Laghman PROVINCE – RETURNEE AND IDP MONITORING

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mVAM AFGHANISTAN - MONITORING BULLETIN #2

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SITUATION UPDATE ON RETURNEES, IDPS AND FOOD MARKETS

ANALYSIS BASED ON A COMBINATION OF FIELD AND PHONE (mVAM) SURVEYS

KEY FINDINGS

- The majority of the IDPs and returnees in all the assessed districts of Laghman province access their food through credit, reliance on friends and family or from humanitarian assistance. Only a few purchase food with cash.
- Both returnees and IDPs in all the 5 districts of Laghman province are relying on casual labour to generate income, but availability is very limited (1-2 days/week) particularly during this time of the year (post harvest time).
- The priority needs for both returnees and IDPs were **Food and Shelter** particularly in light of the winter season.
- In Mehterlam, Qarghayi and Alishang districts, the traders and households reported relying on credit to buy stocks from suppliers/retailers. Compared to 2015, reliance on credit for traders has decreased in Mehterlam and Alishang but increased in Qarghayi.

ASSESSMENT BACKGROUND AND METHODOLOGY

In September, WFP conducted a rapid market survey in Nangarhar Province in order to assess the suitability of using cash-based assistance for returnees and IDPs. In late October, WFP carried out another rapid market survey in Kunar, Laghman and Kabul provinces where high numbers of returnees had settled. This report presents the findings of that assessment, for Laghman province.

Results from this in-person market survey are complemented by findings from a WFP phone survey (mVAM) on the food and income sources and assistance needs for returnees and IDPs in Laghman. The face-to-face assessment took place in Mehterlam, Qarghayi and Alishang districts on 18-20 November and the mVAM assessment took place in all 5 districts on 20-21 November. The total number of interviews for the market assessment was 15 (5/district). A total of 30 interviews were conducted through mVAM, with 5 in all districts except for Alingar where 9 interviews were conducted.

Supply to the markets of **Alishang** is mainly from traders in Mehterlam markets. The security conditions in this district are worse compared to the situation in Qarghayi and Mehterlam and better than in Daulat Shah district.

The markets in **Mehterlam and Qarghayi** are well connected to the markets in Jalalabad. These districts have large markets and limited security concerns compared to the other districts of Laghman province. Overall, the food prices, stocks and sales in Mehterlam markets are similar to the markets of Qarghayi district.

Market impacts have been greatest in **Alingar** and can be even worse in **Daulat Shah**, where the security situation is the worst. The food prices in these markets are higher compared to the prices in Jalalabad and other neighbouring districts. The high prices in these districts are mainly due to high transportation cost and insecurity which also limits the supply of food supply to these markets.

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IMPACT ON LOCAL FOOD MARKETS

OVERALL IMPACT ON DEMAND, STOCKS AND PRICES

The number of returnees and IDPs are not significant in **Mehterlam, Qarghayi and Alingar** districts and thus there is no impact on food demand, sales, stock and food prices. The food stocks of the retailers has decreased in all 3 assessed districts which is mainly due to decreased sales of food commodities. The decrease in the ratio of customers to retailers is due to increased number of food shops. This increase has also resulted in a decrease in the average sales per retailer.

Among the 3 assessed districts, Mehterlam (centre of Laghman) has the largest food markets with the highest number of food retailers/traders. The neighbouring districts of Alingar, Alishang and Daulat Shah also rely on food supplies from Mehterlam district. The reported October 2016 food sales and stocks were therefore highest in Mehterlam, followed by Qarghayi and Alishang. The traders in the assessed districts have the capacity to respond to the current demand and up to an increase of 20 percent in the future.

High reliance on credit, both in terms of traders buying on credit from suppliers and of households buying on credit from traders, was a common issue across all 3 assessed districts. Most of the interviewed traders reported that their reliance on credit from their suppliers had increased since 2015.

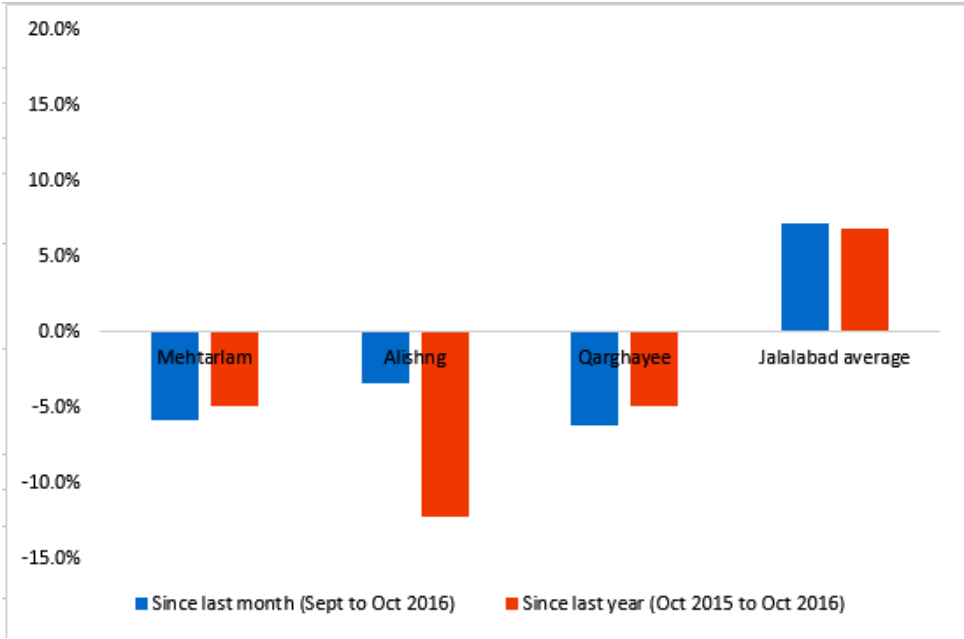
Most of the traders in Mehterlam district reported that they have a bank account for their routine transactions, while the majority of the traders in Qarghayi and Alishang districts don't have bank accounts.

Figure 1. Prices of selected food commodities in October 2016

District Name	Wheat flour (AFN/Kg)	Rice (AFN/Kg)	Cooking Oil (AFN/Lit)
Mehtarlam	27	57	66
Alishang	28	55	75
Qarghayee	27	67	76
Laghman Average	27	60	72
Jalalabad Average	26	76	76

All rice prices were collected for basmati rice in all the assessed districts

Figure 2. Change in wheat flour prices compared to last month and last year, by district and compared to the average price of Jalalabad.



PLACING OBSERVED PRICE CHANGES IN THE NATIONAL CONTEXT

In the assessed districts of Laghman province, the prices of food commodities in the month of October 2016 were lower compared to last month (September) and same month last year (October 2015). Jalalabad market is the main source of food supply to markets of Mehterlam and Qarghayi districts. The prices in the assessed district markets of Laghman are higher than the prices in Jalalabad markets, as Jalalabad markets serves the main supply source for markets in Laghman. The main reason for higher prices in Laghman province is mainly due to transportation cost from Jalalabad to Laghman. The numbers of returnees and IDPs are still low and therefore do not have any considerable impact on the food prices.

The highest average price of wheat flour was reported in Alishang district, followed by Mehterlam and Qarghayi. The price in Laghman centre is usually lower compared to other districts of Laghman province which is mainly due to maintained supply from Jalalabad markets.

LIVELIHOODS, ACCESS TO FOOD, AND ASSISTANCE NEEDS

SOURCES OF FOOD AND INCOME

The returnees and IDPs in all the districts of Laghman province reported that **buying on credit** in the local market, and **borrowing or receiving gifts from relatives** were the main ways they currently access food. In addition, nearly all rely on **casual labour to earn income.** It's important to note that even though casual labour was cited as an income source for both groups, they also indicated that **casual labour opportunities are very scarce**. Respondents in Daulat Shah, Alingar and Alishang districts indicated that they are not able to find even 1 day of casual employment per week, while people in Mehterlam and Qarghayi districts reported that they were able to find casual work between 1-2 days in a week.

Among all the 5 districts of Laghman province, the people in Daulat Shah district are facing significant concerns related to insecurity particularly when accessing markets. Alingar district also has similar security concerns but is better connected to the markets of Mehterlam district.

Photo: WFP/Mehterlam market

HOUSEHOLDS' ABILITY TO BUY FOOD

The **terms of trade (ToT)** between wheat flour and casual labour is a proxy indicator for **household purchasing power**, which shows the quantity of wheat flour that can be purchased with the wage earned from one day of casual unskilled labor. The **ToT was found to be the lowest in Mehterlam district** (7 kgs/day) in the month of October 2016, followed by **Qarghayi** district (10 kgs/day) and **Alishang** district was reported the highest (11 kgs/day). The low term of trade in Mehterlam district is mainly due to low casual labour wage compared to the other districts.

The highest casual labor daily wage was reported in Alingar district (AFN 300/day), for the month of October, followed by Qarghayi (AFN 260/day) while Mehterlam was reported the lowest (AFN 200/day). The reason for the lowest wage in Mehterlam district is mainly due to the highest number of casual labors and limited work opportunities.

In terms of physical access to markets, all respondents reported that both households and traders were **able to access the markets.** While some of the surveyed districts (Dawlat Shah and Alingar) are known to face security issues which usually results in greater access constraints, these results seem to reflect the fact that **respondents generally do not report access constraints unless the markets are actually closed and fighting is ongoing. Even when travelling to markets is unsafe, respondents generally describe markets as accessible.**

ASSISTANCE NEEDS

Food and shelter were by far the two most often reported assistance needed by both returnees and IDPs, especially in preparation for the winter season. Respondents reported that for these districts there has been no assistance provided by the Government, but some limited assistance has been provided by UN agencies. However, many of the returnees in these districts should have received assistance at the border, upon entering Afghanistan.

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