



Highlights:

- A difficult security situation in Madamiyet Elsham had a significant impact on market functionality and food prices following the evacuation from Darayya after the truce agreement.
- Deir-ez-Zor and Al-Hasakeh markets are functioning better and food basket costs decreased by 38.3 and 10.8 percent respectively compared to last month due to WFP assistances.
- In Aleppo and Hama, heavy clashes have severely disrupted supply routes, exerting upward pressure on food prices and restricting the supply chain. As a result, many staple food commodities were not easily available.
- In August 2016, the national average cost of a standard food basket was SYP 32,332, a decrease of 7.2 percent compared to last month but still higher by 15.7 percent compared to six months ago.

A: Standard Food Basket

In August 2016, the national average cost of a standard food basket¹ (group of essential commodities) was SYP 32,332, a decrease of 7.2 percent compared to last month but still higher by 15.7 percent compared to six months ago. The slight decrease during this month can be attributed to positive effect of food assistances in Deir-ez-Zor, Rural Damascus and recently Al-Hasakeh. Looking at the pattern of food basket prices across all main markets, the lowest cost was observed in Dar'a governorate at SYP 26,050 while Deir-ez-Zor governorate recorded the highest cost with SYP 47,115. However, this cost is significantly lower by 38.3 percent compared to last month, and 53.1 percent compared to six months ago. Market data indicates that prices of food commodities in Al-Hasakeh are gradually decreasing and the cost of the referential food basket went down by more than 10 percent compared to last month. In Madamiyet Elsham, the cost of the food basket is unstable and changes on daily basis. After the evacuation of Darayya, following the truce agreement, the average cost of a food basket has decreased by 210 percent compared to July 2016.

Governorate		Price August 2016	Price 1 month change	Price 6 months changes	Price 12 months changes
Aleppo	SYP	28,861	0.4%	22.1%	74.7%
Damascus	SYP	29,260	-0.1%	31.7%	74.9%
Dar'a	SYP	26,050	1.5%	13.4%	64.3%
Deir-ez-Zor	SYP	47,115	-38.3%	-53.1%	-11%
Hama	SYP	30,140	0.9%	36.8%	74.9%
Al-Hasakeh	SYP	37,100	-10.8%	43.5%	126.2%
Homs	SYP	26,170	-3.3%	28.5%	54.5%
Lattakia	SYP	29,201	0.8%	40.4%	96.0%
Ar-Raqqqa	SYP	41,985	-4.5%	53.0%	139.2%
Rural Damascus	SYP	38,300	0.3%	-0.2%	119%
As-Sweida	SYP	30,400	4.2%	43.0%	79.8%
Tartous	SYP	29,756	-0.9%	32.1%	95.0%
Quneitra	SYP	27,985	0.6%	20.1%	N/A
Idleb	SYP	30,325	-1.5%	N/A	N/A
Average	SYP	32,332	-7.2%	15.7%	93%

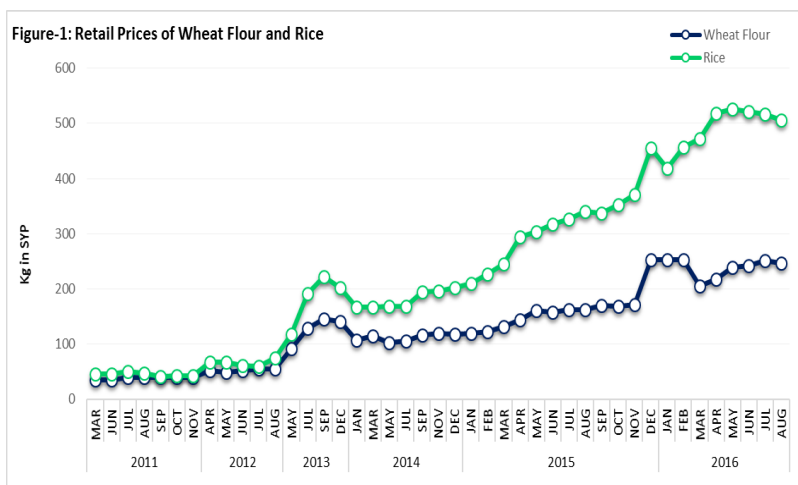
1. The cost of a standard basket of dry goods providing 1,930 kcal a day for a family of five during a month. The basket includes 37 kg of bread, 19 kg rice, 19 kg lentils, 5 kg of sugar, and 7 kg of vegetable oil.

B: Retail Prices

1- Wheat Flour and Rice:

In August 2016, the average nominal retail price of wheat flour and rice were SYP 247/kg and SYP 506/kg respectively. Compared to July 2016, the prices of wheat flour and rice have slightly decreased by 1.5 percent and 1.9 percent respectively. Since February 2016, the average monthly price of wheat flour has remained relatively stable with negligible fluctuations by 2.2 percent while rice price shows an increase by 10.7 percent. Year-on-year, the price of 1 kg of wheat flour and rice rose by 52 and 49 percent respectively. The decrease in the price of main food commodities in the past months can be attributed to the positive effect of food assistance and crop harvest. However, the prices are still increasing in some conflict-affected areas like Aleppo, rural Hama and Dar'a.

During the current reporting period, Rural Damascus recorded the highest price for wheat flour, sold at SYP 450/kg, while the lowest price was observed in Idleb where 1kg of wheat flour was sold at SYP 175. Markets in Al-Hasakeh registered the highest price for rice sold at SYP 837/kg while the lowest price was observed in As-Sweida where 1 kg of rice was sold at SYP 325. Monitoring data from Deir-ez-Zor indicates that food commodities prices are gradually approaching more normal levels and with more stable functionality of markets.



2- Bread:

In August 2016, the average nominal retail prices for public (subsidized) bread and commercial bread were SYP 87/bundle and SYP 133/bundle, respectively. Compared to July 2016, there was an increase of 2.8 percent in the price of public bread and 3.2 percent in the price of commercial bread. The price increases noted for both types of bread were mainly due to the increase in the official price of fuel and gas, which have increased the production costs of bread.

Between February and August 2016, the average retail price of public bread rose by approximately 9 percent, reaching the highest peak in August 2016 (see figure 2).

Looking at the pattern of retail prices of commercial bread across all main markets during August, Rural Damascus market registered the highest price at SYP 220/bundle, while markets in Tartous had the lowest (SYP 65/bundle). In comparison, Idleb registered the highest price for public bread at SYP 187/bundle, while the lowest price was recorded in Damascus, Dar'a, Al-Hasakeh, As-Sweida, Lattakia and Tartous at SYP 50/bundle. In besieged eastern Ghouta, only two bakeries are functioning with limited capacity and traders manage to bring bread from accessible areas to inside Ghouta at a price of SYP 450/bundle, which is nine-fold higher than the official price (SYP 50/bundle). In Al-Hasakeh, the availability of public bread continue to be an increasing problem and monitors reported that people have to wait in queues for long hours in order to buy a bundle.

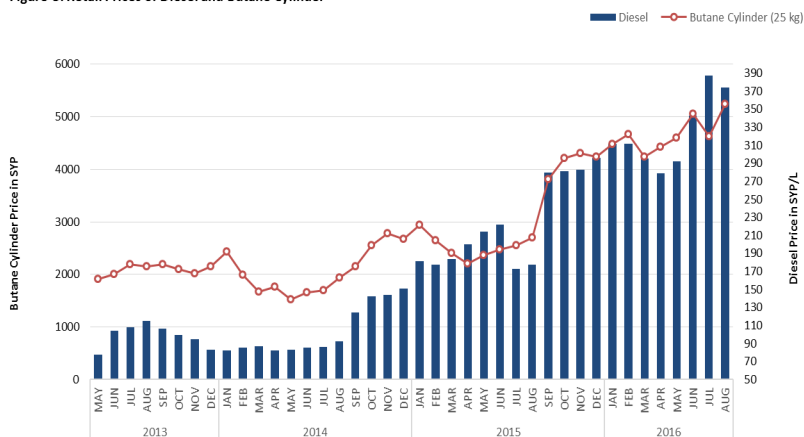
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3– Diesel and cylinder of butane gas

During the reporting month, the average price of diesel was SYP 374/L and SYP 5,236 for a cylinder of butane gas. Between February and August 2016, the average retail prices of diesel rose by 19.9 percent and by 12.3 percent for a cylinder of butane gas. Compared to the same month last year, diesel prices went up by 111 percent and by 94 percent for a cylinder of butane gas. In Deir-ez-Zor the black market price of diesel reached SYP 1,550/L, more than eight-fold higher than the official price (SYP 180/L).

During this month, severe shortages in diesel and gas were reported in eastern Ghouta (Harasta, Zamalka, Arbin), Madaya and Madamiyet Elsham. In turn, the increase in fuel prices alongside the movement restrictions in conflict-affected areas will exert more pressure on food prices and disrupt the functionality of bakeries and markets in besieged and hard-to-reach areas.

Figure-3: Retail Prices of Diesel and Butane Cylinder

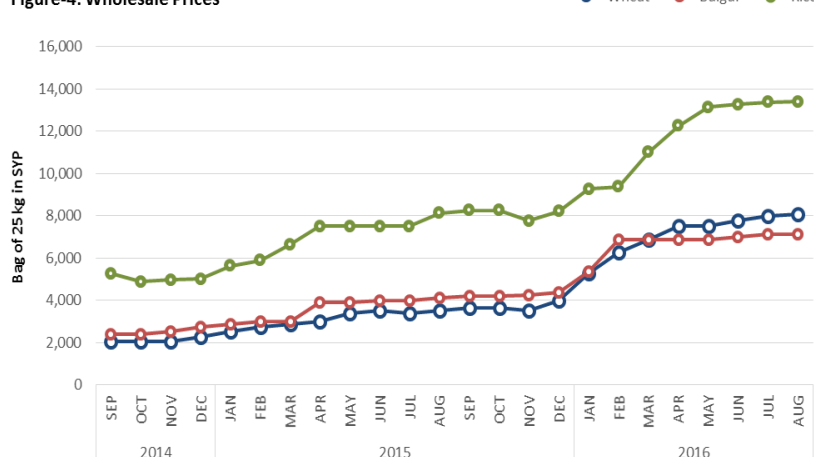


C. Wholesale Prices of Main Cereal in Damascus Market

During the reporting month, the wholesale prices for the main food commodities were relatively stable with negligible fluctuations. Wheat grain sold at SYP 8,050, bulgur at SYP 7,100 and white rice at SYP 13,390. Compared to July 2016, the wholesale price of bulgur and rice remains unchanged, while price of wheat increased slightly by 0.6 percent.

Between February 2016 and August 2016, the wholesale prices of wheat increased by 29 percent, bulgur by 3 percent and rice by 43 percent. Year-on-year, the wholesale price of wheat grain increased by 130 percent, bulgur by 72 percent and white rice by 65 percent. Wholesale prices for most food commodities are expected to increase during the next months due to the continuous depreciation of the Syrian Pound as well as the intensification of the ongoing conflict.

Figure-4: Wholesale Prices



D. Food Supply to Markets

During August 2016, supply routes to rural Hama, eastern Aleppo city and Dar'a were severely disrupted due to an increase in fighting. In Madamiyet Elsham, the unstable security situation (following the evacuation from Darayya) had a significant impact on market functionality, food availability and prices. Information indicates that food is available in the market, but demand is very low due to poor purchasing power. In besieged eastern Ghouta, most of markets are functioning poorly with limited capacity except three main markets (Duma, Zamalka and Arbin), which have become the major suppliers for all eastern Ghouta markets. Movement restrictions mean that traders cannot replenish food stocks regularly and they wait until they have depleted their whole stock.

In Deir-ez-Zor and Al-Hasakeh, markets are functioning better and the demand is stabilizing, reflecting the positive impact of food assistance.

E. Terms of Trade (TOT):²

TOT between wage labour and wheat flour

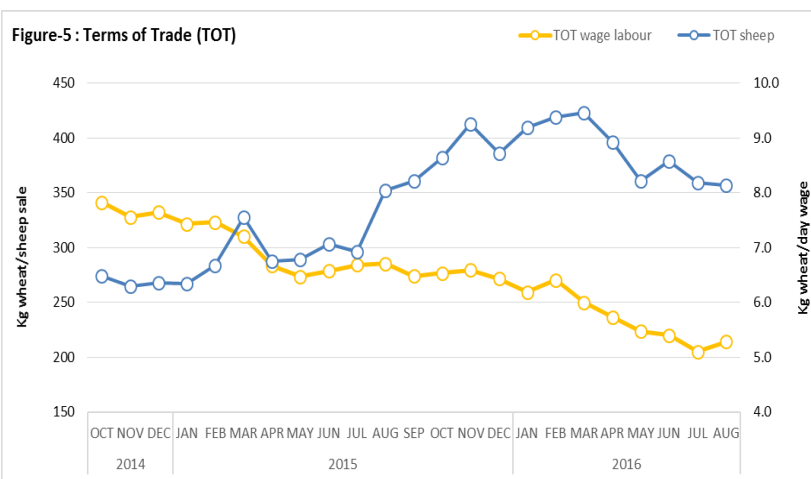
The purchasing power (measured by terms of trade) of casual labourers increased during August 2016, reflecting a slight improvement in wage rates against wheat flour prices. Therefore, for a whole day of work in August 2016, casual labourers are able to buy 5.3 kg of wheat flour/day, which is 3.7 percent higher than last month but still 17.5 percent lower when compared to six months ago.

The nominal average daily wage rate during the reporting period was SYP 1,307. The wage rate varied between market locations, ranging from SYP 950 in Al-Hasakeh to SYP 1,850 in Lattakia.

TOT between sheep and wheat flour

During August, the average price of a two-year old male sheep was SYP 88,151/head, less than last month's price by 2.2 percent; however, with an increase of 5.6 percent compared to six months ago.

The national average TOT between a sheep and wheat flour was 357kg/sheep, which is 0.7 percent lower compared to last month. The highest TOT was recorded in Deir-ez-Zor governorate (657kg/sheep), while the lowest TOT was observed in Rural Damascus governorate (198kg/sheep). The slight decrease of sheep price is mainly due to better herding conditions during summer; however, sheep prices are expected to increase during September due to the high demand during the Eid Al-Adha period.

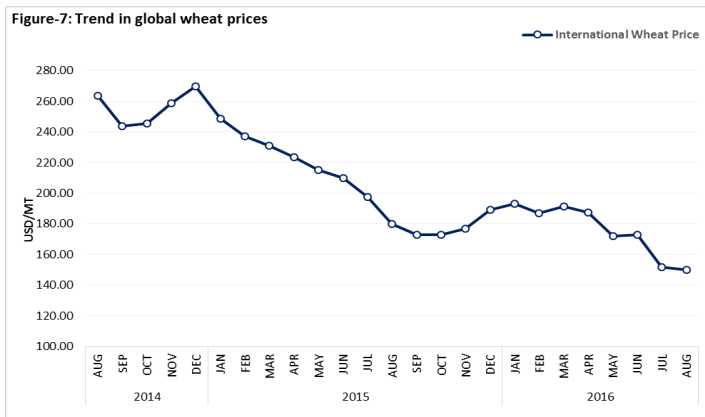
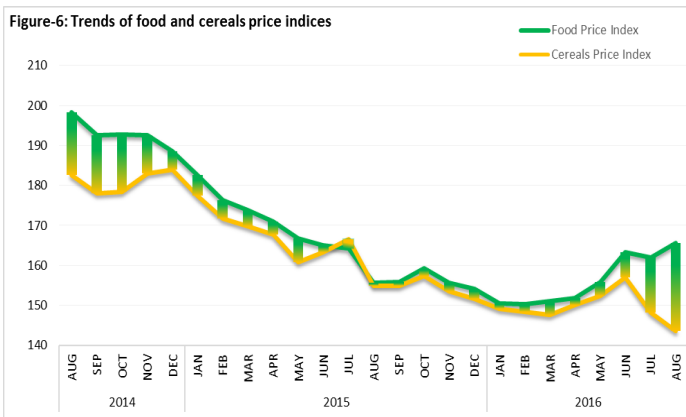


F. International Market Prices

The FAO Food Price Index averaged 165.6 points in August 2016, which is up by 1.9 percent compared to July average, and 7 percent more than August 2015 level. The overall Food Price Index has gradually increased on a monthly basis since March 2016 with a slight decrease noted in July 2016. Similarly, the Cereal Price Index averaged 143.6 points in August 2016, down by 3 percent compared to last month, and 7.4 percent below last year level.

In the month of August 2016, the wheat prices on local markets averaged USD 625.4/MT, which is more than four times higher than the price of wheat in the international market (USD 149.8/MT).

Data Source: <http://www.fao.org/worldfoodsituation/wfs-home/foodpricesindex/en/> and https://ycharts.com/indicators/us_hard_red_winter_wheat_export_price_gulf_ports



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	120	40.0	134.5	↑	↑	Rice (kg)	Aleppo	421	(1.8)	52.4	↔	↑		
	Damascus	50	-	-	↔	↔		Damascus	400	-	23.8	↔	↑		
	Dar'a	50	-	-	↔	↔		Dar'a	531	8.3	16.1	↔	↑		
	Deir-ez-Zor	145	-	16.7	↔	↑		Deir-ez-Zor	775	(18.2)	(7.2)	↓	↔		
	Idleb	188	7.1		↔			Idleb	450	-		↔			
	Hama	75	-	-	↔	↔		Hama	455	3.7	33.3	↔	↑		
	Al- Hasakeh	50	-	5.6	↔	↔		Al- Hasakeh	838	1.7	63.5	↔	↑		
	Homs	59	(5.4)	3.0	↔	↔		Homs	411	(6.6)	5.1	↔	↔		
	Lattakia	50	-	-	↔	↔		Lattakia	474	0.3	65.4	↔	↑		
	Quneitra	80	-	11.1	↔	↑		Quneitra	450	-	14.3	↔	↑		
	Ar-Raqqa	100	(8.3)	(20.0)	↔	↓		Ar-Raqqa	775	5.6	77.4	↔	↑		
	Rural Damascus	150	-	(18.8)	↔	↓		Rural Damascus	525	-	6.3	↔	↔		
	As-Sweida	50	-	-	↔	↔		As-Sweida	325	8.3	18.2	↔	↑		
Tartous	50	-	-	↔	↔	Tartous	525	2.4	50.0	↔	↑				
Bread Shops (1.5 kg)	Aleppo	146	42.2	102.1	↑	↑	Sheep 2Y old Male	Aleppo	80,200	(13.1)	10.8	↓	↑		
	Damascus	150	-	50.0	↔	↑		Damascus	85,250	-	8.8	↔	↔		
	Dar'a	156	(2.8)	(5.4)	↔	↔		Dar'a	63,750	2.3	(4.0)	↔	↔		
	Deir-ez-Zor	200	-	-	↔	↔		Deir-ez-Zor	230,000	-	-	↔	↔		
	Idleb	213	6.3		↔			Idleb	74,000	(1.3)		↔			
	Hama	125	(8.3)	(9.4)	↔	↔		Hama	80,625	4.2	28.3	↔	↑		
	Al- Hasakeh	113	33.3	46.2	↑	↑		Al- Hasakeh	72,500	3.1	38.6	↔	↑		
	Homs	92	(9.4)	6.5	↔	↔		Homs	76,110	1.2	5.0	↔	↔		
	Lattakia	73	5.0	11.5	↔	↑		Lattakia	82,500	(2.9)	37.5	↔	↑		
	Quneitra	133	-	16.7	↔	↑		Quneitra	90,969	16.0	(3.8)	↑	↔		
	Ar-Raqqa	148	(5.3)	(3.5)	↔	↔		Ar-Raqqa	80,000	-	32.5	↔	↑		
	Rural Damascus	220	-	(30.0)	↔	↓		Rural Damascus	89,000	-	11.3	↔	↑		
	As-Sweida	75	-	(9.6)	↔	↔		As-Sweida	79,000	(5.8)	24.9	↔	↑		
Tartous	65	(3.3)	3.8	↔	↔	Tartous	80,200	(7.0)	7.1	↔	↔				
Butane Cylinder (10 kg)	Aleppo	6,480	44.7	142.8	↑	↑	Sugar (kg)	Aleppo	498	22.1	114.1	↑	↑		
	Damascus	2,500	-	25.0	↔	↑		Damascus	435	0.1	66.2	↔	↑		
	Dar'a	4,150	(2.1)	28.4	↔	↑		Dar'a	369	(4.1)	41.1	↔	↑		
	Deir-ez-Zor	14,300	(1.7)	39.0	↔	↑		Deir-ez-Zor	1,575	(1.9)	28.2	↔	↑		
	Idleb	8,000	45.5		↑			Idleb	405	(5.8)		↔			
	Hama	3,813	-	(33.9)	↔	↓		Hama	388	1.4	38.9	↔	↑		
	Al- Hasakeh	5,500	(2.1)	29.1	↔	↑		Al- Hasakeh	613	(7.9)	40.8	↔	↑		
	Homs	2,681	3.6	5.0	↔	↔		Homs	307	5.5	5.1	↔	↔		
	Lattakia	2,850	1.8	35.7	↔	↑		Lattakia	356	(3.5)	51.6	↔	↑		
	Quneitra	4,350	-	29.2	↔	↑		Quneitra	380	(5.6)	52.0	↔	↑		
	Ar-Raqqa	7,750	(19.6)	19.8	↓	↑		Ar-Raqqa	665	2.7	168.7	↔	↑		
	Rural Damascus	7,000	-	(25.0)	↔	↓		Rural Damascus	550	10.0	3.3	↑	↔		
	As-Sweida	3,000	8.2	20.0	↔	↑		As-Sweida	458	(8.5)	80.2	↔	↑		
Tartous	2,900	3.4	32.1	↔	↑	Tartous	388	(8.7)	55.0	↔	↑				
Diesel (L)	Aleppo	330	32.2	119.8	↑	↑	Tea (kg)	Aleppo	3,250	(0.9)	95.6	↔	↑		
	Damascus	213	(3.8)	(11.8)	↔	↓		Damascus	3,450	-	74.3	↔	↑		
	Dar'a	1,169	(16.1)	694.7	↓	↑		Dar'a	3,575	2.1	33.7	↔	↑		
	Deir-ez-Zor	1,550	-	0.9	↔	↔		Deir-ez-Zor	8,900	(11.9)	5.6	↓	↔		
	Idleb	235	6.9		↔			Idleb	3,250	(1.5)		↔			
	Hama	286	-	36.0	↔	↑		Hama	3,163	(7.1)	47.8	↔	↑		
	Al- Hasakeh	55	-	-	↔	↔		Al- Hasakeh	3,250	6.7	17.2	↔	↑		
	Homs	177	0.1	5.3	↔	↔		Homs	3,409	13.3	5.0	↑	↔		
	Lattakia	185	2.8	15.6	↔	↑		Lattakia	2,375	(5.9)	18.8	↔	↑		
	Quneitra	268	1.8	16.1	↔	↑		Quneitra	3,500	1.0	22.1	↔	↑		
	Ar-Raqqa	124	-	13.7	↔	↑		Ar-Raqqa	3,725	(2.1)	40.8	↔	↑		
	Rural Damascus	475	-	50.2	↔	↑		Rural Damascus	4,000	-	21.1	↔	↑		
	As-Sweida	350	7.7	40.0	↔	↑		As-Sweida	3,500	7.7	26.1	↔	↑		
Tartous	185	1.4	20.1	↔	↑	Tartous	2,475	(20.6)	10.0	↓	↑				
Lentils (kg)	Aleppo	493	(7.3)	1.7	↔	↔	Unskilled Labor wage	Aleppo	1,020	(7.6)	(3.3)	↔	↔		
	Damascus	675	-	35.0	↔	↑		Damascus	1,500	-	-	↔	↔		
	Dar'a	388	(3.1)	(3.1)	↔	↔		Dar'a	950	2.4	5.0	↔	↔		
	Deir-ez-Zor	575	(59.2)	(42.7)	↓	↓		Deir-ez-Zor	1,150	12.5	4.2	↑	↔		
	Idleb	463	(7.5)		↔			Idleb	1,800	3.3		↔			
	Hama	543	1.1	50.0	↔	↑		Hama	1,500	16.7	-	↑	↔		
	Al- Hasakeh	613	(21.2)	45.0	↓	↑		Al- Hasakeh	950	4.2	15.0	↔	↑		
	Homs	549	(3.3)	5.0	↔	↔		Homs	978	20.0	5.0	↑	↔		
	Lattakia	619	3.0	32.1	↔	↑		Lattakia	1,850	9.0	(7.5)	↔	↔		
	Quneitra	500	1.4	15.0	↔	↑		Quneitra	1,200	-	-	↔	↔		
	Ar-Raqqa	750	(8.9)	65.0	↔	↑		Ar-Raqqa	1,800	3.3	20.0	↔	↑		
	Rural Damascus	750	(1.0)	16.1	↔	↑		Rural Damascus	1,500	-	-	↔	↔		
	As-Sweida	763	7.1	50.6	↔	↑		As-Sweida	1,425	9.6	18.8	↔	↑		
Tartous	600	(2.0)	20.0	↔	↑	Tartous	1,600	6.7	6.7	↔	↔				
Oil (L)	Aleppo	650	(1.0)	31.6	↔	↑	Wheat Flour (kg)	Aleppo	197	(3.6)	26.8	↔	↑		
	Damascus	688	(0.9)	42.4	↔	↑		Damascus	283	3.1	43.9	↔	↑		
	Dar'a	700	(2.8)	38.0	↔	↑		Dar'a	219	2.8	20.3	↔	↑		
	Deir-ez-Zor	1,175	(31.2)	5.3	↓	↔		Deir-ez-Zor	350	-	24.2	↔	↑		
	Idleb	575	(2.0)		↔			Idleb	175	16.7		↑			
	Hama	925	(3.6)	133.9	↔	↑		Hama	183	1.4	5.7	↔	↔		
	Al- Hasakeh	663	(16.1)	20.5	↓	↑		Al- Hasakeh	250	5.6	11.9	↔	↑		
	Homs	603	10.5	5.0	↑	↔		Homs	214	(4.0)	4.9	↔	↔		
	Lattakia	688	(2.0)	41.1	↔	↑		Lattakia	219	(4.0)	30.2	↔	↑		
	Quneitra	725	3.7	44.2	↔	↑		Quneitra	205	-	20.0	↔	↑		
	Ar-Raqqa	855	(11.9)	101.3	↓	↑		Ar-Raqqa	355	(3.3)	42.0	↔	↑		
	Rural Damascus	825	-	21.5	↔	↑		Rural Damascus	450	-	(23.3)	↔	↓		
	As-Sweida	800		70.6	↔	↑		As-Sweida	256	(6.8)	28.1	↔	↑		
Tartous	656	(1.9)	40.5	↔	↑	Tartous	231	(3.9)	14.3	↔	↑				
Key:	↑	Prices Increase above normal price fluctuation													
	↔	Normal Price Fluctuation													
	↓	Price decrease below normal price fluctuation													