

Initial Market Price Bulletin for the month of **October 2014** (Reported in November 2014)

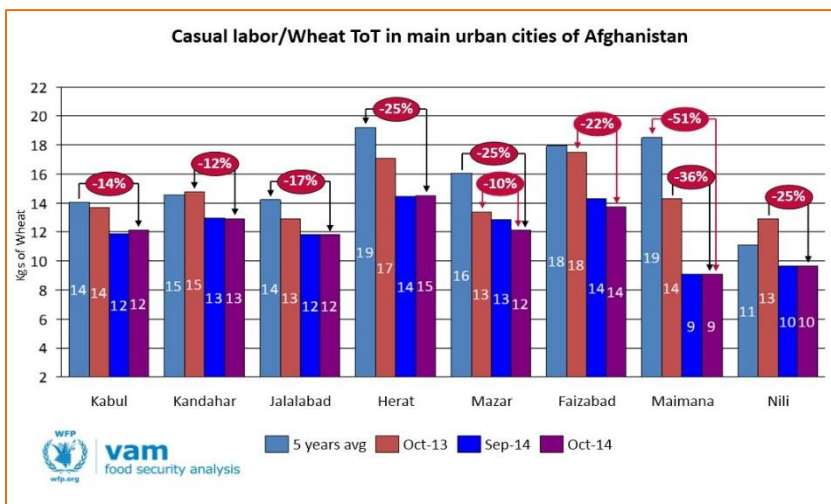
HIGHLIGHTS:

- Wheat: Average wheat grain retail price in the main cities' markets of the country was decreasing during April – June 2013, slightly increased during July 2013 – May 2014, slightly decreased in June – September 2014, and negligibly increased from September to October 2014.
- The current average wheat price in main cities of Afghanistan (AFN 23.9 /Kg) is higher by 10.6% compared to the same time last year (Oct 2013), and by 4.8% compared to the last 5-year average price of the same months (Octobers 2009 – 2013).
- Wheat flour (High Price): Average retail price in main cities' markets of Afghanistan was slightly decreased during April – June 2013, relatively stable during July – September 2013 and was slightly increasing during October – December 2013. It slightly decreased during January - February 2014, however, it was slightly increasing again during March - September 2014, and slightly decreased from September to October 2014. The current retail price (AFN 30.9/kg) is higher by 5.8% compared to the same month last year (October 2013), and by 6.6% compared to the last 5-year average price of the same months.
- Rice is considered as the 2nd main staple food in Afghanistan. The current average retail price of Low Quality Rice (AFN 41.7/kg) is lower by 8.7% compared to the same month last year (Oct 2013), but significantly higher by 10.6% compared to the last 5-year average price of the same months. The current average price of High Quality Rice (AFN 87.8/kg) is negligibly lower by 0.4% compared to the same month last year (October 2013), but higher by 23.5% compared to the last 5-year average price of the same months.

Terms of Trade (ToT):

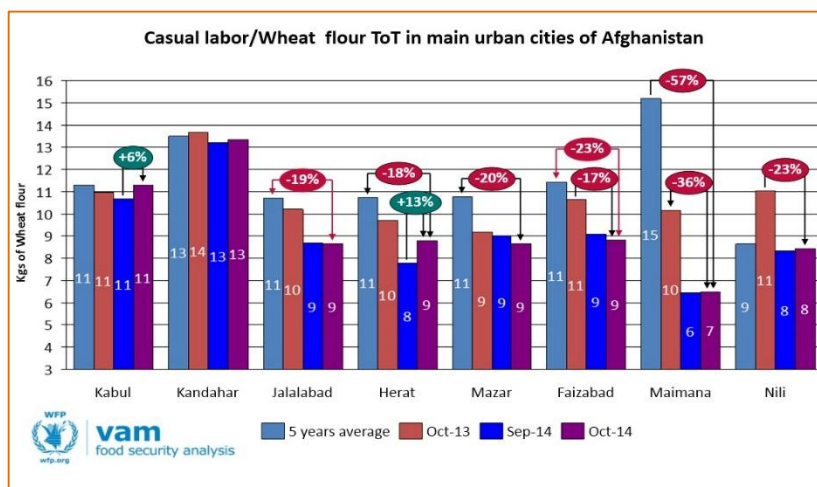
Casual Labor and Wheat (ToT): The Terms of Trade (ToT) between casual Labor and wheat is a proxy indicator or the purchasing capacity of households relying on casual labor as main income, and purchase of wheat in the market. This ToT reveal how many Kilograms of wheat can be purchased with one day of casual unskilled labor wage, but do not say how many days a month a laborer can get to cover the family food needs.

- Wage labor-Wheat ToT average for the reporting month was 12 Kgs of Wheat. On average, this ToT slightly deteriorated (by 1.1%) from September to October 2014, mainly due to increased Wheat price (by 0.5%) and decreased labor wage (by 0.4%). This deterioration was also experienced in the same period during the three preceding years: by 2% in September – October 2013, 8.4% in September – October 2012 and by 3.6% in September – October 2011.
- In comparison to the same month one year ago (October 2013), this ToT significantly deteriorated by 17.6%, mainly due to increased Wheat price (by 10.6%) and decreased labor wage (by 8.8%).
- On the two-year comparison (October 2012), this ToT significantly deteriorated by 26.1%.
- Compared to the 5-year average of the same months (Octobers 2009-2013), this ToT significantly deteriorated by 23.7%.



Casual Labor and High Price Wheat flour (ToT): The Terms of Trade (ToT) between casual Labor and High Price Wheat Flour is a proxy indicator or the purchasing capacity of households relying on casual labor as main income, and purchase of Wheat Flour in the market. This ToT reveal how many Kilograms of Wheat Flour (HP) can be purchased with one day of casual unskilled labor wage, but do not say how many days a month a laborer can get to cover the family food needs.

- Wage labor-Wheat flour (HP) ToT average for the reporting month was 9.3 Kgs of Wheat flour

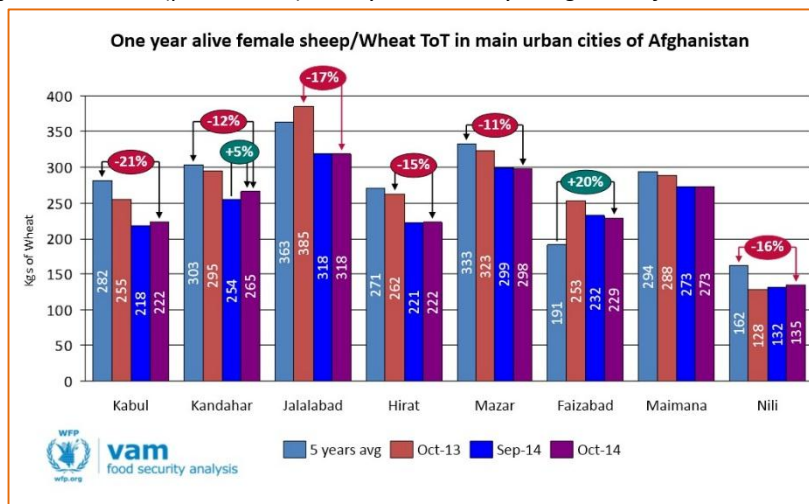


which slightly improved by 1.8% from September to October 2014, mainly related to decreased wheat flour price (by 2.3%). This improvement was not experienced in the same period during the three preceding years, when it was deteriorated by 3.3% in September – October 2013, by 10.1% in September – October 2012 and by 2.8% in September – October 2011.

- Compared to the same month one year ago (October 2013), this ToT significantly deteriorated by 12.9%, mainly related to decreased labor wage (by 8.8%) and increased Wheat flour price (by 5.8%).
- On the two-year comparison (October 2012), this ToT significantly deteriorated by 18%.
- Compared to the 5-year average of the same months (Octobers 2009-2013), this ToT significantly deteriorated by 19.2%.

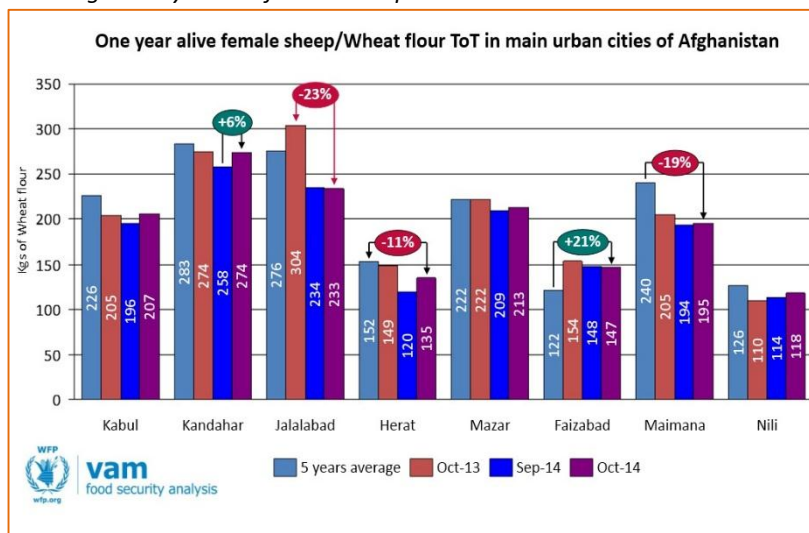
Sheep and Wheat (ToT): *The Terms of Trade between a one year old female sheep and Wheat is a proxy for the purchasing capacity of those households that are mainly reliant on income from livestock (pastoralists). It says how many kilograms of Wheat can be obtained when selling a one year old female sheep.*

- Sheep-Wheat ToT for the reporting month was 245 Kgs of wheat against one year alive female sheep, which negligibly improved by 0.8% from September to October 2014. Main reason for improvement was increased sheep price (by 1.5%). This improvement was only experienced in September-October 2011 with an improvement by 4.4%, while it deteriorated by 1.1% in September – October 2013 and by 1.5% in September - October 2012.
- Compared to the same month one year ago (October 2013), this ToT significantly deteriorated by 10.3%, mainly related to increased Wheat price (by 10.6%) and decreased Sheep price (by 0.2%)
- On the two-year comparison (October 2012), this ToT significantly deteriorated by 15.7%.
- Compared to 5-year average of the same months (Octobers 2009-2013), this ToT significantly deteriorated by 10.7%.



Sheep and High Price Wheat flour (ToT): *The Terms of Trade between a one year old female sheep and High Price Wheat Flour is a proxy for the purchasing capacity of those households that are mainly reliant on income from livestock (pastoralists). It says how many kilograms of Wheat Flour (HP) can be obtained when selling a one year old female sheep.*

- Sheep-Wheat flour ToT for the reporting month was 190 Kgs of Wheat flour against one-year alive female sheep, which slightly improved by 3.5% from September to October 2014. The improvement was related to decreased Wheat flour price (by 2.3%) and increased Sheep price (by 1.5%). Main reason for improvement was increased sheep price (by 1.5%). This improvement was only experienced in September – October 2011 with an improvement by 5.1%, while deteriorated by 2.9% in September – October 2013 and September – October 2012.
- Compared to the same month one year ago (October 2013), this ToT slightly deteriorated by 6.1%, mainly due to increased Wheat flour price (by 5.8%) and negligible decreased in Sheep price (by 0.2%).
- On the two-year comparison (October 2012), this ToT deteriorated by 9.2%.
- Compared to 5-year average of the same months (Octobers 2009-2013), this ToT deteriorated by 7.5%.



Retail Price of Wheat Grain in Main Urban Cities:

- The monthly average price of Wheat in main cities' markets of Afghanistan was AFN 23.9/Kg in October 2014. Compared to the past month (September 2014), the average price negligibly increased by 0.5%. The variation in all main cities was within a

normal limit (-2% to 4.2%). This increase was also experienced in the last 3 proceeding years, except 2011: increased by 0.2% in September – October 2013 and by 6% in September – October 2012, while unchanged in September – October 2011.

- Compared to the same month one year ago (October 2013), the average price significantly increased by 10.6%. The highest increase occurred in Hirat (17.8%), Kandahar (14.1%), Kabul (12.5%) and Mazar (11.7%), mainly due to seasonally increased price of Wheat after harvesting. The variation in other main cities was within a normal range (4.8% to 9.4%).
- On the two-year comparison (October 2012), the average price was significantly increased by 15.3%.
- Compared to the last 5-year average price of the same months (Octobers 2009 - 2013), the price slightly increased by 8.4%.

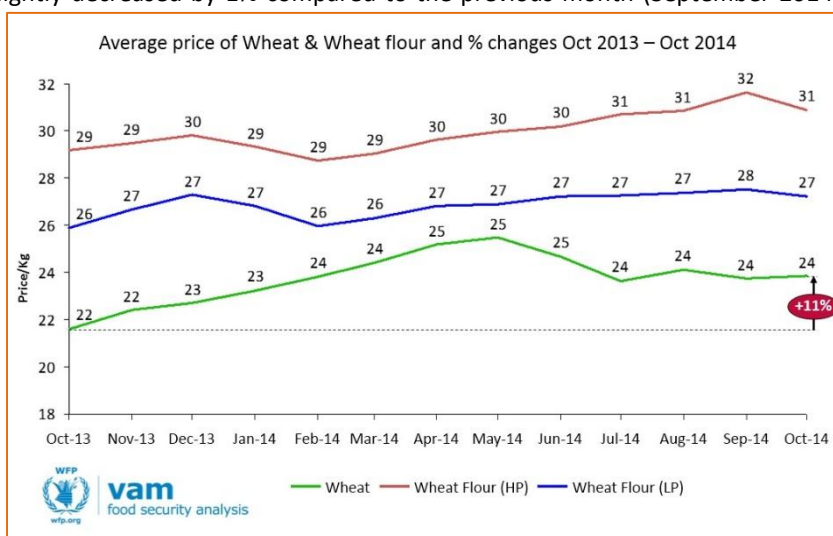
Retail Price of Wheat flour in Main Urban Cities:

Wheat flour (High Price):

- The monthly average price of Wheat flour (High Price) in main cities' markets was AFN 30.9/Kg in the reporting month (October 2014). The average price slightly decreased by 2.3% compared to the previous month (September 2014). The highest decrease occurred in Hirat (by 11.4%) and Kabul (by 5.3%), and main reason for the decrease was maintained supply of imported Wheat flour from Pakistan and Kazakhstan. The variation in other main cities was within a normal limit (-1.4% to 3%). During the three preceding year, this decrease was only experienced in September –October 2011 (decreased by 0.1%), while it increased by 3% in September – October 2013 and by 7.2% in September – October 2012.
- Compared to the same month one year ago (October 2013), the current average price slightly increased by 5.8%. The highest increase occurred in Jalalabad (by 17.6%) and Hirat (by 10.1%). The variation in other main cities was within a normal range (-2.7% to 7.1%).
- Compared to the same month two years ago (October 2012), the average price of Wheat flour slightly increased by 5.5%.
- Compared to 5-year average price of the same months (Octobers 2009-2013), the average price slightly increased by 6.6%.

Wheat flour (Low Price): The monthly average price of Wheat flour (Low Price) in main cities' markets was AFN 27.2/Kg in the reporting month (October 2014). The average price slightly decreased by 1% compared to the previous month (September 2014). The variation in all main cities was within a normal limit (-4.3% to 3.9%). This decrease was not experienced during the three preceding years, when it increased by 2.9% in September – October 2013, by 3.2% in September – October 2012 and by 0.9% in September – October 2011.

- Compared to the same month one year ago (October 2013), the current average price increased by 5.2%. The highest increase was noticed only in Jalalabad (by 10.2%). Main reason for the increase was increased price of imported Wheat flour in border town markets. The variation in other main cities was normal (1.3% and 6.5%).
- Compared to the same month two years ago (October 2012), the average price significantly increased by 12.6%.



Retail Price of Rice in Main Urban Cities:

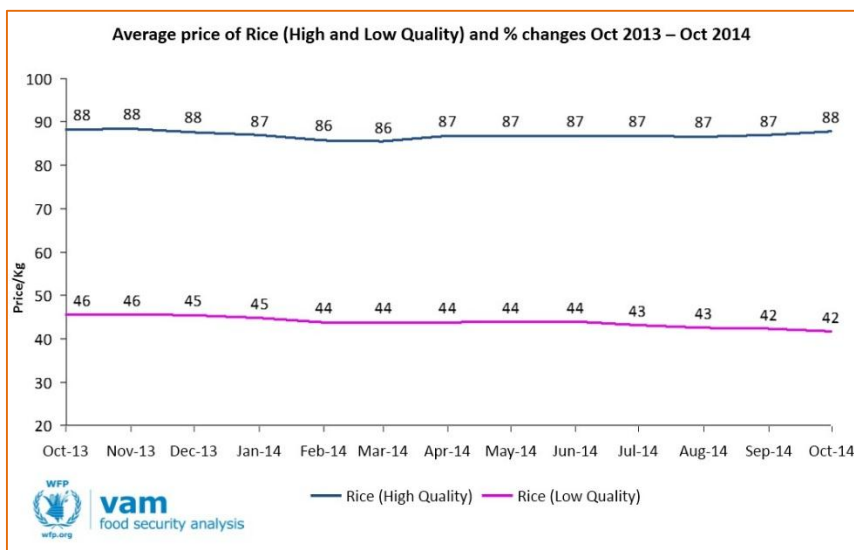
Rice (High Quality): The monthly average price of Rice (High Quality) was AFN 87.8/Kg in the reporting month (October 2014) which was negligibly increased by 0.9% compared to previous month (September 2014). The variation in all main cities was within a normal limit (-0.2% to 3.7%). In the last three proceeding years, this increase was also experienced: increased by 0.1% in September – October 2013, by 3.5% in September – October 2012 and by 0.6% in September – October 2011.

- Compared to the same month one year ago (October 2013), the average price negligibly decreased by 0.4%. The variation in all main city markets was within a normal range (-5.2% to 4.3%).
- Compared to the same month two years ago (October 2012), the average price significantly increased by 16.6%.
- Compared to 5-year average price of the some months (Octobers 2009-2013), the average price significantly increased by 23.5%.

Rice (Low Quality): The monthly average price of Rice (Low Quality) was AFN 41.7/Kg in the reporting month (October 2014), which slightly decreased by 1.4% compared to the previous month (September 2014). The highest decrease occurred only in Jalalabad (by 11.3%), mainly due to maintained supply of Rice from Pakistan, and decreased price after harvest. The variation in other main cities was normal (-3.1% to 0.7%).

In the last three preceding years, this slight decrease was only experienced in September – October 2013 (decreased by 1%), while the price increased by 4.4% in September – October 2012 and by 2% in September – October 2011.

- Compared to the same month one year ago (October 2013), the average price decreased by 8.7%. The largest decrease occurred in Jalalabad (44%) and Maimana (16.7%), while the largest increase occurred only in Hirat (10.8%). The variation in remaining main cities' markets was within a normal range (-7% to 5.4%). Main reason for the decrease was maintained supply of rice from Pakistan and India.
- Compared to the same month two years ago (October 2012), the average price slightly decreased by 2.2%.
- Compared to 5-year average price of same months (Octobers 2009-2013), the average price significantly increased by 10.6%.



Retail Price of Cooking Oil in Main Urban Cities:

The monthly average price of Cooking Oil was AFN 79.2/Kg in the reporting month (October 2014), which negligibly decreased by 0.7% compared to previous month (September 2014). The variation in all main cities was within a normal limit (-3.6% to 0.8%). In the last three preceding years, this slight decrease was only experienced in September – October 2011 (decreased by 1.1%), while the price increased by 0.6% in September – October 2013 and by 0.4% in September – October 2012.

- Compared to the same month one year ago (October 2013), the average price slightly decreased by 4.3%. The variation in all main cities was normal (-9.2% to 2.5%).
- Compared to the same month two years ago (October 2012), the average price decreased by 8.6%.
- Compared to 5-year average of the same months (October 2009 – 2013), the current average price slightly increased by 3.8%.

Retail Price of Salt, Sugar and No. of days averagely worked by a laborer:

Salt: The average price of Salt for the month of October 2014 was AFN 14.1/Kg, which negligibly increased by 0.4% compared to previous month (September 2014). The highest increase occurred only in Kandahar (by 5.8%). The price in other main cities remained unchanged.

Sugar: The average price of Sugar in October 2014 was AFN 44.6/Kg, which negligibly decreased by 0.6% compared to the previous month (September 2014). The highest decrease occurred only in Jalalabad (by 6.8%). The variation in other main cities was within a normal limit (0% to 4.4%).

Number of days averagely worked a laborer: The monthly average number of days worked by a laborer during October 2014 was reported 12 days. The highest number of days worked was in Kabul, Hirat, Maimana and Nili (16 days), followed by Kandahar, Jalalabad, Faizabad (12 days), and Mazar (8 days).

Market Watch:

Markets	Major Comm	Current Price per Kg	Price change (%)				Average				Markets	Major Comm	Current Price	Price change				Average				
			5 Y Ave	2 Y	1Y	1M	5 Y Ave	2 Y	1Y	1M				5 Y Ave	2 Y	1Y	1M	5 Y Ave	2 Y	1Y	1M	
KABUL	Wheat	24.8	8.3	17.9	12.5	-2.0	▲	▲	▲	▲	Livestock-One year live Sheep (Female)											
	Wheat flour (HP)	26.6	-6.1	-9.7	-2.7	-5.3	▲	▲	▲	▼	KABUL	Sheep	5,500	-2.4	-7.9	-1.8	0.0	▲	▲	▲	▲	
	Rice High Quality	98.0	34.6	27.3	4.3	0.0	▲	▲	▲	▲	KANDAHAR	Sheep	7,198	12.9	18.0	2.5	5.0	▲	▲	▲	▲	
	Rice Low Qaulity	50.0	43.2	28.2	1.5	0.0	▲	▲	▲	▲	JALALABAD	Sheep	7,000	6.0	-20.9	-9.7	0.0	▲	▼	▲	▲	
	Cooking Oil	81.1	6.8	-6.8	-4.8	0.2	▲	▲	▲	▲	HIRAT	Sheep	4,600	11.6	1.1	0.0	0.0	▲	▲	▲	▲	
KANDAHAR	Wheat	27.1	17.3	22.6	14.1	0.4	▲	▲	▲	▲	MAZAR	Sheep	6,400	20.0	-6.2	2.8	2.0	▲	▲	▲	▲	
	Wheat flour (HP)	26.3	4.5	13.5	2.5	-1.1	▲	▲	▲	▲	FAIZABAD	Sheep	5,000	38.1	17.6	-1.0	2.6	▲	▲	▲	▲	
	Rice High Quality	78.9	21.6	6.3	0.4	-0.2	▲	▲	▲	▲	MAIMANA	Sheep	6,000	8.1	1.3	-0.8	0.0	▲	▲	▲	▲	
	Rice Low Qaulity	28.8	-7.7	-14.1	5.4	-3.1	▲	▼	▲	▲	NILI	Sheep	4,200	3.2	-7.7	13.5	2.4	▲	▲	▲	▲	
	Cooking Oil	62.1	-3.1	-16.7	-7.2	-3.6	▲	▼	▲	▲	Terms of Trade Kgs of Wheat/Wheat flour											
JALALABAD	Wheat	22.0	8.7	14.3	9.3	0.0	▲	▲	▲	▲	KABUL	Casual Labor/Wheat	12.1	-13.9	-15.2	-11.1	2.0	▼	▼	▼	▲	
	Wheat flour (HP)	30.0	15.0	20.6	17.6	0.4	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat	12.9	-11.5	-4.9	-12.4	-0.4	▼	▲	▼	▲	
	Rice High Quality	81.6	26.3	13.8	1.4	3.7	▲	▲	▲	▲	JALALABAD	Casual Labor/Wheat	11.8	-16.8	-9.2	-8.5	0.0	▼	▲	▲	▲	
	Rice Low Qaulity	31.5	-22.4	-39.7	-44.0	-11.3	▼	▲	▼	▼	HIRAT	Casual Labor/Wheat	14.5	-24.5	-19.1	-15.1	0.5	▼	▼	▼	▲	
	Cooking Oil	77.5	4.6	-5.5	-3.1	0.8	▲	▲	▲	▲	MAZAR	Casual Labor/Wheat	12.1	-24.7	-36.1	-9.6	-5.9	▼	▼	▲	▼	
HIRAT	Wheat	20.7	9.5	23.6	17.8	-0.5	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat	13.7	-23.5	-38.5	-21.6	-4.0	▼	▼	▼	▲	
	Wheat flour (HP)	34.1	16.2	12.6	10.1	-11.4	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat	9.1	-50.9	-51.9	-36.4	0.0	▼	▼	▼	▲	
	Rice High Quality	77.4	22.8	9.0	3.2	2.3	▲	▲	▲	▲	NILI	Casual Labor/Wheat	9.7	-12.6	-11.0	-24.9	0.0	▼	▼	▼	▲	
	Rice Low Qaulity	28.7	6.0	-0.2	10.8	0.7	▲	▲	▲	▲	KABUL	Sheep /Wheat	222.2	-21.1	-21.9	-12.7	2.0	▼	▼	▼	▲	
	Cooking Oil	71.7	3.3	-10.4	-1.4	-1.4	▲	▼	▲	▲	KANDAHAR	Sheep /Wheat	265.4	-12.4	-3.8	-10.2	4.6	▼	▲	▼	▲	
MAZAR	Wheat	21.5	11.4	16.2	11.7	2.4	▲	▲	▲	▲	JALALABAD	Sheep /Wheat	318.2	-12.4	-30.7	-17.4	0.0	▼	▼	▼	▲	
	Wheat flour (HP)	30.0	10.4	3.4	7.1	0.0	▲	▲	▲	▲	HIRAT	Sheep /Wheat	222.5	-17.8	-18.2	-15.1	0.5	▼	▼	▼	▲	
	Rice High Quality	87.0	22.1	9.8	-4.4	2.4	▲	▲	▲	▲	MAZAR	Sheep /Wheat	297.7	-10.6	-19.3	-7.9	-0.4	▼	▼	▲	▲	
	Rice Low Qaulity	40.0	10.5	-14.0	-7.0	0.0	▲	▼	▲	▲	FAIZABAD	Sheep /Wheat	228.6	19.5	2.4	-9.5	-1.5	▲	▲	▲	▲	
	Cooking Oil	78.0	4.3	-13.8	-2.5	0.0	▲	▼	▲	▲	MAIMANA	Sheep /Wheat	272.7	-7.3	-2.6	-5.3	0.0	▲	▲	▲	▲	
FAIZABAD	Wheat	21.9	0.1	14.8	9.4	4.2	▲	▲	▲	▲	NILI	Sheep /Wheat	135.5	-16.4	-17.6	5.8	2.4	▼	▼	▲	▲	
	Wheat flour (HP)	34.0	0.4	3.6	3.4	3.0	▲	▲	▲	▲	KABUL	Casual Labor/Wheat flour	11.3	0.0	10.8	2.8	5.6	▲	▼	▲	▲	
	Rice High Quality	91.3	20.5	32.2	-5.2	0.0	▲	▲	▲	▲	KANDAHAR	Casual Labor/Wheat flour	13.3	-1.1	2.8	-2.5	1.1	▲	▲	▲	▲	
	Rice Low Qaulity	47.0	-3.8	-12.7	-4.1	0.0	▲	▼	▲	▲	JALALABAD	Casual Labor/Wheat flour	8.7	-19.1	-13.8	-15.0	-0.4	▼	▼	▼	▲	
	Cooking Oil	98.5	6.6	-6.2	-9.2	0.5	▲	▲	▲	▲	HIRAT	Casual Labor/Wheat flour	8.8	-18.1	-11.2	-9.2	12.8	▼	▼	▲	▲	
MAIMANA	Wheat	22.0	5.3	3.5	4.8	0.0	▲	▲	▲	▲	MAZAR	Casual Labor/Wheat flour	8.7	-19.7	-28.2	-5.8	-3.7	▼	▼	▼	▲	
	Wheat flour (HP)	30.8	17.7	13.9	4.2	-0.8	▲	▲	▲	▲	FAIZABAD	Casual Labor/Wheat flour	8.8	-22.7	-31.9	-17.1	-2.9	▼	▼	▼	▲	
	Rice High Quality	88.0	25.0	22.2	-3.3	0.0	▲	▲	▲	▲	MAIMANA	Casual Labor/Wheat flour	6.5	-57.2	-56.1	-36.0	0.8	▼	▼	▼	▲	
	Rice Low Qaulity	40.0	1.4	-7.0	-16.7	0.0	▲	▲	▲	▼	NILI	Casual Labor/Wheat flour	8.5	-2.3	6.3	-23.4	1.4	▲	▲	▼	▲	
	Cooking Oil	83.0	3.7	-7.8	2.5	-2.4	▲	▲	▲	▲	KABUL	Sheep /Wheat flour	206.6	-8.6	2.0	1.0	5.6	▲	▲	▲	▲	
NILI	Wheat	31.0	6.7	12.2	7.3	0.0	▲	▲	▲	▲	KANDAHAR	Sheep /Wheat flour	274.2	-3.2	4.0	-0.1	6.2	▲	▲	▲	▲	
	Wheat flour (HP)	35.5	-0.7	-6.0	5.2	-1.4	▲	▲	▲	▲	JALALABAD	Sheep /Wheat flour	233.3	-15.4	-34.4	-23.2	-0.4	▼	▼	▼	▲	
	Rice High Quality	100.0	16.6	14.0	1.0	0.0	▲	▲	▲	▲	HIRAT	Sheep /Wheat flour	135.0	-11.4	-10.2	-9.2	12.8	▼	▼	▼	▲	
	Rice Low Qaulity	68.0	55.3	52.8	1.5	0.0	▲	▲	▲	▲	MAZAR	Sheep /Wheat flour	213.3	-3.9	-9.4	-4.0	2.0	▲	▲	▲	▲	
	Cooking Oil	82.0	2.6	-3.2	-6.8	0.0	▲	▲	▲	▲	FAIZABAD	Sheep /Wheat flour	147.1	20.9	13.6	-4.2	-0.5	▲	▲	▲	▲	
											MAIMANA	Sheep /Wheat flour		195.1	-18.7	-11.1	-4.9	0.8	▼	▼	▲	▲
											NILI	Sheep /Wheat flour		118.3	-6.1	-1.8	7.9	3.9	▲	▲	▲	▲

Remark ▲ Price increase above normal price fluctuation ▲ Normal Price fluctuation ▼ Price decrease below normal price fluctuation

Price fluctuation is considered normal if the price change is within 5% for 1 month, or within 10% for 3 months, one year, two year and 5 years. 1M = Compared to month ago 1Y = Compared to Oct 2013 and 2Y = Compared to Oct 2012

Source: WFP/VAM market data from Afghanistan main cities (Kabul, Kandahar, Mazar, Jalalabad, Faizabad, Hirat, Maimana and Nili)

Vulnerability Analysis and Mapping (VAM) – World Food Programme (WFP), Afghanistan