

## Initial Market Price Bulletin for the month of **September 2016** (Reported in October 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, decreased from July – August 2016 and negligibly increased in September 2016.
- The current average wheat price in main cities' markets of Afghanistan (AFN 23.6/Kg) is slightly higher by 3.9% compared to the same time last year (September 2015), but slightly higher by 9.2% compared to the last 5-year average price of the same months (Septembers 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 and September 2016. The current retail price (AFN 29.7/kg) is slightly lower by 2.8% compared to the same month last year (September 2015), and slightly higher by 3.0% compared to the last 5-year average price of the same months.
- **Rice** is considered as the 2<sup>nd</sup> main staple food in Afghanistan. The current average retail price of Low Quality Rice (AFN 42.1/kg) is slightly higher by 6.1% compared to the same month last year (September 2015), and slightly higher by 4.2% 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 3.7% compared to the same month last year (September 2015), and negligibly lower by 0.9% 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.*

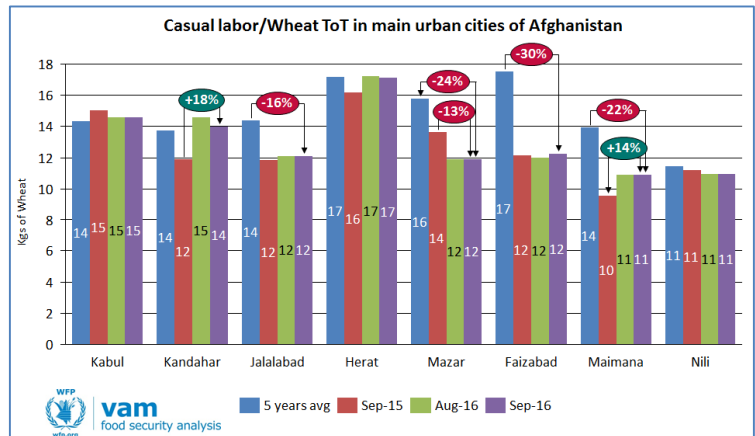
- Labor wage/Wheat average ToT for the reporting month was 13.0 Kgs of Wheat. On average, this ToT negligibly deteriorated (by 0.4%) from August to September 2016, mainly due to negligible increase in wheat price. In the last three proceeding years, this deterioration was experienced during;

- August to September 2015 (by 1.9%)
- August to September 2013 (by 6.6%)

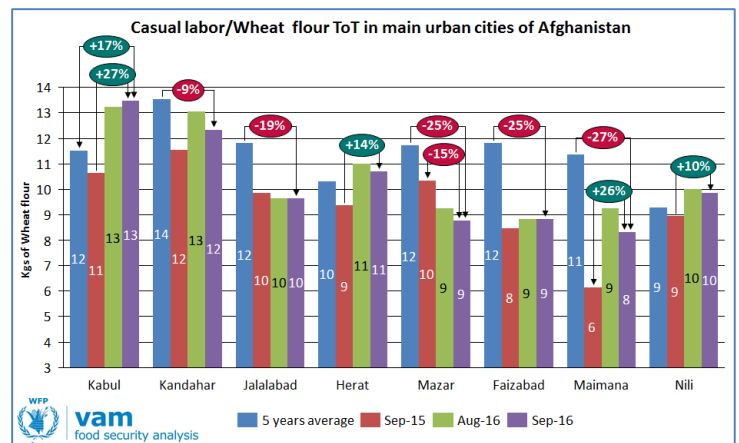
While improved only during;

- August to September 2014 (by 0.7%)

- In comparison to the same month one year ago (September 2015), this ToT negligibly improved by 2.3%, mainly due to increased labor wage (by 6.1%).
- On the two-year comparison (September 2014), this ToT slightly improved by 6.9%.
- Compared to the 5-year average of the same months (Septembers 2011-2015), this ToT significantly deteriorated by 12.2%.



**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 10.2 Kgs of Wheat flour which slightly deteriorated by 2.8% from August to September 2016, mainly related to increased wheat flour price (by 3.0%). This deterioration was experienced in the last three proceeding years;

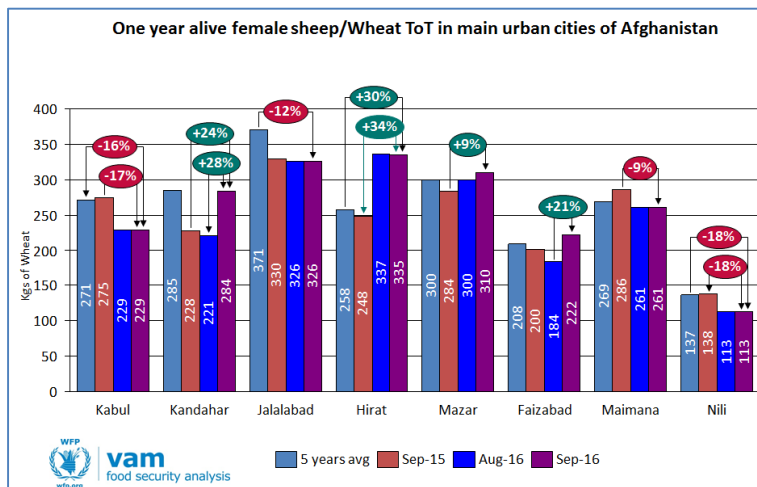
- August to September 2015 (by 2.5%)
  - August to September 2014 (by 2.8%)
  - August to September 2013 (by 3.3%)
- Compared to the same month one year ago (September 2015), this ToT significantly improved by 8.7%, mainly due to increased labor wage (by 6.1%) and decreased wheat flour price (by 2.8%).
  - On the two-year comparison (September 2014), this ToT significantly improved by 11.8%.
  - Compared to the 5-year average of the same months (Septembers 2011 - 2015), this ToT slightly deteriorated by 7.3%.

**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 260 Kgs of wheat against one-year alive female sheep, which slightly improved by 4.1% from August to September 2016, mainly due to increased sheep price (by 4.9%). In the last three proceeding years, this improvement was also experienced in;
  - August to September 2015 (by 1.4%)
  - August to September 2014 (by 2.9%)

While deteriorated during;

- August to September 2013 (by 3.5%)
- Compared to the same month one year ago (September 2015), this ToT negligibly improved by 4.5%, which is mainly due to increased sheep price (by 6.8%).
- On the two-year comparison (September 2014) this ToT slightly improved by 6.8%.
- Compared to 5-year average of the same months (Septembers 2011 - 2015), this ToT negligibly deteriorated by 1.0%.

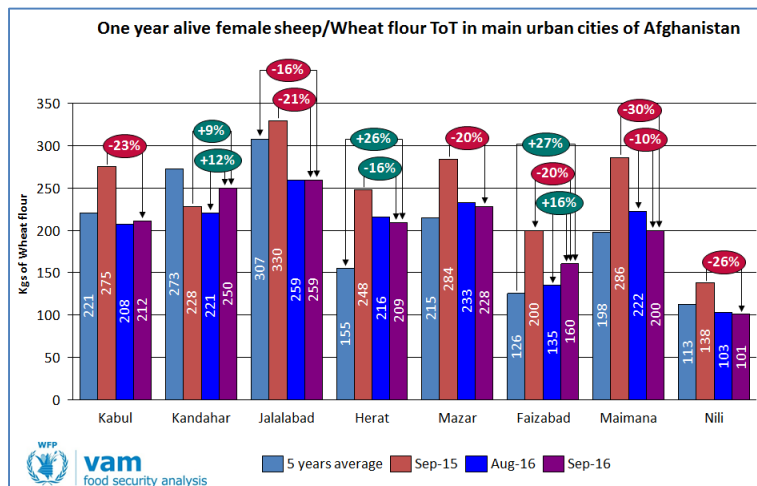


**Sheep and High Price Wheat flour (ToT):** *The Terms of Trade between a one year old female sheep and High Price Wheat Flour is a proxy for the purchasing capacity of those households mainly relying on income from livestock (pastoralists). It says how many kilograms of Wheat Flour (HP) can be obtained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

- Sheep-Wheat flour (HP) average ToT for the reporting month was 205 Kgs of Wheat flour against one-year alive female sheep, which negligibly improved by 1.4% from August to September 2016, mainly due to increased sheep price (by 4.9%). In the last three proceeding years, this improvement was also experienced in;
  - August to September 2015 (by 0.7%)
  - August to September 2014 (by 0.4%)

While deteriorated during;

- August to September 2013 (by 2.2%)
- Compared to the same month one year ago (September 2015), this ToT improved by 9%, mainly due to increased sheep price (by 6.5%) and decreased wheat flour price (by 2.8%).
- On the two-year comparison (September 2014), this ToT significantly improved by 10%.
- Compared to 5-year average of the same months (Septembers 2011 - 2015), this ToT negligibly deteriorated by 1.5%.



## Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of Wheat in main cities' markets of Afghanistan was AFN **23.6/Kg** in September 2016. Compared to the past month (August 2016), the average price negligibly increased by 0.3%. The variation in all main cities was within a normal range (-2.0% to 4.3%). In the last three proceeding years, this price increase was experienced during;
  - August to September 2015 (by 2.0%)
  - August to September 2013 (by 1.8%)

While the price decreased during;

- August to September (by 1.4%)
- Compared to the same month one year ago (September 2015), the average wheat price slightly increased by 3.9%. 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 (September 2014), the average price negligibly decreased by 0.8%.
- Compared to the last 5-year average price of the same months (Septembers 2011 - 2015), the average price slightly increased by 9.2%.

## Retail Price of Wheat flour in Main Urban Cities:

### Wheat flour (High Price):

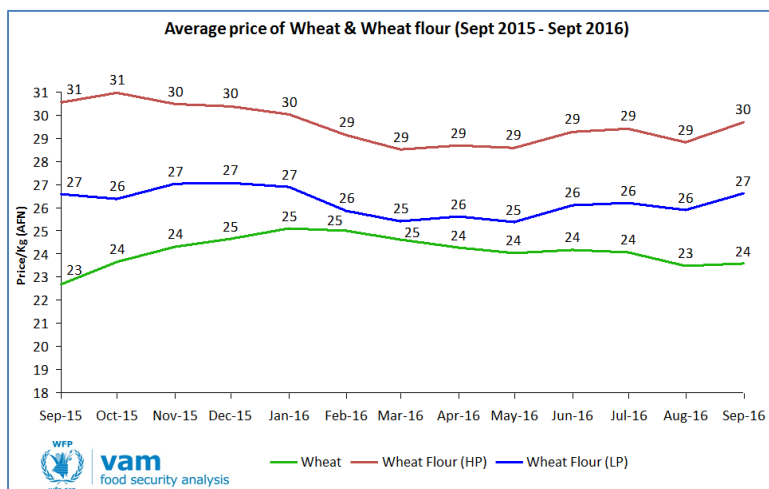
- The monthly average price of Wheat flour (High Price) in main cities' markets was AFN **29.7/Kg** in the reporting month (August 2016). The average price slightly increased by 3.0% compared to the previous month (August 2016). The highest increase was in Maimana (by 11.1%), Kandahar (5.9%) and Mazar (5.6%), which is mainly due to decreased supply of imported wheat flour from Pakistan and Kazakhstan. The variation in remaining main cities was within a normal limit (-1.9% to 2.9%). In the last three proceeding years, this price increase was experienced during;

- August to September 2015 (by 3.1%)
- August to September 2014 (by 2.6%)

While the price decreased during;

- August to September 2013 (by 0.9%)

- Compared to the same month last year (September 2015), the current average price slightly decreased by 2.8%. The highest decrease only occurred in Hirat (by 12.3%), 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 (-8.0% to 9.3%).
- Compared to the same month two years ago (September 2014), the average price of wheat flour slightly decreased by 6.1%.
- Compared to 5-year average price of the same months (Septembers 2011 - 2015), the average price negligibly increased by 3.0%.



### Wheat flour (Low Price):

- The monthly average price of Wheat flour (Low Price) in main cities' markets was AFN **26.6/Kg** in the reporting month (September 2016). The average price slightly increased by 2.9% compared to previous month (August 2016). The highest increase occurred in Maimana (by 12.5%), Kandahar (6.5%) and Mazar (by 6.3%), which is mainly due to decreased supply of imported wheat flour from Pakistan and Kazakhstan. The variation in other remaining main cities was within a normal range (-2% to 1.0%). In the last three proceeding years, this price increase was experienced during;

- August to September 2015 (by 1.1%)
- August to September 2014 (by 0.6%)

While the price decreased during;

- August to September 2013 (by 1.5%)

- Compared to the same month one year ago (September 2015), the current average price negligibly increased by 0.1%. The highest increase only occurred in Kandahar (15.5%), which is mainly due to decreased supply of imported wheat flour. While

the price decreased in Hirat (by 19.2%) due to increase of supply from nearby districts of Hirat province. The variation in other remaining main cities was within a normal range (9.2% to 6.7%)

- Compared to the same month two years ago (September 2014), the average price slightly decreased by 3.2%.
- Compared to 5-year average price of the same months (Septembers 2011 - 2015), the average price slightly increased by 6.7%.

## 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 (September 2016) which is remained unchanged compared to the previous month (August 2016). In the last three preceding years, no change was not experienced, decreased in;
  - August to September 2015 and 2013 (by 1.2%)

While the price increased during;

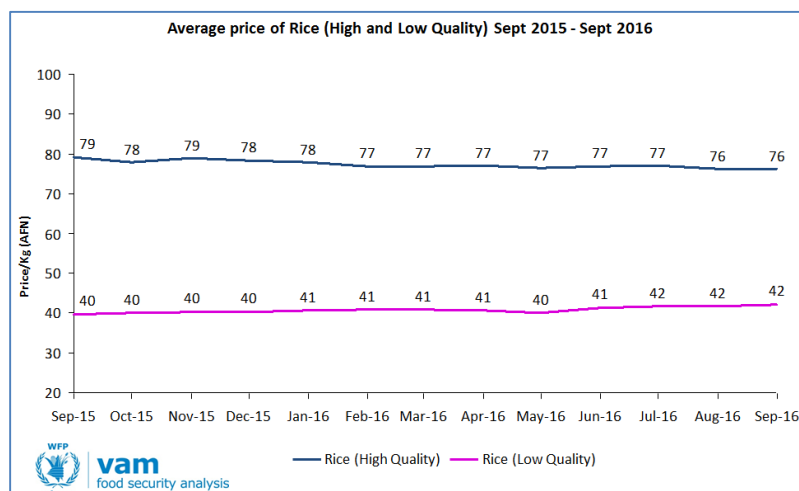
- August to September 2014 (by 0.4%)
- Compared to the same month one year ago (September 2015), the average price slightly decreased by 3.7%. The largest decrease occurred in Maimana (15.0%) and Kabul (by 11.2%), which is mainly due to maintained supply of rice from Pakistan and normalized price in 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 (September 2014), the average price significantly decreased by 12.3%.
- Compared to 5-year average price of the some months (Septembers 2011 - 2015), the average price negligibly decreased by 0.9%.

### Rice (Low Quality):

- The monthly average price of Rice (Low Quality) in main cities' markets was AFN **42.1/Kg** in the reporting month (September 2016), which negligibly increased by 0.8% compared to the previous month (August 2016). The variation in all main cities' markets was within a normal range (-1.0% to 4.2%). In the last three preceding years, this increase was not experienced in, while decreased in;

- August to September 2015 (by 0.5%)
- August to September 2014 (by 0.7%)
- August to September 2013 (by 0.9%)

- Compared to the same month one year ago (September 2015), the average price slightly increased by 6.1%. The largest increase occurred in Kandahar (39.0%) and Hirat (19.0%), 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 (-7.5% to 8.3%).



- Compared to the same month two years ago (September 2014), the average price negligibly decreased by 0.5%.
- Compared to 5-year average price of same months (Septembers 2011 - 2015), the average price negligibly increased by 4.2%.

## Retail Price of Cooking Oil in Main Urban Cities:

- The monthly average price of cooking oil in main cities' markets was AFN **81.3/Kg** in the reporting month (September 2016), being negligibly increased by 0.8% compared to previous month (August 2016). The highest increase occurred only in Hirat (by 6.8%), which is mainly due to decreased supply of oil from source point this month. The variation in all other main cities was within a normal range (-1.3% to 1.8%). In the last three preceding years, this increase was only experienced during;
  - August to September 2013 (by 1.3%)

While the price decreased in;

- August to September 2015 and August to September 2014 (by 1.0%)
- Compared to the same month one year ago (September 2015), the average price slightly increased by 7.0%. The largest increase occurred in Hirat (by 18.7%), Nili (12.7%), and Mazar (11.5%), main reason for the increase was increased price of oil by the

