HIGHLIGHTS:

- Wheat: Average wheat grain retail price in the main cities of the country was decreasing during July 2011- July 2012. However, it was increasing from August 2012 through March 2013, then was decreasing during April – June 2013 and slightly increased in July 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 March 2013 with a sharp decrease in April 2013.
- The current average price of wheat in main cities of Afghanistan is significantly higher by 14.5% in comparison to the same time last year (July 2012), while slightly higher (by 2.9%) than the last 5-year average price of the same months.
- Wheat flour: Average wheat flour retail price in main urban cities of Afghanistan was decreasing during July 2011 - May 2012, but increasing in June 2012 – March 2013. It slightly decreased during April – June 2013, but slightly increased in July 2013. The current wheat flour average price is significantly higher by 18.6% and 11.8% compared the same month last year (July 2012) and the last 5-year average price of the same months, respectively.
- Rice is considered as the 2nd main staple food in Afghanistan. The current average retail price of Rice (Low Quality) is significantly higher by 23% compared to the same month last year (July 2012) and by 30% compared to the last 5-year average price of the same months. The current average price of high quality Rice is also higher by 28% compared to the same month last year (July 2012), and by 35% 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 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 16.5 Kgs of wheat. On average this ToT slightly improved (by 0.5%) from June to July 2013. The improvement was due to increase in labor wage (by 1%).
- In comparison to the same month one year ago (June 2012), this ToT significantly deteriorated by 13%, mainly due to increased wheat price.
- On the two years comparison (July 2011), this ToT slightly improved by 1.4%.
- Compared to the 5-year average of the same months (July 2008, 2009, 2010, 2011 and 2012), this ToT improved by 10%.

**Casual Labor and Wheat Flour (ToT):** The Terms of Trade (ToT) between casual Labor and Wheat Flour is a proxy indicator or the purchasing capacity of households relying on casual labor as main income, and purchase of Wheat Flour in the market. This ToT reveal how many Kilograms of Wheat Flour 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 Flour ToT average for the reporting month was 11.8 Kgs of wheat flour. The average of this ToT slightly deteriorated by 1% from June to July 2013. The reason for deterioration was slightly increased wheat flour price (by 0.8%).
- Compared to the same month one year ago (July
2012), this ToT significantly deteriorated by 17.5%, mainly related to increased wheat flour price.

- On the two years comparison (July 2011), this ToT slightly deteriorated by 4.4%.
- Compared to the 5-year average of the same months (July 2008, 2009, 2010, 2011 and 2012), this ToT improved by 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 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.

- Sheep-Wheat ToT for the reporting month was 288 Kgs of wheat against one year live female sheep. The average of this ToT slightly deteriorated by 1.6% from June to July 2013. Main reason for deterioration was slightly increased Wheat price.
- Compared to the same month one year ago (July 2012), this ToT deteriorated by 5.7%.
- On the two years comparison (July 2011), this ToT significantly improved by 12.9%.
- Compared to 5-year average of the same months (July 2008, 2009, 2010, 2011 and 2012), this ToT significantly improved by 13%.

Sheep and Wheat Flour (ToT): The Terms of Trade between a one year old female sheep and Wheat Flour 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 Flour can be obtained when selling a one year old female sheep.

- Sheep-Wheat flour ToT for the reporting month was 212 Kgs of wheat flour against one-year live female sheep. The average of this ToT slightly deteriorated by 3.4%. This deterioration is the result of slightly increased Wheat flour price.
- Compared to the same month one year ago (July 2012), this ToT deteriorated by 9.8%.
- On the two years comparison (July 2011), this ToT slightly improved by 6.7%.
- Compared to 5-year average of the same months (July 2008, 2009, 2010, 2011 and 2012), this ToT improved by 7.3%.

Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of wheat in main urban markets of Afghanistan was 21.1 Af/Kg in July 2013. Compared to the past month (June 2013), the average price increased by 2%. The highest increase occurred in Nili (9.1%), Jalalabad (6.1%) and Maimana (5.3%). Main reason for the increase was increased demand during the month of Ramazan, seasonal post-harvesting increase and depreciation of Afghani currency against US dollars. While a significant decrease occurred only in Hirat (18.6%) mostly due to increased supply of Wheat from the local farmers after harvesting. The variation in other main cities was within a normal limit (-1.3% - 4.5%).
- Compared to the same month one year ago (July 2012), the average price significantly increased by 14.5%. The highest increase occurred in Kabul (26.4%), Nili (25%), Kandahar (17.9%), Jalalabad (12.9%), Mazar (12.5%) and Faizabad (11.8%). The variation in Maimana and Hirat was normal (1.3% - 1.4%).
- On the two year comparison (July 2011), the average price was slightly higher by 2.2%.
- Compared to the last 5-year average price of the same months (July 2008, 2009, 2010, 2011 and 2012), the price slightly increased by 2.9%.
Retail Price of Wheat Flour in Main Urban Cities:

- The monthly average price of wheat flour in main urban markets was 28.6 Afs/Kg in the reporting month (July 2013), which shows 0.8% increase compared to the past month (June 2013). Main reason for increase was depreciation of Afghani currency against US dollars.

  The highest increase occurred in Jalalabad (11.4%) and Kandahar (5.9%), mainly attributed to increased demand during the month of Ramazan and depreciation of Afghani currency against US dollars. While a decrease occurred only in Nili (8.6%), mainly related to increased supply of Wheat flour from neighbouring markets. The variation in other main cities was normal (-0.9% - 3.2%).

- Compared to the same month one year ago (July 2012), the average price significantly increased by 18.6%. The highest increase was noticed in Hirat (32.2%), Kandahar (23%), Kabul (20.1%), Mazar (19.3%), Maimana (18.8%), Faizabad (16%), Nili (12.1%) and Jalalabad (9.4%). Main reason for the increase was increased Wheat price in regional markets and depreciation of Afghani currency against US dollars.

- Compared to the same month two years ago (July 2011), the average price of Wheat Flour slightly increased by 4.7%.

- Compared to 5-year average price of the same months (July 2008, 2009, 2010, 2011 and 2012), the current average price increased by 11.8%. The highest increase occurred in Hirat (19.9%), Mazar (18.6%), Maimana (16.9%), Kabul (15.1%), Kandahar (10.8%) and Nili (10.1%). The variation in Jalalabad and Faizabad was within a normal limit (-3.2% - 7.1%).

Retail Price of Rice (High Quality) in Main Urban Cities:

- The monthly average price of Rice (High Quality) was 88.1 Afs/Kg in the reporting month (July 2013) which is 3% higher than that of the previous month (June 2013). Main reason for the increase was increased demand by consumers during the month of Ramazan.

- Compared to the same month one year ago (July 2012), the average price significantly increased by 28%. Main reason for the increase was increased Rice price in neighbouring countries and depreciation of Afghani currency against US dollar.

- Compared to the same month two years ago (July 2011), the average price significantly increased by 53%.

- Compared to 5-year average price of the same months (July 2008, 2009, 2010, 2011, 2012), the average price increased by 35%.

Retail Price of Rice (Low Quality) in Main Urban Cities:

- The monthly average price of Rice (Low Quality) was 46.5 Afs/Kg in the reporting month (July 2013) which was unchanged compared to the previous month (June 2013). The variation in all main cities was normal (-2% – 2%).

- Compared to the same month one year ago (July 2012), the average price significantly increased by 23%. Main reason for the increase was increased rice price in neighboring markets and depreciation of Afghani currency against US dollars.

- Compared to the same month two years ago (July 2011), the average price significantly increased by 39%.

- Compared to 5-year average price of same months (July 2008, 2009, 2010, 2011 and 2012), the average price significantly increased by 30%.
Retail Price of Cooking Oil in Main Urban Cities:

- The monthly average price of Cooking Oil was 81.2 Afs/Kg in the reporting month (July 2013). The current price slightly increased by 1% compared to previous month (June 2013). The variation in all main cities was normal (-0% - 4%), except Hirat where a 5% decrease was observed due to improved supply of oil from Pakistan.
- Compared to the same month one year ago (July 2012), the average price slightly varied within a normal limit (4% decreased). The highest decrease occurred in Kandahar, Hirat and Maimana (12%). The variation in other main cities was normal (-8% to 7%).
- Compared to the same month two years ago (July 2011), the average price slightly decreased by 8%.
- Compared to 5-year average of the same months (July 2008, 2009, 2010, 2011 and 2012), the average price increased by 8%.

Market Watch:

<table>
<thead>
<tr>
<th>Market</th>
<th>Average Price (Afs/Kg)</th>
<th>Price Change (Afs/Kg)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kabul</td>
<td>81.2</td>
<td>-0.2 to +2.1</td>
<td>81.2</td>
</tr>
<tr>
<td>Jalalabad</td>
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<td>Kandahar</td>
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<tr>
<td>Maimana</td>
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</tbody>
</table>

Source: WFP/VAM market data from Afghanistan main cities (Kabul, Kandahar, Mazar, Jalalabad, Faizabad, Hirat, Maimana and Nili)