AFGHANISTAN JOINT MARKET MONITORING INITIATIVE (JMMI)

9 - 28 February 2022

METHODOLOGY

Working through the Cash and Voucher Working Group (CVWG) and its partners, REACH facilitates the implementation of a partner-driven Joint Market Monitoring Initiative (JMMI) in Afghanistan. It is intended to be conducted on a monthly basis to provide longitudinal market and price data.

The JMMI assessment employs a quantitative key informant interview (KII) approach. The methodology includes surveys with purposively sampled traders (both retail and wholesale), acting as key informants (KIs) for their respective markets. Participants are selected through partner KI networks in their respective market areas.

Each KI was asked to report on general market functionality indicators, as well as prices for all relevant items that they trade. Depending on access and availability, partners conduct 4 KIIs per item with retail traders, and 2 KIIs per item for wholesale traders (for food and non-food items (NFIs)). KIs were asked for information encompassing the 30 days prior to data collection. Findings rely on the knowledge of KIs regarding their respective markets. The findings are, therefore, indicative and may not always fully reflect market activity in the assessed area.

Data from the 21th round of the JMMI was collected between Feburary 9th and 28th 2022.

Median cost of MEB[1]

224.17 USD

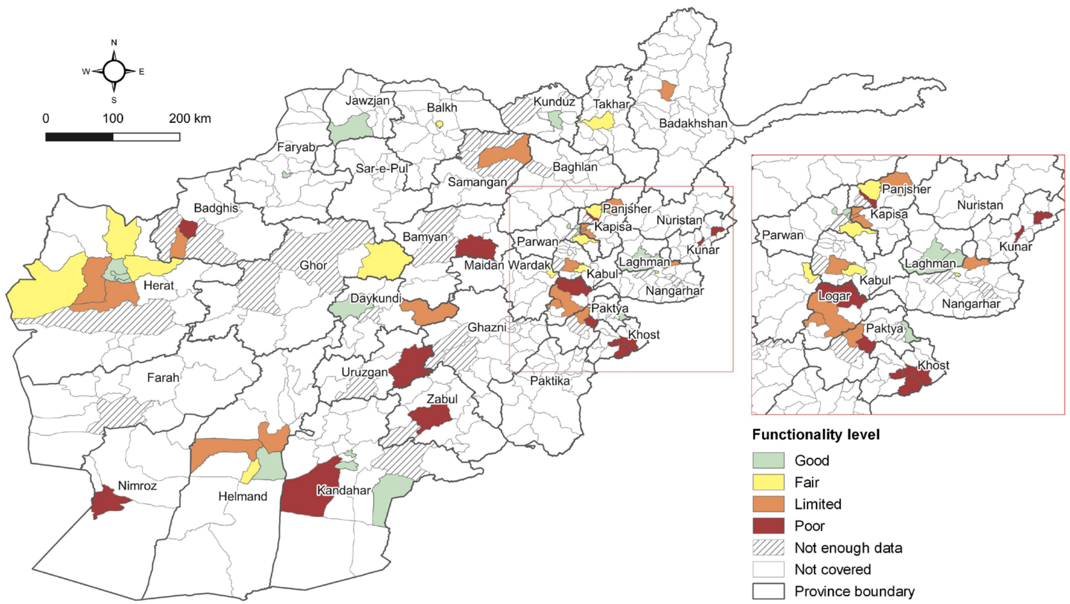
20,626 AFN

Median cost of Food Basket

78.33 USD

7,208 AFN

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT



20	participating agencies
31	assessed provinces
577	key informant interviews (KIIs)

The MFI is based on a percentage calculated at district level. If 4 or more retailers in the district are interviewed, then the MFI is calculated. If less than 4 are interviewed, then there is insufficient data and the MFI is not calculated in that district.

10% of KIs reported difficulties in restocking and obtaining commodities. The key items reportedly more difficult to obtain and restock are vegetable oil (84%), cereals (77%) and pulses (56%).

37% of KIs report an increase in price of food items and the most reported reasons are the increase in cost of suppliers (88%), followed by transportation cost (69%) and seasonality (9%).

To further inform the CVWG's JMMI in Afghanistan, REACH developed the JMMI Market Functionality Index (MFI), based on the similar index with the same name designed by the World Food Program's (WFP's) Research, Assessment & Monitoring, and Supply Chain divisions. The aim of the MFI is to assess markets' health at the district level, in order to inform the humanitarian community on whether cash and voucher assistance (CVA) may or may not be the most appropriate response to meet the beneficiaries' needs. The MFI is based on the assumption that, should the markets not be functional, beneficiaries who received the CVA may be unable to access basic commodities.

This map presents findings from rounds 20th and 21st of the JMMI's MFI, visualizing a scale of most functional assessed markets (green shades) to the least functional ones (dark red shades) at the district level across Afghanistan.

For further information kindly consult the WFP technical guidance.[3]

MINIMUM EXPENDITURE BASKET (MEB) CALCULATIONS

AFGHANISTAN MEB CONTENTS*

Food Basket	
Wheat Flour	89 Kg
Local Rice	21 Kg
Vegetable oil	7 Kg
Pulses**	9 Kg
Salt	1 Kg
Healthcare (fixed at 47 USD)	
Shelter (rent fixed at 30 USD)	
Transportation (fixed at 7.11 USD)	
Communication (fixed at 3.51 USD)	
Fuel and Electricity (fixed at 9 USD)	

Water and Hygiene (fixed at 34 USD)	
Soap for handwasing and bathing	
Soft cotton cloth ($2m^2$ piece)	
Water Sanitation and Hygiene	
Sanitary pad (box of 10/12)	
Underwear	
Toothpaste	
Education (Stationary and snack)	fixed at 11 USD
Unmet needs (10% of sum of above)***	

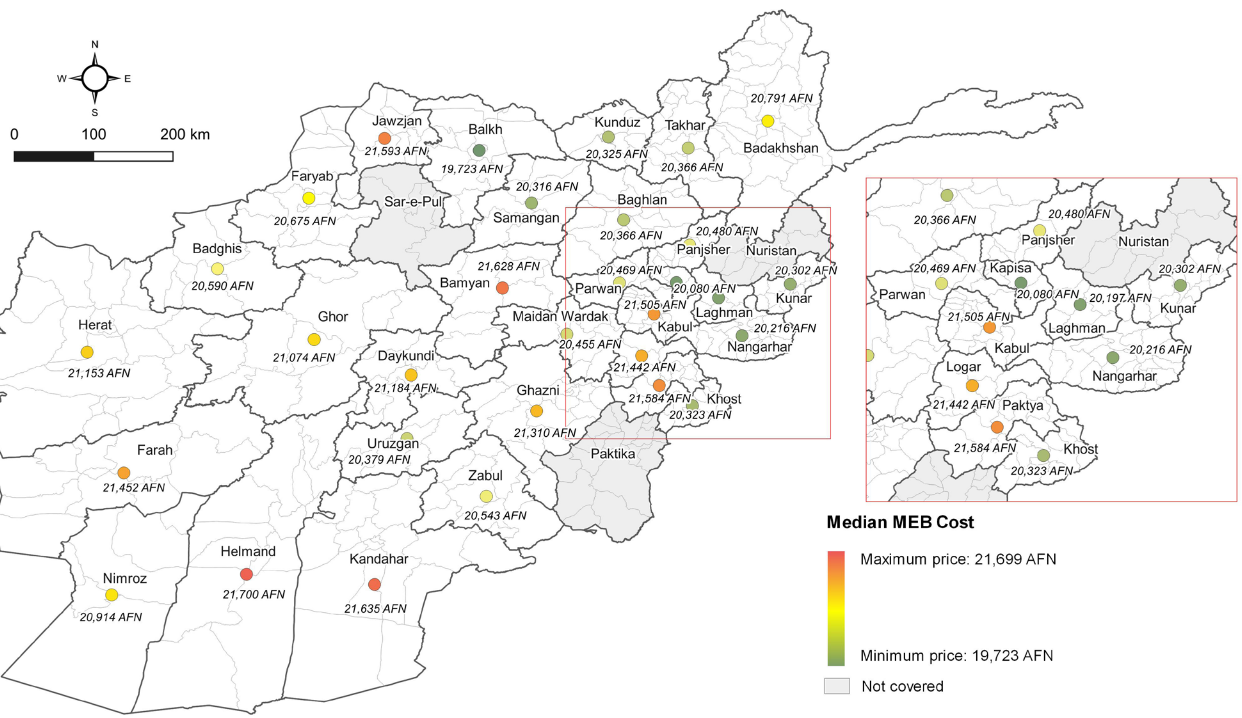
The Minimum Expenditure Basket (MEB) represents the minimum culturally adjusted group of items required to support an average seven-person Afghan household for one month. The cost of the MEB can be used as a proxy for the financial burdens facing households in different locations. The MEB's content was defined by the CVWG in consultation with relevant sector leads.

* The MEB cost was calculated in this factsheet using the relevant food and non-food item prices monitored. For items for which prices were not collected, calculations included the existing price used by the CVWG as a baseline. For the healthcare and shelter components, the listed fixed amount was used in the calculation.

** Pulses in this factsheet are calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.

*** An additional percentage has been included to take into account unmet needs that are not mentioned above (this can also include leisure and free time). The Afghanistan MEB unmet needs is defined as 10% of the total sum of the MEB.

MEDIAN MEB COST, BY PROVINCE IN AFN



MEDIAN MEB PRICE AT REGIONAL AND PROVINCIAL LEVEL[4]

Province	MEB in AFN	MEB in USD
Capital	20,404	204.76
Kabul	21505	233.73
Kapisa	20080	218.24
Logar	21442	233.04
Maidan Wardak	20455	222.31
Panjsher	20480	222.58
Parwan	20469	222.46
Central Highland	21,431	232.92
Bamyan	21628	235.06
Daykundi	21184	230.23
East	20,236	219.93
Kunar	20302	220.65
Laghman	20197	219.51
Nangarhar	20216	219.71
North-East	20,217	221.90
Badakhshan	20791	225.97
Baghlan	20366	221.34
Kunduz	20325	220.90
Takhar	20366	221.35
North	20,327	220.92
Balkh	19723	214.36
Faryab	20675	224.71
Jawzjan	21593	234.68
Samangan	20316	220.80
South-East	21,208	230.49
Ghazni	21310	231.61
Khost	20323	220.88
Paktya	21584	234.59
South	21,509	233.77
Helmand	21700	235.84
Kandahar	21635	235.14
Nimroz	20914	227.30
Uruzgan	20379	221.49
Zabul	20543	223.27
West	21,045	228.73
Badghis	20590	223.78
Farah	21452	233.15
Ghor	21074	229.05
Herat	21153	229.90

NATIONWIDE MEDIAN ITEM PRICE AT TIME OF INTERVIEW, AND RECORDED CHANGE (%) SINCE THE 21TH ROUND OF DATA COLLECTION

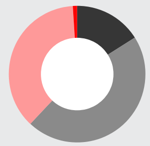
Item	Unit	Price in AFN	Price in USD	Change (%)
Food Items				
Wheat flour (local)	1 kg	44	0.48	▼ 11%
Wheat flour (imported)	1 kg	54	0.49	▲ 8%
Local rice	1 kg	65	0.71	▼ 8%
Vegetable oil	1 L	158	1.72	▼ 4%
Pulses[5]	1 kg	80	0.87	▼ 5%
Salt	1 kg	12	0.13	▼ 4%
Sugar	1 kg	64	0.70	▼ 9%
Tomatoes	1 kg	49	0.54	▲ 9%
NFIs				
Pen and pencil	1 pc	10	0.10	No change
Notebook	1 pc	20	0.19	No change
Rubber	1 pc	5	0.05	No change
Cotton cloth (2m^2)	1 pc	100	0.96	No change
Toothbrush (adults)	1pc	30	0.29	No change
Toothpaste	1 pc	50	0.48	No change
Sanitary pads	1 box	55	0.48	▲ 9%
Antiseptic soap bar	1 pc	35	0.34	No change
Other NFIs				
Safe (drinking) water without jerry can	20 L	50	0.54	No change
Coal or charcoal	1 kg	12	0.13	▼ 7%
LPG	1 L	85	0.92	▼ 6%
Firewood	1 kg	12	0.13	No change
Cooking fuel	1 kg	85	0.92	▼ 6%
Diesel	1 L	73	0.79	▼ 3%
Petrol	1 L	74	0.80	▼ 8%
Jacket	1pc	750	8.15	
Water container	1pc	280	3.04	
Cooking Pot	1pc	1000	10.86	
Blanket	1pc	1200	13.04	

CURRENT AVAILABILITY OF ITEMS FROM SUPPLIERS

Item	Available (% KIs)	Limited (% KIs)	None (% KIs)
Food Items			
Wheat flour (local)	95%	4%	1%
Wheat flour (imported)	97%	3%	0%
Local rice	99%	1%	0%
Vegetable oil	98%	2%	0%
Pulses[5]	95%	3%	2%
Salt	99%	1%	0%
Sugar	98%	2%	0%
Tomatoes	96%	2%	2%
NFIs			
Pen and pencil	99%	1%	0%
Notebook	99%	1%	0%
Rubber	97%	2%	1%
Cotton cloth (2m^2)	98%	1%	1%
Toothbrush (adults)	98%	2%	0%
Toothpaste	98%	2%	0%
Sanitary pads	97%	2%	1%
Antiseptic soap bar	98%	1%	1%
Other NFIs			
Safe (drinking) water without jerry can	92%	2%	6%
Coal or charcoal	94%	4%	2%
LPG	99%	1%	0%
Firewood	95%	4%	1%
Cooking fuel	98%	1%	1%
Diesel	97%	2%	1%
Petrol	98%	2%	0%
Jacket	97%	2%	1%
Water Continer	96%	4%	0%
Cooking Pot	97%	3%	0%
Blanket	96%	2%	2%

REPORTED CHANGE IN PRICE OF FOOD ITEMS IN 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE[6]

% of KIs reporting change in price for food items in the 30 days prior to data collection:



- 16% Decreased
- 46% Stayed the same
- 37% Increased
- 1% Don't know

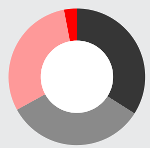
Out of those KIs reporting an increase in NFIs prices, the most frequently cited reasons were:

1. 88% Increased cost of supplies
2. 69% Increased transportation costs
3. 9% Seasonality

100% of KIs in Badghis, Kunar, and Zabul reported and increase in the food prices in the last 30 days prior to data collection, compared to the national average of 37%.

REPORTED CHANGE IN PRICE OF NFIs IN THE IN 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE[6]

% of KIs reporting change in price for NFIs in the 30 days prior to data collection:



- 34% Decreased
- 33% Stayed the same
- 30% Increased
- 3% Don't know

Out of those KIs reporting an increase in NFIs prices, the most frequently cited reasons were:

1. 89% Increased cost of supplies
2. 69% Increased transportation costs
3. 8% Seasonality

100% of KIs in Badghis, Kunar, and Zabul also reported an increase in the cost of NFIs in the last 30 days prior to data collection.

The NFIS such as Jacket, Water container, Cooking pot, and blanket were added in the month of February-2022 thus, previous records of prices are not available hence, the change (%) is not calculated.

LOCATION OF MAIN SUPPLIERS FOR FOOD ITEMS AND NFIs[7]

Proportion of wholesaler KIs by reported location of their main supplier of food items:

27% Imported from abroad

36% Different province

41% Province capital city

Proportion of retailer KIs by reported location of their main supplier of food items:

19% Imported from abroad

47% Different province

34% Province capital city

Proportion of wholesaler KIs by reported location of their main supplier of NFIs:

22% Imported from abroad

39% Different province

39% Province capital city

Proportion of retailer KIs by reported location of their main supplier of NFIs:

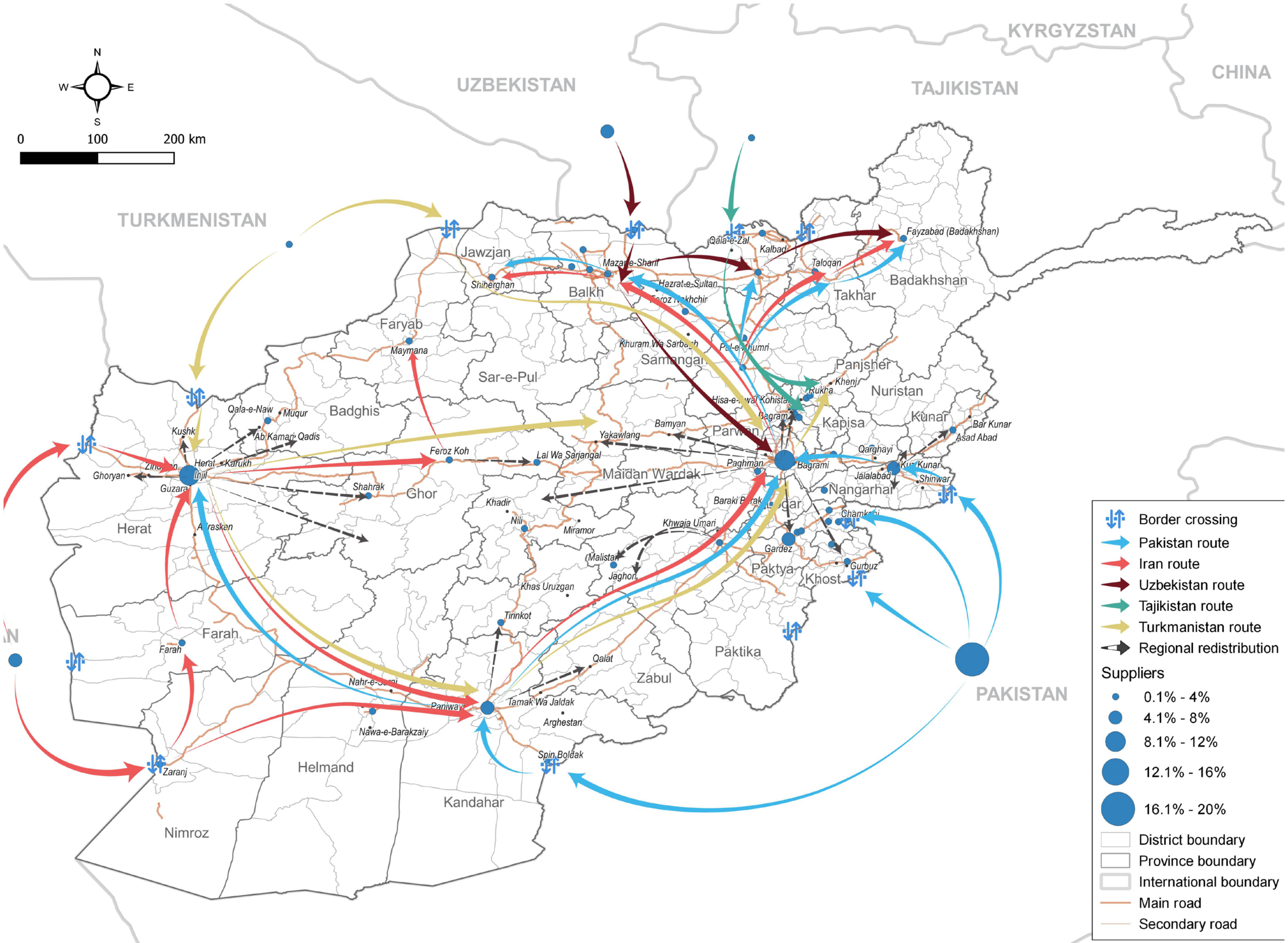
19% Imported from abroad

40% Different province

41% Province capital city

SUPPLY ROUTE MAP

The supply route map represents the location of main food and NFI suppliers



DIFFICULTIES TO MEET DEMAND AND TO TRANSPORT OR PROCURE SUPPLIES[7]

10% of KIs reported having faced difficulties obtaining enough commodities to meet demand in the 30 days prior to data collection. The three most frequently cited reasons were:[8]

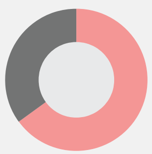
1. 95% Financial constraints and inability to purchase supplies
2. 40% Limited availability of imported items and commodities
3. 9% Difficulties in transporting commodities

19% of KIs reported having faced difficulties in road-based transportation of goods in the 30 days prior to data collection. The three most frequently cited difficulties were:

1. 6% Restrictions from the authorities
2. 2% Conflict
3. 1% Roadblocks

BARRIERS TO MARKET ACCESS FOR CONSUMERS

Proportion of KIs reporting consumers faced at least one of the mentioned barriers to accessing the market in the 30 days prior to data collection:



65% Barriers to access reported

35% No barriers reported

Among those KIs reporting that people face barriers to accessing markets, the most frequently cited reasons were:

1. 50% Financial barriers
2. 8% No access for unaccompanied women
3. 6% Fear of exposure to COVID-19, and/or public health restrictions

All KIs in Jawzjan, Kunar, Parwan and Laghman reported no barriers for consumers to access markets, whilst 100% of KIs in Maidan Wardak reported that access to markets is prevented for unaccompanied women.

TRADERS' COPING MECHANISMS AND RELIANCE ON CREDIT

Proportion of KIs reporting on the use of main coping mechanisms to address reduced or limited income:

33%	Borrow and rely on credit
18%	Restrict stocks
26%	Limit expenses
7%	Spend savings
3%	Increase working hours
13%	Other, or prefer not to answer

Among KIs who reported having borrowed money or purchased on credit in the 30 days prior to data collection, main reported sources from which they borrowed or purchased credit:

1. 44% Supplier (buy on credit)
2. 51% Family and friends
3. 3% Informal services

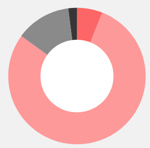
PRESENCE OF FINANCIAL SERVICES

Proportion of KIs reporting on the presence of functional money transfer services in or near their market area, by type:[8]

1. 82% Hawala
2. 33% Banks
3. 8% Formal transfer services

TRADER PRESENCE IN THE MARKET

29% of KIs reported that (almost) all shops in the marketplace are open. Furthermore, KIs reported on the perceived change in the number of shops that have been open in the 30 days prior to data collection:[9]



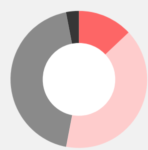
6%	Increased
79%	Stayed the same
13%	Decreased
2%	Don't know

Among those KIs who reported having perceived a decrease in the number of traders present and open in the marketplace, the most cited reasons for this decrease are:[8]

1. 81% Financial constraints
2. 14% Restrictions from the authorities
3. 3% COVID-19

CONSUMERS, PAYMENT, & CREDIT

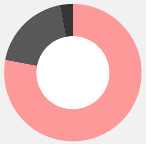
Proportion of KIs reporting having perceived a change in the number of customers purchasing on credit in the marketplace 30 days prior to data collection:



13%	Decreased
40%	Stayed the same
44%	Increased
3%	Don't know

USD TO AFN EXCHANGE

Proportion of KIs reporting exchanging USD to AFG is possible in their marketplace:



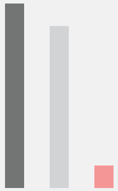
78% Yes

19% No

3% Don't Know

USD TO AFN EXCHANGE RATE

Exchange rate of 1 USD to AFN and change (%) since the 20th round of data collection:



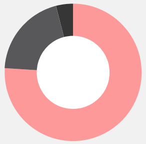
92.3 Sell rate

92 Buy rate

▼ 11% Change (%)

CASH ACCESS

Proportion of KIs reporting on ability to access cash:



76% Yes

20% No

4% Don't Know

MIN AND MAX EXCHANGE RATE

Minimum and maximum exchange rate of 1 USD to AFN:

100.6 Average of maximum sell and buy rate

89 Average of minimum sell and buy rate

About the Afghanistan Cash and Voucher Working Group and REACH Initiative

The Afghanistan Cash and Voucher Working Group (CVWG) is an inter-cluster technical working group set up to ensure cash and voucher assistance (CVA) in Afghanistan is coordinated, follows a common rationale, is context specific and is undertaken in a manner that does not inflict harm or exacerbate vulnerabilities of the affected population. The working group was initially established in 2012 under the Food Security and Agriculture Cluster (FSAC), but since 2014 it has become an inter-cluster working group, which is overseen by the Inter-Cluster Coordination Team (ICCT). The working group is currently co-chaired by the Danish Refugee Council (DRC) and the World Food Programme (WFP). For more information, please visit https://www.humanitarianresponse.info/en/operations/afghanistan/cash-voucher.

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection, in-depth analysis and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT). For more information please visit our website: www.reach-initiative.org. You can contact us directly at: geneva@reach-initiative.org and follow us on Twitter @REACH_info.

ENDNOTES

1. The Minimum Expenditure Basket (MEB) represents the minimum culturally adjusted group of items required to support a seven-person Afghan household for one month.
2. The % of change between the price of the MEB and the Food Basket during data collection refers to the changes recorded since the previous (20th) round of the JMMI.
3. The WFP's MFI is a composite indicator to measure the functionality of a market across time and locations. The MFI evaluates market functionality according to the following 9 dimensions: 1) Assortment of essential goods, 2) Availability, 3) Price, 4) Resilience of supply chains, 5) Competition, 6) Infrastructure, 7) Service, 8) Food quality, and 9) Access & Protection. For more information, please consult the WFP technical guidance here.
4. Where JMMI data recorded a MEB price variation of less than 100 AFN, it was chosen to present the variation as 0% because the amount is too small to be approximated as 1%, but too significant to be categorized as "no change".
5. Pulses in this table are calculated as the median (normalized) price of all three types of pulses monitored: lentils, beans, and split-peas.
6. All KIs were asked about changes in prices of food items and NFIs in general. KIs that reported an increase or decrease were asked to report on the main reason for this.
7. Any KI that reported selling any food item or NFI was asked to report the location of their main supplier (only 3 main locations are presented in the analysis), whether the number of suppliers had changed in the last 30 days, and the main means of transportation of goods.
8. Respondents could report multiple options. Findings may therefore exceed 100%.
9. KIs that reported the number of shops open in the market to have decreased in the past 30 days.