The majority of the IDP and returnee households in all five assessed districts of Kabul province (Bagrami, Deh Sabz, Kabul, Qarabagh and Surobi) access their food through credit, reliance on friends and family or from humanitarian assistance. Only a few purchase food with cash.

Returnees seem to have more diverse sources of income than IDPs, who rely almost exclusively on casual labour. Several returnees reported being engaged in small-scale farming/gardening and small business activities such as petty trade.

The priority needs for both returnees and IDPs are food, shelter and education particularly now during the winter season.

In all assessed districts, also traders reported relying on credit to buy stocks from suppliers/retailers. Reliance on credit has not changed much compared to this time in 2015.

In September, WFP conducted a rapid market survey in Nangarhar Province in order to assess the suitability of using cash-based assistance for returnees and IDPs. In late October, WFP carried out another rapid market survey in Kunar, Laghman and Kabul provinces where high numbers of returnees had settled. This report presents the findings of that assessment for Kabul province.

Results from the in-person market survey are complemented by findings from a WFP phone survey (mVAM) on the food and income sources and assistance needs for returnees and IDPs in Kabul. The face-to-face and mVAM assessment took place in 5 districts (Bagrami, Deh Sabz, Kabul, Qarabagh and Surobi) of Kabul during 17-25 October, while the mVAM survey took place from 30 November to 1 December. A total of 23 market assessment interviews took place (5 in Kabul, Surobi and Qarabagh and 4 in Deh Sabz and Bagrami districts, each). A total of 30 mVAM interviews were conducted, with six interviews per district.

Supply to the markets in Kabul centre, Bagrami and Qarabagh is normal with no transportation and security concerns for the traders. These districts have large food markets compared to the other assessed districts. Overall, the food prices, stocks, supply and sales in Kabul central markets are similar to the markets of Bagrami and Qarabagh districts, and markets in all three districts have the capacity to respond to a large influx of returnees or IDPs.

The markets in Surobi and Deh Sabz districts are relatively smaller, and have more limited food stocks and higher prices compared to the markets in the other assessed districts. The high prices in these districts are mainly due to high transportation costs from main source points - Kabul centre and Jalalabad city. There are no security concerns for the people when accessing markets.
IMPACT ON LOCAL FOOD MARKETS

OVERALL IMPACT ON DEMAND, STOCKS AND PRICES

The highest number of IDPs were reported in Kabul centre, followed by Bagrami district while lower numbers of IDPs were reported in Deh Sabz, Qarabagh and Surobi districts. The current increase in IDPs and returnees has some impact on food demand, sales, stock and food prices, mainly due to the fact that these large food markets receive their supplies from neighbouring countries and provinces. The food stocks of the retailers has increased in all assessed districts as a result of these supply chains while the reason for increase in sales is mainly due to increased number of IDPs and returnees.

Kabul centre has the largest food markets and the highest number of food retailers/traders, followed by Bagrami and Qarabagh district markets. The food markets in Surobi and Deh Sabz are smaller compared to the others. The food supply to Kabul centre is mainly from Pakistan through Nangarhar province; while Kabul, in turn, is the main supply source for the markets of Deh Sabz, Bagrami and Qarabagh, but supply to Surobi district is from both Jalalabad and Kabul markets. The markets in these districts have the capacity to respond to the current demand as well as a 20 percent increase in demand in the coming months.

High reliance on credit, both in terms of traders buying on credit from suppliers and of households buying on credit from traders, was a common issue across all five districts. However, most of the interviewed traders in Bagrami, Deh Sabz and Kabul centre reported that their reliance on credit from their suppliers has not changed compared to 2015, while in Qarabagh and Surobi district markets it has actually decreased.

Most of the traders in Kabul centre, Deh Sabz and Bagrami districts reported that they have a bank account for their routine transactions, while the majority of the traders in Qarabagh and Surobi districts do not have bank accounts.

**Figure 1. Prices of selected food commodities in October 2016**

<table>
<thead>
<tr>
<th>District Name</th>
<th>Wheat flour (AFN/Kg)</th>
<th>*Rice (AFN/Kg)</th>
<th>Cooking Oil (AFN/Lit)</th>
<th>Pulses (AFN/Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bagrami</td>
<td>28</td>
<td>75</td>
<td>75</td>
<td>93</td>
</tr>
<tr>
<td>Deh Sabz</td>
<td>28</td>
<td>77</td>
<td>78</td>
<td>106</td>
</tr>
<tr>
<td>Kabul Centre</td>
<td>28</td>
<td>73</td>
<td>73</td>
<td>99</td>
</tr>
<tr>
<td>Qarabagh</td>
<td>27</td>
<td>66</td>
<td>74</td>
<td>91</td>
</tr>
<tr>
<td>Surobi</td>
<td>27</td>
<td>72</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>National Average</td>
<td><strong>30</strong></td>
<td><strong>76</strong></td>
<td><strong>81</strong></td>
<td><strong>76</strong></td>
</tr>
</tbody>
</table>

*All rice prices were collected for basmati rice in all the assessed districts

**Figure 2. Change in wheat flour prices compared to last month and last year, by district and compared to the national average price.**

**PLACING OBSERVED PRICE CHANGES IN THE NATIONAL CONTEXT**

In the assessed districts of Kabul province, the prices of monitored food commodities in the month of October 2016 remained stable compared to September, but were higher compared to October 2015. The main reason for stable prices in the assessed districts is due to maintained supply, and reason for higher prices compared to last year was mainly due to the influx of IDPs and returnees. The highest prices among the assessed districts are reported in Deh Sabz, followed by Surobi district. There are no significant changes between the prices of Kabul centre, Bagrami and Qarabagh. The prices for wheat flour, rice and cooking oil in the assessed districts is lower compared to the national average price, while the price for pulses in the assessed districts is higher than the national average price, which is mainly due to decreased supply of pulses from Pakistan and Jalalabad markets (Figure 1).

The highest average price of wheat flour is reported in Bagrami, Deh Sabz and Kabul centre, and the lowest is reported in Qarabagh and Surobi districts. As shown in Figure 2, the wheat flour prices also increased in Bagrami, Kabul, and Deh Sabz compared to same month last year (October 2015). The wheat flour price in the assessed districts is lower than the national average price which is mainly due to maintained supply from neighbouring countries and provinces.
LIVELIHOODS, ACCESS TO FOOD, AND ASSISTANCE NEEDS

SOURCES OF FOOD AND INCOME

The returnees and IDPs in the assessed districts of Kabul province reported that buying on credit in the local market, and borrowing or receiving gifts from relatives were the main ways they currently access food. Most of the IDPs are relying on casual labour works to earn income. It’s important to note that even though casual labour was cited as an income source for IDPs, they also indicated that casual labour opportunities are very scarce. The respondents in all the assessed districts indicated that IDPs may find 1-2 days of casual labour work per week.

The source of income for returnees is different than the IDPs. The majority of the returnees are mainly relying on small scale farming and gardening to gain income, and some of the returnees are relying of petty trades such as small scale shops and casual labour works.

Both the IDPs and returnees have good access to the markets and no major security concerns exists, while the main issue for the IDPs is limited/no income to buy food from the markets which is mainly due to relying on limited casual labour works.

HOUSEHOLDS' ABILITY TO BUY FOOD

The terms of trade (ToT) between wheat flour and casual labour is a proxy indicator for household purchasing power, which shows the quantity of wheat flour that can be purchased with the wage earned from one day of casual unskilled labor. The ToT was found to be the lowest in Bagrami and Deh Sabz districts (10 kgs/day) in the month of October 2016, and the highest ToT was reported in Kabul, Qarabagh and Surobi districts (11 kgs/day). The ToT may deteriorate in all the assessed districts due to the upcoming winter and subsequent limited work opportunities.

The highest casual labor daily wage was reported in Kabul and Qarabagh districts (AFN 300/day), for the month of October, followed by Surobi (AFN 290/day), and daily wage rate in Bagrami and Deh Sabz was reported at AFN 280/day. The reason for the lower wage in some of the districts is mainly due to the high number of casual labors and limited work opportunities.

In terms of physical access to markets, all respondents reported that both households and traders were able to access the markets. There maybe limited security issues in some of the assessed districts which do not have impact on access to markets.

ASSISTANCE NEEDS

Food, shelter and education were by far the two most often reported assistance needed by both returnees and IDPs, especially in preparation for the winter season. Respondents reported that for these districts there some assistance had been provided by various organizations but has been limited. However, many of the returnees in these districts should have received assistance at the border, upon entering Afghanistan.

The majority of the returnees and IDPs prefer to receive cash assistance, while some prefer in-kind/food assistance.

For further information:

brian.gray@wfp.org
mudasir.nazar@wfp.org

VAM website: vam.wfp.org
mVAM website: vam.wfp.org/mvam

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