Main highlights:

- Average wheat grain retail price was decreasing during July 2011- July 2012. However, it was increasing from August 2012 through January 2013. 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 2012 to February 2013. A sharp increased price of wheat grain in international markets (June-August 2012) was slightly transmitted to main city markets of Afghanistan during September 2012. The current wheat prices are significantly higher by 11% and 14% in comparison to the same time last year and last 5 years average price of February months, respectively. 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 2012 – January 2013 in the main urban cities of Afghanistan. The current wheat flour prices are significantly higher by 25% in comparison with the same time last year and higher by 26% compared to 5 years average price of February months.

- Compared to the same month two years ago (February 2011), the average price of Wheat Flour increased by 20.4%. The highest increase occurred in Kabul (35.4 %), Nili (34.4 %), Mazar (22.6 %), Maimana (21.8 %), Hirat (20.3 %) and Jalalabad (11.7 %). An increase within a normal range is seen in Faizabad (9.3 %) and Kandahar (3.5 %).

- Compared to 5 years average price of the February months (February 2008, 2009, 2010, 2011 and 2012), current average price increased by 26%. The highest increase occurred in Kabul (41 %), Mazar (36 %), Maimana (34 %), Nili (33 %), Hirat (31 %), Jalalabad (21 %) and Faizabad (14 %). Meanwhile, a decrease occurred only in Kandahar (5 %).

Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of wheat in the main urban markets was 21.9Afs/Kg. Compared to the past month (January 2013) the average price was not changed. The variation in all main cities was normal (-2.7 to 2.6 %).

- Compared to the same month one year ago (February 2012) the average price increased by 11.4%. The highest increase occurred in Jalalabad (28.6 %), Nili (21.6 %), Kabul (17 %), Hirat (14.7 %) and Mazar (13.4 %). The variation in other main cities was normal (-2.7% to 4.1%).

- On the two-year comparison (February 2011), the average price of wheat was higher by 22%.

- Compared to 5 years average price of the February months (February 2008, 2009, 2010, 2011 and 2012), the price increased by 14%. The highest increase occurred in Jalalabad (27 %), Maimana (18 %), Nili (17 %), Mazar and Kabul (15 %), Hirat and Kandahar (9 %) and Faizabad (5 %).

Retail Price of Wheat Flour in the Main Urban Cities:

- The monthly average price of wheat flour in main urban markets was 30.8 Afs/Kg in the reporting month (February 2013), which shows 0.4% increase compared to the past month (January 2013). The variation in all main cities was normal (-3 to 3.6 %). Main reason for the increase was daily market fluctuation.

- Compared to the same month one year ago (February 2012), the average price increased by 25.4 %. The highest increase was noticed in Maimana (46.6 %), Mazar (46.2 %), Kabul (33.3 %), Jalalabad (32.7 %), Hirat (32 %) and Nili (22.9 %). The variation in other main cities was normal (1.2 to 2.5 %). Main reason for the increase was increased global Wheat price and depreciation of Afghani currency against US dollar.

- Compared to the same month two years ago (February 2011), the average price of Wheat Flour increased by 20.4%. The highest increase occurred in Kabul (35.4 %), Nili (34.4 %), Mazar (22.6 %), Maimana (21.8 %), Hirat (20.3 %) and Jalalabad (11.7 %). An increase within a normal range is seen in Faizabad (9.3 %) and Kandahar (3.5 %).

- Compared to 5 years average price of the February months (February 2008, 2009, 2010, 2011 and 2012), current average price increased by 26%. The highest increase occurred in Kabul (41 %), Mazar (36 %), Maimana (34 %), Nili (33 %), Hirat (31 %), Jalalabad (21 %) and Faizabad (14 %). Meanwhile, a decrease occurred only in Kandahar (5 %).

Terms of Trade (ToT):

Casual Labor and Wheat: The Terms of Trade (ToT) between casual Labor and wheat is a proxy indicator or 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 labor wage.

- On average, this ToT was slightly deteriorated by 0.1% from January - February 2013. The variation in all markets was normal (-2.6% to 2.9%).

- In comparison to same month one year ago (February 2012), this ToT deteriorated by 6.9%. The highest deterioration occurred in Jalalabad (35.1 %), Mazar (18.1 %), Kabul (14.5 %) and Hirat (12.8 %). Meanwhile, an improvement occurred in Maimana (23 %). The variation in other main cities was normal (-1.3 % to 8.7 %).
• On the 2 years comparison (February 2011), it deteriorated by 1.7%. The highest deterioration was in Jalalabad (40%), Kandahar (16.9%) and Mazar (15.2%). While improvement occurred in Maimana (58%) and Faizabad (28.6%). The variation in other main cities was normal (-3.2% to 0.7%).

• Compared to the 5 years average of the February months (February 2008, 2009, 2010, 2011 and 2012), the average of this ToT improved by 15%. The highest improvement was reported in Maimana (41%), Faizabad (40%), Nili (16%) and Hirat (13%). Deterioration was found only in Jalalabad (20%). The variation in other main cities was normal (-3.2% to 0.7%).

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 281 Kgs of wheat against one year alive female sheep.

• On average, this ToT improved by 2% from January to February 2013. The highest improvement was observed only in Mazar (9.9%). Main reason for improvement was increased Sheep price and decreased Wheat price. The variation in other main cities was normal (-2.4% to 3.3%).

• Compared to same month one year ago (February 2012), the average ToT improved by 0.9%. The highest improvement occurred in Faizabad (19.9%), Jalalabad (18.9%), Maimana (12.1%) and Mazar (10.2%). While there was deterioration in Kandahar (23.4%), Kabul (11.6%) and Hirat (11.3%). The variation in Nili was normal (6.9%).

• On the 2-year comparison (February 2011), the average sheep/wheat ToT was deteriorated by 3.5%.

• Compared to 5 years average of the February months (February 2008, 2009, 2010, 2011 and 2012), the current average of this ToT improved by 8%. The highest improvement occurred in Jalalabad (34%) and Maimana (11%). The variation in other main cities was normal (-5% to 9%).

Source: WFP/VAM market data from Afghanistan main cities (Kabul, Kandahar, Mazar, Jalalabad, Faizabad, Hirat, Maimana and Nili)
Vulnerability Analysis and Mapping (VAM) – World Food Programme (WFP), Afghanistan