Initial Market Price Bulletin for the month of December 2016 (Reported in January 2017)

HIGHLIGHTS:

- **Wheat:** The current average wheat price in main cities' markets of Afghanistan (AFN 23.8/Kg) is negligibly lower by 3.6% compared to the same time last year (December 2015), but negligibly higher by 4.4% compared to the last 5-year average price of the same months (Decembers 2011 - 2015).
- **Wheat flour (High Price)** The current retail price (AFN 29.2/kg) is slightly lower by 4.0% compared to the same month last year (December 2015), and negligibly higher by 0.5% compared to the last 5-year average price of the same months.
- **Rice** is considered as the 2nd main staple food in Afghanistan. The current average retail price of Low Quality Rice (AFN 41.8/kg) is slightly higher by 3.9% compared to the same month last year (December 2015), and negligibly higher by 1.4% compared to the last 5-year average price of the same months. The current average price of High Quality Rice (AFN 76.0/kg) is slightly lower by 2.9% compared to the same month last year (December 2015), and negligibly lower by 2.5% compared to the last 5-year average price of the same months.
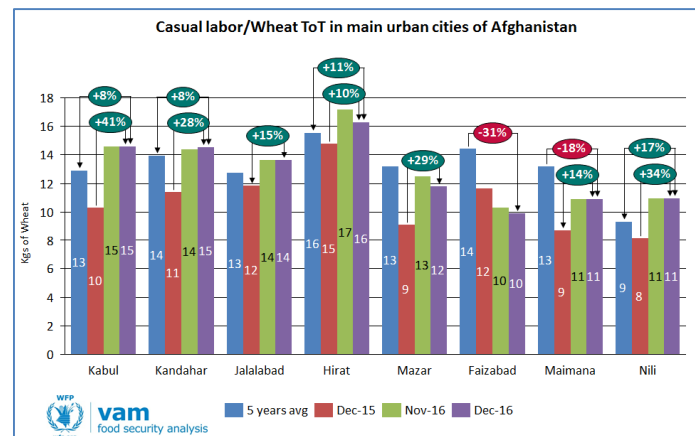
Terms of Trade (ToT)

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 12.8 Kgs of Wheat. On average, this ToT negligibly deteriorated (by 1.8%) from November to December 2016, mainly due to negligible increased wheat price by 1.1% and decreased wage labor by 0.5%. the highest deterioration occurred in Mazar (5.9%) and Hirat (5.3%). In the last three proceeding years, this deterioration was experienced in;

  o November to December 2015 (by 4.2%)
  o November to December 2014 (by 3.1%)
  o November to December 2013 (by 3.3%)

- In comparison to the same month one year ago (December 2015), this ToT significantly improved by 19.3%, mainly due to increased labor wage (by 15.1%) as well slightly decreased of wheat price (by 3.6%).

- On the two-year comparison (December 2014), this ToT significantly improved by 13.8%.

- Compared to the 5-year average of the same months (Decembers 2011-2015), this ToT slightly deteriorated by 2.7%.

Casual labor/Wheat ToT in main urban cities of Afghanistan

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 10.3 Kgs of Wheat flour which negligibly deteriorated by 0.7% from November to December 2016, mainly due to negligible decreased wage labor by 0.5% and increased wheat flour price by 0.1%. The variations in all main city markets were within normal range (-2.3 to 1.2%)

In the last three proceeding years, this deterioration was also experienced in;

  o November to December 2015 (by 3.7%)

Casual labor/Wheat flour ToT in main urban cities of Afghanistan

- o November to December 2014 (by 0.7%)
- o November to December 2013(by 3.0%)
- Compared to the same month one year ago (December 2015), this ToT significantly improved by 19.4 %, mainly due to increased labor wage (by 15.1%) and decreased wheat flour price (by 4.0%).
- On the two-year comparison (December 2014), this ToT significantly improved by 10.9%.
- Compared to the 5-year average of the same months (Decembers 2011 - 2015), this ToT negligibly improved by 1.4%.
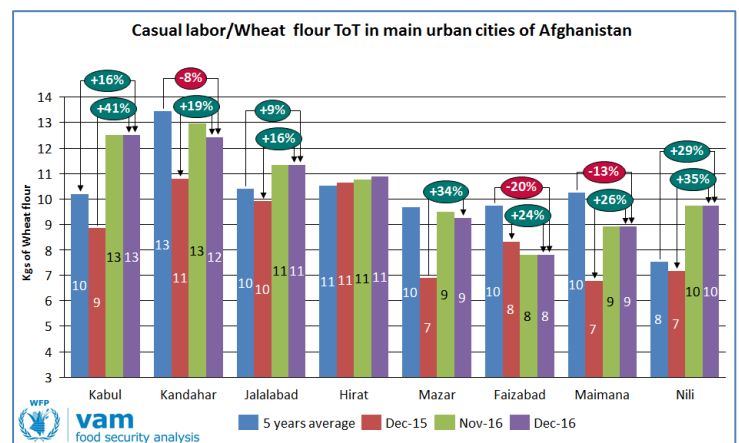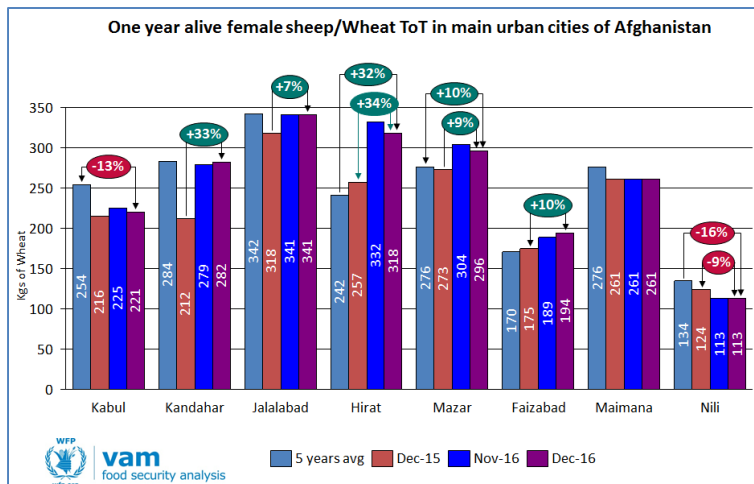
Sheep and Wheat (ToT): *The Terms of Trade between a one year old female sheep and Wheat is a proxy for the purchasing capacity of those households mainly relying on income from livestock (pastoralists). It says how many kilograms of Wheat can be obtained when selling a one year old female sheep.*

Sheep/Wheat average ToT for the reporting month was 253 Kgs of wheat against one-year alive female sheep, which negligibly deteriorated by 0.9% from November to December 2016, mainly due to increased wheat price (by 1.1%). The variations in all main city markets were within normal range (-4.2% to 2.9%). In the last three proceeding years, this deterioration was also experienced in;

- o November to December 2015 (by 1.4%)
- o November to December 2014(by 4.5%)
- o November to December 2013 (by 2.1%)

One year alive female sheep/Wheat ToT in main urban cities of Afghanistan

- Compared to the same month one year ago (December 2015), this ToT significantly improved by 10.3%, which is mainly due to increased sheep price (by 5.6%) and decreased wheat price by 3.6%.
- On the two-year comparison (December 2014) this ToT significantly improved by 12.8%.
- Compared to 5-year average of the same months (Decembers 2011 - 2015), this ToT negligibly improved by 2.4%.

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 203 Kgs of Wheat flour against one-year alive female sheep, which negligibly improved by 0.2% from November to December 2016, mainly due to increased sheep price by 0.4% . The highest increase only occurred in Faizabad (7.1%), while the variation all other markets was within normal range (-4.1 to 2.4%). In the last three proceeding years, this improvement was experienced only in;

- o November to December 2015 (by 0.3%)

While deteriorated during;
- o November to December 2014 (by 1.5%)
- o November to December 2013(by 1.8%)

One year alive female sheep/Wheat flour ToT in main urban cities of Afghanistan

- Compared to the same month one year ago (December 2015), this ToT slightly improved by 9.7%, mainly due to increased sheep price (by 5.6%) and decreased wheat flour price (by 4.0%).
- On the two-year comparison (December 2014), this ToT slightly improved by 9.3%.
- Compared to 5-year average of the same months (Decembers 2011 - 2015), this ToT negligibly improved by 4.58%.

Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of Wheat in main cities' markets of Afghanistan was AFN **23.8**/Kg in December 2016. Compared to the past month (November 2016), the average price negligibly increased by 1.1%. The largest increase only occurred in Hirat (by 5.2%), Main reason for the increase was decreased supply (Hirati's local Wheat). The variation in the remaining main cities was within a normal range (-1.0% to 4.1%). In the last three proceeding years, this increase was experienced in;
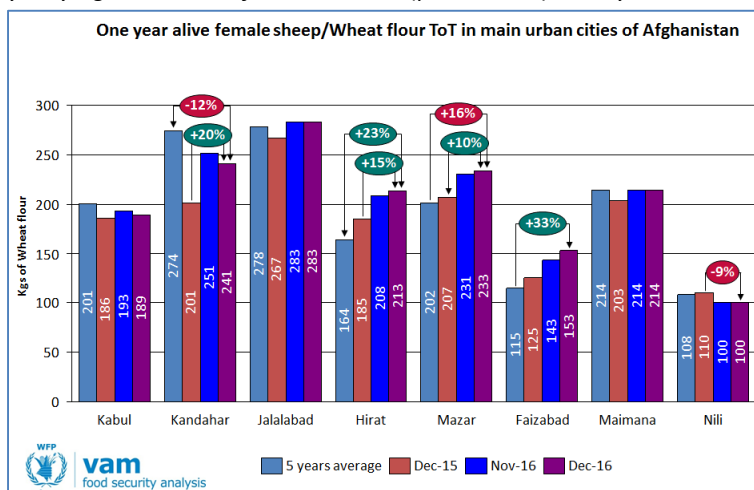   o November to December 2015 (by 1.3%)
    o November to December 2014 (by 1.1%)
    o November to December 2013 (by 1.3%)
- Compared to the same month one year ago (December 2015), the average wheat price negligibly decreased by 3.6%. The variation in all main cities was within a normal range (-9.0% to 0.0%).
- On the two-year comparison (December 2014), the average price negligibly decreased by 3.9%.
- Compared to the last 5-year average price of the same months (Decembers 2011 - 2015), the average price slightly increased by 4.4%.

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 **29.2**/Kg in the reporting month (December 2016). The average price negligibly increased by 0.1% compared to the previous month (November 2016). The variation in all main cities was within a normal limit (-2.5% to 4.3%). In the last three proceeding years, this price increase was only experienced during;
    o November to December 2013 (by 1.0%)

While the price decreased during;
    o November to December 2015 (by 0.3%)
    o November to December 2014 (by 1.7%)

- Compared to the same month last year (December 2015), the current average price slightly decreased by 4.0%. The highest decrease only occurred in Faizabad (by 11.1%), which was mainly due to increased supply of imported wheat flour from Pakistan and Kazakhstan this year to this province compared to the same time one year ago. The variation in all other remaining main cities was within a normal range (-6.9% to 1.0%).

Average price of Wheat & Wheat flour (December 2015 - December 2016)

- Compared to the same month two years ago (December 2014), the average price of wheat flour slightly decreased by 2.6%.
- Compared to 5-year average price of the same months (Decembers 2011 - 2015), the average price negligibly decreased by 0.5%.

Wheat flour (Low Price):

- The monthly average price of Wheat flour (Low Price) in main cities' markets was AFN **26.1**/Kg in the reporting month (December 2016). The average price negligibly decreased by 0.4% compared to previous month (November 2016). The variation in all main cities was within a normal range (-2.8% to 2.0%). In the last three proceeding years, this price decrease was not experienced, while increased in;

    o November to December 2015 and 2014 (by 0.1%) and,
    o November to December 2013 (by 2.3%)

- Compared to the same month one year ago (December 2015), the current average price negligibly decreased by 3.7%. The highest decrease only occurred in Hirat (by 17.5%) due to increased supply from nearby districts of Hirat province, while the variation in other remaining main cities was within a normal range (-5.0% to 4.3%).
- Compared to the same month two years ago (December 2014), the average price slightly decreased by 4.8%.
- Compared to 5-year average price of the same months (Decembers 2011 - 2015), the average price negligibly increased by 1.0%.

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 **76.0**/Kg in the reporting month (December 2016) which negligibly increased by 0.3% compared to the previous month (November 2016). In the last three preceding years, this price increase was not experienced, while decreased in;
  - o   November to December 2015 (by 1.0%)
  - o   November to December 2014 (by 0.4%)
  - o   November to December 2013 (by 1.1%)
- Compared to the same month one year ago (December 2015), the average price negligibly decreased by 2.9%. The variation in all main cities was within a normal range (-7.5% to 4.3%).
- Compared to the same month two years ago (December 2014), the average price significantly decreased by 13.0%.
- Compared to 5-year average price of the some months (Decembers 2011 - 2015), the average price negligibly decreased by 2.5%.
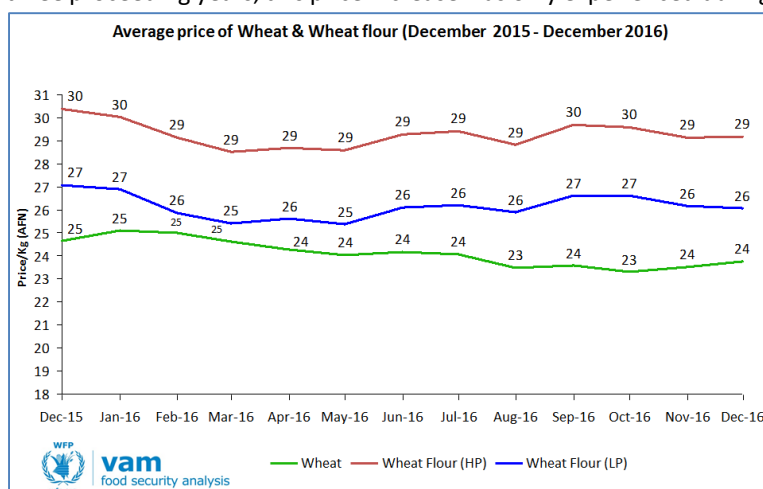
Rice (Low Quality):

- The monthly average price of Rice (Low Quality) in main cities' markets was AFN **41.8**/Kg in the reporting month (December 2016), which negligibly decreased by 0.9% compared to the previous month (November 2016). The largest decrease only occurred in Kandahar (7.8%), mainly due to seasonal demand decrease by customers. The variation in other remaining main cities was within a normal range (-3.4% to 0.0%).

In the last three proceeding years this price decrease was only experienced during;

  - o   November to December 2013 (by 0.6%)

While the price increased during;

  - o   November to December 2015 (by 0.1%)

  - o   November to December 2014 (by 0.5%)

Average price of Rice (High and Low Quality) December 2015 - December 2016

- Compared to the same month one year ago (December 2015), the average price slightly increased by 3.9%. The largest increase only occurred in Kandahar (10.8%), 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 (-5.3% to 7.8%).
- Compared to the same month two years ago (December 2014), the average price negligibly increased by 0.6%.
- Compared to 5-year average price of same months (Decembers 2011 - 2015), the average price negligibly increased by 1.4%.
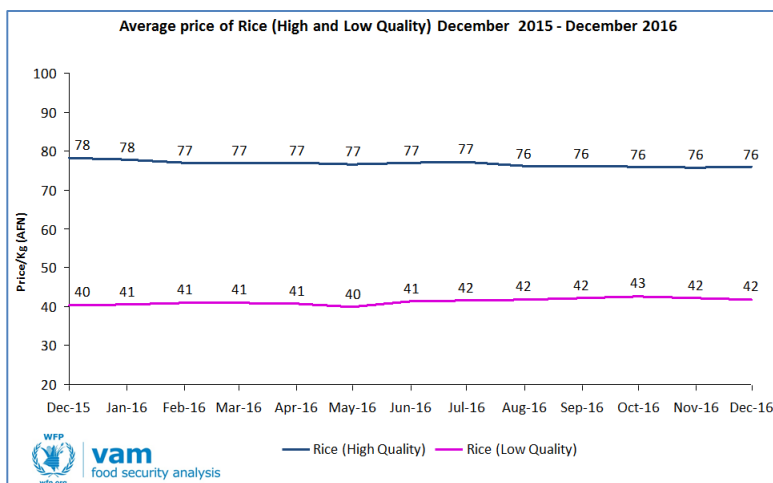
Retail Price of Cooking Oil in Main Urban Cities:

- The monthly average price of cooking oil in main cities' markets was AFN **80.8**/Kg in the reporting month (December 2016), being negligibly increased by 0.3% compared to previous month (November 2016). The variation in all main cities was within a normal range (-1.1% to 2.8%). In the last three preceding years, this price increase was not experienced, while decreased in;
  - o   November to December 2015 (by 0.2%)
  - o   November to December 2014 (by 0.7%)
  - o   November to December 2013 (by 0.3%)
- Compared to the same month one year ago (December 2015), the average price slightly increased by 4.6%. The largest increase occurred in Hirat (14.4%) and Nili (by 13.3%), main reason for the increase was increased price of oil by the traders and decreased supply of oil from source points. The variation in all other main cities was within a normal limit (-1.6% to 3.8%).
- Compared to the same month two years ago (December 2014), the average price negligibly increased by 3.3%.
- Compared to 5-year average of the same months (Decembers 2011 - 2015), the average price negligibly decreased by 1.2%.

Retail Price of Salt, Sugar and No. of days averagely worked by a labourer:

Salt: The monthly average price of Salt in December 2016 in main cities' markets was AFN **13.9**/Kg which is negligibly decreased by 0.7% compared to the previous month (November 2016). The only significant decrease occurred in Hirat (8.3%). The variation in other main cities was zero. The current average price of salt negligibly increased by 0.4% compared to the same month last year (December 2015), and negligibly decreased by 0.1% compared to the same month two years ago (December 2014).

Sugar: The monthly average price of Sugar in December 2016 in main cities' markets was AFN **54.3**/Kg, being negligibly decreased by 1.0% compared to the previous month (November 2016). The current average price of Sugar significantly increased by 22.8% compared to the same month last year (December 2015), and by 22.9% compared to the same month two year ago (December 2014) due to increased price in source points.

Number of days averagely worked by a labourer: The monthly average number of days worked by a laborer during December 2016 was reported at 10.0 days. The highest number of working days was in Jalalabad (14 days) followed by Kabul, Kandahar, Hirat, Mazar and Maimana (12 days), Nili (4 days), while it was least in Faizabad (2.0 days). The average number of days worked by unskilled laborers in main cities of Afghanistan decreased by 1.5% compared to the previous month (November 2016). The significant decrease occurred in Nili by 60% (6 days), Faizabad by 50% (2 days), and Kabul by 25% (4 days), the variation in other main cities remain unchanged.

- Compared to the same month last year (December 2015), the average number of working days increased by 2.8%. Increased in Maimana, Kandahar and Mazar 50% (4 days), and decreased in Nili by 50 %(4days), Faizabad by 47.4% (1.8 days) and Hirat by 25% (4 days). The variation in other main cities is (0.0 %)
- Compared to the same month two years ago (December 2014), the average number of working days for main cities decreased by 5.9%.

Market Watch:

Markets	Major Comm	Current Price per Kg	5 Y Ave	2 Y	1 Y	1 M	5 Y Ave	2 Y	1 Y	1 M
KABUL	Wheat	24.0	5.8	-2.0	-5.9	0.0	►	►	►	►
	Wheat flour (HP)	28.0	-2.0	4.7	-5.5	0.0	►	►	►	►
	Rice High Quality	75.0	-8.9	-23.5	-6.3	0.0	►	▼	►	►
	Rice Low Quality	58.0	26.9	16.0	0.0	0.0	▲	▲	►	►
	Cooking Oil	81.0	-2.9	-0.6	3.8	1.3	►	►	►	►
KANDAHAR	Wheat	24.1	-0.6	-7.3	-8.5	-1.0	►	►	►	►
	Wheat flour (HP)	28.2	11.6	7.1	1.3	4.3	▲	►	►	►
	Rice High Quality	64.1	-8.8	-16.0	-8.7	2.1	►	▼	►	►
	Rice Low Quality	30.3	8.4	3.6	10.8	-7.8	►	►	▲	▼
	Cooking Oil	75.9	12.0	34.1	2.2	-0.4	▲	▲	►	►
JALALABAD	Wheat	22.0	3.9	-4.3	0.0	0.0	►	►	►	►
	Wheat flour (HP)	26.5	1.3	-10.2	1.0	0.0	►	▼	►	►
	Rice High Quality	76.0	4.7	-7.9	0.0	0.0	►	►	►	►
	Rice Low Quality	31.0	-19.7	3.3	5.1	0.0	▼	►	►	►
	Cooking Oil	75.5	-5.6	-1.8	2.0	-1.1	►	►	►	►
HIRAT	Wheat	18.5	-5.2	-17.4	-9.0	5.6	▼	▼	►	▲
	Wheat flour (HP)	27.6	-3.8	-7.0	-2.3	-1.2	►	►	►	►
	Rice High Quality	61.6	-5.0	-10.4	1.5	-0.5	►	▼	►	►
	Rice Low Quality	28.9	9.0	9.5	5.5	-3.4	►	►	►	►
	Cooking Oil	77.1	4.0	10.5	14.4	2.8	►	▲	▲	►
MAZAR	Wheat	21.3	6.9	-3.4	-3.4	1.2	►	►	►	►
	Wheat flour (HP)	27.0	-0.4	-8.5	-6.9	-2.5	►	►	►	►
	Rice High Quality	74.0	-6.4	-14.9	-7.5	-0.2	►	▼	►	►
	Rice Low Quality	36.0	-5.0	-10.0	-5.3	0.0	►	▼	►	►
	Cooking Oil	80.0	-0.7	2.6	2.9	0.0	►	►	►	►
FAIZABAD	Wheat	25.3	11.3	1.0	-1.9	4.1	▲	►	►	►
	Wheat flour (HP)	32.0	-3.8	-2.3	-11.1	0.0	►	►	▼	►
	Rice High Quality	84.0	2.1	-8.7	-6.7	1.2	►	►	►	►
	Rice Low Quality	48.5	-3.1	-1.0	7.8	1.0	►	►	►	►
	Cooking Oil	90.0	-11.4	-8.6	-1.6	0.0	▼	►	►	►
MAIMANA	Wheat	23.0	6.1	-4.2	0.0	0.0	►	►	►	►
	Wheat flour (HP)	28.0	-0.4	-5.1	-5.1	0.0	►	►	►	►
	Rice High Quality	75.0	-6.3	-20.2	0.0	0.0	►	▼	►	►
	Rice Low Quality	37.0	-13.5	-7.5	0.0	0.0	▼	►	►	►
	Cooking Oil	82.0	-3.7	-1.2	2.5	0.0	►	►	►	►
NILI	Wheat	32.0	5.7	3.2	-0.8	0.0	►	►	►	►
	Wheat flour (HP)	36.0	-3.3	1.4	-1.4	0.0	►	►	►	►
	Rice High Quality	98.0	6.4	-2.0	4.3	0.0	►	►	►	►
	Rice Low Quality	65.0	7.3	-4.4	8.3	0.0	►	►	►	►
	Cooking Oil	85.0	4.1	4.0	13.3	0.0	►	►	▲	►

Markets	Major Comm	Current Price in AFN	5 Y Ave	2 Y	1 Y	1 M	5 Y Ave	2 Y	1 Y	1 M
Livestock-One year live Sheep (Female)										
KABUL	Sheep	5,300	-6.7	-3.6	-3.6	-1.9	►	►	►	►
KANDAHAR	Sheep	6,800	0.3	0.1	21.4	0.0	►	►	▲	►
JALALABAD	Sheep	7,500	3.6	7.1	7.1	0.0	►	►	►	►
HIRAT	Sheep	5,875	25.5	27.7	12.4	1.2	▲	▲	▲	►
MAZAR	Sheep	6,300	15.0	8.6	5.0	-1.4	▲	►	►	►
FAIZABAD	Sheep	4,900	27.6	25.6	8.9	7.1	▲	▲	►	►
MAIMANA	Sheep	6,000	1.0	0.0	0.0	0.0	►	►	►	►
NILI	Sheep	3,600	-11.1	-11.1	-10.0	0.0	▼	▼	▼	►
Terms of Trade — Kgs of Wheat/Wheat flour										
KABUL	Casual Labor/Wheat	14.6	13.0	29.9	41.4	0.0	▲	▲	▲	►
KANDAHAR	Casual Labor/Wheat	14.5	4.2	7.9	27.5	1.0	►	►	▲	►
JALALABAD	Casual Labor/Wheat	13.6	7.0	20.6	15.4	0.0	►	▲	▲	►
HIRAT	Casual Labor/Wheat	16.2	4.5	21.0	9.9	-5.3	►	▲	►	▼
MAZAR-	Casual Labor/Wheat	11.8	-10.8	5.6	29.4	-5.9	▼	►	▲	▼
FAIZABAD	Casual Labor/Wheat	9.9	-31.5	-16.1	-15.0	-4.0	▼	▼	▼	►
MAIMANA	Casual Labor/Wheat	10.9	-17.6	30.4	25.0	0.0	▼	▲	▲	►
NILI	Casual Labor/Wheat	10.9	17.5	16.9	34.3	0.0	▲	▲	▲	►
KABUL	Sheep /Wheat	220.8	-13.2	-1.6	2.4	-1.9	▼	►	►	►
KANDAHAR	Sheep /Wheat	281.9	-0.6	8.0	32.7	1.0	►	►	▲	►
JALALABAD	Sheep /Wheat	340.9	-0.3	12.0	7.1	0.0	►	▲	►	►
HIRAT	Sheep /Wheat	318.0	31.5	54.6	23.5	-4.2	▲	▲	▲	►
MAZAR	Sheep /Wheat	296.5	7.5	12.5	8.7	-2.5	►	▲	►	►
FAIZABAD	Sheep /Wheat	194.1	14.1	24.4	11.0	2.9	▲	▲	▲	►
MAIMANA	Sheep /Wheat	260.9	-5.4	4.3	0.0	0.0	►	►	►	►
NILI	Sheep /Wheat	112.5	-16.3	-13.9	-9.3	0.0	▼	▼	►	►
KABUL	Casual Labor/Wheat flour	12.5	22.8	21.6	41.1	0.0	▲	▲	▲	►
KANDAHAR	Casual Labor/Wheat flour	12.4	-7.5	-6.7	15.2	-4.1	►	►	▲	►
JALALABAD	Casual Labor/Wheat flour	11.3	8.9	28.4	14.3	0.0	►	▲	▲	►
HIRAT	Casual Labor/Wheat flour	10.9	3.4	7.5	2.4	1.2	►	►	►	►
MAZAR	Casual Labor/Wheat flour	9.3	-4.4	11.5	34.3	-2.3	►	▲	▲	►
FAIZABAD	Casual Labor/Wheat flour	7.8	-19.8	-13.3	-6.3	0.0	▼	▼	►	►
MAIMANA	Casual Labor/Wheat flour	8.9	-12.8	31.7	31.7	0.0	▼	▲	▲	►
NILI	Casual Labor/Wheat flour	9.7	28.9	19.0	35.2	0.0	▲	▲	▲	►
KABUL	Sheep /Wheat flour	189.3	-5.7	-7.9	2.0	-1.9	►	►	►	►
KANDAHAR	Sheep /Wheat flour	241.1	-12.0	-6.6	19.9	-4.1	▼	►	▲	►
JALALABAD	Sheep /Wheat flour	283.0	1.8	19.3	6.1	0.0	►	▲	►	►
HIRAT	Sheep /Wheat flour	213.2	29.9	37.3	15.1	2.4	▲	▲	▲	►
MAZAR	Sheep /Wheat flour	233.3	15.7	18.7	12.8	1.1	▲	▲	▲	►
FAIZABAD	Sheep /Wheat flour	153.1	33.0	28.6	22.5	7.1	▲	▲	▲	▲
MAIMANA	Sheep /Wheat flour	214.3	0.2	5.4	5.4	0.0	►	►	►	►
NILI	Sheep /Wheat flour	100.0	-7.7	-12.3	-8.8	0.0	►	▼	►	►

Remark

▲ Price increase above normal price fluctuation   ► Normal Price fluctuation   ▼ Price decrease below normal price fluctuation

Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months, one year, two year and 5 years.   1M= Compared to month ago 1Y= Compared to December 2015 and 2Y= Compared to December 2014