AFGHANISTAN JOINT MARKET MONITORING INITIATIVE (JMMI)

7 - 17 March 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 22th round of the JMMI was collected between March 7th and 17th 2022.

Median cost of MEB[1]

220.59 USD

20,211 AFN

▼ 2%[2]

Median cost of Food Basket

76.59 USD

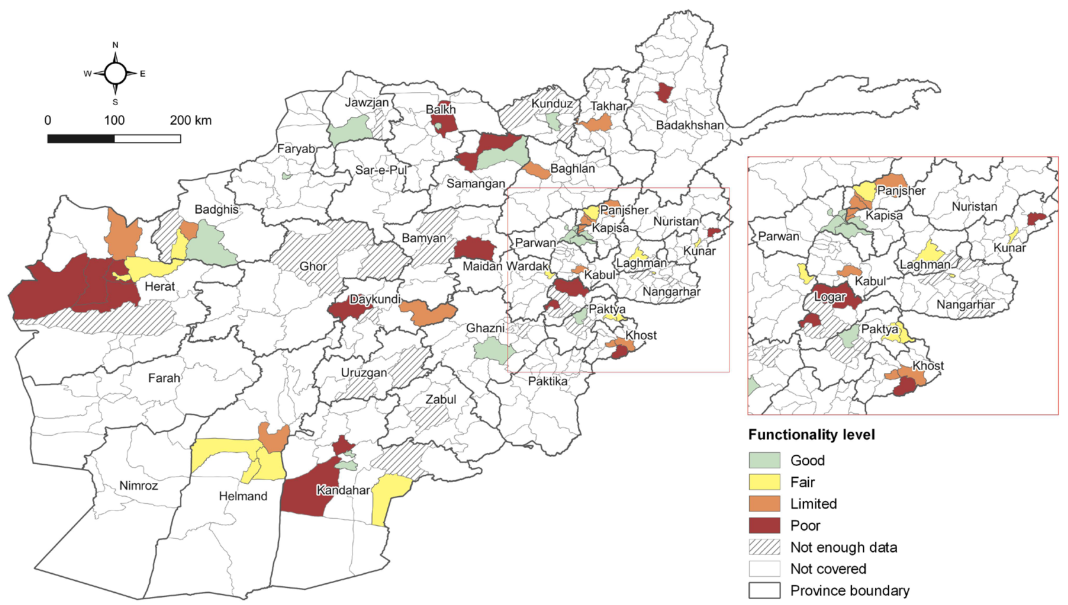
7,017 AFN

▼ 2%[2]

12% of KIs reported difficulties in restocking and obtaining commodities. The key items reportedly more difficult to obtain and restock are vegetable oil, cereals and pulses.

48.3% of KIs report an increase in price of food items and the most reported reasons are the increase in cost of supplies (87.6%), followed by transportation cost (62.4%) and seasonality (22.6%).

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT



18	participating agencies
29	assessed provinces
535	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.

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 21th and 22st 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)	
Communincation (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.

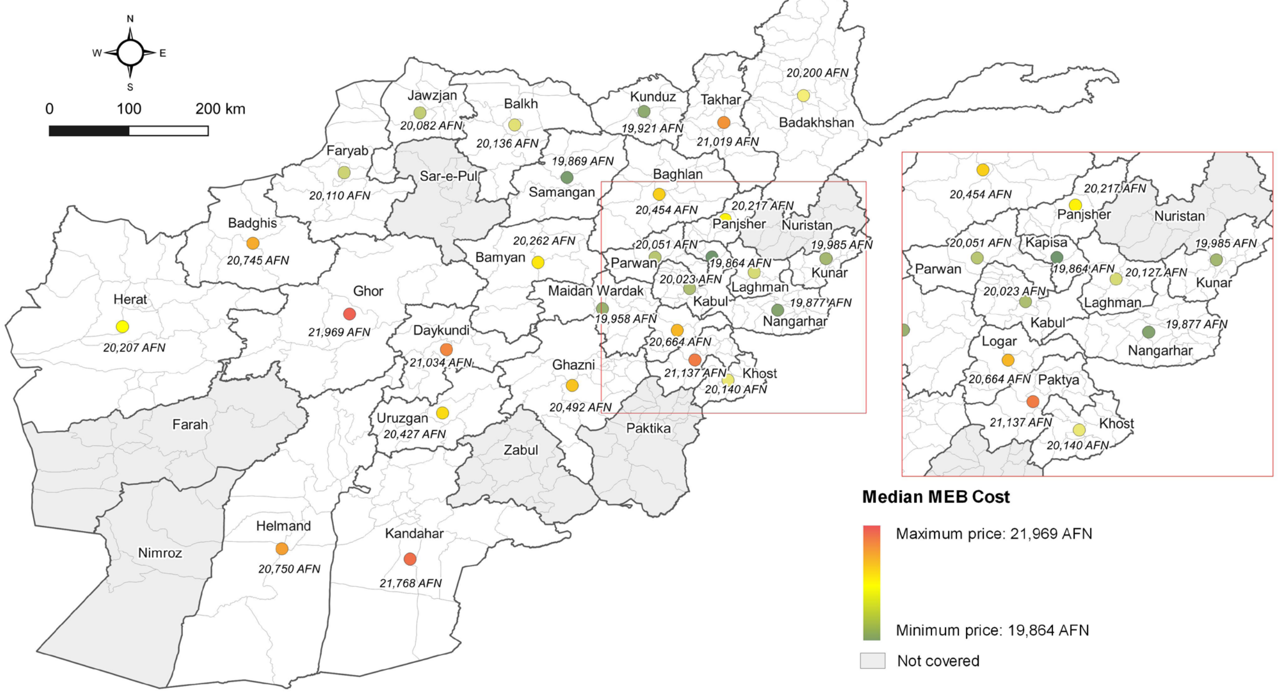
** Pulses in this factsheet are calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.

*** 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 PRICE AT REGIONAL AND PROVINCIAL LEVEL[4]

Province	MEB in AFN	MEB in USD
Capital	**20018**	**218.49**
Kabul	20023	218.54
Kapisa	19864	216.81
Logar	20664	225.54
Maidan Wardak	19958	217.83
Panjsher	20217	220.67
Parwan	20051	218.85
Central Highland	**21028**	**229.51**
Bamyan	20262	221.16
Daykundi	21034	229.58
East	**20049**	**218.82**
Kunar	19985	218.13
Laghman	20127	219.68
Nangarhar	19877	216.95
North-East	**20037**	**218.7**
Badakhshan	20200	220.47
Baghlan	20454	223.24
Kunduz	19921	217.43
Takhar	21019	229.41
North	**20075**	**219.12**
Balkh	20136	219.78
Faryab	20110	219.49
Jawzjan	20082	219.19
Samangan	19869	216.86
South-East	**20849**	**227.56**
Ghazni	20492	223.67
Khost	20140	219.82
Paktya	21137	230.71
South	**20955**	**228.72**
Helmand	20750	226.48
Kandahar	21768	237.59
Uruzgan	20427	222.95
Zabul		
West	**20750**	**226.48**
Ghor	21969	239.79
Herat	20207	220.56

MEDIAN MEB COST, BY PROVINCE
IN AFN



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

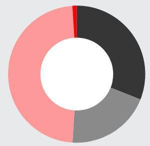
Item	Unit	Price in AFN	Price in USD	Change (%)
Food Items				
Wheat flour (local)	1 Kg	43	0.47	▼ -2%
Wheat flour (imported)	1 Kg	44	0.48	▼ -2%
Local rice	1 Kg	55	0.6	▼ -17%
Vegetable oil	1 L	165	1.8	▲ 4%
Pulses[5]	1 Kg	86	0.94	▲ 7%
Salt	1 Kg	13	0.14	▲ 4%
Sugar	1 Kg	60	0.65	▼ -7%
Tomatoes	1 Kg	50	0.55	▲ 1%
NFIs				
Pen and pencil	1 Pc	10	0.11	No change
Notebook	1 Pc	20	0.22	No change
Rubber	1 Pc	5	0.05	No change
Cotton cloth ($2m^2$)	1 Pc	100	1.09	No change
Toothbrush (adults)	1Pc	30	0.33	No change
Toothpaste	1 Pc	50	0.55	No change
Sanitary pads	1 Box	50	0.55	▼ -10%
Antiseptic soap bar	1 Pc	30	0.33	▼ -17%
Other NFIs				
Safe (drinking) water without jerry can	20 L	45	0.49	▼ -11%
Coal or charcoal	1 Kg	12	0.13	▲ 1%
LPG	1 L	90	0.98	▲ 6%
Firewood	1 Kg	13	0.14	▲ 8%
Cooking fuel	1 Kg	90	0.98	▲ 6%
Diesel	1 L	84	0.92	▲ 13%
Petrol	1 L	80	0.87	▲ 8%
Jacket	1Pc	750	8.19	No change
Water container	1Pc	300	3.27	▲ 7%
Cooking Pot	1Pc	1100	12.01	▲ 9%
Blanket	1Pc	1180	12.88	▼ -2%

CURRENT AVAILABILITY OF ITEMS FROM SUPPLIERS

Item	Available (% KIs)	Limited (% KIs)	None (% KIs)
Food Items			
Wheat flour (local)	87%	12%	1%
Wheat flour (imported)	96%	3%	1%
Local rice	94%	6%	1%
Vegetable oil	95%	5%	%
Pulses[5]	56%	%	%
Salt	97%	3%	0%
Sugar	95%	5%	%
Tomatoes	95%	3%	2%
NFIs			
Pen and pencil	97%	3%	1%
Notebook	97%	3%	1%
Rubber	97%	1%	1%
Cotton cloth ($2m^2$)	98%	1%	1%
Toothbrush (adults)	96%	3%	0%
Toothpaste	96%	5%	%
Sanitary pads	98%	2%	%
Antiseptic soap bar	94%	6%	0%
Other NFIs			
Safe (drinking) water without jerry can	88%	1%	12%
Coal or charcoal	95%	3%	2%
LPG	96%	2%	2%
Firewood	95%	5%	%
Cooking fuel	98%	1%	1%
Diesel	98%	3%	%
Petrol	99%	2%	%
Jacket	98%	2%	%
Water Continer	97%	8%	3%
Cooking Pot	97%	2%	1%
Blanket	98%	1%	1%

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:



31% Decreased
20% Stayed the same
48% Increased
1% Don't know

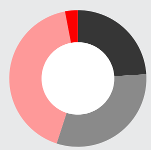
Out of those KIs reporting an increase in food items prices, the most frequently cited reasons were[7]:

1. 88% Increased cost of supplies
2. 62% Increased transportation costs
3. 23% Seasonality

100% of KIs in Baghlan, Ghazni, Kunar, and Kunduz reported and increase in the food prices in the last 30 days prior to data collection, compared to the national average of 42%.

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:



24% Decreased
31% Stayed the same
42% Increased
3% Don't know

Out of those KIs reporting an increase in NFIs prices, the most frequently cited reasons were[7]:

1. 86% Increased cost of supplies
2. 69% Increased transportation costs
3. 19% Seasonality

100% of KIs in Baghlan, Ghazni and Kunar also reported an increase in the cost of NFIs in the last 30 days prior to data collection, compared to the national average of 39%.

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

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

22% Imported from abroad

47% Different province

31% Province capital city

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

6% Imported from abroad

60% Different province

33% Province capital city

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

15% Imported from abroad

49% Different province

36% Province capital city

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

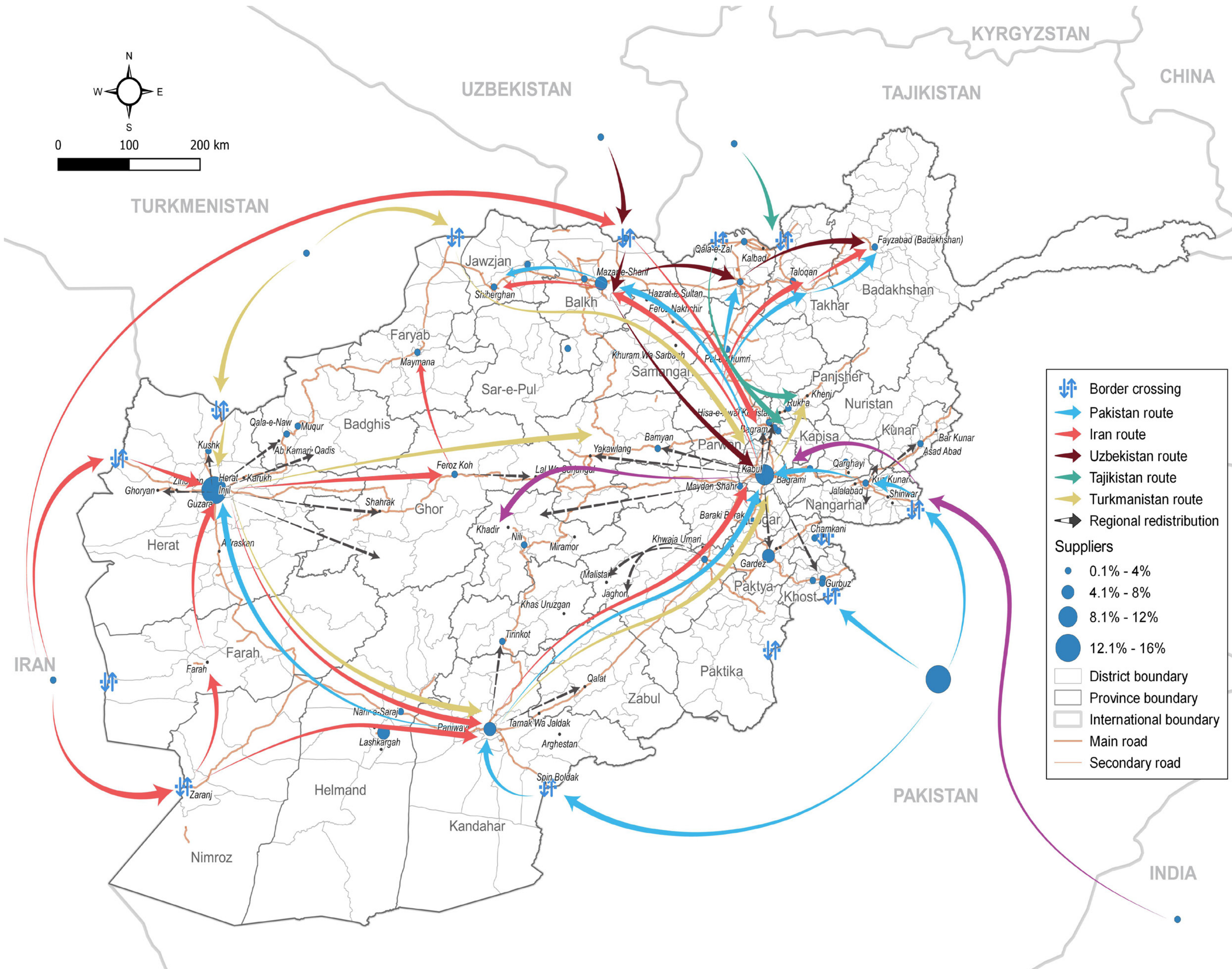
4% Imported from abroad

55% 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

12% 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:[7]

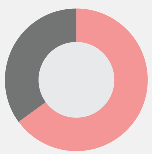
1. 88% Financial constraints and inability to purchase supplies
2. 38% Supplier not providing enough commodities
3. 34% Limited availibility of imported items and commodities

14% of KIs reported being aware of current difficulties in road-based transportation of goods between suppliers and their business. The three most frequently cited difficulties were:

1. 11% Seasonality
2. 6% Natural disaster
3. 5% Restriction from the authorities

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

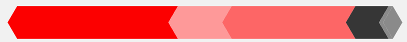
Among those KIs reporting that people face barriers to accessing markets, the most frequently cited reasons were:

1. 40% Item expensive
2. 5% No access for unaccompanied women due to safty issues
3. 12% Fear of exposure to COVID-19, and/or public health restrictions

All KIs in Nangarhar, Jawzjan and Ghor reported no barriers for consumers to access markets, whilst 100% of KIs in Baghlan and Bamyan reported barriers for consumer to access markets.

TRADERS' COPING MECHANISMS AND RELIANCE ON CREDIT

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



39%	Borrow and rely on credit
13%	Restrict stocks
30%	Limit expenses
8%	Spend savings
0%	Increase working hours
1%	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. 47% Famiyly and friends
2. 42% Supplier (buy on credit)
3. 8% Informal services

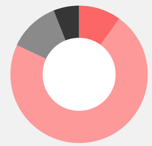
PRESENCE OF FINANCIAL SERVICES

Proportion of KIs reporting on the presence of functional money transfer services in or near their market area, by type:[7]

1. 88% Hawala
2. 34% Banks
3. 16% Money mobile agents

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:



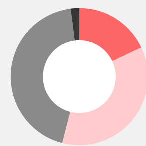
10%	Increased
72%	Stayed the same
12%	Decreased
6%	Don't know

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:[7]

1. 71% Financial constraints
2. 41% Lack of Commodities
3. 7% Restrictions from the authorities

CONSUMERS, PAYMENT, & CREDIT

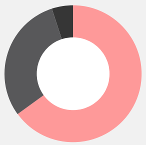
Proportion of KIs reporting having perceived a change in the number of customers purchasing on credit in the marketplace 30 days prior to data collection:



18%	Decreased
36%	Stayed the same
44%	Increased
2%	Don't know

USD TO AFN EXCHANGE

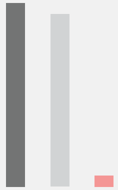
Proportion of KIs reporting exchanging USD to AFG is possible in their marketplace:



65%	Yes
30%	No
5%	Don't Know

USD TO AFN EXCHANGE RATE

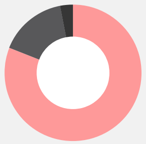
Exchange rate of 1 USD to AFN and change (%) since the 21th round of data collection:



87.20	Sell rate
87	Buy rate
▼ 6%	Change (%)

CASH ACCESS

Proportion of KIs reporting on ability to access cash:



81%	Yes
16%	No
3%	Don't Know

MIN AND MAX EXCHANGE RATE

Minimum and maximum exchange rate of 1 USD to AFN:

99.8	Average of maximum sell and buy rate
92	Average of minimum sell and buy rate

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 (21th) 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. Respondents could report multiple options. Findings may therefore exceed 100%.

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 Catholic Relief Services (CRS) 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.