Key Highlights:

- The wheat price increased in global, regional and country markets. The increase in country main city markets is still slower than regional and global markets due to good harvest this year and sustained wheat flour supply, but could be influenced in the coming months.
- Wheat flour price in main cities start increasing trend from June - September 2012 after long decreasing trend January 2011 to May 2012.

Note: The CPI data presented in this bulletin is based on the CSO new CPI extended from 6 to 10 provinces and applied new weights.

Consumer Price Index (CPI): On the monthly basis, the overall CPI in September 2012 increased by 0.7% (decreased by 0.4% for food items, while increased by 1.9% for non-food items). The overall CPI increased in Balkh (5.1) followed by Bamyan (3.5), Kandahar (2.4), Kabul (1.8), Badakhshan (1.5) and Khost (0.2). While decreased in Kunduz (3.3) followed by Hilmand (3.2) and Hirat (1.9 %) percent points.

Specifically, the monthly increase in the food items of CPI was high in Bamyan (4.6) followed by Kandahar (2.6), Balk (2.2), Badakhshan (0.8) and Khost (0.3) percent points. While for non-food items the highest increase was in Balkh (9) followed by Kabul (3.3), Badakhshan (2.7), Kandahar (2.2), Bamyan (1.5), Nangarhar (0.4) and Khost (0.2) percent points.

Compared with the same month last year (September 2011), CPI increased by 6 % (3.5 % for food items and 8.9 % for non-food items). The CPI increased in all main cities, except Hilmand which shows a 0.6% decrease. The highest increase happened in Khost (9.3) followed by Kabul (9), Kandahar (8.1), Kunduz (7.2), Balk (5.5), Hirat (4), Nangarhar (3.3), Bamyan (2.7) and Badakhshan (0.3) percent points.

Specifically, the annual increase in the food items of CPI was high in Kunduz (7.9) followed by Kabul (5.9), Khost (5.8), Kandahar (5), Nangarhar (3), Balkh (2.7), Hirat (2.1), Bamyan (0.4) and Badakhshan (0.1) points. While for non-food items the highest increase was in Khost (15.1) followed by Kandahar (12.3), Kabul (11.5), Balkh (9.3), Bamyan (7.2), Hirat (6.9), Kunduz (5.9), Nangarhar (3.8), Hilmand (0.9) and Badakhshan (0.8) points. The decreases in CPI in all cities were within normal variation (0.4 – 4.2 percent points)

Wheat Grain (Local) Retail Price Across the Country: The average price of Wheat across Afghanistan in September 2012 was 18.3 Afs/kg, being 1.9% higher than the previous month (August 2012), 6.3% lower than the same month last year, and 22.1% higher than September 2010.

Compared to last month, it increased in West Central by 5.7% followed by South (5.6 %), North (3.5 %), Central (2.2 %) and South-West (1.6%). While decreased only in West by 3.3%. No change was observed in North-East and East.

In comparison to the same month one year ago (September 2011) it decreased in all regions, the highest decrease occurred in North (12.9 %) followed by East (10.8 %), North-East (10.1%), West-Central (9.8 %). The variation in other regions was normal (0.5 to 2.2 %)

On the 2 year comparison (September 2010) it increased in all regions, the highest increase occurred in West (46.7 %) followed by West-Central (42.3 %), North (34.4 %), North-East (22.8 %), South-West (13.5 %), South (13.2 %), Central (12.5 %) and East (6.5 %).
**Wheat Flour (Imported) Retail Price in Border Towns:** In the border town markets, the average price of imported Wheat flour for the reporting month (September 2012) was 24.6 Afs/Kg, being 15.4 % higher than previous month (August 2012).

The highest increase occurred in Kunduz (Shir Khan) by 40.9% followed by Balkh (Hairatan) by 29.2 %, Nimroz (Zaranj) by 14.3%, Kandahar (Spin Boldak) by 10%, Hirat (Torghondi) by 9.3% and Hirat (Islam Qala) by 7%. While decrease occurred only in Jalalabad (Torkham) by 7.9 %.

Compared to same month one year ago (September 2011) the average price was increased by 9.2%, the highest increase occurred in Balkh (Hairatan) by 40.9% followed by Kunduz (Shir Khan) by 29.2 %, Nimroz (Zaranj) by 11.6. While decrease occurred in Hirat (Torghondi) by 13 % followed by Jalalabad (Torkham) by 12.5 %. The variations in other border town were normal (4.5 to 4.8%).

The average price of Wheat flour in the main cities of Afghanistan was 27.3 Afs/Kg being 6.8% higher than last month (August 2012), 4.2% higher than the same month last year (September 2011) and 12% higher than the same month 2 years ago (September 2010).

**Wheat Grain (Wholesale) Monthly Price in Global and Regional Markets:** The international market witnessed a continued decreasing trend of wheat price (US Gulf No, 2) started from November 2011 to May 2012, while an increasing trend started from June through September 2012.

The US wheat (No. 2 Hard Red, Gulf) averaged US$ 372 per MT in the reporting month (September 2012), showed an increase of 2.8% on the monthly comparison (August 2012), 11% increase occurred in comparison to same month last year (September 2011), while it increased by 5.2% in comparison to the Pre-crisis level (October 2007), but still lower than its peak price by 22.8% in May 2008.

The Wheat price in was reported at US$ 295 per MT in Lahore (Pakistan) and US$ 321 per MT in Karachi (Pakistan) during September 2012. In Lahore it was 3.1% higher than the previous month (August 2012), 2.2% lower than the same month last year (September 2011) and 22.5% higher than Pre-crisis level (October 2007). In Karachi, the price was lower by 2.3% than the previous month (August 2012), 1.3% lower than the same month last year (September 2011) and 25.8% higher than Pre-crisis level (October 2007).

In Delhi, the retail price of Wheat was reported US$ 342 per MT in the reporting month (September 2012) being 13.9% higher than the previous month (August 2012), 1.2% higher than the same month last year (September 2011) and remained 30.8% higher than Pre-crisis level (October 2007).

In Afghanistan, the retail price of Wheat for the reporting month was 378 US$/MT, being 3.7% higher than the previous month (August 2012), 12.9% lower than the same month last year (September 2011) and 26% higher than Pre-crisis level (October 2007).

**Sources:**

1. CPI Source: Central Statistics Organization (CSO). Consumer Price Index (CPI) is a measure of the average price of consumer goods and services purchased by households. It is a price index determined by measuring the price of a standard group of goods meant to represent the typical market basket of a typical urban consumer.
2. Data source MAIL-FAAHM.
3. WFP/VAM.