

SYRIA COUNTRY OFFICE

MARKET PRICE WATCH BULLETIN

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Highlights:

- Insecurity and supply-demand imbalances continued to cause significant price increases in besieged and activeconflict areas.
- Insecurity and high demand during Eid Al-Adha significantly increased staple food prices compared to six months ago: wheat flour (+21%), rice (+8%), subsidized bread (+15%) and shop bread (+17%).
- The main supply routes to eastern Aleppo city were severely disrupted by intensified conflict, which had a devastating impact on markets.
- In Aleppo governorate, the cost of standard food basket reached up to SYP 32,756 (14 percent higher than last month's cost and 55 percent higher than March 2016 level).

A: Standard Food Basket

In September 2016, the national average cost of a standard food basket¹ (group of essential commodities) was SYP 33,222, an increase of 2.8 percent compared to last month and 14.5 percent compared to six months ago. The slight increase during this month can be attributed to increased demand during Eid Al-Adha in addition to the escalation of conflict in Aleppo that exerted a gradual upward pressure on the prices. Looking at the pattern of food basket prices across all main markets, the lowest cost was observed in Dar'a governorate at SYP 26,263 while Deir-ez-Zor governorate recorded the

	Governorate	Price September 2016		Pr	ice 1 month change	Price 6 months changes	Price 12 months changes		
of	Aleppo	SYP	32,756		13.5%	54.9%	<mark>9</mark> 5.5%		
ial	Damascus	SYP	30,031		2.6%	34.0%	76.0%		
of	Dar'a	SYP	26,263		0.8%	13.0%	69.9%		
1.5	Deir-ez-Zor	SYP	51,753		9.8%	-53.0%	-63%		
	Hama	SYP	29,888		-0.8%	33.9%	91.7%		
ght	Al-Hasakeh	SYP	38,740		4.4%	38.0%	148.1%		
to	Homs	SYP	26,764		2.3%	31.4%	52.5%		
di-	Lattakia	SYP	29,339		0.5%	21.4%	9 <mark>0.8%</mark>		
nat	Ar-Raqqa	SYP	40,523		-3. <mark>5</mark> %	35.5%	112.4%		
ic-	Rural Damascus	SYP	38,944		1.7%	16 <mark>.5%</mark>	41%		
	As-Sweida	SYP	31,488		3.6%	44.9%	75.8%		
:es	Tartous	SYP	30,569		2.7%	19.7%	<mark>8</mark> 3.2%		
/as	Quneitra	SYP	27,809		-0.6%	16.3%	N/A		
63	Idleb	SYP	30,238		-0.3%	N/A	N/A		
he	Average	SYP	33,222		2.8%	14.5%	39%		

highest cost with SYP 51,753. Market data indicates that prices of food commodities in eastern Aleppo are increasing rapidly and the cost of the referential food basket went up by more than 13 percent compared to last month. In Madaya, the cost of the food basket increased significantly with prices showing a general upward trend for most of the commodities. These increases are a result of both limited market capacity and an inability to access own production from productive agriculture land.

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.

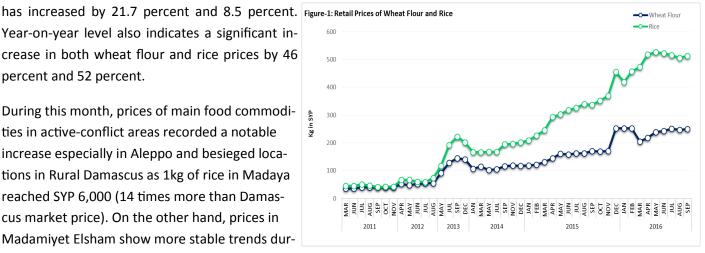
B: Retail Prices

1- Wheat Flour and Rice:

In September 2016, the average nominal retail price of wheat flour and rice were SYP 250/kg and SYP 513/kg respectively. Compared to August 2016, the price of wheat flour and rice have remained relatively stable with slight fluctuations of 0.9 percent and 1.5 percent observed. Since March 2016, the average monthly price of wheat flour and rice

Year-on-year level also indicates a significant increase in both wheat flour and rice prices by 46 percent and 52 percent.

During this month, prices of main food commodities in active-conflict areas recorded a notable increase especially in Aleppo and besieged locations in Rural Damascus as 1kg of rice in Madaya reached SYP 6,000 (14 times more than Damascus market price). On the other hand, prices in Madamiyet Elsham show more stable trends dur-



ing the month and 1 kg of rice was approximately SYP 500.

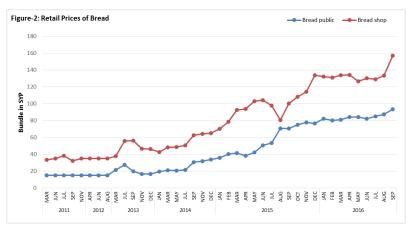
During the reporting month Rural Damascus governorate recorded the highest price for wheat flour, sold at SYP 463/kg, while the lowest price was observed in Idleb where 1kg of wheat flour was sold at SYP 175. Markets in Al-Hasakeh registered the highest price for rice sold at SYP 885/kg, while the lowest price was observed in As-Sweida where 1 kg of rice was sold at SYP 350. Monitoring data from Aleppo governorate indicates that food commodity prices are gradually increasing, reaching the highest peak ever. Moreover, severe shortage in food was reported in eastern Aleppo city, where most food commodities are either not available or only available in the black market (with low quality and very high and thus unaffordable prices for poor and vulnerable households).

2– Bread:

In September 2016, the average nominal retail prices for public (subsidized) bread and commercial bread were SYP 93/bundle and SYP 257/bundle, respectively. Compared to August 2016, there was an increase of 6.8 percent in the price of public bread and 18 percent in the price of commercial bread. The significant price increases for both types of bread were mainly due to the poor functionality of bakeries in active conflict areas such as Aleppo and Deir-ez-

Zor, which face an extreme scarcity of fuel. Another factor influencing the cost of bread is an increase in the official price of fuel and gas, which, combined with the increasing demand at the beginning of the cold season, has increased the production costs of bread as well.

Between March and September 2016, the average retail price of public and shop bread rose by approximately 16 percent and 92 percent, respectively. Looking at the pattern of retail prices of commercial bread across all main markets dur-

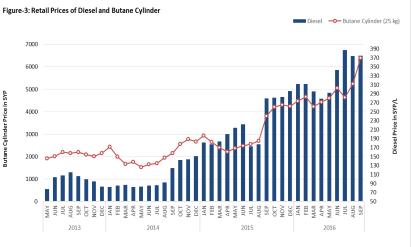


ing September, Aleppo market registered the highest price at SYP 271/bundle, while markets in Tartous had the lowest by SYP 63/bundle.

3- Diesel and cylinder of butane gas

During the reporting month, the average price of diesel was SYP 375/L and SYP 6,399 for a cylinder of butane gas. Between March and September 2016, the average retail prices of diesel rose by 27.1 percent, while a cylinder of butane gas increased by 51.1 percent. Compared to the same month last year, diesel prices went up by 34 percent and by 68 percent for a cylinder of butane gas.

During this month, severe shortages in diesel and gas were reported in Aleppo, Deir-ez-Zor, Madaya, Madamiyet Elsham and eastern Ghouta. In eastern Aleppo city the black market price of diesel reached SYP 1,200/L, more than six-fold higher than the official price (SYP 180/L). The price of a cylinder of butane gas reached SYP 55,000, which is more than twenty-fold higher compared to the official price (SYP 2,500). Consequently, the increase in fuel prices along with the increased demand dur-

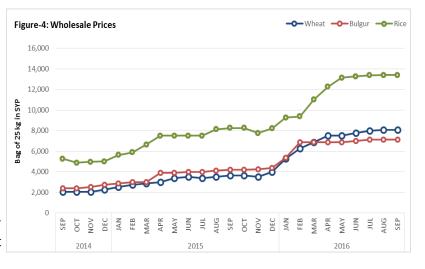


ing the coming cold season will disrupt the functionality of bakeries and markets and further exert pressure on food prices across the country.

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 slight variation of less than one percent. Wheat grain sold at SYP 8,050, bulgur at SYP 7,100 and white rice at SYP 13,390. Compared to August 2016, the wholesale price of bulgur, rice and wheat remains unchanged.

Between March 2016 and September 2016, the wholesale prices of wheat increased by 17 percent, bulgur by three percent and rice by 22 percent. Year-on-year, the wholesale price of wheat grain increased by 122 percent, bulgur by 69



percent and white rice by 62 percent. Wholesale prices for most food commodities were almost stable during the last few weeks reflecting a more stable exchange rate SYP/USD.

D. Food Supply to Markets

During September 2016, the main two supply routes to eastern Aleppo city (Castillo and Ramouseh) were severely disrupted by intensified airstrikes, which had a devastating impact on markets. As a result, it continues to be a daily challenge for the majority of the population to obtain enough food; furthermore, many households have to walk at least two km to reach an active market. In Madaya, markets are working sporadically with limited/poor capacity and very high prices. Information from besieged eastern Ghouta indicates that most markets are functioning poorly with limited capacity and prices further increased during Eid Al-Adha. Moreover, movement restrictions mean that traders cannot replenish food stocks regularly and they wait until they have depleted their whole stock. This will result in higher pressure on transportation costs during the coming winter season. In Deir-ez-Zor and Al-Hasakeh, markets are functioning better and the demand is stabilizing, reflecting the positive impact of food assistance.

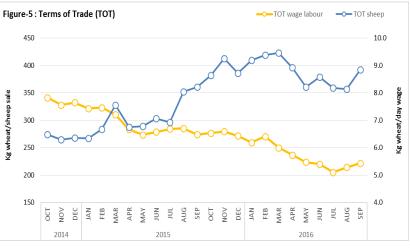
E. Terms of Trade (TOT):²

TOT between wage labour and wheat flour

The purchasing power (measured by terms of trade) of casual labourers slightly increased during September 2016, mainly due to an increased demand on labourers during Eid and the more stable exchange rate of the SYP. However, it is still significantly below last year's level. Therefore, for a whole day of work in September 2016, casual labourers were able to buy 5.4 kg of wheat flour, which is 2.8 percent higher than the prior month, but still 16 percent lower

compared to the same month last year.

The nominal average daily wage rate during the reporting period was SYP 1,357. The wage rate varied between market locations, ranging from SYP 900 in Al-Hasakeh to SYP 1,925 in Lattakia.



TOT between sheep and wheat flour

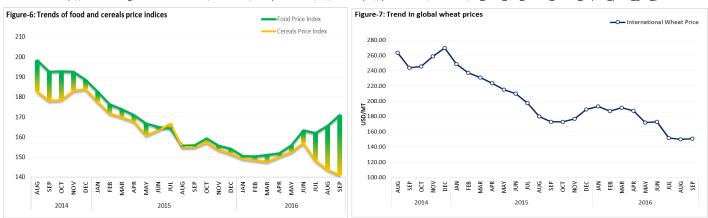
During September, the average price of a twoyear old male sheep was SYP 97,837/head, an 11 percent increase compared to last month and a 13 percent increase compared to six

months ago. The national average TOT between a sheep and wheat flour was 392kg/sheep, which is 9.9 percent higher compared to last month. The highest TOT was recorded in Deir-ez-Zor governorate (678kg/sheep), while the lowest TOT was observed in Rural Damascus governorate (204kg/sheep). The notable increase in the price of sheeps observed during the reporting month was mainly due to high demand during the Eid Al-Adha period.

F. International Market Prices

The FAO Food Price Index averaged 170.9 points in September 2016, which is up by 2.9 percent compared to August average, and a 10 percent increase compared to the September 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 140.9 points in September 2016, down by 1.9 percent compared to last month, and 8.9 percent below last year level. In the month of September 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 150.8/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 🖵
-	Aleppo	151	25.6	197.5	\uparrow	<u>↑</u>		Aleppo	433	1.9	53.3	\leftrightarrow	\uparrow
	Damascus	50	- 1	-	\leftrightarrow	\leftrightarrow		Damascus	425	6.3	31.0	\leftrightarrow	\uparrow
	Dar'a	50		-0.	\leftrightarrow	\leftrightarrow	(kg)	Dar'a	513	(3.1)	10.5	\leftrightarrow	\uparrow
6	Deir-ez-Zor	145	-	50.0	\leftrightarrow	\uparrow		Deir-ez-Zor	800	3.6	(13.6)	\leftrightarrow	\checkmark
Bread Public (1.5 kg)	Idleb	188	-		\leftrightarrow			Idleb	450	-		\leftrightarrow	
.	Hama	75	-	(9.1)	\leftrightarrow	\leftrightarrow		Hama	450	(1.0)	25.0	\leftrightarrow	<u>↑</u>
blic	Al- Hasakeh Homs	50 60	- 2.6	- 10.0	\leftrightarrow	\leftrightarrow		Al- Hasakeh Homs	885 426	5.6 3.8	49.0 7.1	\leftrightarrow	<u>↑</u>
Ъ	Lattakia	50	-	-	\leftrightarrow	↑ ↔		Lattakia	426	(0.2)	24.9	\leftrightarrow	\leftrightarrow
eac	Quneitra	80	-	7.9	\leftrightarrow	\leftrightarrow		Quneitra	438	(2.8)	7.2	\leftrightarrow	\leftrightarrow
ā	Ar-Ragga	93	(5.0)	(23.0)	\leftrightarrow	4		Ar-Ragga	775	-	56.1	\leftrightarrow	1
	Rural Damascus	150	-	(18.8)	\leftrightarrow	4		Rural Damascus	538	2.8	26.0	\leftrightarrow	↑
	As-Sweida	50	- 1	-	\leftrightarrow	\leftrightarrow		As-Sweida	350	7.7	27.3	\leftrightarrow	\uparrow
	Tartous	50	2	-	\leftrightarrow	\leftrightarrow		Tartous	525	-	27.2	\leftrightarrow	\uparrow
	Aleppo	271	80.8	227.2	\uparrow	1	Sheep 2Y old Male	Aleppo	125,000	32.5	112.1	\uparrow	\uparrow
	Damascus	150	-	50.0	\leftrightarrow	1		Damascus	83,875	(1.6)	9.3	\leftrightarrow	\leftrightarrow
	Dar'a Deir-ez-Zor	150 150	(2.9)	(5.6) (16.7)	\leftrightarrow	\leftrightarrow		Dar'a Deir-ez-Zor	65,000 231,250	2.2 2.1	- 2.1	\leftrightarrow	\leftrightarrow
kg)	Idleb	200	(16.7) (5.6)	(10.7)	\downarrow \leftrightarrow	↓		Idleb	82,500	11.5	2.1	↔ ↑	\leftrightarrow
1.5	Hama	123	(2.0)	(20.0)	\leftrightarrow	\downarrow		Hama	82,500	1.9	33.3	\leftrightarrow	\uparrow
s (Al- Hasakeh	113	-	33.3	\leftrightarrow	 ↑		Al- Hasakeh	77,500	7.7	54.5	\leftrightarrow	 ↑
dou	Homs	138	14.6	11.9	1	 ↑		Homs	77,510	3.4	14.0	\leftrightarrow	 ↑
Spe	Lattakia	75	3.6	15.4	\leftrightarrow	1	eeb	Lattakia	83,500	1.2	19.3	\leftrightarrow	\uparrow
Bread Shops (1.5 kg)	Quneitra	133	-	14.5	\leftrightarrow	1	sh	Quneitra	105,000	15.5	5.7	1	\leftrightarrow
	Ar-Raqqa	140	(4.4)	(20.9)	\leftrightarrow	↓		Ar-Raqqa	80,000	-	22.4	\leftrightarrow	<u>↑</u>
	Rural Damascus	220	-	10.0	\leftrightarrow	↑ ()		Rural Damascus	94,500	6.3	16.7	\leftrightarrow	<u>↑</u>
	As-Sweida Tartous	75 63	- (3.6)	(9.6)	\leftrightarrow	\leftrightarrow		As-Sweida Tartous	77,000 80,750	(2.5) 0.7	16.7 (10.9)	\leftrightarrow	<u>↑</u> ↓
	Aleppo	13,567	(3.6) 84.8	340.4	\leftrightarrow	\leftrightarrow		Aleppo	80,750 605	24.8	(10.9) 157.7	\leftrightarrow	↓ ↑
	Damascus	2,725	9.0	36.3	\leftrightarrow	 ↑	Ð	Damascus	405	(6.8)	58.8	\leftrightarrow	 ↑
	Dar'a	4,000	(2.7)	31.4	\leftrightarrow	 ↑		Dar'a	400	8.8	49.7	\leftrightarrow	 ↑
6	Deir-ez-Zor	13,675	(12.3)	16.7	\downarrow	1		Deir-ez-Zor	1,638	1.1	23.4	\leftrightarrow	<u>↑</u>
0 k	Idleb	8,150	1.9		\leftrightarrow			Idleb	400	(0.1)		\leftrightarrow	
Butane Cylinder (10 kg)	Hama	3,750	(1.4)	(35.7)	\leftrightarrow	\downarrow		Hama	373	(3.8)	27.6	\leftrightarrow	\uparrow
inde	Al- Hasakeh	4,350	(21.3)	34.6	\downarrow	1		Al- Hasakeh	588	(4.1)	67.9	\leftrightarrow	1
S	Homs	2,735	2.1	6.5	\leftrightarrow	\leftrightarrow		Homs	321	5.6	13.7	\leftrightarrow	<u>↑</u>
ane	Lattakia Quneitra	2,850 4,100	- (4.2)	35.7 27.1	\leftrightarrow	<u>↑</u>		Lattakia Quneitra	381 380	7.0	28.2 44.7	\leftrightarrow	↑ ↑
But	Ar-Ragga	7,750	(4.2)	27.1	\leftrightarrow	↑		Ar-Ragga	625	(5.9)	100.0	\leftrightarrow	↑
	Rural Damascus	7,250	2.8	8.3	\leftrightarrow	\leftrightarrow		Rural Damascus	525	(4.5)	58.3	\leftrightarrow	 ↑
	As-Sweida	3,000		20.0	\leftrightarrow	<u>↑</u>		As-Sweida	438	(4.4)	64.4	\leftrightarrow	 ↑
	Tartous	2,850	(1.7)	28.2	\leftrightarrow	1		Tartous	394	1.7	28.0	\leftrightarrow	\uparrow
	Aleppo	450	40.0	266.6	\uparrow	\uparrow		Aleppo	3,200	(3.6)	41.6	\leftrightarrow	\uparrow
	Damascus	220	4.1	(8.5)	\leftrightarrow	\leftrightarrow	Tea (kg)	Damascus	3,350	(2.6)	63.2	\leftrightarrow	\uparrow
	Dar'a	913	(14.4)	509.7	\checkmark	\uparrow		Dar'a	4,000	11.9	39.2	1	\uparrow
	Deir-ez-Zor Idleb	1,495 240	(4.2)	(4.2)	\leftrightarrow	\leftrightarrow		Deir-ez-Zor Idleb	6,900	(14.3)	(13.6)	4	\downarrow
	Hama	240	2.2 (1.9)	30.4	\leftrightarrow	1		Hama	3,350 3,275	3.1 3.8	46.7	\leftrightarrow	\uparrow
Diesel (L)	Al- Hasakeh	59	6.3	6.3	\leftrightarrow	\leftrightarrow		Al- Hasakeh	3,450	6.2	20.6	\leftrightarrow	 ↑
ese	Homs	183	3.0	13.2	\leftrightarrow	<u>↑</u>		Homs	3,422	0.8	7.0	\leftrightarrow	\leftrightarrow
Ō	Lattakia	181	(2.0)	18.9	\leftrightarrow	1		Lattakia	2,200	(7.6)	(2.0)	\leftrightarrow	\leftrightarrow
	Quneitra	268	- 1	16.1	\leftrightarrow	\uparrow		Quneitra	3,500	070	21.4	\leftrightarrow	\uparrow
	Ar-Raqqa	124	-	13.7	\leftrightarrow	\uparrow		Ar-Raqqa	3,600	(3.6)	18.3	\leftrightarrow	\uparrow
	Rural Damascus	450	(4.5)	45.2	\leftrightarrow	1		Rural Damascus	4,050	1.4	41.7	\leftrightarrow	1
	As-Sweida	350	-	40.0 20.1	\leftrightarrow	<u>↑</u>		As-Sweida	3,500	-	25.0	\leftrightarrow	<u>↑</u>
	Tartous Aleppo	185 558	- 14.2	45.0	↔ ↑	↑ ↑		Tartous Aleppo	2,450 1,267	(1.7) 19.3	(7.2) 45.0	↔ ↑	\leftrightarrow
	Damascus	694	2.9	35.4	\leftrightarrow	↑		Damascus	1,500	-	-	\leftrightarrow	\leftrightarrow
	Dar'a	400	3.3	-	\leftrightarrow	\leftrightarrow		Dar'a	1,000	4.5	10.0	\leftrightarrow	↑
	Deir-ez-Zor	750	29.2	(43.2)	\uparrow	\downarrow	Ð	Deir-ez-Zor	1,150	-	4.2	\leftrightarrow	\leftrightarrow
	Idleb	450	(2.6)	AL. CONTRACT	\leftrightarrow		Unskilled Labor wage	Idleb	1,850	3.1		\leftrightarrow	
(kg)	Hama	575	6.7	50.0	\leftrightarrow	<u>↑</u>) or	Hama	1,500	-	-	\leftrightarrow	\leftrightarrow
lils (Al- Hasakeh Homs	663 553	8.2	42.8 7.8	\leftrightarrow	<u>↑</u>	Lat	Al- Hasakeh Homs	900 987	(3.8)	10.0 8.2	\leftrightarrow	<u>↑</u>
Lentils (kg)	Homs Lattakia	613	1.1 (0.9)	7.8 16.9	\leftrightarrow	\leftrightarrow	lled	Homs Lattakia	987 1,925	4.0	(3.8)	$\leftrightarrow \\ \leftrightarrow$	$\leftrightarrow \\ \leftrightarrow$
-	Quneitra	500	(0.9)	15.0	\leftrightarrow	个 个	nski	Quneitra	1,925	4.0	(3.6)	\leftrightarrow	\leftrightarrow
	Ar-Raqqa	700	(6.3)	51.7	\leftrightarrow	 ↑		Ar-Raqqa	1,825	1.6	21.7	\leftrightarrow	<u>↑</u>
	Rural Damascus	769	2.5	28.1	\leftrightarrow	<u>↑</u>		Rural Damascus	1,500	-	-	\leftrightarrow	\leftrightarrow
	As-Sweida	800	4.9	56.2	\leftrightarrow	1		As-Sweida	1,500	5.3	25.0	\leftrightarrow	\uparrow
	Tartous	625	4.2	14.3	\leftrightarrow	1		Tartous	1,625	1.5	8.3	\leftrightarrow	\leftrightarrow
	Aleppo	758	21.5	74.1	1	<u>↑</u>	Wheat Flour (kg)	Aleppo	200	12.2	53.1	1	<u>↑</u>
	Damascus Dar'a	700	1.9	45.0	\leftrightarrow	<u>↑</u>		Damascus Dar'a	285	1.9	46.6	\leftrightarrow	<u>↑</u>
	Dar'a Deir-ez-Zor	725 1,250	3.1 3.7	37.3 4.3	\leftrightarrow	↑ ↔		Dar'a Deir-ez-Zor	213 341	(2.6)	6.3 16.5	\leftrightarrow	\leftrightarrow
	Idleb	600	4.5	4.3	\leftrightarrow	\leftrightarrow		Idleb	175	(4.4)	10.0	\leftrightarrow	1
	Hama	825	(8.3)	94.2	\leftrightarrow	\uparrow		Hama	200	9.6	14.3	\leftrightarrow	\uparrow
(F)	Al- Hasakeh	650	(0.7)	16.8	\leftrightarrow	 ↑		Al- Hasakeh	255	2.0	10.9	\leftrightarrow	 ↑
Oil (L)	Homs	620	3.4	8.8	\leftrightarrow	\leftrightarrow	at	Homs	223	4.9	8.5	\leftrightarrow	\leftrightarrow
	Lattakia	706	2.7	36.1	\leftrightarrow	\uparrow	Wheat	Lattakia	229	4.4	14.4	\leftrightarrow	\uparrow
	Quneitra	734	1.2	36.5	\leftrightarrow	1		Quneitra	205	-	20.0	\leftrightarrow	<u> </u>
	Ar-Raqqa	850	(0.6)	51.5	\leftrightarrow	<u>↑</u>		Ar-Raqqa	350	(2.4)	40.0	\leftrightarrow	<u>↑</u>
	Rural Damascus	850	3.3	52.4	\leftrightarrow	↑ 		Rural Damascus	463	3.6	72.5	\leftrightarrow	<u>↑</u>
	As-Sweida Tartous	800 700	- 6.6	56.1 26.1	\leftrightarrow	↑ ↑		As-Sweida Tartous	250 245	(2.4)	25.0 10.8	$\leftrightarrow \\ \leftrightarrow$	↑ ↑
			ase above nor						210	0.1	10.0		1

Prices increase above normal price fluctuation Normal Price Fluctuation Price decrease below normal price fluctuation

 \leftrightarrow