



Highlights:

- ◆ Retail prices of most food commodities monitored across the country in March 2015 showed a significant upward trend. Since September 2014, the retail price of rice and wheat flour increased by 26 percent and 13 percent respectively, while that of bread went up by 42 percent. Likewise, prices of cooking oil went up by 49 percent.
- ◆ Compared to February 2015, in Deir-ez-Zor market the nominal retail prices for bread, wheat flour and rice increased by about 75 percent, 35 percent and 52 percent, respectively. The main reason for the price increase includes poor availability, insecurity and disruption of supply, and inflation of the Syrian pound.
- ◆ The Central bank devalued the Syrian pound by 30% to 256:1 against the US dollar, in a move seen as an attempt to reduce the gap with the black-market rate of 300:1, as the pound sinks to the lowest rates since 2011.
- ◆ The purchasing power of vulnerable and food insecure households is further deteriorating as a result of this spike in market prices which is hampering their access to basic food commodities and increasing their dependence on external assistance to cover needs.

A: Retail Prices

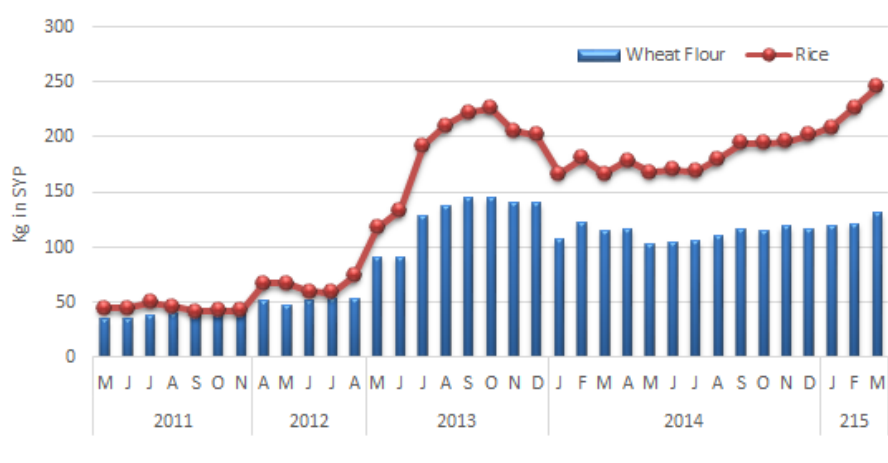
1- Wheat Flour and Rice:

During March 2015, the average nominal retail prices of wheat flour and rice were 131SYP/Kg and 241SYP/Kg, respectively. Compared to the previous month, the average retail prices of wheat flour and rice were increased by about 8 percent. The increase in the prices of wheat flour and rice could be due to the negative impact of the conflict disrupting the regular flow of supplies in some local markets, as well as recent hikes in the price of fuel which has increased transaction costs for moving market supplies across the country in addition to the further depreciation of the Syrian pound against the US dollar.

During the current reporting period, Deir-ez-Zor recorded the highest price for wheat flour, sold at SYP 248/kg (26 percent higher compared to February 2015 level) while the lowest price was observed in Aleppo where 1kg of wheat flour was sold at SYP 90. Markets in Deir-ez-Zor also registered the highest price for rice sold at SYP 459/kg (52 percent higher compared to February 2015 price)

while the lowest price was observed in Idleb where 1 kg of rice was sold at SYP 108 (See Table 1 for more details). Source: WFP sub offices.

Fig 1 Retail Prices of Wheat Flour and Rice



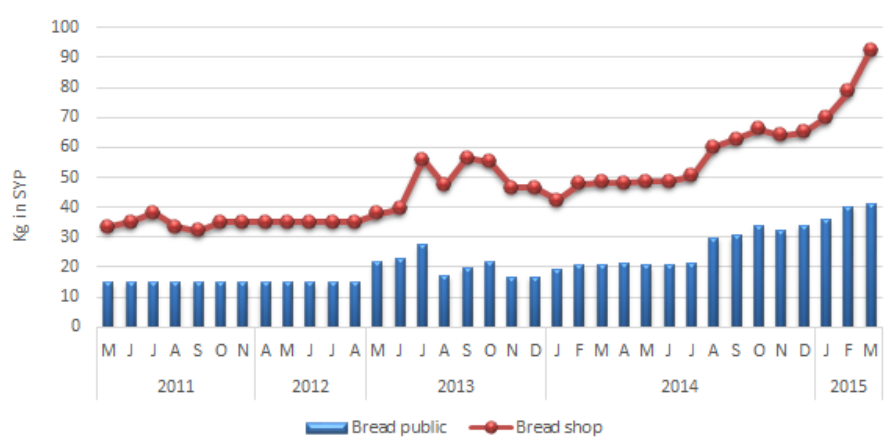
2- Bread:

In March 2015, the average nominal retail prices for public (subsidized) bread and commercial bread were SYP41.4/bundle and SYP92.4/bundle, respectively. Compared to February 2015, there was an increase of 3 percent in the price of public bread and 18 percent in the price of commercial bread. Between September 2014 and March 2015, the average retail price of both types of bread rose by approximately 42 percent. Compared to 2011, the average monthly price of public (subsidized) bread and commercial bread registered significant increases 178 percent and 188 percent, respectively. The increase in prices in both types of bread was mainly due to the hyperinflation of Syrian pound and the recent increase in the official price of bread, fuel and gas.

Looking at the pattern of retail prices of commercial bread across all main markets during the month, Idleb market registered the highest price for SYP77/bundle while all other markets, except Aleppo, reported an official price of SYP35/bundle. On the other hand, Deir-ez-Zor registered the highest price for commercial bread at SYP575/bundle (75% increase compared to last month price), while the lowest price was recorded in Tartous at SYP40/bundle.

Source: WFP sub offices.

Fig 2: Retail Prices of Bread

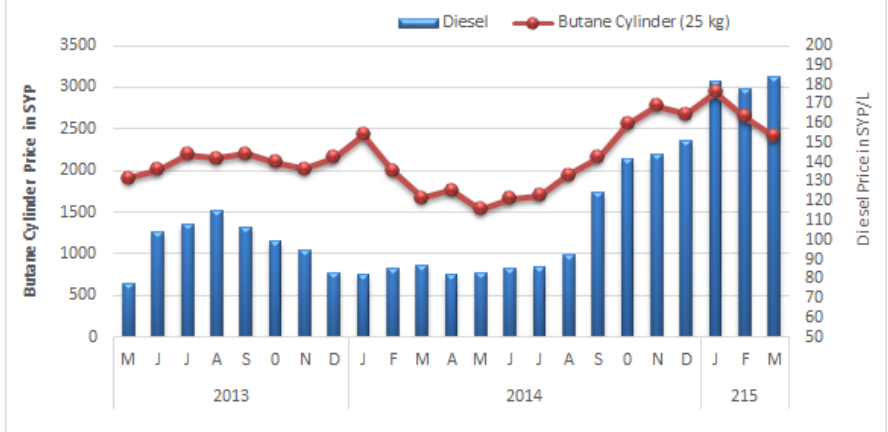


3– Diesel and cylinder of butane gas:

During March 2015, the average price of diesel was SYP183/L while a cylinder of butane gas was available at SYP 2,405. A decrease in the price of a butane cylinder was registered due to the decrease in demand following milder temperatures during the spring season. Still, between September 2014 and March 2015, the price of diesel and of butane rose by around 100 percent and 84 percent, respectively. Compared to the same month last year, diesel prices went up by 136 percent and 26 percent for a cylinder of butane gas. In February, the highest price for diesel was reported in Deir-ez-Zor market at SYP325/L, an increase of 160 percent compared to the official price (SYP125/L).

In turn, the increase in fuel prices as well as the continued depreciation of the Syrian Pound, will continue to inflate the prices of all main food commodities. Source: WFP sub offices

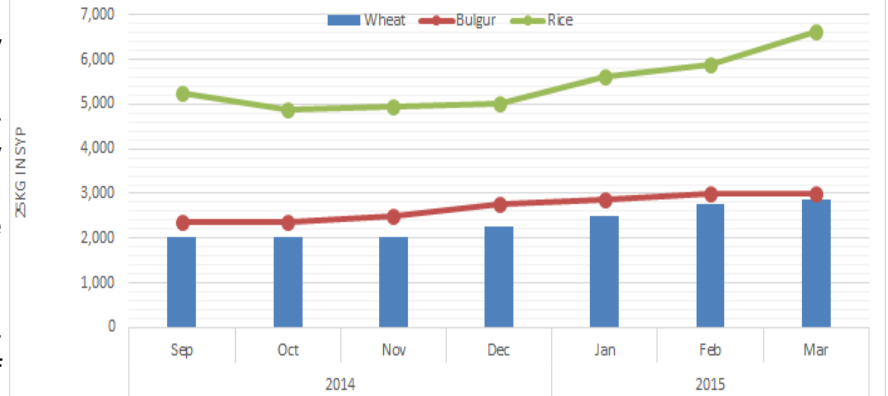
Fig 3: Retail Prices of Diesel and Butane Cylinder



B. Wholesale Prices of Wheat, White Rice and Bulgur in Damascus Market:

In March 2015, the average nominal wholesale price of wheat grain was SYP 2,875/25kg, that of bulgur was SYP3,000/25kg and that of white rice was SYP6,625/25kg. Compared to February 2015, prices have increased by 4.5 percent for wheat grain and by 12.8 percent for rice, while for bulgur, prices remained unvaried. The increase in wholesale prices is mainly due to an increase in transportation costs as well as the depreciation of the Syrian pound against the US dollar. Further food price rises are anticipated during next few months, due to the recent increase in the official price of bread, diesel and gas in addition to the continued volatility of food prices. Source: Traders in Damascus

Fig 4: Wholesale Prices



C. Food Supply to Markets:

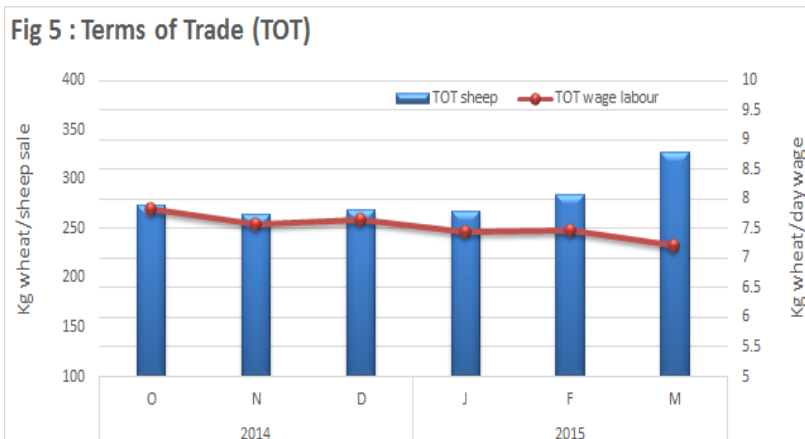
In March 2015, most of the markets were generally functioning especially in those areas with relatively stable security such as Lattakia, Tartous, As-Sweida, Damascus and Al-Hasakeh. Although food commodities are available in all governorates, the quantities for sale in local markets have reduced compared to previous months. Supply of essential food commodities has been disrupted in Quneitra, Dara'a and Rural Damascus, mainly due to fighting which cut access along some main supply routes. Furthermore, Idleb and rural Aleppo, as well as the north-eastern governorates, are also witnessing an interruption of food supply to local markets due to periodic clashes between armed groups. Source: WFP sub offices

D. Terms of Trade (TOT):²

◆ TOT between wage labour and wheat flour:

During March 2015, the nominal average daily wage rate in the monitored markets was SYP944. The wage rate varied between market locations, ranging from SYP500 in Lattakia, to SYP1500 in Raqqa. Compared to February 2015 the wage rate increase by 3.9 percent. The average TOT between a daily unskilled labour wage and the retail price of wheat flour stand at 7.2Kg/day which is 3% lower compared to the TOT of the previous month and lower by 7.9 percent compared to October TOT level. It means the purchasing power of households who are depend on wage labour are deteriorating.

Source: WFP sub offices (See Table 1).



TOT between sheep and wheat flour:

In March, the average price of a two-year old male sheep was SYP 43,000, which is 19 percent higher compared to February 2015 level. The national average TOT between a sheep and wheat flour stand at 328kg/sheep which has increased by 15 percent from February 2015. The highest TOT during the month of reporting were recorded in Aleppo (420Kg/sheep) due higher sheep prices than in any other markets in the country, while the lowest TOT were in Darra market (200 Kg/sheep). Source: WFP sub offices (See Table 1).

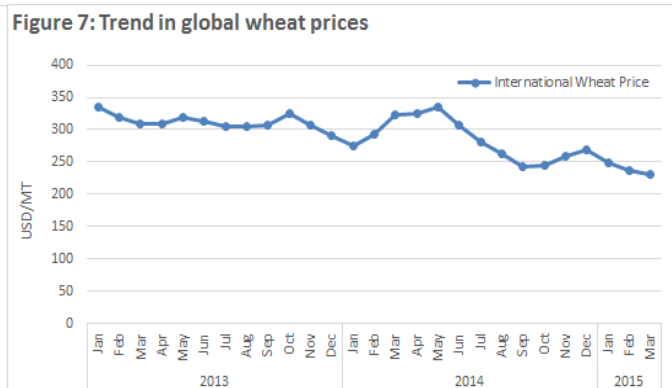
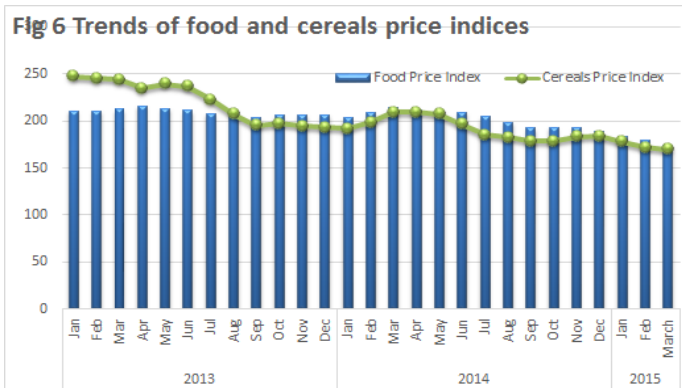
E. International Market prices:

The FAO Food Price Index averaged 173.8 points in March 2015, decrease by 1.5 percent from its revised February value and nearly 40 points (18.7 percent) below its level in March 2014. The FAO Cereal Price Index averaged 169.8 points in March, down by another 1.1 percent from February and as much as 18.7 percent below the corresponding month last year.

International wheat prices continued to decline during March 2015 – they dropped by 2.7 percent from February. The international wheat prices during the reporting period is the lowest since August 2010.

In the month of March 2015 the wheat price in local market averaged USD460/MT, which is about 100 percent higher compared to the price of wheat in the international market.

Data Source: <http://www.fao.org/worldfoodsituation/wfs-home/foodpricesindex/en/> and <http://www.indexmundi.com/commodities/?commodity=wheat>



2. The TOT are proxy indicators of the purchasing power of households that rely on livestock and/or casual labour as their main source of income for the purchase of cereals from local markets. TOT are important components of food security analysis. Changes in the terms of trade between wages/livestock and staple food commodities are indicative of the trends in purchasing power and the impact on the food security situation of households dependent on food purchases through income from daily wage labour and/or the sale of livestock.

Table 1. Market Price of Main Commodities in Syrian Pounds

Commodity	Governorate	Current Price	Price change (%)		Average Change		Commodity	Governorate	Current Price	Price change (%)		Average Change	
			1M	6 M	1M	6 M				1M	6 M	1M	6 M
Bread Public (1.5 kg)	Aleppo	77	4.6	74.0	↔	↑	Rice (kg)	Aleppo	198	(1.2)	17.9	↔	↑
	Damascus	35	-	40.0	↔	↑		Damascus	162	(19.9)	(21.6)	↓	↓
	Daraa	35	-	(30.0)	↔	↓		Daraa	258	2.0	47.1	↔	↑
	Deir Ezzor	35	-	20.0	↔	↑		Deir Ezzor	460	52.2	108.9	↑	↑
	Edlib	77	2.7	208.0	↔	↑		Edlib	108	2.9	(7.1)	↔	↔
	Hama	35	-	40.0	↔	↑		Hama	231	2.0	96.5	↔	↑
	Hassakeh	35	-	8.3	↔	↔		Hassakeh	289	13.2	33.1	↑	↑
	Homs	35	-	40.0	↔	↑		Homs	232	1.0	21.5	↔	↑
	Lattakia	37	(5.1)	48.0	↔	↔		Lattakia	231	0.6	15.5	↔	↑
	Raqqa	35	(5.1)	3.8	↔	↔		Raqqa	263	2.7	21.1	↔	↑
	Rural Damascus	35	-	40.0	↔	↑		Rural Damascus	253	5.2	21.7	↔	↑
	Sweida	35	3.0	40.0	↔	↑		Sweida	190	9.0	111.1	↔	↑
Tartous	35	-	40.0	↔	↑	Tartous	250	5.8	32.6	↔	↑		
Bread Shops (1.5 kg)	Aleppo	132	18.0	55.3	↑	↑	Sheep 2Y old Male	Aleppo	37,875	4.1		↔	
	Damascus	63	-	10.0	↔	↑		Damascus	48,125	27.9		↑	
	Daraa	175	-	(1.5)	↔	↔		Daraa	35,000	13.8		↑	
	Deir Ezzor	276	75.1	267.3	↑	↑		Deir Ezzor	121,875	56.4		↑	
	Edlib							Edlib	42,667	43.4		↑	
	Hama	45	-	(1.0)	↔	↔		Hama	26,875	(9.7)		↔	
	Hassakeh	75	0.6	36.5	↔	↑		Hassakeh	38,000	8.7		↔	
	Homs	45	-	50.0	↔	↑		Homs	28,250	(1.7)		↔	
	Lattakia	48	8.0	58.3	↔	↑		Lattakia	40,000	-		↔	
	Raqqa	76	16.9	16.9	↑	↑		Raqqa	34,000	3.4		↔	
	Rural Damascus	63	(5.3)	(4.7)	↔	↔		Rural Damascus	50,875	31.5		↑	
	Sweida	50	4.3	66.7	↔	↑		Sweida	41,438	82.7		↑	
Tartous	40	-	33.3	↔	↑	Tartous	44,375	4.4		↔			
Butane Cylinder (25 k)	Aleppo	2,672	(11.0)	37.2	↓	↑	Sugar (kg)	Aleppo	124	7.7	23.1	↔	↑
	Damascus	1,700	(4.2)	44.7	↔	↑		Damascus	143	1.9	16.2	↔	↑
	Daraa	3,100	(4.3)	24.3	↔	↑		Daraa	182	2.7	57.9	↔	↑
	Deir Ezzor	2,650	5.0	19.1	↔	↑		Deir Ezzor	737	116.3	514.2	↑	↑
	Edlib	1,783	(1.7)	42.6	↔	↑		Edlib	120	1.7	31.5	↔	↑
	Hama	2,075	(9.5)	57.5	↔	↑		Hama	140	(3.1)	24.2	↔	↑
	Hassakeh	3,463	(14.6)	(17.2)	↓	↓		Hassakeh	150	7.3	28.6	↔	↑
	Homs	2,163	-	62.7	↔	↑		Homs	125	0.1	14.0	↔	↑
	Lattakia	1,513	0.8	59.7	↔	↑		Lattakia	147	(8.4)	22.1	↔	↑
	Raqqa	4,288	(18.3)	15.2	↓	↑		Raqqa	155	6.6	26.4	↔	↑
	Rural Damascus	1,850	(5.7)	43.2	↔	↑		Rural Damascus	155	-	10.5	↔	↑
	Sweida	2,125	(11.3)	83.8	↓	↑		Sweida	138	6.6	25.5	↔	↑
Tartous	1,700	12.3	39.0	↑	↑	Tartous	129	(16.5)	9.9	↓	↑		
Diesel (L)	Aleppo	147	(12.0)	9.4	↓	↔	Tea (kg)	Aleppo	1,535	25.8	58.2	↑	↑
	Damascus	225	(10.0)	181.3	↓	↑		Damascus	1,325	3.5	11.1	↔	↑
	Daraa	255	(3.1)	51.9	↔	↑		Daraa	1,600	1.2	36.8	↔	↑
	Deir Ezzor	325	50.0	273.6	↑	↑		Deir Ezzor	3,638	59.2	136.1	↑	↑
	Edlib							Edlib	1,208	1.2	13.7	↔	↑
	Hama	168	(14.1)	125.0	↓	↑		Hama	1,350	1.9	21.8	↔	↑
	Hassakeh	50	(2.8)	(10.7)	↔	↓		Hassakeh	1,707	9.3	38.3	↔	↑
	Homs	178	(5.1)	195.8	↔	↑		Homs	1,382	10.4	25.6	↑	↑
	Lattakia	150	-	150.0	↔	↑		Lattakia	1,250	(3.8)	25.0	↔	↑
	Raqqa	82	(29.1)	(24.6)	↓	↓		Raqqa	1,625	9.2	11.2	↔	↑
	Rural Damascus	225	(10.0)	181.3	↓	↑		Rural Damascus	1,400	-	4.8	↔	↔
	Sweida	275	7.0	182.1	↓	↑		Sweida	1,775	11.8	100.1	↑	↑
Tartous	148	(2.6)	145.8	↔	↑	Tartous	1,300	1.0	30.0	↔	↑		
Lentils (kg)	Aleppo	225	10.4	86.4	↔	↑	Wage Labor (Unskilled)	Aleppo	1,000	-		↔	
	Damascus	285	(1.8)	52.3	↔	↑		Damascus	1,300	-		↔	
	Daraa	200	1.0	17.7	↔	↑		Daraa	600	-		↔	
	Deir Ezzor	666	102.2	212.0	↑	↑		Deir Ezzor	913	1.6		↔	
	Edlib	190	1.1	9.4	↔	↔		Edlib	667	2.6		↔	
	Hama	300	(2.5)	69.4	↔	↑		Hama	1,100	4.6		↔	
	Hassakeh	304	7.1	61.9	↔	↑		Hassakeh	913	15.7		↑	
	Homs	290	4.5	63.9	↔	↑		Homs	850	1.3		↔	
	Lattakia	261	13.3	37.1	↑	↑		Lattakia	500	-		↔	
	Raqqa	210	4.4	17.2	↔	↑		Raqqa	1,500	25.0		↑	
	Rural Damascus	308	(1.4)	51.9	↔	↑		Rural Damascus	1,300	-		↔	
	Sweida	310	3.2	71.9	↔	↑		Sweida	1,000	-		↔	
Tartous	291	19.8	57.3	↑	↑	Tartous	500	-		↔			
Oil (L)	Aleppo	272	0.7	34.6	↔	↑	Wheat Flour (kg)	Aleppo	90	9.3	38.2	↔	↑
	Damascus	325	4.1	37.6	↔	↑		Damascus	129	1.3	16.6	↔	↑
	Daraa	350	-	33.2	↔	↑		Daraa	175	21.8	48.2	↑	↑
	Deir Ezzor	663	89.0	184.4	↑	↑		Deir Ezzor	248	34.8	96.4	↑	↑
	Edlib	265	3.9	18.4	↔	↑		Edlib	103	3.0	3.0	↔	↔
	Hama	336	0.3	50.0	↔	↑		Hama	112	(9.0)	5.8	↔	↔
	Hassakeh	291	5.5	39.2	↔	↑		Hassakeh	129	1.8	8.5	↔	↔
	Homs	341	5.4	54.5	↔	↑		Homs	124	7.2	24.6	↔	↑
	Lattakia	339	3.0	35.6	↔	↑		Lattakia	117	6.4	6.4	↔	↔
	Raqqa	267	(2.1)	15.4	↔	↑		Raqqa	128	14.4	1.3	↑	↔
	Rural Damascus	345	16.0	20.9	↑	↑		Rural Damascus	142	(0.7)	11.0	↔	↑
	Sweida	322	11.8	44.3	↑	↑		Sweida	125	2.9	23.5	↔	↑
Tartous	338	3.2	47.4	↔	↑	Tartous	128	12.7	22.0	↑	↑		

Remark:

↑

↔

↓

Prices increase above normal price fluctuation

Normal Price Fluctuation

Price decrease below normal price fluctuation