

Initial Market Price Bulletin for the month of **August 2016** (Reported in September 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, slightly increased from May – June 2016, and decreased from July – August 2016.
- The current average wheat price in main cities' markets of Afghanistan (AFN 23.5/kg) is slightly higher by 5.5% compared to the same time last year (August 2015), but significantly higher by 10% compared to the last 5-year average price of the same months (Augusts 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 decreased in January - March, negligibly increased in April – May 2016. Then negligibly increased in the month of June – July 2016, with a slight increase in August 2016. The current retail price (AFN 28.8/kg) is slightly lower by 2.7% compared to the same month last year (August 2015), and slightly higher by 1.8% 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 41.8/kg) is slightly higher by 4.8% compared to the same month last year (August 2015), and slightly higher by 3.9% compared to the last 5-year average price of the same months. The current average price of High Quality Rice (AFN 76.2/kg) is slightly lower by 4.9% compared to the same month last year (August 2015), and negligibly lower by 0.6% 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.

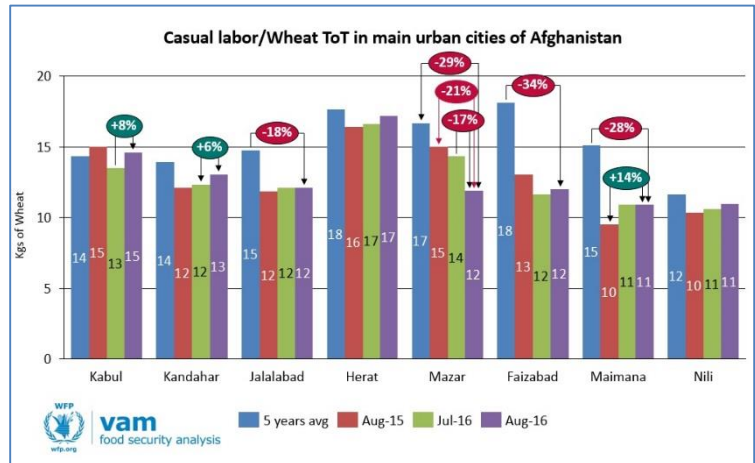
- Labor wage/Wheat average ToT for the reporting month was 12.8 Kgs of Wheat. On average, this ToT negligibly improved (by 0.7%) from July to August 2016, mainly due to decreased wheat price (by 2.5%). In the last three proceeding years, this improvement was only experienced during;

- July – August 2015 (by 0.1%)

While deteriorated during;

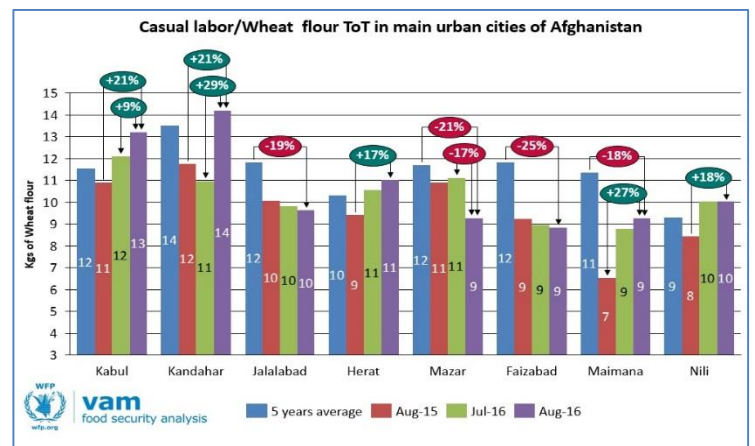
- July – August 2014 (by 5.2%)
- July – August 2013 (by 3.5%)

- In comparison to the same month one year ago (August 2015), this ToT negligibly deteriorated by 0.6%, mainly due to increased Wheat price (by 6.6%).
- On the two-year comparison (August 2014), this ToT slightly improved by 6.5%.
- Compared to the 5-year average of the same months (Augusts 2011-2015), this ToT significantly deteriorated by 16%.



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.

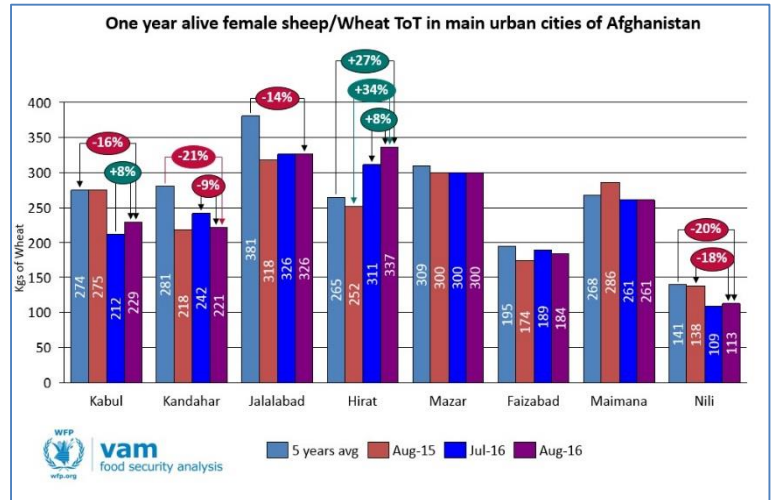
- Labor wage/Wheat flour (HP) average ToT for the reporting month was 10.7 Kgs of Wheat flour which slightly improved by 3.8% from July to August 2016, mainly related to decreased wheat flour price (by 2%). This improvement was not experienced in the last three proceeding years, while deteriorated in;



- July – August 2015 (by 2.2%)
- July – August 2014 (by 3.5%)
- July – August 2013 (by 3.3%)
- Compared to the same month one year ago (August 2015), this ToT significantly improved by 10.6%, mainly due to increased labor wage (by 6.6%) and decreased wheat flour price (by 2.7%).
- On the two-year comparison (August 2014), this ToT significantly improved by 13.3%.
- Compared to the 5-year average of the same months (Augusts 2011 - 2015), this ToT slightly deteriorated by 6.5%.

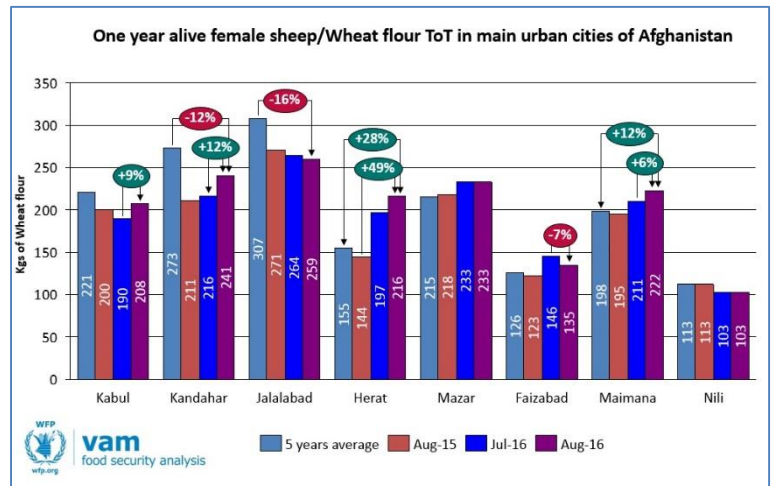
Sheep and Wheat (ToT): *The Terms of Trade between a one year old female sheep and Wheat is a proxy for the purchasing capacity of those households mainly relying on income from livestock (pastoralists). It says how many kilograms of Wheat can be obtained when selling a one year old female sheep.*

- Sheep/Wheat average ToT for the reporting month was 246 Kgs of wheat against one-year alive female sheep, which slightly improved by 1.1% from July to August 2016, mainly due to decreased wheat price (by 2.5%) and negligibly increased sheep price (by 0.1%). This improvement was not experienced in the past three proceeding years, while deteriorated in;
 - July – August 2015 (by 0.7%)
 - July – August 2014 (by 3.4%)
 - July – August 2013 (by 0.4%)
- Compared to the same month one year ago (August 2015), this ToT negligibly improved by 0.5%, which is mainly due to increased sheep price (by 5.4%).
- On the two-year comparison (August 2014) this ToT slightly improved by 4.1%.
- Compared to 5-year average of the same months (Augusts 2011 - 2015), this ToT slightly deteriorated by 6.8%.



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 202 Kgs of Wheat flour against one-year alive female sheep, which slightly improved by 3.7% from July to August 2016, mainly due to decreased wheat flour price (by 2%) and negligible increase in sheep price (by 0.1%). In the last three proceeding years, this improvement was only experienced in;
 - July – August 2013 (by 0.5%)
- While deterioration occurred in;
 - July – August 2015 (by 3.4%)
 - July – August 2014 (by 0.5%)
- Compared to the same month one year ago (August 2015), this ToT improved by 9.6%, mainly due to increased sheep price (by 5.4%) and decreased wheat flour price (by 2.7%).
- On the two-year comparison (August 2014), this ToT significantly improved by 10.2%.
- Compared to 5-year average of the same months (Augusts 2011 - 2015), this ToT negligibly deteriorated by 5%.



Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of Wheat in main cities' markets of Afghanistan was AFN 23.5/Kg in August 2016. Compared to the past month (July 2016), the average price slightly decreased by 2.5%. The highest decrease occurred only in Kabul by 7.7% which

is mainly due to decreased price of imported wheat flour. The variation in other remaining main cities was within a normal range (-3.2% to 0%). In the last three proceeding years, this price decrease was only experienced during;

- July – August 2015 (by 0.3%)

While the price increased during;

- July – August 2014 (by 2.1%)
- July – August 2013 (by 0.2%)

- Compared to the same month one year ago (August 2015), the average wheat price slightly increased by 5.5%. The highest increase occurred in Kabul (by 20%) and Nili (by 10.3%). The increase is due to decreased supply of wheat from neighboring district markets compared last year. The variation in the remaining main cities was within a normal range (-4.6% to 9.5%).
- On the two-year comparison (August 2014), the average price slightly decreased by 2.5%.
- Compared to the last 5-year average price of the same months (Augusts 2011 - 2015), the average price significantly increased by 10%.

Retail Price of Wheat flour in Main Urban Cities:

Wheat flour (High Price):

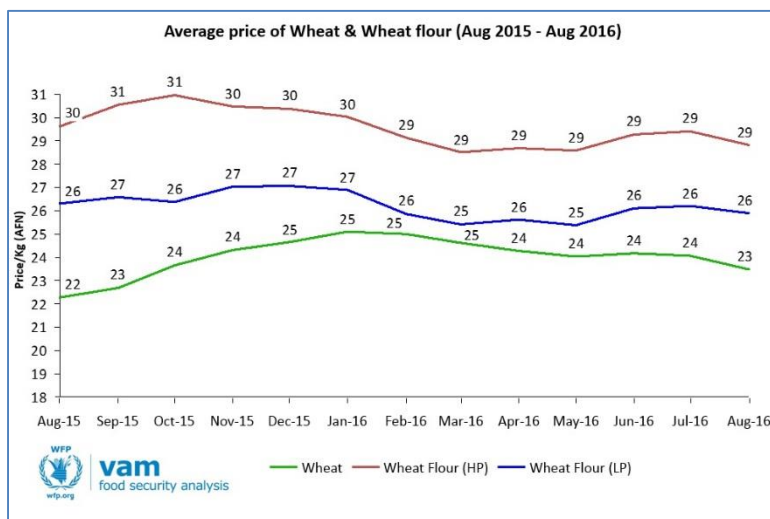
- The monthly average price of Wheat flour (High Price) in main cities' markets was AFN 28.8/Kg in the reporting month (August 2016). The average price slightly decreased by 2% compared to the previous month (July 2016). The highest decrease was in Kabul (by 8.6%) and Maimana (5.3%), which is mainly due to increased supply of imported wheat flour from Pakistan and Kazakhstan. The variation in remaining main cities was within a normal limit (-4.2% to 1.9%). This decrease was not experienced in the last three proceeding years, while increased during;

- July – August 2015 (by 2.4%)
- July – August 2014 (by 0.4%)

While remained unchanged during;

- July – August 2013

- Compared to the same month last year (August 2015), the current average price slightly decreased by 2.7%. The highest decrease occurred in Hirat (by 14.5%) and Maimana (12.2%), which was mainly due to increased supply of imported wheat flour from Pakistan and Kazakhstan this year compared to the same time one year ago. The variation in all other remaining main cities was within a normal range (-3.6% to 5.2%).
- Compared to the same month two years ago (August 2014), the average price of wheat flour slightly decreased by 6.5%.
- Compared to 5-year average price of the same months (August 2011 - 2015), the average price slightly increased by 1.8%.



Wheat flour (Low Price):

- The monthly average price of Wheat flour (Low Price) in main cities' markets was AFN 25.9/Kg in the reporting month (August 2016). The average price slightly decreased by 1.2% compared to previous month (July 2016). The highest decrease occurred in Maimana (by 5.9%) and Kabul (by 5.8%), which is mainly due to increased supply of imported wheat flour from Pakistan and Kazakhstan. The variation in other remaining main cities was within a normal range (-2% to 4.3%). This decrease was not experienced in the last three proceeding years, while increased during;

- July – August 2015 (by 2.4%)
- July – August 2014 (by 0.4%)
- July – August 2013 (by 0.9%)

- Compared to the same month one year ago (August 2015), the current average price slightly decreased by 1.6%. The highest decrease occurred in Hirat (20%) and Maimana (16.5%), which is mainly due to increased supply of imported wheat flour. The variation in other remaining main cities was within a normal range (0.5% to 8.9%)
- Compared to the same month two years ago (August 2014), the average price slightly decreased by 5.4%.
- Compared to 5-year average price of the same months (Augusts 2011 - 2015), the average price slightly increased by 3.8%.

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 76.2/Kg in the reporting month (August 2016) which slightly decreased by 1.2% compared to the previous month (July 2016). The highest decrease occurred only in Kabul (by 6.3%), which is mainly due to increased supply from Pakistan this month. The variation in other remaining main cities was within a normal limit (-1.5% to 0%). In the last three preceding years, this decrease was only experienced in;

- July – August 2014 (by 0.2%)

While the price increased during;

- July – August 2015 (by 0.2%)
- July – August 2013 (by 1.2%)

- Compared to the same month one year ago (August 2015), the average price slightly decreased by 4.9%. The largest decrease occurred in Maimana (21.1%) and Kabul (by 12.8%), which is mainly due to maintained supply of rice from Pakistan and normalized price in border town markets. The variation in all other main cities was within a normal range (-7.5% to 6.5%).
- Compared to the same month two years ago (August 2014), the average price significantly decreased by 12%.
- Compared to 5-year average price of the some months (August 2011 - 2015), the average price negligibly decreased by 0.6%.

Rice (Low Quality):

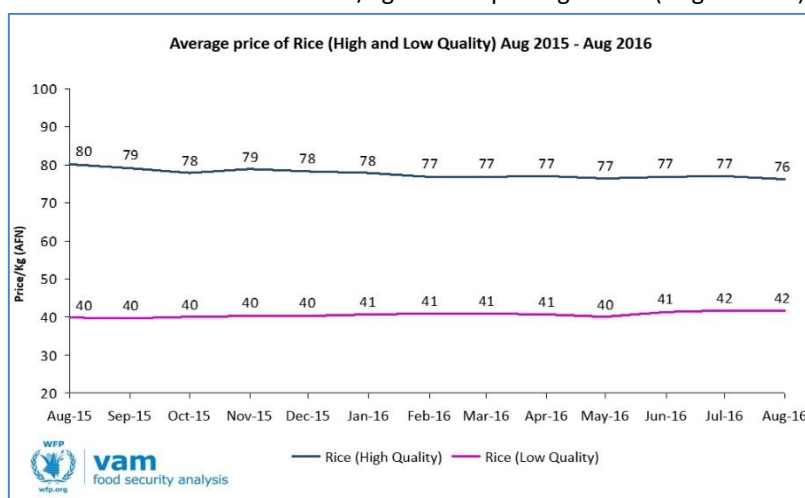
- The monthly average price of Rice (Low Quality) in main cities' markets was AFN 41.8/Kg in the reporting month (August 2016), which negligibly increased by 0.4% compared to the previous month (July 2016). The highest increase occurred only in Kandahar (10.1%), which is mainly due to decreased availability of low quality rice in the main market. The variation in all other main cities' markets was within a normal range (-3.3% to 0%). In the last three preceding years, this increase was also experienced in;

- July – August 2015 (by 1.6%)
- July – August 2013 (by 0.2%)

While the price decreased in;

- July – August 2014 (by 1.4%)

- Compared to the same month one year ago (August 2015), the average price slightly increased by 4.8%. The largest increase occurred in Kandahar (33.9%) and Hirat (10.6%), mainly due to decreased supply of low quality rice from Pakistan this year. The variation in other remaining main cities was within a normal range (-7.6% to 8.3%).
- Compared to the same month two years ago (August 2014), the average price slightly decreased by 1.9%.
- Compared to 5-year average price of same months (Augusts 2011 - 2015), the average price negligibly increased by 3.9%.



Retail Price of Cooking Oil in Main Urban Cities:

- The monthly average price of cooking oil in main cities' markets was AFN 80.7/Kg in the reporting month (August 2016), being negligibly increased by 0.9% compared to previous month (July 2016). The highest increase occurred only in Nili (by 10.7%), which is mainly due to decreased supply of oil from source point this month. While a decrease occurred only in Kabul (by 5.3%) which is mainly due to increased supply of oil from Pakistan this month. The variation in all other main cities was within a normal range (2.4% to 0%). In the last three preceding years, this increase was only experienced during;

- July – August 2015 (by 0.8%)

While the price decreased in;

- July – August 2013 (by 0.5%) and remained unchanged during July – August 2014

- Compared to the same month one year ago (August 2015), the average price slightly increased by 5.2%. The largest increase occurred in Nili (by 10.7%), Hirat (10.5%) and Kandahar (10%), main reason for the increase was increased price of oil by the traders and decreased supply of oil from source points in Pakistan. The variation in all other main cities was within a normal limit (-1.2% to 7.9%).
- Compared to the same month two years ago (August 2014), the average price negligibly increased by 0.2%.
- Compared to 5-year average of the same months (Augusts 2011 - 2015), the average price slightly decreased by 2.1%.

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

Salt: The monthly average price of Salt in August 2016 in main cities' markets was AFN 14/Kg which negligibly decreased by 0.7% compared to the previous month (July 2016). The current average price of salt slightly increased by 4.4% compared to the same month last year (August 2015), and negligibly decreased by 0.6% compared to the same month two years ago (August 2014).

Sugar: The monthly average price of Sugar in August 2016 in main cities' markets was AFN 53.8/Kg, being slightly increased by 1.4% compared to the previous month (July 2016). The current average price of Sugar significantly increased by 31.9 compared to the same month last year (August 2015), and by 19.5% compared to the same month two year ago (August 2014) due to increased price by the traders in source point and reduced supply.

Number of days averagely worked by a labourer: The monthly average number of days worked by a laborer during August 2016 was reported at 13 days. The highest number of working days was in Kabul (20 days), followed by Nili (16 days), Jalalabad (14 days), Kandahar, Hirat, Mazar and Maimana (12 days), and Faizabad (8 days). The number of days increased by 1 day/month compared to the previous month (July 2016).

- Compared to the same month last year (August 2015), the average number of working days remained unchanged.
- Compared to the same month two years ago (August 2014), the average number of working days remained unchanged.

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	24.0	12.4	-7.7	20.0	-7.7	▲	▶	▲	▶	Livestock-One year live Sheep (Female)	KABUL	Sheep	5,500	-4.4	0.0	0.0	0.0	▶	▶	▶	▶			
	Wheat flour (HP)	26.5	1.2	-4.9	-3.6	-8.6	▶	▶	▶	▶			KANDAHAR	Sheep	5,938	-10.5	-5.6	10.0	0.6	▶	▶	▶	▶		
	Rice High Quality	75.0	-5.8	-23.5	-12.8	-6.3	▶	▶	▶	▶				JALALABAD	Sheep	7,000	-6.0	0.0	0.0	0.0	▶	▶	▶	▶	
	Rice Low Quality	58.0	33.6	16.0	7.4	0.0	▶	▶	▶	▶					HIRAT	Sheep	5,875	30.3	27.7	27.7	4.9	▶	▶	▶	▶
	Cooking Oil	80.0	-4.9	-1.2	5.3	-5.3	▶	▶	▶	▶						MAZAR	Sheep	6,300	9.0	1.6	5.0	0.0	▶	▶	▶
KANDAHAR	Wheat	24.0	-0.2	-15.3	-3.2	-1.6	▶	▶	▶	▶	Terms of Trade	FAIZABAD		Sheep	4,600	16.0	-6.1	15.0	-5.6	▶	▶	▶	▶		
	Wheat flour (HP)	26.9	8.5	-2.8	5.2	-1.7	▶	▶	▶	▶			MAIMANA	Sheep	6,000	8.5	0.0	0.0	0.0	▶	▶	▶	▶		
	Rice High Quality	65.6	-4.1	-15.4	0.9	-0.5	▶	▶	▶	▶				NILI	Sheep	3,600	-8.7	-5.3	-10.0	0.0	▶	▶	▶	▶	
	Rice Low Quality	35.1	28.0	31.5	33.9	10.1	▶	▶	▶	▶					Kgs of Wheat/Wheat flour	KABUL	Casual Labor/Wheat	14.6	2.1	26.4	-2.8	8.3	▶	▶	▶
	Cooking Oil	78.7	10.1	13.4	10.0	0.1	▶	▶	▶	▶			KANDAHAR	Casual Labor/Wheat			13.0	-6.6	5.5	7.6	5.9	▶	▶	▶	▶
JALALABAD	Wheat	21.5	9.1	1.2	-2.3	0.0	▶	▶	▶	▶	HIRAT	Casual Labor/Wheat		12.1			-18.1	-1.2	2.3	0.0	▶	▶	▶	▶	
	Wheat flour (HP)	27.0	9.9	-4.4	4.3	1.9	▶	▶	▶	▶		MAZAR		Casual Labor/Wheat			17.2	-2.5	24.5	4.7	3.3	▶	▶	▶	▶
	Rice High Quality	76.0	10.3	-1.3	0.0	0.0	▶	▶	▶	▶				FAIZABAD			Casual Labor/Wheat	11.9	-28.7	-7.4	-20.6	-16.7	▶	▶	▶
	Rice Low Quality	29.5	-25.1	-24.8	0.0	0.0	▶	▶	▶	▶					NILI	Casual Labor/Wheat	12.0	-33.8	-14.0	-8.0	3.0	▶	▶	▶	▶
	Cooking Oil	78.8	-0.5	2.9	7.9	1.0	▶	▶	▶	▶		KABUL	Casual Labor/Wheat	10.9		-27.8	19.6	14.1	0.0	▶	▶	▶	▶		
HIRAT	Wheat	17.5	0.5	-19.7	-4.6	-3.2	▶	▶	▶	▶	KANDAHAR		Sheep /Wheat	229.2		-16.4	8.3	-16.7	8.3	▶	▶	▶	▶		
	Wheat flour (HP)	27.3	-7.1	-15.2	-14.5	-4.2	▶	▶	▶	▶			JALALABAD	Sheep /Wheat		220.9	-21.3	-0.4	1.4	-8.6	▶	▶	▶	▶	
	Rice High Quality	61.9	-8.7	-17.7	-0.1	-0.6	▶	▶	▶	▶				HIRAT		Sheep /Wheat	325.6	-14.5	-1.2	2.3	0.0	▶	▶	▶	▶
	Rice Low Quality	30.3	8.8	6.3	10.6	-1.6	▶	▶	▶	▶					MAZAR	Sheep /Wheat	336.7	27.1	59.0	33.7	8.4	▶	▶	▶	▶
	Cooking Oil	73.1	-1.7	-1.0	10.5	2.4	▶	▶	▶	▶		FAIZABAD	Sheep /Wheat	300.0	-2.9	1.6	0.0	0.0	▶	▶	▶	▶			
MAZAR	Wheat	21.0	11.4	0.0	5.0	0.0	▶	▶	▶	▶	MAIMANA	Sheep /Wheat	184.0	-5.6	-19.3	5.8	-2.8	▶	▶	▶	▶				
	Wheat flour (HP)	27.0	0.6	-10.0	-1.8	0.0	▶	▶	▶	▶		NILI	Sheep /Wheat	260.9	-2.7	-4.3	-8.7	0.0	▶	▶	▶	▶			
	Rice High Quality	74.0	-5.0	-12.2	-7.5	-0.7	▶	▶	▶	▶			KABUL	Casual Labor/Wheat flour	112.5	-20.0	-8.2	-18.4	3.1	▶	▶	▶	▶		
	Rice Low Quality	36.0	-6.7	-10.0	0.0	0.0	▶	▶	▶	▶				KANDAHAR	Casual Labor/Wheat flour	13.2	14.7	22.7	21.1	9.4	▶	▶	▶	▶	
	Cooking Oil	80.0	-2.0	2.6	1.6	0.0	▶	▶	▶	▶		JALALABAD	Casual Labor/Wheat flour		14.2	4.9	12.1	20.8	29.3	▶	▶	▶	▶		
FAIZABAD	Wheat	25.0	20.8	16.3	8.7	-2.9	▶	▶	▶	▶	HIRAT		Casual Labor/Wheat flour		9.6	-18.5	4.6	-4.2	-1.9	▶	▶	▶	▶		
	Wheat flour (HP)	34.0	7.7	0.7	4.6	1.5	▶	▶	▶	▶			MAZAR		Casual Labor/Wheat flour	11.0	6.7	18.0	17.0	4.4	▶	▶	▶	▶	
	Rice High Quality	84.3	3.4	-9.4	-0.9	-1.5	▶	▶	▶	▶		FAIZABAD			Casual Labor/Wheat flour	9.3	-20.9	2.9	-15.1	-16.7	▶	▶	▶	▶	
	Rice Low Quality	43.5	-11.5	-10.3	-5.4	-3.3	▶	▶	▶	▶				MAIMANA	Casual Labor/Wheat flour	8.8	-25.3	-0.7	-4.4	-1.5	▶	▶	▶	▶	
	Cooking Oil	90.0	-10.8	-8.6	-0.6	0.0	▶	▶	▶	▶		NILI	Casual Labor/Wheat flour		9.3	-18.4	43.5	42.4	5.6	▶	▶	▶	▶		
MAIMANA	Wheat	23.0	11.0	4.5	9.5	0.0	▶	▶	▶	▶	KABUL		Casual Labor/Wheat flour		10.0	7.7	10.8	18.3	0.0	▶	▶	▶	▶		
	Wheat flour (HP)	27.0	-3.9	-12.9	-12.2	-5.3	▶	▶	▶	▶			KANDAHAR		Sheep /Wheat flour	207.5	-6.1	5.2	3.8	9.4	▶	▶	▶	▶	
	Rice High Quality	75.0	-7.1	-14.8	-21.1	0.0	▶	▶	▶	▶		JALALABAD			Sheep /Wheat flour	240.6	-11.7	5.8	13.9	11.5	▶	▶	▶	▶	
	Rice Low Quality	37.0	-11.7	-7.5	-7.5	0.0	▶	▶	▶	▶				HIRAT	Sheep /Wheat flour	259.3	-15.6	4.6	-4.2	-1.9	▶	▶	▶	▶	
	Cooking Oil	82.0	-3.8	-3.5	-1.2	0.0	▶	▶	▶	▶		MAZAR	Sheep /Wheat flour		215.6	39.2	50.7	49.4	9.5	▶	▶	▶	▶		
NILI	Wheat	32.0	13.5	3.2	10.3	-3.0	▶	▶	▶	▶	FAIZABAD		Sheep /Wheat flour		233.3	8.4	12.9	6.9	0.0	▶	▶	▶	▶		
	Wheat flour (HP)	35.0	-0.4	-2.8	-1.4	0.0	▶	▶	▶	▶			MAIMANA		Sheep /Wheat flour	135.3	7.6	-6.8	9.9	-7.0	▶	▶	▶	▶	
	Rice High Quality	98.0	10.9	-2.0	6.5	0.0	▶	▶	▶	▶		NILI			Sheep /Wheat flour	222.2	12.4	14.8	13.9	5.6	▶	▶	▶	▶	
	Rice Low Quality	65.0	20.0	-4.4	8.3	0.0	▶	▶	▶	▶				Sheep /Wheat flour	102.9	-8.6	-2.6	-8.7	0.0	▶	▶	▶	▶		
	Cooking Oil	83.0	0.4	1.2	10.7	10.7	▶	▶	▶	▶															

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 Aug 2015 and 2Y= Compared to Aug 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