



Highlights:

- Insecurity and humanitarian access restrictions continue to cause severe food shortage in eastern Aleppo city.
- Despite poor market functionality in besieged areas, food commodities prices are levelling off with humanitarian assistance.
- The purchasing power of daily wage earners remains weak across the country and significantly lower than last year's level.
- Increase in fuel prices combined with a high demand during winter will disrupt the functionality of bakeries and markets and exert an upward pressure on food prices in markets located in hard-to-reach areas.

A: Standard Food Basket

In October 2016, the national average cost of a standard food basket¹ (a group of essential commodities) was SYP 33,800, a slight increase of 1.8 percent compared to last month and 1.7 percent compared to six months ago. The monthly cost of food basket has remained relatively stable with negligible fluctuations during September and October. Looking at the pattern of food basket prices across all main markets, the lowest cost was observed in Dar'a governorate at SYP 25,830 while Deir-ez-Zor governorate recorded the highest cost at SYP 57,640. Food availability remains scarce in eastern Aleppo city and further exacerbated due to the recent conflict escalation.

Governorate		Price October 2016	Price 1 month change	Price 6 months changes	Price 12 months changes
Aleppo	SYP	35,140	7%	46%	98%
Damascus	SYP	30,244	1%	27%	66%
Dar'a	SYP	25,831	-2%	5%	56%
Deir-ez-Zor	SYP	57,644	11%	-53%	-56%
Hama	SYP	31,143	4%	28%	90%
Al-Hasakeh	SYP	39,325	2%	31%	120%
Homs	SYP	28,049	5%	23%	56%
Latakia	SYP	29,438	0%	22%	74%
Ar-Raqqa	SYP	36,845	-9%	11%	66%
Rural Damascus	SYP	39,588	2%	11%	41%
As-Sweida	SYP	31,188	-1%	27%	70%
Tartous	SYP	30,363	-1%	19%	78%
Quneitra	SYP	28,066	1%	11%	N/A
Idleb	SYP	30,513	1%	24%	N/A
Average	SYP	33,812	2%	2%	40%

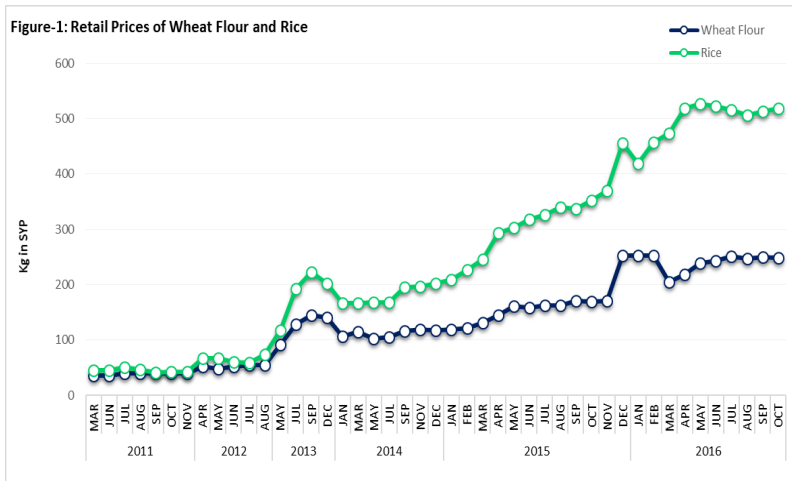
Consequently, the cost of the food basket went up by more than 30 percent compared to last month, and as food assistance stocks are almost depleted, prices are expected to further increase. In rural Deir-ez-Zor, main bridges were destroyed by airstrikes including the one linking to Ar-Raqqa. This has severely disrupted the transportation of food commodities and distorted the supply-demand resulting in higher prices and limited food availability in rural Deir-ez-Zor.

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 October 2016, the prices of wheat flour and rice were relatively stable with slight month-on-month fluctuations. The average price of rice was SYP 520/kg, which is similar to the price in both September and six months ago, but still higher by 47 percent compared to the price in October last year and more than 10 times higher compared to pre-crisis level. The average price of wheat flour in October was SYP 250/kg. This corresponds to the price in September, a 14.2 percent increase compared to April and a 47 percent increase compared to the price of wheat flour in October 2015. Compared to pre-crisis level, the price of wheat flour was higher by a factor of six. Ar-Raqqa recorded the highest price for wheat flour, sold at SYP 381/kg, while the lowest price was observed in Idleb where 1kg of wheat flour was sold at SYP 175.



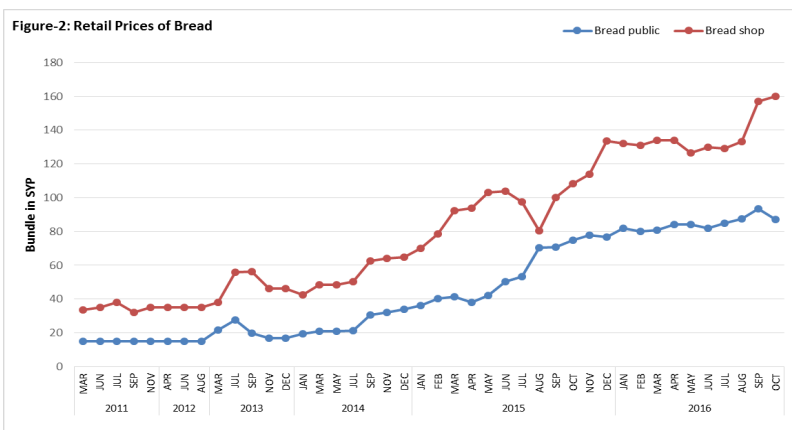
Markets in Deir-ez-Zor registered the highest price for rice sold at SYP 890/kg, while the lowest price was observed in As-Sweida where 1 kg of rice sold at SYP 340. Since September 2016, the functionality of markets in rural Deir-ez-Zor has further deteriorated due to conflict. Several bridges have been destroyed including the last remaining one for transporting goods over the Euphrates River for the entire province (Al-Ashara in eastern countryside).

In eastern Aleppo city, severe food shortage was reported as a result of high level of devastation in markets, infrastructure and supply routes during recent conflict escalation. On the other hand, in besieged Madaya (in Rural Damascus), price of staple food commodities decreased notably after last convoy including rice that went down by 25 percent compared to last month to become in SYP 1,500/kg.

2- Bread:

In October 2016, the average nominal retail prices for public (subsidized) bread and commercial (shop) bread were SYP 90/bundle and SYP 160/bundle, respectively. Compared to September 2016, there was a decrease of 6.7 percent in the price of public bread, while the price of commercial bread increased by 1.9 percent. The price decrease for public bread was mainly due to improved bakery functionality in Deir-ez-Zor city after WFP had dispatched salt and yeast.

Between April and October 2016, the average retail price of public and shop bread rose by approximately 3.6 percent and 19.4 percent. Looking at the pattern of retail prices of commercial bread across all main markets during October, Aleppo market registered the highest price at SYP 290/bundle, while markets in Tartous had the lowest at SYP 60/bundle. Idleb recorded the highest price for public bread during this month at SYP 188/bundle, while the lowest price was observed in Damascus, Dar'a, Tartous, Lattakia, As-Sweida and Al-Hassakeh at SYP 50/bundle.

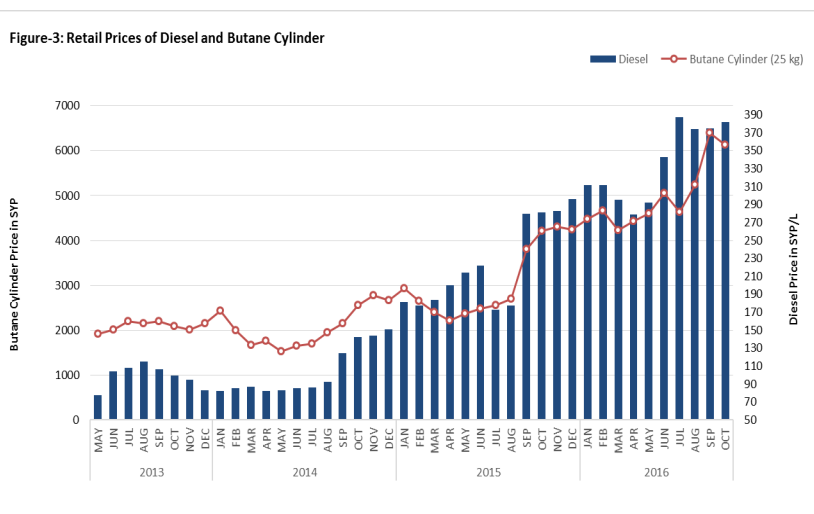


3– Diesel and cylinder of butane gas

During the reporting month, the average price of diesel was SYP 380/L and SYP 6,120 for a cylinder of butane gas. Between April and October 2016, the average retail prices of diesel rose by 36.9 percent and by 38.5 percent for a cylinder of butane gas. Compared to the same month last year, diesel prices went up by 36 percent and butane gas by 45 percent .

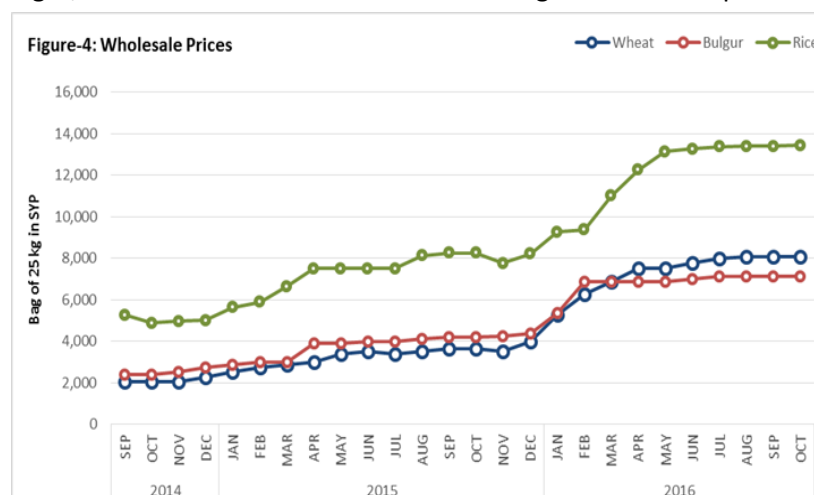
Severe shortages in diesel and gas were reported in many besieged and active conflict areas including Aleppo, Madaya, Madamiyet Elsham and eastern Ghouta. In eastern Aleppo city the black market price of diesel reached SYP 1,750/L, more than nine-times higher than the official price (SYP 180/L), while a cylinder of butane gas reached SYP 65,000, a twenty-five fold increase compared to official price (SYP 2,500) .

Consequently, the increase in fuel prices combined with high demand during winter will disrupt the functionality of bakeries and markets and exert an upward pressure on food prices for poor households across the country, particularly hard to reach areas.



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 8,080, bulgur at SYP 7,130 and white rice at SYP 13,420. Compared to Sep 2016, the wholesale prices of bulgur, rice and wheat remain almost unchanged. Between April 2016 and October 2016, the wholesale prices of wheat increased by 8 percent, bulgur by 4 percent and rice by 10 percent. Year-on-year, the wholesale price of wheat grain increased by 123 percent, bulgur by 70 percent and white rice by 63 percent. Wholesale prices for most food commodities were relatively stable during the last few months reflecting a slightly more stable exchange rate between the Syrian Pound and the US Dollar.



D. Food Supply to Markets

During the reporting period, in Tartous, As-Sweida, Homs and Damascus the supply routes were open and commodities were available. However in besieged areas in Rural Damascus and most areas of Deir-ez-Zor and Aleppo governorates, the supply of essential food commodities was disrupted as active fighting cut off main supply routes. As a result diesel, butane gas, pulses and oil were limited or not available. Moreover, the devastation of commercial bridges in rural Deir-ez-Zor has severely affected the markets functionality. In eastern Aleppo city, intensified air-strikes significantly interrupted the food supply to local markets. Consequently, the extreme shortage in food and water beside the inadequacy of main services and infrastructure will further increase the suffering of vulnerable poor households. In Deir-ez-Zor city 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

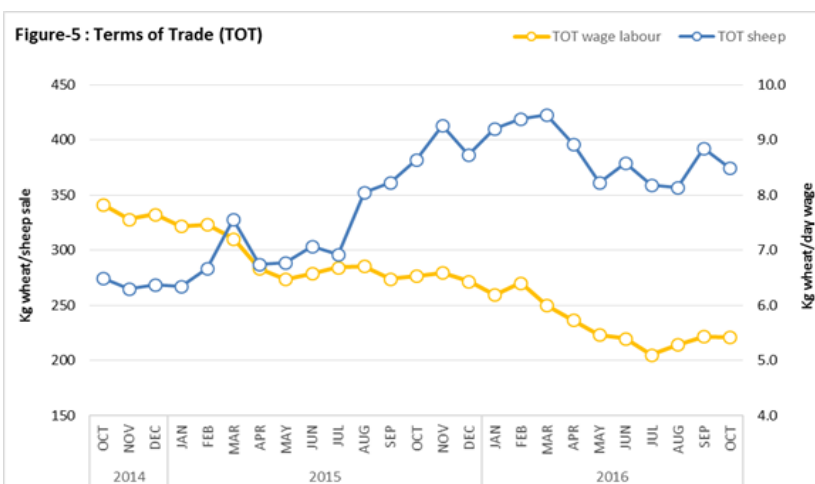
TOT between wage labour and wheat flour

The purchasing power (measured by terms of trade) of casual labourers remains weak across the country reflecting the low wage rates against rising wheat flour prices. In October 2016, for a whole day of work casual labourers could only buy 5.4 kg of wheat flour/day, remains unchanged compared to last month, 5.5 percent less than April levels and 17 percent lower when compared to the same month last year.

The nominal average daily wage rate during the reporting period was SYP 1,350. The wage rate varied between market locations, ranging from SYP 900 in Al-Hasakeh to SYP 1,900 in Lattakia.

TOT between sheep and wheat flour

During October, the average price of a two-year old male sheep was SYP 93,200/head, gradually returning to pre-Eid Al-Adha levels where prices had reached a peak. The current price is a reduction of 4.7 percent compared to the previous month, but still represents an increase of eight percent compared to six months ago. The national average TOT between a sheep and wheat flour was 375kg/sheep, which is 4.4 percent lower compared to last month and 5.4 percent compared to six months ago. The highest TOT was recorded in Quneitra governorate (498kg/sheep), while the lowest TOT was observed in Ar-Raqqa governorate (174kg/sheep).

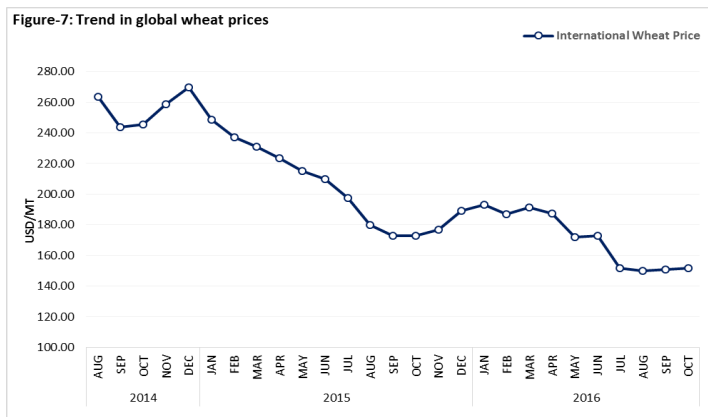
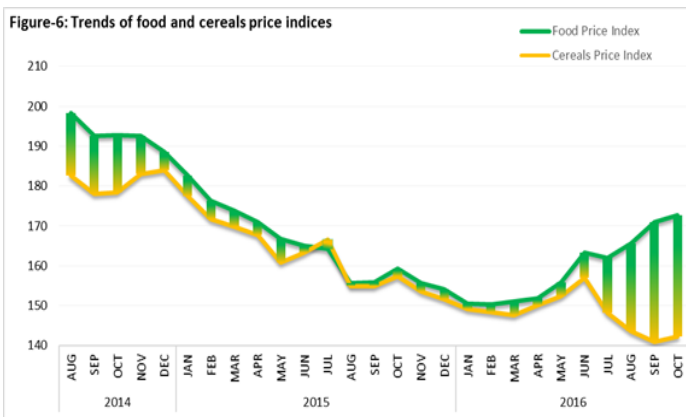


F. International Market Prices

In October 2016 the FAO Food Price Index averaged 172.6 points, which is up by 0.7 percent compared to September average, and 9.1 percent more than October 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 142.3 points in October 2016, up by 1 percent compared to last month, and 9.6 percent below last year level.

In October 2016, the wheat prices on local markets averaged USD 627.8/MT, which is four times higher than the price of wheat in the international market (USD 151.8/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
Bread Public (1.5 kg)	Aleppo	126	(8.3)	58.8	↔	↑	Rice (kg)	Aleppo	437	1.4	28.1	↔	↑
	Damascus	50	-	-	↔	↔		Damascus	425	-	25.8	↔	↑
	Dar'a	50	-	-	↔	↔		Dar'a	488	(4.3)	-	↔	↔
	Deir-ez-Zor	100	(19.4)	5.6	↓	↔		Deir-ez-Zor	888	10.7	(8.8)	↑	↔
	Idleb	188	-	50.0	↔	↑		Idleb	450	-	16.3	↔	↑
	Hama	75	-	(9.1)	↔	↔		Hama	485	7.5	20.0	↔	↑
	Al- Hasakeh	50	-	-	↔	↔		Al- Hasakeh	875	(1.6)	44.0	↔	↑
	Homs	56	(4.2)	(5.6)	↔	↔		Homs	473	11.8	20.1	↑	↑
	Lattakia	50	-	-	↔	↔		Lattakia	425	(11.0)	12.1	↓	↑
	Quneitra	80	-	2.4	↔	↔		Quneitra	425	(2.9)	0.7	↔	↔
	Ar-Raqqa	98	0.6	(25.0)	↔	↓		Ar-Raqqa	675	(12.9)	21.0	↓	↑
	Rural Damascus	150	-	(18.8)	↔	↓		Rural Damascus	550	2.6	22.0	↔	↑
	As-Sweida	50	-	-	↔	↔		As-Sweida	338	(3.6)	22.7	↔	↑
	Tartous	50	-	-	↔	↔		Tartous	525	-	27.2	↔	↑
Bread Shops (1.5 kg)	Aleppo	286	7.6	186.8	↔	↑	Sheep 2Y old Male	Aleppo	102,833	(10.7)	25.7	↓	↑
	Damascus	150	-	50.0	↔	↑		Damascus	83,875	-	1.5	↔	↔
	Dar'a	150	-	(5.6)	↔	↔		Dar'a	70,000	7.1	7.1	↔	↔
	Deir-ez-Zor	150	-	(16.7)	↔	↓		Deir-ez-Zor	232,500	2.0	5.8	↔	↔
	Idleb	225	12.5	40.5	↑	↑		Idleb	80,000	(2.9)	-	↔	↔
	Hama	123	-	(13.0)	↔	↓		Hama	82,500	-	33.3	↔	↑
	Al- Hasakeh	113	-	33.3	↔	↑		Al- Hasakeh	76,250	(0.2)	29.8	↔	↑
	Homs	145	(8.1)	101.9	↔	↑		Homs	80,375	8.2	28.7	↔	↑
	Lattakia	75	-	15.4	↔	↑		Lattakia	75,000	(10.1)	7.1	↓	↔
	Quneitra	133	-	4.1	↔	↔		Quneitra	102,188	(2.7)	(3.6)	↔	↔
	Ar-Raqqa	128	(13.5)	(38.8)	↓	↓		Ar-Raqqa	66,250	(16.3)	(2.3)	↓	↔
	Rural Damascus	188	(14.6)	-	↓	↔		Rural Damascus	102,500	8.1	26.7	↔	↑
	As-Sweida	75	-	(10.7)	↔	↓		As-Sweida	71,500	(7.1)	(2.8)	↔	↔
	Tartous	63	-	-	↔	↔		Tartous	72,600	(9.9)	(19.7)	↔	↓
Butane Cylinder (10 kg)	Aleppo	15,200	2.7	280.4	↔	↑	Sugar (kg)	Aleppo	797	16.0	158.0	↑	↑
	Damascus	2,725	-	36.3	↔	↑		Damascus	406	0.5	32.1	↔	↑
	Dar'a	4,125	2.4	34.4	↔	↑		Dar'a	409	2.2	22.9	↔	↑
	Deir-ez-Zor	8,300	(14.7)	(3.6)	↓	↔		Deir-ez-Zor	2,000	15.2	25.6	↑	↑
	Idleb	7,200	(11.6)	33.4	↓	↑		Idleb	438	10.7	53.5	↑	↑
	Hama	3,775	0.6	(35.0)	↔	↓		Hama	400	7.3	17.2	↔	↑
	Al- Hasakeh	3,175	(27.8)	(7.3)	↓	↔		Al- Hasakeh	550	(6.3)	46.6	↔	↑
	Homs	2,900	4.1	14.1	↔	↑		Homs	353	15.9	40.6	↑	↑
	Lattakia	2,750	(3.3)	31.0	↔	↑		Lattakia	400	5.2	34.2	↑	↑
	Quneitra	4,225	2.3	31.1	↔	↑		Quneitra	400	5.6	18.7	↔	↑
	Ar-Raqqa	6,625	(11.9)	(15.9)	↓	↓		Ar-Raqqa	550	(12.0)	45.2	↓	↑
	Rural Damascus	4,100	(41.7)	(37.3)	↓	↓		Rural Damascus	500	(4.5)	21.3	↔	↑
	As-Sweida	2,850	(5.0)	14.0	↔	↑		As-Sweida	425	(2.8)	17.4	↔	↑
	Tartous	2,900	1.8	30.5	↔	↑		Tartous	413	4.7	34.1	↔	↑
Diesel (L)	Aleppo	519	(0.2)	196.2	↔	↑	Tea (kg)	Aleppo	3,275	2.7	28.1	↔	↑
	Damascus	220	-	(6.5)	↔	↔		Damascus	3,350	-	15.9	↔	↑
	Dar'a	663	(16.7)	324.5	↓	↑		Dar'a	3,750	(6.3)	7.1	↔	↔
	Deir-ez-Zor	1,528	(1.3)	(5.4)	↔	↔		Deir-ez-Zor	11,200	45.9	12.9	↑	↑
	Idleb	260	8.3	55.3	↔	↑		Idleb	3,350	-	11.7	↔	↑
	Hama	280	(0.3)	37.8	↔	↑		Hama	3,200	(2.3)	43.5	↔	↑
	Al- Hasakeh	63	5.6	12.5	↔	↑		Al- Hasakeh	3,575	3.6	15.4	↔	↑
	Homs	195	6.1	12.0	↔	↑		Homs	3,400	7.7	49.6	↔	↑
	Lattakia	183	0.7	19.7	↔	↑		Lattakia	2,000	(8.3)	(10.0)	↔	↔
	Quneitra	273	1.4	17.5	↔	↑		Quneitra	3,500	-	7.9	↔	↔
	Ar-Raqqa	125	3.2	38.5	↔	↑		Ar-Raqqa	3,700	3.1	17.3	↔	↑
	Rural Damascus	443	1.0	57.5	↔	↑		Rural Damascus	4,200	3.9	30.1	↔	↑
	As-Sweida	325	(7.1)	30.0	↔	↑		As-Sweida	3,500	-	25.0	↔	↑
	Tartous	185	-	20.1	↔	↑		Tartous	2,500	2.6	(5.3)	↔	↔
Lentils (kg)	Aleppo	555	(0.9)	26.3	↔	↑	Unskilled Labor wage	Aleppo	1,200	(4.0)	25.3	↔	↑
	Damascus	700	0.9	32.7	↔	↑		Damascus	1,500	-	-	↔	↔
	Dar'a	400	-	-	↔	↔		Dar'a	1,025	2.1	12.5	↔	↑
	Deir-ez-Zor	963	27.2	(33.5)	↑	↓		Deir-ez-Zor	1,150	-	4.2	↔	↔
	Idleb	450	-	6.3	↔	↔		Idleb	2,000	8.8	25.5	↔	↑
	Hama	585	1.7	18.1	↔	↑		Hama	1,500	-	(33.3)	↔	↓
	Al- Hasakeh	706	6.2	24.8	↔	↑		Al- Hasakeh	900	-	10.0	↔	↑
	Homs	568	8.4	17.2	↔	↑		Homs	1,100	13.7	25.4	↑	↑
	Lattakia	650	6.0	24.0	↔	↑		Lattakia	1,900	(1.4)	11.8	↔	↑
	Quneitra	513	2.8	18.3	↔	↑		Quneitra	1,200	-	-	↔	↔
	Ar-Raqqa	619	(11.6)	9.8	↓	↔		Ar-Raqqa	1,650	(9.0)	1.9	↔	↔
	Rural Damascus	788	2.4	21.6	↔	↑		Rural Damascus	1,500	-	-	↔	↔
	As-Sweida	800	-	33.3	↔	↑		As-Sweida	1,500	-	25.0	↔	↑
	Tartous	600	(3.8)	9.5	↔	↔		Tartous	1,850	12.9	23.3	↑	↑
Oil (L)	Aleppo	1,094	31.5	131.7	↑	↑	Wheat Flour (kg)	Aleppo	220	23.1	22.4	↑	↑
	Damascus	713	1.9	27.8	↔	↑		Damascus	275	(3.5)	2.1	↔	↔
	Dar'a	725	-	22.5	↔	↑		Dar'a	213	-	2.8	↔	↔
	Deir-ez-Zor	1,256	0.8	(1.4)	↔	↔		Deir-ez-Zor	339	(1.4)	12.9	↔	↑
	Idleb	613	2.1	36.1	↔	↑		Idleb	175	-	57.5	↔	↑
	Hama	863	3.8	65.4	↔	↑		Hama	200	-	14.3	↔	↑
	Al- Hasakeh	669	3.2	16.3	↔	↑		Al- Hasakeh	269	5.0	14.9	↔	↑
	Homs	635	10.1	22.7	↑	↑		Homs	240	6.2	12.2	↔	↑
	Lattakia	738	4.4	42.1	↔	↑		Lattakia	238	4.2	18.8	↔	↑
	Quneitra	756	3.0	25.3	↔	↑		Quneitra	205	-	2.5	↔	↔
	Ar-Raqqa	844	(1.1)	35.9	↔	↑		Ar-Raqqa	381	15.6	43.4	↑	↑
	Rural Damascus	875	3.1	37.4	↔	↑		Rural Damascus	325	(27.1)	-	↓	↔
	As-Sweida	800	-	33.3	↔	↑		As-Sweida	250	-	-	↔	↔
	Tartous	725	3.6	30.6	↔	↑		Tartous	220	(10.0)	(0.8)	↔	↔
Key:	↑	Prices Increase above normal price fluctuation											
	↔	Normal Price Fluctuation											
	↓	Price decrease below normal price fluctuation											