Main highlights:

- Average wheat grain retail price was decreasing during July 2011 - July 2012; however, it was increasing from August through December 2012. On the international market, a decreasing trend of wheat price was continuously observed from October 2011 to May 2012, but has been increasing from June to December 2012. A sharp increased price of wheat grain in international markets (June-August 2012) is slightly transmitted to main city markets of Afghanistan during September 2012.

- Following the Wheat grain price trend, Wheat flour average price was also decreasing during July 2011 - May 2012, but was increasing in the months of June - December 2012 in the main urban cities of Afghanistan.

Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of wheat in the main urban markets was 21.9 Afs/Kg. Compared to the past month (December 2012) the average price increased by 2.1%. The highest increase occurred only in Mazar (7.6 %). The variation in other main cities was normal (-0.6 to 4.5 %). Main reason for increase was increased price of imported Wheat Flour and price fluctuation based on temporary supply and demand.

- Compared to the same month one year ago (January 2012) the average price increased by 10.1%. The highest increase occurred in Jalalabad (28.1 %), Nili (16.3 %), Kabul (16.2 %), Hirat (10.6 %) and Mazar (10 %). The variation in other main cities was normal (-3.1% to 3.7%).

- On the two-year comparison (January 2011), the average price of wheat was higher by 19.8%.

- Compared to 5 years average price of the January months (January 2008, 2009, 2010, 2011 and 2012) the price increased by 10%. The highest increase occurred in Jalalabad (26 %), Mazar (14 %), Maimana (12 %) and Nili (11 %). The variation in other main cities was normal (1 to 8 %).

Terms of Trade (ToT):

Casual Labor and Wheat: The Terms of Trade (ToT) between casual labor and wheat is a proxy indicator of the purchasing capacity of households relying on casual labor as main income, and purchase of wheat in the market. This ToT reveal how many Kilograms of wheat can be purchased with one day of casual labor wage, but do not say how many days a month a laborer can get to cover the family food needs.

- Wage labor-Wheat ToT average for the reporting month was 14.5 Kgs of wheat against one day labour wage.

- On average, this ToT deteriorated by 3.6% from December 2012 to January 2013. The highest deterioration was observed only in Mazar (18.6 %) due to increased wheat price. The variation in other markets was normal (-4.3% to 1.7%).

- In comparison to one year ago (January 2012), this ToT deteriorated by 7.4%. The highest deterioration occurred in Jalalabad (35.5 %), Mazar (19.1 %), Kabul (14 %) and Kandahar (13.8 %). Meanwhile, an improvement occurred in Maimana (23.2 %). The variation in other main cities was normal (-6.8 % to 8.7 %).
On the 2 years comparison (January 2011), it deteriorated by 0.5%. The highest deterioration was in Jalalabad (39.5%), Mazar (15.1%) and Kandahar (10.2%). While improvement occurred in Maimana (39.5%) and Faizabad (22.5%). The variation in other main cities was normal (-1.8% to 2.6%).

Compared to the 5 years average of the January months (January 2008, 2009, 2010, 2011 and 2012), the average of this ToT improved by 16%. The highest improvement is reported in Maimana (44%), Faizabad (39%), Hirat (18%), Nili (17%), Kabul (14%), Mazar (12%) and Kandahar (8%). A deterioration is found only in Jalalabad (20%).

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 that are mainly reliant on income from livestock (pastoralists). It says how many kilograms of wheat can be obtained when selling a one year old female sheep.

The average Sheep-Wheat ToT for the reporting month was 275 Kgs of wheat against one year alive female sheep.

On average, this ToT deteriorated by 2.3% from December 2012 to January 2013. The highest deterioration was observed in Faizabad (15.4%) and Mazar (7.1%). Meanwhile, an improvement occurred only in Maimana (9%). Main reason for the deterioration was decreased Sheep price and increased Wheat price. The reason for improvement in Maimana was due to increased Sheep price. The variation in other main cities was normal (-1% to 0%).

Compared to same month one year ago (January 2012), the average ToT improved by 1.6%. The highest improvement occurred in Maimana (22.1%), Nili (20.8%), Faizabad (20.3%) and Jalalabad (15.1%). While there was deterioration in Kandahar (22.7%) and Kabul (11%). The variation in Hirat and Maimana was normal (-7.5% to -9.4%).

On the 2-year comparison (January 2011), the average sheep/wheat ToT was slightly deteriorated by 1.6%.

Compared to 5 years average of the January months (January 2008, 2009, 2010, 2011 and 2012), the current average of this ToT improved by 10%. The highest improvement occurred in Jalalabad (33%), Hirat (15%), Maimana (13%) and Nili (10%). The variation in other main cities was normal (-4% to 8%).