



Highlights:

- Following the increase in official fuel prices, the wholesale price of wheat grain recorded a slight increase in Damascus markets in July.
- In July 2016, conflict severely disrupted supply routes to Aleppo city and commercial access was a challenge.
- Food assistances are exerting a downward pressure on food basket prices in besieged areas of Rural Damascus. In Deir-ez-Zor city, the price of rice further decreased by 12 percent compared to June 2016.
- Due to the poor crop production observed so far in 2016, combined with the overall unstable security situation and challenges associated with transporting the crops, wholesale prices for wheat and bulgur are expected to further increase in the coming months.

A: Standard Food Basket

In July 2016, the national average cost of a standard food basket¹ (group of essential commodities) was SYP 34,825, an increase of 4.4 percent compared to last month, mainly due to the depreciation of Syrian Pound and an increase in the official price of fuel. Looking at the pattern of basket prices across all main markets, the lowest cost was observed in Dar'a governorate at SYP 25,678 while Deir-ez-Zor governorate recorded the highest cost with SYP 76,365. This is higher by 24 percent compared to last month, but still 18 percent lower than six months ago. However, in the city of Deir-ez-Zor prices of stable food commodities such as rice are still decreasing.

Governorate		Price July 2016	Price 1 month change	Price 6 months changes	Price 12 months changes
Aleppo	SYP	28,757	7.6%	39.1%	74.0%
Damascus	SYP	29,303	0.8%	47.1%	75.2%
Dar'a	SYP	25,678	0.7%	13.0%	62.0%
Deir-ez-Zor	SYP	76,365	24.1%	-18.2%	45%
Hama	SYP	29,851	0.8%	39.8%	73.2%
Al-Hasakeh	SYP	41,580	-0.1%	61.6%	153.5%
Homs	SYP	27,056	8.8%	38.9%	59.8%
Lattakia	SYP	28,983	0.1%	48.8%	94.5%
Ar-Raqqa	SYP	43,983	0.5%	61.1%	150.6%
Rural Damascus	SYP	38,193	-0.3%	2.2%	118%
As-Sweida	SYP	29,188	0.9%	39.3%	72.6%
Tartous	SYP	30,024	0.8%	32.8%	96.7%
Quneitra	SYP	27,809	0.6%	N/A	N/A
Idleb	SYP	30,788	0.1%	N/A	N/A
Average	SYP	34,825	4.4%	38.9%	108%

Food assistances to Rural Damascus are exerting a downward pressure on prices, and the average cost of a food basket has stabilized with a slight decrease of 0.3 percent compared to one month ago; though still higher by 2.2 percent compared to six months ago and by 118 percent when compared to July 2015.

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:

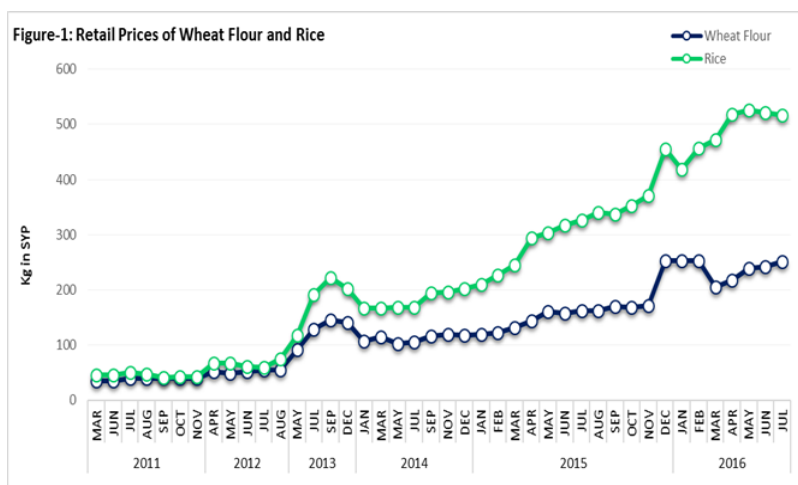
In July 2016, the average nominal retail prices of wheat flour and rice were SYP 251/Kg and SYP 516/Kg, respectively. Compared to the previous month, the average nominal retail price of rice decreased slightly by 1.2 percent, while wheat flour increased by about 3.5 percent. Year-on-year, the increases reached 55 and 58 for wheat flour and rice respectively.

The increase in the prices of wheat flour may be due to the recent increase in the official price of fuel, which has increased transaction costs for moving market supplies across the country. This is in addition to the further depreciation of the Syrian Pound against the US dollar.

Close monitoring of rice retail prices during July shows that among all main markets, Deir-ez-Zor is still seeing the highest price with SYP 975/kg; whereas the lowest price was observed in As-Sweida where 1 kg of rice sold at SYP 300/kg.

However, data indicates a continuous decrease in rice prices in the city of Deir-ez-Zor, where July data shows the lowest price with a 12 percent decrease compared to one month ago due to in large part to WFP airdrops.

Markets in Rural Damascus registered the highest price for wheat flour, where it was sold at SYP 450/kg while Idleb markets continue to register the lowest price at SYP 150/kg.

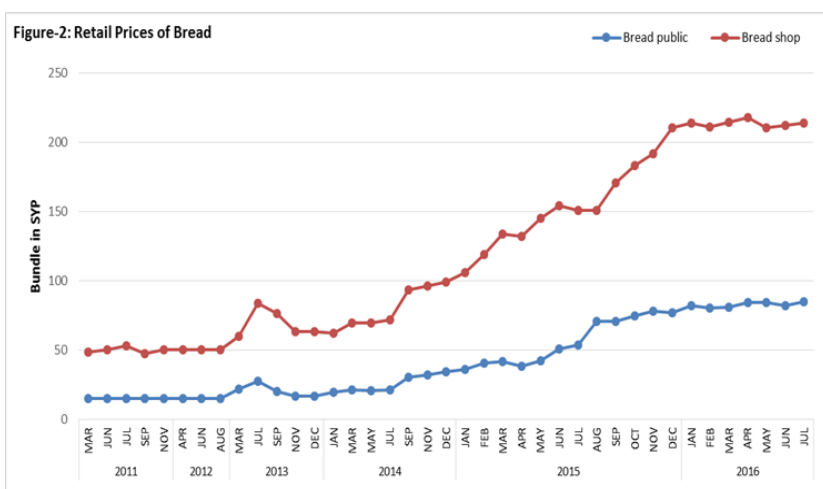


2- Bread:

During the reporting period, the average nominal retail prices for public (subsidized) and shop (unsubsidized) bread were SYP 85/bundle and SYP 129/bundle, respectively. The price of public bread has slightly increased by 3.6 percent, while the price of shop bread remains unchanged compared to June 2016 prices.

Between January 2016 and July 2016, the average retail prices for public bread recorded a slight decrease of 3.6 percent and for shop bread by 2.2 percent.

Looking at the pattern of retail prices of public bread across all main markets during the month, Idleb market registered the highest price for SYP 175/bundle while the lowest was seen at SYP 50/bundle in Damascus, Dar'a, Latakia, Tartous and As-Sweida. On the other hand, Rural Damascus registered the highest price for commercial bread at SYP 220/bundle, while the lowest price was recorded in Tartous at SYP 67/bundle.

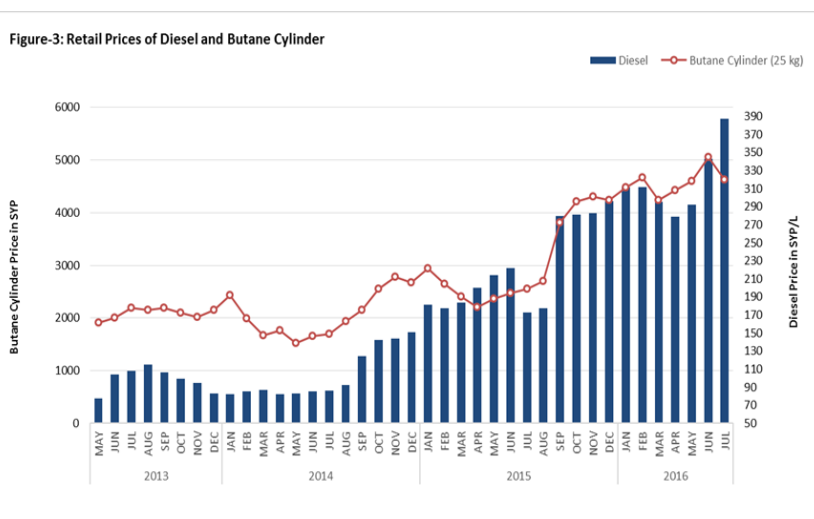


In Aleppo, the price of subsidized bread price significantly increased compared to last month by 23.4 percent mainly due to active conflict; and both types of bread are not easily available. In the besieged locations of Darayya, Madamiyet Elsham and Madaya, bread remained sporadically available and heavily dependent on home-made bread.

3– Diesel and cylinder of butane gas

In July 2016, the national average price of diesel was SYP 387/L and a cylinder of butane gas SYP 4,628. Compared to the month of June, the average retail price of diesel increased by approximately 13 percent, while the price of a cylinder of butane gas decreased by 8.3 percent. On year-to-year levels, the price of diesel and a cylinder of butane gas prices went up by 124 percent and 81.3 percent respectively. The notable increase in the price of diesel reflects recent increase of the official price of fuel.

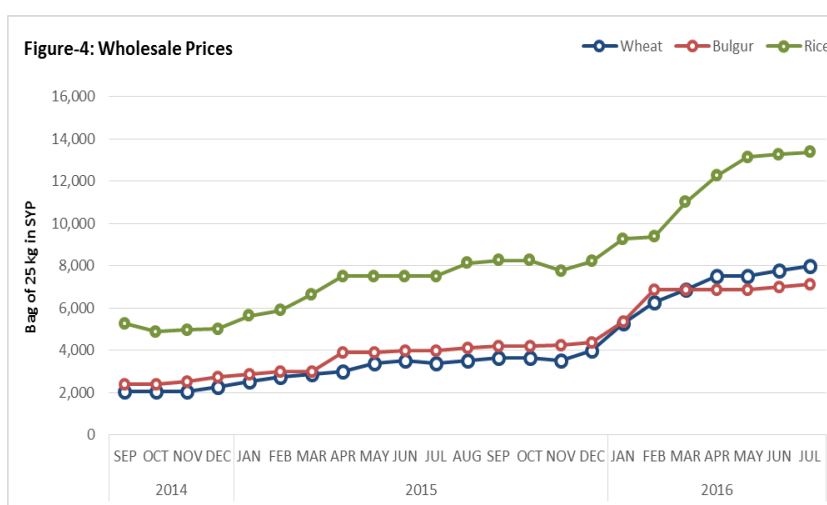
In turn, the increase in fuel prices will exert more pressure on food prices and disrupt the functionality of bakeries and markets. This combined with the high inflation rate of Syrian Pound will have a negative impact on poor vulnerable households that are mainly depending on markets.



C. Wholesale Prices of Main Cereal in Damascus Market

During the reporting month, the wholesale price for the main food commodities slightly increased in line with the unstable rate of the Syrian Pound and the increase in official fuel prices. Wheat grain sold at SYP 8,000, bulgur at SYP 7,125 and white rice at SYP 13,375. Compared to June 2016, the wholesale price of bulgur increased by 1.8, rice by 0.9 percent and wheat grain by 3.2 percent. Between January 2016 and July 2016, the wholesale prices of wheat increased by 52 percent, bulgur by 33 percent and rice by 45 percent. Year-on-year the wholesale price of wheat grain increased by 137 percent, bulgur by 78 percent and white rice by 78 percent.

Due to the poor crop production observed so far in 2016, combined with the overall unstable security situation and challenges associated with transporting the crops, wholesale prices for wheat and bulgur are expected to further increase in the coming months.



D. Food Supply to Markets

During July 2016, supply routes to Aleppo city were severely disrupted due to increasing fighting. Hence, many food commodities were only sporadically available, especially in active conflict locations where commercial access was a challenge and food was not easily available even via humanitarian access that has been disrupted since early July.

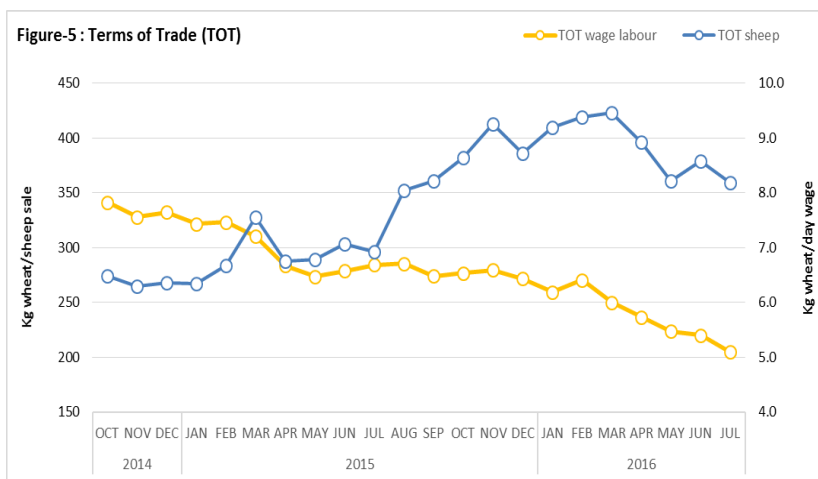
In Dar'a and Idleb, conflict severely disturbed many markets and households were depending on street vendors to buy their food. In Ar-Raqqa and rural Deir-ez-Zor, the prices of most food commodities are increasing due to poor food arability. In Darayya, Madamiyet Elsham and Madaya, protracted sieges have depleted the food stocks from markets and food assistances have become the only source of food for poor households, especially female and child headed households.

E. Terms of Trade (TOT):₂

TOT between wage labour and wheat flour

The purchasing power (measured by terms of trade) of casual labourers decreased remarkably during July 2016, reflecting the further deteriorated wage rates against rising wheat flour prices. Therefore, for a whole day of work in July 2016, casual labourers were unable to buy more than 5.1 kg of wheat flour/day, which is approximately 8.5 percent lower than last month and 5.3 percent lower when compared to six months ago.

The nominal average daily wage rate in July 2016 was SYP 1,278. The wage rate varied between market locations, ranging from SYP 878 in Homs to SYP 1,750 in Ar-Raqqa and Idleb.



TOT between sheep and wheat flour

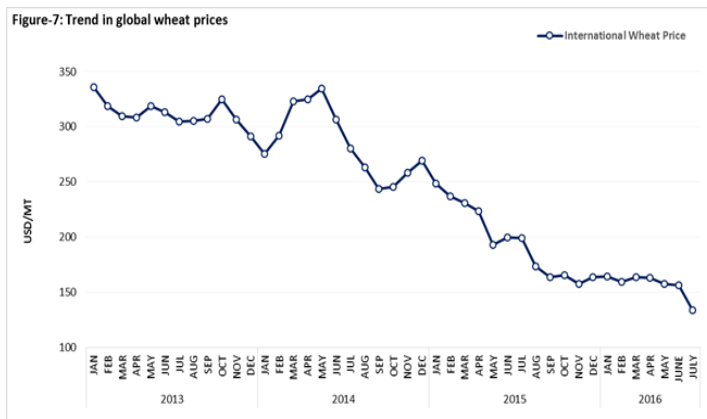
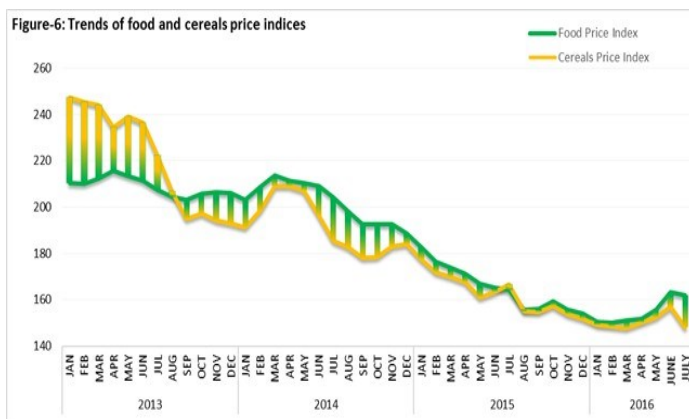
In July 2016, the average price of a two-year old male sheep was SYP 90,128/head, less than last month's price by 1.9 percent; however, with an increase of 12.2 percent compared to six months ago. The national average TOT between a sheep and wheat flour was 359kg/sheep, which is 5.3 percent lower compared to last month. The highest TOT was recorded in Deir-ez-Zor governorate (657kg/sheep), while the lowest TOT was in Rural Damascus governorate (198kg/sheep).

F. International Market Prices

The FAO Food Price Index averaged 161.9 points in July 2016, which is down by 0.8 percent compared to June average, and 1.4 percent less than July 2015 level. The overall Food Price Index has gradually increased on a monthly basis since March 2016 to start decreasing again on July 2016. Similarly, the Cereal Price Index averaged 148.1 points in July 2016, down by 5.6 percent compared to last month, and 11 percent below July 2015 level.

In the month of July 2016, the wheat price on local markets averaged USD 659.8/MT, which is more than four times higher than the price of wheat in the international market (USD 133.6/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 (%)	Price change (%)	Average Change	Average Change	Commodity	Governorate	Current Price	Price change (%)	Price change (%)	Average Change	Average Change
Bread Public (1.5 kg)	Aleppo	100	23.4	22.6	↑	↑	Rice (kg)	Aleppo	432	7.0	90.4	↔	↑
	Damascus	50	-	-	↔	↔		Damascus	400	-	40.9	↔	↑
	Dar'a	50	-	-	↔	↔		Dar'a	488	-	8.3	↔	↔
	Deir-ez-Zor	145	7.1	16.7	↔	↑		Deir-ez-Zor	975	(6.0)	13.9	↔	↑
	Idleb	175	-	-	↔			Idleb	450	-		↔	
	Hama	75	-	-	↔	↔		Hama	438	2.8	100.0	↔	↑
	Al- Hasakeh	50	-	5.6	↔	↔		Al- Hasakeh	825	-	61.2	↔	↑
	Homs	62	2.5	5.0	↔	↔		Homs	451	2.5	7.8	↔	↔
	Lattakia	50	-	-	↔	↔		Lattakia	473	3.6	89.0	↔	↑
	Quneitra	80	-	-	↔			Quneitra	450	-		↔	
	Ar-Raqqa	115	-	(14.0)	↔	↓		Ar-Raqqa	738	1.9	67.7	↔	↑
	Rural Damascus	150	-	(18.8)	↔	↓		Rural Damascus	525	2.2	7.7	↔	↔
	As-Sweida	50	-	-	↔	↔		As-Sweida	300	-	9.1	↔	↔
	Tartous	50	-	-	↔	↔		Tartous	513	2.5	41.4	↔	↑
Bread Shops (1.5 kg)	Aleppo	105	(0.4)	(19.7)	↔	↓	Sheep 2Y old Male	Aleppo	96,400	0.9	57.4	↔	↑
	Damascus	150	-	50.0	↔	↑		Damascus	85,250	-	14.1	↔	↑
	Dar'a	163	-	(5.0)	↔	↔		Dar'a	62,500	-	(6.6)	↔	↔
	Deir-ez-Zor	200	17.1	-	↑	↔		Deir-ez-Zor	230,000	3.3	-	↔	↔
	Idleb	200	-	-	↔			Idleb	75,000	(1.3)		↔	
	Hama	138	-	66.7	↔	↑		Hama	78,125	(2.2)	28.3	↔	↑
	Al- Hasakeh	88	-	7.7	↔	↔		Al- Hasakeh	70,000	3.3	36.5	↔	↑
	Homs	111	2.5	1.0	↔	↔		Homs	75,110	2.5	5.4	↔	↔
	Lattakia	69	0.6	6.2	↔	↔		Lattakia	85,000	3.0	54.5	↔	↑
	Quneitra	133	-	-	↔			Quneitra	78,375	(27.9)		↓	
	Ar-Raqqa	158	12.5	0.5	↑	↔		Ar-Raqqa	80,000	2.8	32.5	↔	↑
	Rural Damascus	220	(2.0)	(20.0)	↔	↓		Rural Damascus	89,000	-	14.1	↔	↑
	As-Sweida	75	7.1	15.4	↔	↑		As-Sweida	83,875	2.5	38.6	↔	↑
	Tartous	68	-	7.7	↔	↔		Tartous	86,275	(8.0)	19.4	↔	↑
Butane Cylinder (10 kg)	Aleppo	5,470	25.6	47.0	↑	↑	Sugar (kg)	Aleppo	420	24.9	82.2	↑	↑
	Damascus	2,500	11.1	25.0	↑	↑		Damascus	434	0.6	78.4	↔	↑
	Dar'a	4,275	7.4	28.4	↔	↑		Dar'a	385	2.7	55.9	↔	↑
	Deir-ez-Zor	14,200	8.7	43.4	↔	↑		Deir-ez-Zor	1,625	33.0	30.0	↑	↑
	Idleb	5,500	(12.0)		↓			Idleb	430	1.2		↔	
	Hama	3,813	7.2	145.6	↔	↑		Hama	383	0.9	86.0	↔	↑
	Al- Hasakeh	5,600	(2.8)	40.9	↔	↑		Al- Hasakeh	665	(1.4)	72.2	↔	↑
	Homs	2,601	3.7	21.6	↔	↑		Homs	292	2.5	6.6	↔	↔
	Lattakia	2,800	14.3	33.3	↑	↑		Lattakia	369	(3.2)	57.0	↔	↑
	Quneitra	4,350	8.1		↔			Quneitra	403	(2.5)		↔	
	Ar-Raqqa	2,875	(45.4)	(41.9)	↓	↓		Ar-Raqqa	650	-	197.9	↔	↑
	Rural Damascus	7,000	5.0	(25.0)	↔	↓		Rural Damascus	500	(8.0)	8.3	↔	↔
	As-Sweida	2,775	11.0	11.0	↑	↑		As-Sweida	500	(2.4)	100.0	↔	↑
	Tartous	2,807	7.9	44.0	↔	↑		Tartous	425	-	79.5	↔	↑
Diesel (L)	Aleppo	277	10.7	39.9	↔	↑	Tea (kg)	Aleppo	3,293	6.4	70.1	↔	↑
	Damascus	220	(1.8)	(0.2)	↔	↔		Damascus	3,450	7.5	80.9	↔	↑
	Dar'a	1,575	49.2	995.4	↑	↑		Dar'a	3,500	-	34.6	↔	↑
	Deir-ez-Zor	1,550	-	0.9	↔	↔		Deir-ez-Zor	10,425	11.0	12.3	↑	↑
	Idleb	220	(20.7)		↓			Idleb	3,300	1.5		↔	
	Hama	286	30.0	118.6	↑	↑		Hama	3,413	2.6	95.6	↔	↑
	Al- Hasakeh	55	-	-	↔	↔		Al- Hasakeh	3,075	7.3	13.9	↔	↑
	Homs	177	2.5	21.2	↔	↑		Homs	3,009	2.5	16.7	↔	↑
	Lattakia	180	8.3	12.5	↔	↑		Lattakia	2,525	(11.4)	26.3	↓	↑
	Quneitra	262	8.9		↔			Quneitra	3,463	0.3		↔	
	Ar-Raqqa	124	(3.0)	13.7	↔	↑		Ar-Raqqa	3,800	6.5	46.2	↔	↑
	Rural Damascus	475	52.4	52.1	↑	↑		Rural Damascus	4,000	7.7	26.3	↔	↑
	As-Sweida	325	30.0	30.0	↑	↑		As-Sweida	3,250	8.3	30.0	↔	↑
	Tartous	183	9.1	19.2	↔	↑		Tartous	3,200	(0.8)	51.9	↔	↑
Lentils (kg)	Aleppo	534	2.6	27.6	↔	↑	Unskilled Labor wage	Aleppo	1,285	4.7	(6.0)	↔	↔
	Damascus	675	(0.0)	59.0	↔	↑		Damascus	1,500	-	-	↔	↔
	Dar'a	400	-	-	↔	↔		Dar'a	925	2.5	2.5	↔	↔
	Deir-ez-Zor	1,625	34.4	17.7	↑	↑		Deir-ez-Zor	1,050	6.5	(5.8)	↔	↔
	Idleb	500	-		↔			Idleb	1,750	-		↔	
	Hama	538	-	26.3	↔	↑		Hama	1,250	-	-	↔	↔
	Al- Hasakeh	800	-	90.0	↔	↑		Al- Hasakeh	900	4.5	10.0	↔	↑
	Homs	569	2.5	12.7	↔	↑		Homs	878	2.5	10.3	↔	↑
	Lattakia	600	-	33.3	↔	↑		Lattakia	1,700	6.3	41.7	↔	↑
	Quneitra	494	1.5		↔			Quneitra	1,200	-		↔	
	Ar-Raqqa	825	-	82.5	↔	↑		Ar-Raqqa	1,750	-	16.7	↔	↑
	Rural Damascus	758	(1.0)	24.2	↔	↑		Rural Damascus	1,500	-	-	↔	↔
	As-Sweida	713	1.8	42.5	↔	↑		As-Sweida	1,300	-	8.3	↔	↔
	Tartous	613	-	22.5	↔	↑		Tartous	1,500	-	-	↔	↔
Oil (L)	Aleppo	655	1.5	53.9	↔	↑	Wheat Flour (kg)	Aleppo	218	2.4	44.5	↔	↑
	Damascus	694	4.7	44.9	↔	↑		Damascus	273	12.1	38.4	↑	↑
	Dar'a	720	2.9	44.0	↔	↑		Dar'a	213	-	31.0	↔	↑
	Deir-ez-Zor	1,925	42.6	38.5	↑	↑		Deir-ez-Zor	350	38.9	22.6	↑	↑
	Idleb	588	-		↔			Idleb	150	-		↔	
	Hama	950	-	158.1	↔	↑		Hama	180	-	8.8	↔	↔
	Al- Hasakeh	790	0.4	43.6	↔	↑		Al- Hasakeh	238	11.2	3.4	↑	↔
	Homs	560	3.1	6.8	↔	↔		Homs	224	2.5	5.0	↔	↔
	Lattakia	702	(4.1)	55.9	↔	↑		Lattakia	228	(4.0)	42.5	↔	↑
	Quneitra	700	1.9		↔			Quneitra	205	-		↔	
	Ar-Raqqa	970	(0.5)	128.6	↔	↑		Ar-Raqqa	363	(5.0)	45.0	↔	↑
	Rural Damascus	825	-	28.8	↔	↑		Rural Damascus	450	5.0	(16.0)	↔	↓
	As-Sweida	800	1.6	79.0	↔	↑		As-Sweida	275	-	42.4	↔	↑
	Tartous	669	0.0	48.3	↔	↑		Tartous	242	0.1	38.0	↔	↑
Key:	↑	Prices Increase above normal price fluctuation											
	↔	Normal Price Fluctuation											
	↓	Price decrease below normal price fluctuation											