



Highlights:

- In June 2016, the Syrian Government increased the official price of diesel to SYP 180/L from SYP 135/L and that of a gas cylinder to SYP2,500 from SYP1,800.
- In the besieged area of Madamiyet Elsham, the cost of a standard food basket fell by 78 percent compared to last month, mainly due to food assistance.
- In Deir-ez-Zor, continuous food airdrops to the city exerted a downward pressure on the food basket price resulting in a 45.2 percent decrease compared to last month and 52.7 percent compared to 6 months ago.
- In Al-Hasakeh, basic food commodities are only available in limited quantities and at very high prices.

A: Standard Food Basket

In June 2016, the national average cost of a standard food basket¹ (group of essential commodities) was SYP 34,431, a decrease of 7.1 percent compared to last month, which was due to more stable exchange rate in June compared to extremely high rates in the last six months.

Deir-ez-Zor governorate continues to record the highest food basket cost with SYP 61,553, while the lowest cost was observed in Dar'a governorate at SYP 25,488 where it is lower by 1.7 percent compared to last month but still 23 percent higher than six months ago cost. Ongoing airdrops by WFP to Deir-ez-

Zor city, are exerting a downward pressure on prices, and the average cost of a food basket in Deir-ez-Zor has shown a significant decrease of 45.2 percent compared to last month and 52.7 percent when compared to 6 months ago.

In other besieged locations, data indicates a fluid situation where food assistance shown an immediate but short-term effect on the food basket cost. It is expected that prices will increase substantially if food assistance is stopped. In besieged locations of Rural Damascus, despite recent humanitarian access and slightly better food availability, prices are still increasing and the cost of food basket rose by 7 percent compared to last month (driven by Ramadan high demand and official prices increase of different fuel). The effect of higher fuel prices are expected to reflect more on the next months food basket prices.

Governorate	Price May 2016	Price 1 month change	Price 6 months changes	Price 12 months changes
Aleppo	SYP 26,718	-2.8%	28.2%	97.2%
Damascus	SYP 29,069	8.2%	46.5%	82.3%
Dar'a	SYP 25,488	-1.7%	23.9%	54.5%
Deir-ez-Zor	SYP 61,553	-45.2%	-52.7%	33%
Hama	SYP 29,608	7.9%	45.9%	79.1%
Al-Hasakeh	SYP 41,613	4.3%	94.9%	164.7%
Homs	SYP 29,368	21.1%	56.4%	84.8%
Lattakia	SYP 28,944	-2.5%	43.1%	93.3%
Ar-Raqqa	SYP 43,780	8.8%	98.7%	156.5%
Rural Damascus	SYP 38,316	5.4%	-15.2%	126%
As-Sweida	SYP 28,925	8.8%	43.6%	84.0%
Tartous	SYP 29,794	-1.9%	46.1%	95.2%
Quneitra	SYP 27,648	4.4%	N/A	N/A
Idleb	SYP 30,763	-8.2%	N/A	N/A
Average	SYP 34,431	-7.1%	24.2%	114%

1. The cost of a standard basket of dry goods providing 1,930 kcal a day for a family of five during a month. The basket includes 37 kg of bread, 19 kg rice, 19 kg lentils, 5 kg of sugar, and 7 kg of vegetable oil.

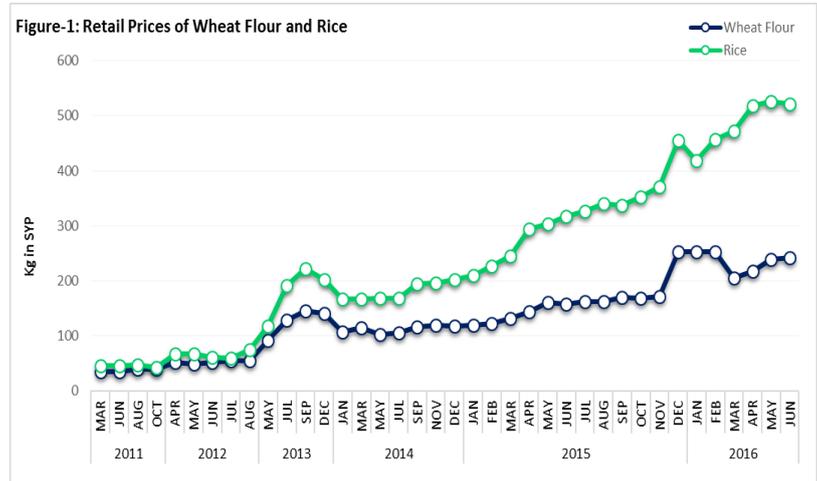
B: Retail Prices

1- Wheat Flour and Rice:

In June 2016, the average nominal retail price of wheat flour increased by 1.6 percent compared to the previous month, reaching SYP 242/Kg, while rice was sold at SYP 522/Kg thus recording a slight decrease of no more than 1 percent. Compared to December 2015, the price of wheat flour decreased by 3.9 percent while that of rice increased by 14.5 percent. Year on-year the prices of wheat flour and rice have increased by 54 and 64 respectively.

Looking at the pattern of rice retail prices across all main markets during June, Deir-ez-Zor still maintained the highest price, SYP 1,050/kg, while the lowest price was observed in As-Sweida where 1 kg of rice sold at SYP 300/kg.

Markets in Rural Damascus registered the highest price for wheat flour, where it was sold at SYP 425/kg while Idleb markets registered the lowest price at SYP 150/kg.



The more stable exchange rate for the Syrian Pound during this month had a slight positive impact on the prices of imported food commodities, especially rice. However, despite favorable exchange rate and continuous food assistances to besieged locations in Rural Damascus, the prices are still very high and remain unaffordable for most of poor households. This indicates a situation for the markets where most food stocks are depleted.

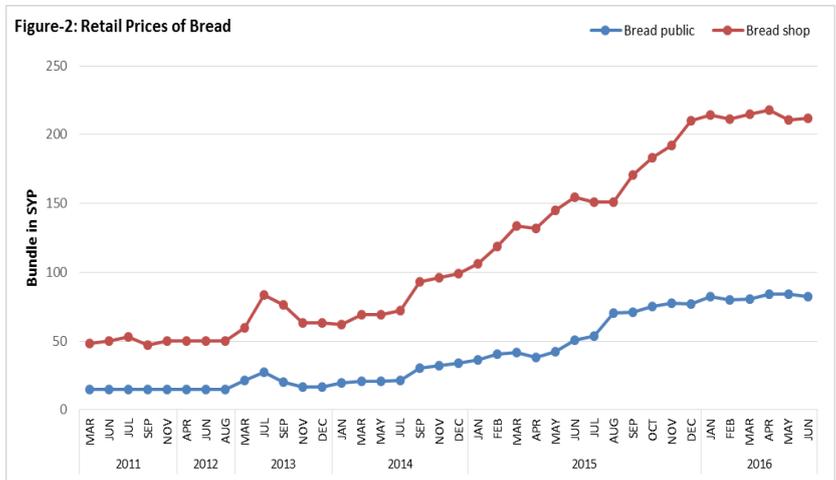
In Deir-ez-Zor city, data indicates that prices are gradually decreasing due to ongoing WFP airdrops. In Darayya, humanitarian assistance was delivered for the first time since November 2012; this had an immediate significant impact on prices in Madamiyet Elsham (the only smuggling corridor to Darayya) where 1 kg of rice sold at SYP 1,200/kg to, a decrease of 375 percent compared to the cost last month.

2- Bread:

During the reporting period, the average nominal retail prices for public (subsidized) bread and shop (unsubsidized) bread were SYP 82/bundle and SYP 130/bundle, respectively. The price of public bread decreased by 2.3 percent while the price of shop bread increased by 2.1 percent when compared to May 2016 prices.

Between December 2015 and June 2016, the average retail prices for public bread rose by approximately 7 percent, while it get down for shop bread by 2.7 percent.

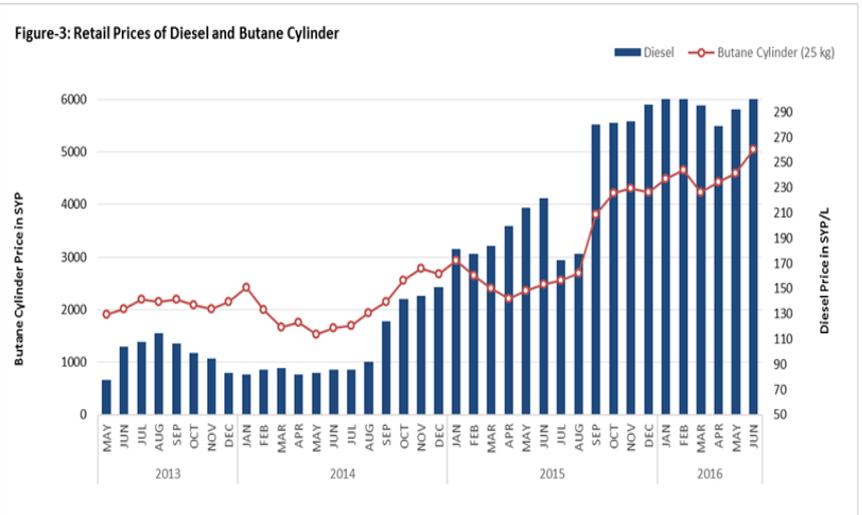
In besieged locations in Rural Damascus, bread remained sporadically available especially in Darayya, Madamiyet Elsham and Madaya. Moreover, the increase in the official prices fuel that happened during June will have a negative impact on the functionality of the bakeries.



3– Diesel and cylinder of butane gas

In June, the official prices of different fuel were increased by the Government of Syria and one liter of diesel rose up from SYP 135/L to SYP 180/L. For a cylinder of butane gas, the price increased from SYP 1800 to SYP 2500.

The national average price of diesel was SYP 343/L and SYP 5,050 for a cylinder of butane gas. Compared to last month, the average retail price of diesel increased by 17.4 percent while the price of a cylinder of butane gas rose by 9.8 percent. On year-to-year levels, the price of diesel and a cylinder of butane gas prices went up by 54.5 percent and 103.7 percent respectively. The notable increase in the official prices of fuel will exert more pressure on food prices; especially in besieged locations where the availability of gas and diesel is already scarce. This will have a further negative impact on households' food security situation.



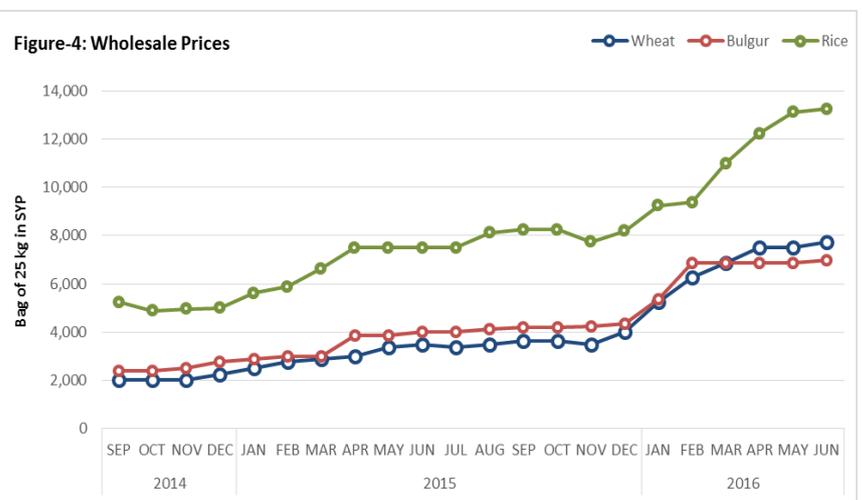
C. Wholesale Prices of Main Cereals in Damascus Market

During the reporting month, the wholesale prices for the main food commodities increased slightly to record more stable prices in line with the stable rate of the Syrian Pound. Wheat grain sold at SYP 7,750, bulgur at SYP 7,000 and white rice at SYP 13,250. Compared to May 2016, the wholesale price of bulgur increased by 1.8, while rice increased by 1 percent and wheat grain by 3.3 percent. Between December 2015 and June 2016, the wholesale prices of wheat increased by 94 percent, bulgur by 61 percent and rice by 62 percent.

The year-on-year wholesale price of wheat grain increased by 121 percent, bulgur by 75 percent and white rice by 77 percent.

Wholesale prices for wheat and bulgur are expected to further increase due to security challenges in Al-Hasakeh governorate ,

which is the main producer of wheat and bulgur in Syria. This might restrict distribution of grains to most of the other Syrian governorates , which will in turn put extra pressure on poor farmers in Al-Hasakeh as well as the grain markets in other governorates.



D. Food Supply to Markets

During April 2016, supply routes to Aleppo, Idlib, some locations in Hama and Dar'a were severely disrupted by intensified clashes that also devastated some main markets.

In Ar-Raqqa and rural Deir-ez-Zor and other areas where ISIS is present, the prices of most food commodities are increasing, mainly due to poor/limited availability in the markets.

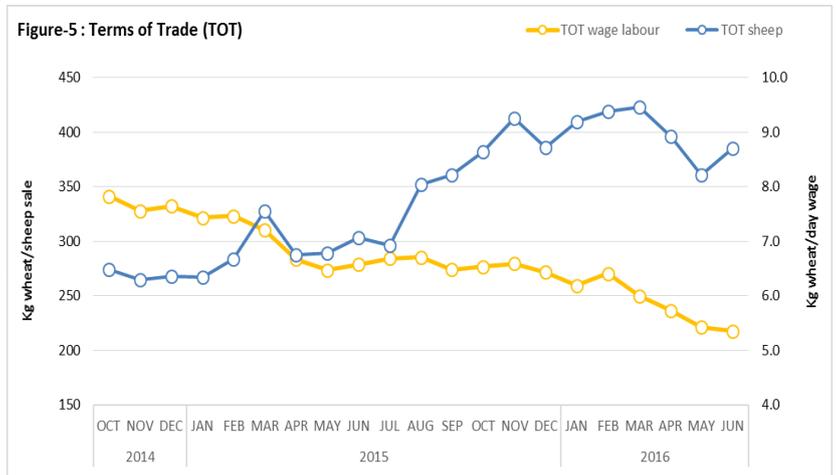
In Al-Hasakeh, basic food commodities are only available in limited quantities and with very high prices. In Darayya, Madamiyet Elsham and Madaya, long sieges have depleted the food stocks from the markets, hence food assistance becomes the only option available to poor households forgetting their minimum food requirement.

E. Terms of Trade (TOT):²

TOT between wage labour and wheat flour

The purchasing power (measured by terms of trade) of casual labourers remains unchanged during June 2016. However, the wage rates are still low against rising wheat flour prices. For a whole day of work in June 2016, casual labourers could only buy about 5.4 kg of wheat flour/day, which is approximately 1.3 percent lower than last month and 16.7 percent lower when compared to six months ago.

The nominal average daily wage rate in June 2016 was SYP 1,299. The wage rate varied between market locations, ranging from SYP 750 in Homs to SYP 1,750 SYP in Ar-Raqqa and Idleb.



TOT between sheep and wheat flour

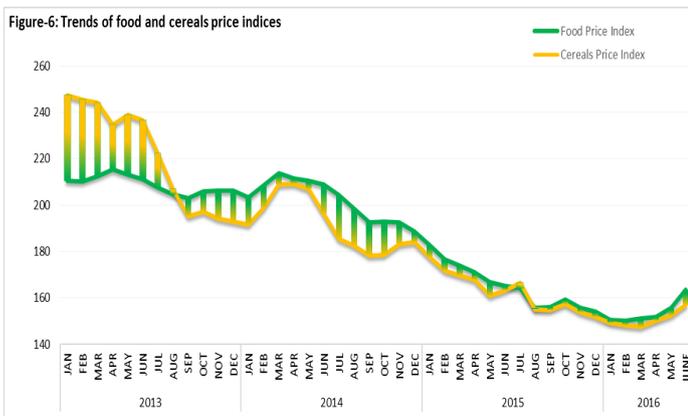
In June 2016, the average price of a two-year old male sheep was SYP 93,334/head, an increase of 8.3 percent over last month's price, and an increase of 36.5 percent compared to six months ago. The national average TOT between a sheep and wheat flour was 379kg/sheep, which is 5 percent higher compared to last month. The highest TOT was recorded in Deir-ez-Zor governorate (906kg/sheep), while the lowest TOT was in Ar-Raqqa governorate (207kg/sheep).

F. International Market Prices

The FAO Food Price Index averaged 163.4 points in June 2016, up by 4.2 percent compared to the May average, and 6.3 percent more than its December 2015 level. The overall Food Price Index has gradually increased on a monthly basis since March 2016. Similarly, the Cereal Price Index averaged 157 points in June 2016, up by 3 percent compared to last month, and 3.5 percent increased compared to six months ago.

In the month of June 2016, the wheat price on local markets averaged USD 549.3/MT, which is more than three times higher than the price of wheat in the international market (USD 156.6/MT).

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	1M	6 M								
Bread Public (1.5 kg)	Aleppo	77	(9.2)	(6.0)	↔	↔	Rice (kg)	Aleppo	405	3.1	46.3	↔	↑	
	Damascus	50	-	-	↔	↔		Damascus	400	14.3	40.8	↑	↑	
	Dar'a	50	-	-	↔	↔		Dar'a	488	-	23.2	↔	↑	
	Deir-ez-Zor	133	(6.3)	8.3	↔	↔		Deir-ez-Zor	1,050	(19.3)	50.1	↓	↑	
	Idleb	175	(10.2)		↓			Idleb	450	(10.0)		↔		
	Hama	75	-	-	↔	↔		Hama	425	14.3	135.3	↑	↑	
	Al-Hasakeh	50	-	-	↔	↔		Al-Hasakeh	825	11.8	74.4	↑	↑	
	Homs	65	19.2		↑	↔		Homs	500	19.6		↑	↔	
	Lattakia	50	-	-	↔	↔		Lattakia	456	(6.3)	30.4	↔	↑	
	Quneitra	80	-	-	↔	↔		Quneitra	450	2.9		↔		
	Ar-Raqqa	115	(9.1)	30.9	↔	↑		Ar-Raqqa	725	5.8	91.1	↔	↑	
	Rural Damascus	150	-	(18.8)	↔	↓		Rural Damascus	513	7.5	(29.0)	↔	↓	
	As-Sweida	50	-	-	↔	↔		As-Sweida	300	4.3	9.1	↔	↔	
	Tartous	50	-	-	↔	↔		Tartous	500	-	48.1	↔	↑	
Bread Shops (1.5 kg)	Aleppo	106	(7.5)	(31.9)	↔	↓	Sheep 2Y old Male	Aleppo	95,700	4.5	100.6	↔	↑	
	Damascus	150	20.0	50.0	↑	↑		Damascus	85,250	3.4	32.9	↔	↑	
	Dar'a	163	-	6.3	↔	↔		Dar'a	62,500	-	5.4	↔	↔	
	Deir-ez-Zor	169	(14.6)	(25.6)	↓	↓		Deir-ez-Zor	217,500	-	10.7	↔	↑	
	Idleb	200	(20.0)		↓			Idleb	76,000	(15.6)		↓		
	Hama	138	-	92.3	↔	↑		Hama	79,113	(2.1)	29.6	↔	↑	
	Al-Hasakeh	88	-	(3.8)	↔	↔		Al-Hasakeh	67,500	-	37.0	↔	↑	
	Homs	138	83.3		↑	↔		Homs	86,250	11.4		↑	↔	
	Lattakia	69	(1.7)	5.8	↔	↔		Lattakia	82,500	10.0	38.7	↑	↑	
	Quneitra	133	(3.6)		↔	↔		Quneitra	108,750	0.8		↔		
	Ar-Raqqa	145	(17.9)	28.3	↓	↑		Ar-Raqqa	77,500	-	59.1	↔	↑	
	Rural Damascus	225	7.1	(7.7)	↔	↔		Rural Damascus	89,000	17.8	33.5	↑	↑	
	As-Sweida	70	7.7	7.7	↔	↔		As-Sweida	81,813	12.3	50.3	↑	↑	
	Tartous	68	1.6	0.5	↔	↔		Tartous	93,750	(3.3)	43.6	↔	↑	
Butane Cylinder (10 kg)	Aleppo	4,270	7.7	13.4	↔	↑	Sugar (kg)	Aleppo	360	(18.3)	82.0	↓	↑	
	Damascus	2,250	12.5	13.9	↑	↑		Damascus	431	4.5	70.4	↔	↑	
	Dar'a	4,100	19.1	17.3	↑	↑		Dar'a	375	(9.2)	49.8	↔	↑	
	Deir-ez-Zor	13,800	(8.8)	38.9	↔	↑		Deir-ez-Zor	1,138	(31.1)	32.6	↓	↑	
	Idleb	6,250	(2.3)		↔			Idleb	425	(1.1)		↔		
	Hama	4,063	(1.3)	229.2	↔	↑		Hama	379	(6.4)	80.9	↔	↑	
	Al-Hasakeh	5,725	20.3	96.3	↑	↑		Al-Hasakeh	675	(21.7)	143.7	↓	↑	
	Homs	2,300	1.5		↔	↔		Homs	313	(3.8)		↔	↔	
	Lattakia	2,450	16.7	20.1	↔	↑		Lattakia	381	(5.6)	71.4	↔	↑	
	Quneitra	4,163	40.7		↑			Quneitra	413	10.0		↑		
	Ar-Raqqa	10,600	15.4	78.5	↑	↑		Ar-Raqqa	650	1.1	174.6	↔	↑	
	Rural Damascus	6,800	(0.5)	(7.5)	↔	↔		Rural Damascus	544	7.4	31.4	↔	↑	
	As-Sweida	2,500	-	-	↔	↔		As-Sweida	513	9.3	106.7	↔	↑	
	Tartous	2,600	15.6	30.0	↑	↑		Tartous	425	(4.0)	81.3	↔	↑	
Diesel (L)	Aleppo	248	9.6	62.1	↔	↑	Tea (kg)	Aleppo	3,100	6.2	54.7	↔	↑	
	Damascus	224	(4.9)	9.0	↔	↔		Damascus	3,200	9.3	86.1	↔	↑	
	Dar'a	896	503.7	491.3	↑	↑		Dar'a	3,500	(12.4)	32.1	↓	↑	
	Deir-ez-Zor	1,550	-	0.9	↔	↔		Deir-ez-Zor	9,550	(15.8)	0.8	↓	↔	
	Idleb	278	(43.0)		↓			Idleb	3,250	(10.9)		↓		
	Hama	220	65.5	77.8	↑	↑		Hama	3,325	4.8	103.1	↔	↑	
	Al-Hasakeh	55	-	7.7	↔	↔		Al-Hasakeh	2,900	(13.2)	13.8	↓	↑	
	Homs	160	(11.1)		↓	↔		Homs	3,500	19.6		↑	↔	
	Lattakia	166	9.0	2.0	↔	↔		Lattakia	2,850	(1.7)	69.6	↔	↑	
	Quneitra	244	8.0		↔			Quneitra	3,450	1.5		↔		
	Ar-Raqqa	125	16.7	14.5	↑	↑		Ar-Raqqa	3,575	4.7	37.5	↔	↑	
	Rural Damascus	363	0.1	18.6	↔	↑		Rural Damascus	3,700	7.1	27.7	↔	↑	
	As-Sweida	250	-	(8.3)	↔	↔		As-Sweida	3,000	3.4	24.0	↔	↑	
	Tartous	168	8.3	1.5	↔	↔		Tartous	3,225	8.5	80.1	↔	↑	
Lentils (kg)	Aleppo	520	3.9	33.5	↔	↑	Unskilled Labor wage	Aleppo	1,325	10.0	(25.0)	↑	↓	
	Damascus	675	9.8	61.8	↔	↑		Damascus	1,500	-	-	↔	↔	
	Dar'a	400	-	19.4	↔	↑		Dar'a	900	-	28.6	↔	↑	
	Deir-ez-Zor	1,163	(25.5)	77.9	↓	↑		Deir-ez-Zor	975	(15.8)	(2.5)	↓	↔	
	Idleb	500	(9.1)		↔			Idleb	1,750	8.8		↔		
	Hama	538	9.1	44.9	↔	↑		Hama	1,250	-	-	↔	↔	
	Al-Hasakeh	800	10.5	163.6	↑	↑		Al-Hasakeh	850	(4.2)	5.0	↔	↔	
	Homs	625	25.0		↑	↔		Homs	750	1.9		↔	↔	
	Lattakia	600	-	46.0	↔	↑		Lattakia	1,600	1.5	48.1	↔	↑	
	Quneitra	488	5.5		↔			Quneitra	1,200	-		↔		
	Ar-Raqqa	825	17.9	113.8	↑	↑		Ar-Raqqa	1,750	-	16.7	↔	↑	
	Rural Damascus	765	4.7	27.4	↔	↑		Rural Damascus	1,500	-	1.7	↔	↔	
	As-Sweida	700	9.8	49.0	↔	↑		As-Sweida	1,300	-	8.3	↔	↔	
	Tartous	613	(2.9)	43.5	↔	↑		Tartous	1,500	-	25.0	↔	↑	
Oil (L)	Aleppo	645	(4.5)	56.1	↔	↑	Wheat Flour (kg)	Aleppo	214	2.8	39.5	↔	↑	
	Damascus	663	0.3	46.9	↔	↑		Damascus	243	(11.7)	37.2	↓	↑	
	Dar'a	700	(5.6)	35.2	↔	↑		Dar'a	213	(9.1)	25.4	↔	↑	
	Deir-ez-Zor	1,275	(22.5)	8.9	↓	↔		Deir-ez-Zor	240	(15.7)	6.3	↓	↔	
	Idleb	588	(2.1)		↔			Idleb	150	-		↔		
	Hama	950	(14.3)	187.1	↓	↑		Hama	180	5.7	14.9	↔	↑	
	Al-Hasakeh	788	(7.6)	75.0	↔	↑		Al-Hasakeh	214	(12.8)	13.6	↓	↑	
	Homs	575	(0.8)		↔	↔		Homs	225	7.1		↔	↔	
	Lattakia	731	(0.8)	82.8	↔	↑		Lattakia	238	-	43.9	↔	↑	
	Quneitra	688	6.0		↔			Quneitra	205	1.2		↔		
	Ar-Raqqa	975	24.2	143.8	↑	↑		Ar-Raqqa	375	12.5	156.0	↑	↑	
	Rural Damascus	825	8.1	65.8	↔	↑		Rural Damascus	425	5.6	(11.4)	↔	↓	
	As-Sweida	788	14.6	90.7	↑	↑		As-Sweida	275	4.8	44.7	↔	↑	
	Tartous	669	(2.7)	67.1	↔	↑		Tartous	241	(3.5)	37.8	↔	↑	
Key:	↑	Prices increase above normal price fluctuation												
	↔	Normal Price Fluctuation												
	↓	Price decrease below normal price fluctuation												