KEY FINDINGS

- Supplies of food commodities to Kandahar City are mainly from Pakistan via the Spin Boldak border. In turn, Kandahar city is the main supply chain of food commodities to most districts of Kandahar province, except for Spin Boldak district where the supply of food is mainly directly from Pakistan. There supply of food commodities to the districts of Kandahar remains constant, with only some security concerns for the traders when supply commodities from Kandahar city to Shah Wali Kot district market.
- The average prices for wheat flour, rice, sugar and cooking oil are reported to be lower in Arghandab, Daman, Dand, Maywand, Shah Wali Kot, Zheray compared to the previous month (March 2017), which is mainly due to maintained supply from Kandahar city and Pakistan. However the prices for the same commodities are reported to be slightly higher in Kandahar city, Panj Wayi and Spin Boldak district markets, which is mainly due to increased transportation costs in recent weeks.
- The market of Kandahar city is considered the largest among all the district markets of Kandahar province, followed by Dand and Spin Boldak markets. The markets of the remaining districts of Kandahar are relatively smaller with fewer food shops. The markets of all the assessed districts have the capacity to fulfil the current demand as well as a 20 percent increase in demand in the future.

ASSESSMENT BACKGROUND AND METHODOLOGY

In April 2017, WFP conducted a mobile market survey in 18 districts of Nangarhar province in order to assess the impact of the border closure on the district markets of Nangarhar province. A similar assessment was conducted in 9 district markets of Kandahar province to assess the food prices, supply and availability. The findings of this assessment will help WFP and partners to prioritize cash or in-kind support to the vulnerable populations, based on the market functions.

The Spin Boldak border crossing from Pakistan into Kandahar province is the main supply route to the markets in the southern region. This border was also closed for almost a month (from end of February through the 3rd week of March) and thus impacted the markets in the southern region. An mVAM market assessment was conducted by WFP from 30th April – 3rd May in order to assess the food prices, availability and supply in the district markets of Kandahar province.

The findings of this report are only based on a mobile survey (mVAM). The information in this assessment is collected from the traders in 9 district (Arghandab, Daman, Dand, Kandahar city, Maywand, Panj Wayi, Shah Wali Kot, Spin Boldak and Zheray) markets out of 16 district of Kandahar province. A total of 54 interviews were conducted with the traders in 9 mentioned districts. For each district, 6 interviews were conducted.

The districts in orange have relatively smaller markets and few food shops compared to the markets in green. The food prices are also slightly higher.

The district in red has markets with fewer food shops compared to the markets in green. The traders also face some security issues when supplying food from Kandahar city.

The districts in green are those with good food supply, stable food prices and limited/no security issues.

The districts in gray were not assessed.

The district in orange have relatively smaller markets and food shops compared to the markets in green. The food prices are also slightly higher.

The district in red has markets with fewer food shops compared to the markets in green. The traders also face some security issues when supplying food from Kandahar city.

The districts in green are those with good food supply, stable food prices and limited/no security issues.

The districts in gray were not assessed.
The prices for the staple foods (wheat flour, rice, cooking oil and sugar) are reported to be stable in most of the assessed district markets compared to the previous month (March 2017). The food prices were slightly decreased in Arghandab, Daman, Dand, Maywand, Shah Wali Kot and Zheray markets compared to last month (March 2017), while slight increases in food prices were reported in Kandahar City, Panj Wayi and Spin Boldak markets. In addition there were decreases in the price of sugar in Dand and Spin Boldak district markets.

Since the Kandahar City main market is the main food supply source to the remaining assessed district markets, it is important to compare the prices of Kandahar City with the remaining district markets to assess the prices differences. The findings show that the prices for the food commodities are higher in all the remaining district markets when compared with Kandahar City main market, except for the prices of rice in Shah Wali Kot, Spin Boldak and Zheray districts which are reported to be lower than in Kandahar City.

The retail price for **wheat flour** is the highest in Maywand district markets, followed by Daman and Shah Wall Kot. The lowest price for wheat flour is reported in Kandahar City, followed by Dand, Zheray, Spin Boldak and Panj Wayi.

The retail price for **rice** is the highest in Arghandab, Dand and Daman district markets, followed by Panj Wayi, Maywand and Kandahar City markets. The lowest price for rice is stated in Zheray market, followed by Spin Boldak and Shah Wali Kot markets.

The price for **sugar** is the highest in Shah Wali Kot district, followed by Arghandab, Daman and Zheray markets. The lowest price for sugar was reported in Spin Boldak market, followed by Dand, Maywand and Panjwayi district markets.

The price for **cooking oil** is reported the highest in Shah Wali Kot market, followed by Daman and Dand districts. The lowest price is reported for Panj Wayi, Maywand, Arghandab, Zheray and Spin Boldak districts.

**Figure 1. Percentage changes in wheat flour, rice, sugar and cooking oil prices compared to the prices of Kandahar main city market**

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<table>
<thead>
<tr>
<th>District Name</th>
<th>Wheat flour</th>
<th>Rice</th>
<th>Sugar</th>
<th>Cooking Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arghandab</td>
<td>27</td>
<td>82</td>
<td>54</td>
<td>67</td>
</tr>
<tr>
<td>Daman</td>
<td>28</td>
<td>82</td>
<td>50</td>
<td>71</td>
</tr>
<tr>
<td>Dand</td>
<td>26</td>
<td>82</td>
<td>44</td>
<td>70</td>
</tr>
<tr>
<td>Maywand</td>
<td>32</td>
<td>77</td>
<td>48</td>
<td>67</td>
</tr>
<tr>
<td>Panj Wayi</td>
<td>27</td>
<td>78</td>
<td>48</td>
<td>65</td>
</tr>
<tr>
<td>Shah Wali Kot</td>
<td>28</td>
<td>74</td>
<td>55</td>
<td>78</td>
</tr>
<tr>
<td>Spin Boldak</td>
<td>27</td>
<td>73</td>
<td>42</td>
<td>68</td>
</tr>
<tr>
<td>Zheray</td>
<td>26</td>
<td>68</td>
<td>49</td>
<td>67</td>
</tr>
<tr>
<td>***Kandahar City</td>
<td><strong>25</strong></td>
<td><strong>76</strong></td>
<td><strong>46</strong></td>
<td><strong>68</strong></td>
</tr>
</tbody>
</table>
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**Note:** The retailer prices are collected for all the commodities mentioned in Figure 1 and 2. All the prices are in AFN/Kg-Lit

* Wheat flour price is collected for high quality
** Rice price is collected for high quality
*** The Kandahar main city average price is collected through mobile at the same time that is collected for other districts
Access and Supply to Markets

Access is not a challenge for the traders in order to supply food commodities from Kandahar City market to all the assessed districts except for Shah Wali Kot district, where traders are facing some security concerns. All the assessed districts are well connected to the Kandahar centre, and conflict-related insecurity is not disrupting the supply to the districts of Kandahar as in the previous years. The traders noted that the security situation significantly improved in 2017 compared to the past few years. In addition, the transportation costs had also reduced compared to the previous years which is mainly due to the improved security situation.

Supply of food commodities to all the districts of Kandahar province is from Kandahar City centre except for Spin Boldak to which supply is coming directly from Pakistan through Spin Boldak border. The Spin Boldak border was closed for almost a month starting from the end of February until the end of March 2017, which had an impact on the food supply to the markets of Kandahar and also on the food prices, mainly on perishable foods (vegetables and fruits). The border closure also limited the availability and prices of the staple foods such as wheat flour, rice, cooking oil and sugar.

Market Capacity

The markets of Kandahar City, Dand and Spin Boldak districts appear to be the largest in Kandahar province while the markets in Arghandab, Daman, Maywand, Panj Wayi, Shah Wali Kot and Zheray districts are relatively smaller, with fewer shops. All the assessed markets have the ability to respond to the current demand and can also respond if the current demand increases in the future.

The largest stocks of staple foods are reported in Kandahar City market, Spin Boldak and Dand markets, followed by Arghandab, Daman, Maywand, Panj Wayi, Shah Wali Kot and Zheray district markets.

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

Terms of Trade (ToT)

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 labour.

The terms of trade was reported the highest in Kandahar City and Zheray districts (14 kgs of wheat flour/day wage), followed by Arghandab, Dand, Panj Wayi, Shah Wali Kot and Spin Boldak districts (13 kgs of wheat flour/day wage). The lowest ToT was reported in Maywand district (11 kgs of wheat flour/day wage) and followed by Daman (12 kgs of wheat flour/day wage).

The availability of the casual labour work is very limited (1-2 day/week) in most of the assessed districts, and households are rarely able to earn enough to meet their food needs.

Source: Jean-Baptiste Pasquier - WFP/ Retailer shop in Kabul main city