.7	↔	↑		
	Deir-ez-Zor	145	50.0	16.7	↑	↑		Deir-ez-Zor	1,631	(5.2)	111.0	↔	↑		
	Idleb	195	56.0		↑			Idleb	500	29.2					
	Hama	50	(4.5)	-	↔	↔		Hama	365	-	94.1	↔	↑		
	Al- Hasakeh	50	-	-	↔	↔		Al- Hasakeh	738	21.6	70.6	↑	↑		
	Homs	54	-	-	↔	↔		Homs	413	-	4.7	↔	↔		
	Lattakia	50	-	-	↔	↔		Lattakia	488	28.1	46.3	↑	↑		
	Quneitra	80	2.4		↔			Quneitra	438	3.1		↔			
	Ar-Raqqa	135	(6.0)	54.4	↔	↑		Ar-Raqqa	688	22.0	81.3	↑	↑		
	Rural Damascus	150	(18.8)	(18.8)	↓	↓		Rural Damascus	475	5.6	53.1	↔	↑		
	As-Sweida	50	-	-	↔	↔		As-Sweida	288	4.5	4.5	↔	↔		
	Tartous	50	-	-	↔	↔		Tartous	500	21.3	63.0	↑	↑		
Bread Shops (1.5 kg)	Aleppo	133	(3.3)	(35.4)	↔	↓	Sheep 2Y old Male	Aleppo	89,388	3.8	119.4	↔	↑		
	Damascus	125	25.0	25.0	↑	↑		Damascus	82,500	(0.2)	39.6	↔	↑		
	Dar'a	163	-	6.3	↔	↔		Dar'a	62,500	(4.2)	25.0	↔	↑		
	Deir-ez-Zor	200	-	(13.3)	↔	↓		Deir-ez-Zor	217,500	(1.6)	(8.3)	↔	↔		
	Idleb	250	54.8		↑			Idleb	90,000	12.5		↑			
	Hama	93	(4.7)	42.3	↔	↑		Hama	80,500	6.7	47.5	↔	↑		
	Al- Hasakeh	88	-	-	↔	↔		Al- Hasakeh	67,500	14.7	40.8	↑	↑		
	Homs	70	-	4.2	↔	↔		Homs	53,520	-	20.6	↔	↑		
	Lattakia	70	7.7	13.5	↔	↑		Lattakia	75,000	7.1	34.3	↔	↑		
	Quneitra	135	7.9		↔			Quneitra	107,813	1.8		↔			
	Ar-Raqqa	178	(6.8)	57.5	↔	↑		Ar-Raqqa	77,500	13.6	59.1	↑	↑		
	Rural Damascus	213	12.5	68.8	↑	↑		Rural Damascus	77,488	(4.8)	19.2	↔	↑		
	As-Sweida	65	(22.6)	-	↓	↔		As-Sweida	72,875	(0.9)	32.5	↔	↑		
	Tartous	66	5.9	3.3	↔	↔		Tartous	96,875	7.1	60.7	↔	↑		
Butane Cylinder (10 kg)	Aleppo	4,220	0.5	(11.8)	↔	↓	Sugar (kg)	Aleppo	435	27.9	87.6	↑	↑		
	Damascus	2,000	-	1.3	↔	↔		Damascus	413	34.2	87.2	↑	↑		
	Dar'a	3,425	8.4	(1.5)	↔	↔		Dar'a	413	23.3	89.7	↑	↑		
	Deir-ez-Zor	14,850	31.3	5.8	↑	↔		Deir-ez-Zor	2,538	27.6	69.3	↑	↑		
	Idleb	6,400	18.5		↑			Idleb	430	51.0		↑			
	Hama	5,100	(7.1)	147.4	↔	↑		Hama	343	16.4	57.8	↑	↑		
	Al- Hasakeh	4,750	41.1	51.6	↑	↑		Al- Hasakeh	863	129.8	285.5	↑	↑		
	Homs	2,392	-	0.2	↔	↔		Homs	291	-	7.4	↔	↔		
	Lattakia	2,100	-	6.8	↔	↔		Lattakia	404	35.5	95.4	↑	↑		
	Quneitra	2,825	(10.2)		↓			Quneitra	375	11.1		↑			
	Ar-Raqqa	8,600	9.1	44.0	↔	↑		Ar-Raqqa	675	82.5	216.2	↑	↑		
	Rural Damascus	6,850	-	14.5	↔	↑		Rural Damascus	506	22.8	20.2	↑	↑		
	As-Sweida	2,500	-	-	↔	↔		As-Sweida	469	29.4	106.0	↑	↑		
	Tartous	2,250	1.2	15.4	↔	↑		Tartous	443	43.9	117.3	↑	↑		
Diesel (L)	Aleppo	227	4.9	60.6	↔	↑	Tea (kg)	Aleppo	2,970	14.5	67.4	↑	↑		
	Damascus	235	-	14.6	↔	↑		Damascus	2,925	1.3	81.6	↔	↑		
	Dar'a	203	(5.0)	(3.0)	↔	↔		Dar'a	4,000	14.3	65.0	↑	↑		
	Deir-ez-Zor	1,550	-	42.7	↔	↑		Deir-ez-Zor	11,375	15.1	21.9	↑	↑		
	Idleb	488	191.0		↑			Idleb	3,650	21.7		↑			
	Hama	178	(17.8)	10.5	↓	↑		Hama	2,550	17.4	62.2	↑	↑		
	Al- Hasakeh	55	-	7.7	↔	↔		Al- Hasakeh	3,325	5.9	(11.8)	↔	↓		
	Homs	178	-	(2.8)	↔	↔		Homs	2,450	-	9.5	↔	↔		
	Lattakia	153	-	(4.7)	↔	↔		Lattakia	2,900	30.0	93.3	↑	↑		
	Quneitra	233	(3.6)		↔			Quneitra	3,400	4.9		↔			
	Ar-Raqqa	100	16.4	(16.7)	↑	↓		Ar-Raqqa	3,425	8.9	41.6	↔	↑		
	Rural Damascus	355	-	50.5	↔	↑		Rural Damascus	3,450	7.0	43.3	↔	↑		
	As-Sweida	250	-	(8.3)	↔	↔		As-Sweida	2,900	3.6	26.1	↔	↑		
	Tartous	155	-	(5.1)	↔	↔		Tartous	2,975	12.8	82.7	↑	↑		
Lentils (kg)	Aleppo	498	11.7	41.2	↑	↑	Unskilled Labor wage	Aleppo	1,250	-	(25.0)	↔	↓		
	Damascus	615	16.6	54.9	↑	↑		Damascus	1,500	-	1.7	↔	↔		
	Dar'a	400	-	39.4	↔	↑		Dar'a	900	-	28.6	↔	↑		
	Deir-ez-Zor	2,500	10.4	69.1	↑	↑		Deir-ez-Zor	1,150	4.2	15.0	↔	↑		
	Idleb	550	29.9		↑			Idleb	1,600	-		↔			
	Hama	538	2.4	36.8	↔	↑		Hama	1,125	(16.7)	12.5	↓	↑		
	Al- Hasakeh	725	27.0	152.1	↑	↑		Al- Hasakeh	900	10.0	10.0	↑	↑		
	Homs	479	-	17.7	↔	↑		Homs	890	-	(13.3)	↔	↓		
	Lattakia	600	14.2	73.9	↑	↑		Lattakia	1,575	(7.4)	57.5	↔	↑		
	Quneitra	463	5.8		↔			Quneitra	1,200	-		↔			
	Ar-Raqqa	700	32.4	73.7	↑	↑		Ar-Raqqa	1,750	7.1	16.7	↔	↑		
	Rural Damascus	731	12.6	58.8	↑	↑		Rural Damascus	1,500	-	1.7	↔	↔		
	As-Sweida	638	6.3	40.7	↔	↑		As-Sweida	1,300	8.3	8.3	↔	↔		
	Tartous	631	15.1	72.2	↑	↑		Tartous	1,500	-	25.0	↔	↑		
Oil (L)	Aleppo	678	26.3	69.6	↑	↑	Wheat Flour (kg)	Aleppo	212	16.5	104.3	↑	↑		
	Damascus	660	18.4	58.5	↑	↑		Damascus	275	2.1	70.9	↔	↑		
	Dar'a	738	25.4	67.8	↑	↑		Dar'a	238	14.6	16.7	↑	↑		
	Deir-ez-Zor	2,263	20.7	23.8	↑	↑		Deir-ez-Zor	281	(6.3)	34.1	↔	↑		
	Idleb	600	33.3		↑			Idleb	150	35.0		↑			
	Hama	963	57.7	148.3	↑	↑		Hama	183	-	9.8	↔	↔		
	Al- Hasakeh	850	47.8	95.0	↑	↑		Al- Hasakeh	247	2.3	33.3	↔	↑		
	Homs	549	-	9.7	↔	↔		Homs	191	-	8.4	↔	↔		
	Lattakia	738	42.1	101.1	↑	↑		Lattakia	238	18.8	45.3	↑	↑		
	Quneitra	650	6.4		↔			Quneitra	203	1.3		↔			
	Ar-Raqqa	788	26.0	90.8	↑	↑		Ar-Raqqa	325	22.7	120.4	↑	↑		
	Rural Damascus	763	19.7	56.4	↑	↑		Rural Damascus	400	23.1	115.6	↑	↑		
	As-Sweida	688	14.6	71.9	↑	↑		As-Sweida	263	5.0	40.9	↔	↑		
	Tartous	688	23.8	78.2	↑	↑		Tartous	250	12.9	49.3	↑	↑		
Key:	↑	Prices increase above normal price fluctuation													
	↔	Normal Price Fluctuation													
	↓	Price decrease below normal price fluctuation													