Socioeconomic Background

According to Iraqi authorities, 414,000 people are currently displaced from western Mosul, while the number continues to steadily increase. 622,000 people in total have now been recorded as being displaced from Mosul city while 360,000 people are estimated to be living in ISIL-held western Mosul, where living conditions are of grave concern to humanitarian actors, and markets are not functioning with very low availability of food as per the latest WFP Mosul Flash Update.2

According to a Rapid Needs Assessment conducted in 45 accessible neighborhoods of Mosul City between 25 March and 11 April 2017, 25% of the assessed neighborhoods reported that the majority of residents had insufficient access to food in the preceding seven days.

Highlights

- Displacement from Mosul continues, with 414,000 people currently displaced from West Mosul.
- In Eastern Mosul one fourth of the assessed neighbourhoods reported insufficient access to food, while in the ISIL-held areas of the city, food availability is extremely low.
- An average 1% increase in the cost of the minimum food basket has been registered in the country. The cost of the minimum food basket in the six hard-to-reach areas exhibited an increase of 2%.
- In April, the food basket in Kirkuk became the most expensive at IQD 1,110 considerably more expensive than in Sulaimaniyah where the minimum food basket cost was recorded as lowest at IQD593.
- The wage of unskilled labour has decreased by approx. 2% in hard-to-reach areas, while in the rest of the country it has increased by 1% compared to last month, leaving wages in hard-to-reach areas on average 23% lower than the rest of the country.

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1 OCHA IRAQ: Humanitarian Bulletin | Issued on 10 May 2017
2 WFP IRAQ: Emergency Update #7: Mosul, 4/2017
Food National Price Trends

In April, the prices of the food commodities monitored by WFP have followed largely similar paths at national level (Chart 1). With the exception of rice, which saw its national average price increase by 3%, all other commodities saw their prices fluctuate within an interval of −2% to 1%, indicating a largely stable behavior in prices compared to March 2017. Specifically, the price of lentils decreased by 2% compared to February 2017, while the price of vegetable oil decreased by 1% returning to its stable behavior in the months preceding February 2017. Wheat flour, on the other hand, having increased by 5% last month, saw its price stabilize in April 2017. Sugar, increased by 1% this month. Other relevant commodities monitored by WFP followed similar paths at the national level. The price of meat increased by 2%, that of cooking gas remained at the level of March, and that of onion decreased by 1%, while price of milk increased by 1%.

At governorate level, prices have witnessed mixed trends for most commodities. While prices in Anbar, Basrah, Diyala, Kerbala, Missan, Muthana, Najaf, Ninewa, Qadisiya, Salah Al-Din and Dohuk did not exhibit any significant changes compared to March’s prices, other governorates exhibited significant fluctuations in commodity prices. In Dohuk, the prices of milk, lentils, and rice increased by 12%, 25% and 17% respectively,
while the price of meat decreased by 20%. In Erbil, the prices of onion, rice, and sugar increased by 15%, 25%, and 20%, respectively. In Kirkuk, a governorate which had been witnessing an inconsistent trend in the last months, the price of milk, vegetable oil, and rice increased by 42%, 12%, and 31% respectively, while sugar decreased by 13%. In Sulaimaniyah, the prices of milk, lentils, oil, onions, and rice decreased by respectively 13%, 55%, 33%, 30% and 42%, while meat and wheat flour increased by respectively 7% and 10%. In Thi-Qar, the prices of onion and rice increased by respectively 20% and 29%, while that of meat increased by a surprising 208%. Finally, in Wasit, the prices of onions, rice, and wheat increased respectively by 33%, 31% and 10%.

As shown in Chart 2, an average 1% increase in the cost of the minimum food basket has been registered in the country. The cost of the minimum food basket in the six hard-to-reach areas exhibited a higher increase (2%) compared to the rest of the country. Looking at governorate level, the largest decrease in the cost of the minimum food basket occurred in Sulaimaniyah, where the price decreased by 29%. Additionally, the cost of the minimum food basket increased in Erbil (10%), Kirkuk (10%), Thi Qar (11%), and Wasit (15%). Anbar, Ninewa, and Najaf, on the other hand, saw the cost of their minimum food basket decrease by 2 to 3 percent. In April, the food basket in Kirkuk became the most expensive at IQD 1,110 considerably more expensive than in Sulaimaniyah where the minimum food basket cost was recorded as lowest at IQD 593. Due to some, albeit limited, sharp fluctuations in prices the level of integration of markets across the country has not been as satisfactory as previous months, although the overall level of integration remains satisfactory (Chart 3).

Regarding staple commodities, the price of food items tends to follow a common trend in all governorates, with few exceptions. Nevertheless some commodities can still be found at prices up to three times higher in some locations compared to others. Fresh milk was indeed found at IQD 1,500 in Muthana and at IQD 5,000 in Wasit. Similarly lentils price in April was IQD 1,250 in Sulaimaniyah, while IQD 2,688 in Wasit. One kg of meat was more convenient in Muthana (IQD 7,500), and much more expensive in Kerbala (IQD 16,000). Vegetable oil, onions and sugar were found more expensive in Kirkuk than in any other part of the country. Wheat flour was still cheap in Erbil (IQD 600) while its highest price is in Najaf (IQD 1,463). Similarly the highest price for rice was recorded in Najaf (IQD 1,500). This is the reason why the food basket cost, which highly relies on wheat flour and rice, is higher in Najaf than any other governorate. Details by commodity and by governorate are presented in Annex 1 and Annex 2.

It must be taken into consideration that averages don’t include locations where food commodities are reported as not available or where key informants have not answered the calls (see Methodology).
Unskilled Labour Wages and Terms of Trade (ToT)

The wage of unskilled labour has decreased by approximately 2% in hard-to-reach areas, while the wage of unskilled labor in non-hard-to-reach locations has increased by 1% compared to March, leaving wages in hard-to-reach areas on average 23% lower than the rest of the country (Chart 4). Looking at governorate level, Babylon and Qadisiya, for the eighth month in a row, register the highest daily wages at IQD 30,000 while Salah Al-Din offers the lowest stipends at IQD 16,250 for the third month in a row. The only major fluctuation concerns Erbil,

Focus on Hard-to-Reach Areas

Hard-to-reach areas are locations widespread in six governorates (Anbar, Baghdad, Diyala, Kirkuk, Ninewa and Salah Al-Din) where WFP complements its traditional data collection with mVAM methodology. Looking in details at these governorates, the food basket cost in the last six months has followed different trends.

The cost of the food basket increased in Baghdad and Kirkuk, while it decreased in Anbar and Ninewa, and stabilized in Diyala and Salah Al-Din (Chart 6). This reflects into the wage-to-food terms of trade (Chart 7). Nevertheless, the highest is found in Nineva (24.8) and the lowest in Salah Al-Din (19.1). Key informants in Hawija reported that still most of the basic foods are missing and because of the siege people are suffering. On a relevant note respondents in Beigy (Salah Al-Din) reported that the security situation is not good, with ISIL killing 50 people 2 days before the call. Security was described as an issue also in Tarmia (Baghdad). Finally in Ramadi (Anbar), key informants reported lack of medicines and electricity in the area. People are slightly...
Methodology

Market information is collected on a weekly basis by WFP field monitors. Additionally, WFP in partnership with Islamic Relief Worldwide (IRW) collects market data remotely through mVAM technology from key informants in those governorates where access is restricted, using telephone interviews. Data are then cleaned and consolidated. Monthly averages are used for the Iraq Monthly Monitor Report. Map 1 shows the location of the WFP monitored markets as well as the hard-to-reach areas monitored through mVAM.

Field monitors collect prices for 23 food commodities, 3 fuel items, 7 hygiene commodities, and the cost of unskilled labour for one day of work. WFP field monitors cover 12 governorates where access is not restricted plus three additional governorates (Kirkuk, Baghdad and Diyala) when the security situation allows. IRW key informants collect market prices of 8 main food commodities and the daily wage of unskilled labour from six hard-to-reach areas in central and northern governorates of Iraq (Anbar, Baghdad, Diyala, Kirkuk, Ninewa and Salah Al-Din) through mVAM technology.

The report is based on the analyses produced by the Integrated Market Surveillance Tool (IMST). The IMST is an agile market monitoring tool that was developed for WFP Iraq and is aimed at storing raw data collected by field monitors and key informants, and creating contextualized analyses. The tool analyzes trends of main food and non-food commodities, minimum food basket, and provides an indication of how much the markets are integrated within and across governorates. Food and non-food prices are analyzed against previous periods, including key baselines, such as the pre-crisis values of February 2015. Non-food items prices are not reported in this report unless a change in the price level has an impact on food security.

The IMST includes information regarding the availability of main food commodities in hard-to-reach locations, which is collected by key informants. The classification of the availability is based on the monthly averages. A commodity is classified as Available when it is found available on every visit in the key market of a specific governorate; Widely Available when for only one visit the availability is not full; Sporadically Available when in at least half of the visits, the commodity is recorded as rare in the market; a commodity is Mostly Not Available when it was found only in rare cases in a governorate during the analyzed month; finally a commodity is classified as Not Available when it is not found in any market of a governorate at all.

The minimum food basket monitored by WFP contains five food commodities. The quantities are adjusted against the survival caloric intake needs. The five commodities are wheat flour, sugar, rice, vegetable oil and onion.

The IMST also provides specific and customizable analyses on hard-to-reach areas, at district and sub-district level. This allows to detect local issues regarding market price, availability as well as any other information regarding the specific market catchment area, including security and coping mechanism commonly adopted in the area. Given the unstable context the IMST is flexible enough to allow ad hoc analysis whenever required.

The Iraq Market Monitor Report is issued since August 2016 on a monthly basis.

NOTE: Due to the long-lasting conflict in Falluja and the related impact on markets, to avoid distortions on average price analyses by governorate and maintain consistency over time, the Falluja district has been removed from all quantitative analyses related to Anbar. Falluja’s information and data are analyzed aside in district-level analyses. The same approach has been used with regards to Mosul in Nineawa.
## Annex 1: Market Prices by Governorate

<table>
<thead>
<tr>
<th>Market</th>
<th>Commodity</th>
<th>Current Month</th>
<th>Prices Data in Previous Period</th>
<th>% Change from Stated Period</th>
<th>Direction of change</th>
<th>Legend (Annex 1 and Annex 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Current Month</td>
<td>Previous Month</td>
<td>% Change</td>
<td></td>
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<tr>
<td></td>
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<td>1 Month</td>
<td>3 Month</td>
<td>6 Month</td>
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<td></td>
<td>Fresh Milk</td>
<td>1,000</td>
<td>1,500</td>
<td>2,000</td>
<td>-5%</td>
<td><strong>Bottom values are highlighted in green</strong></td>
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<td>Dhall</td>
<td>1,500</td>
<td>1,000</td>
<td>1,500</td>
<td>30%</td>
<td><strong>Top values are highlighted in red</strong></td>
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<td>1,500</td>
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<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>-25%</td>
<td><strong>Changes within the 'normal' values are in yellow and show stability of prices</strong></td>
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<td></td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
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<td></td>
<td>Fresh Milk</td>
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<td>-25%</td>
<td><strong>Changes within the 'normal' values are in yellow and show stability of prices</strong></td>
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<td>1,500</td>
<td>1,500</td>
<td>0%</td>
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</table>

### Legend

- **Top values** are highlighted in red
- **Bottom values** are highlighted in green
- Top/bottom values as well as direction of change have inverted colors and arrows for the Unskilled Labor
- Positive changes beyond the defined threshold are highlighted in light green, while negative changes beyond the defined threshold are highlighted in light red.

Changes within the 'normal' values are in yellow and show stability of prices.
### Annex 2: Market Prices by Commodity

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Market</th>
<th>Current Period</th>
<th>Price Data in Previous Period</th>
<th>% Change from Stated Period</th>
<th>Period Price Data in Previous Period</th>
<th>% Change from Stated Period</th>
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