AFGHANISTAN JOINT MARKET MONITORING INITIATIVE (JMMI)

10 - 20 April 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 23th round of the JMMI was collected between April 10th and 20th 2022.

Median cost of MEB[1]

231.12 USD
20,297 AFN
▲ 4.77%[2]

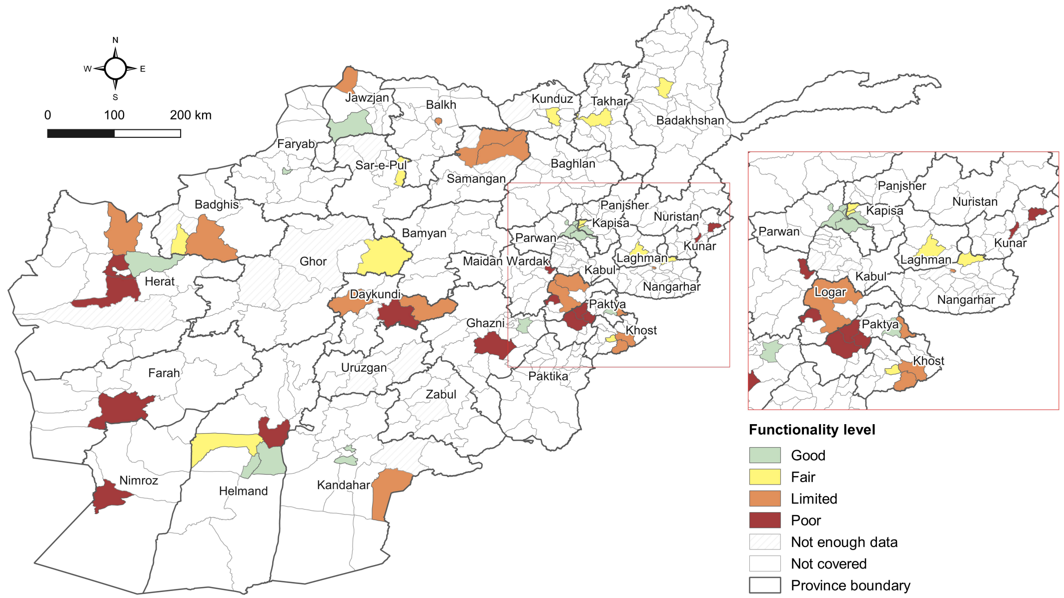
Median cost of Food Basket

85.55 USD
7,514 AFN
▲ 11.69%[2]

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

73% of KIs report an increase in price of food items and the most reported reasons are the increase in cost of supplies (78%), followed by transportation cost (54%) and seasonality (16%).

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT



14	participating agencies
30	assessed provinces
546	key informant interviews (KIIs)
30	commodities assessed

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 Programme'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 22 and 23 of the JMMI's MFI[3], visualising 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.[4]

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, shelter, transportation, communication, energy, education and water & hygiene components, the listed fixed amount was used in the calculation.

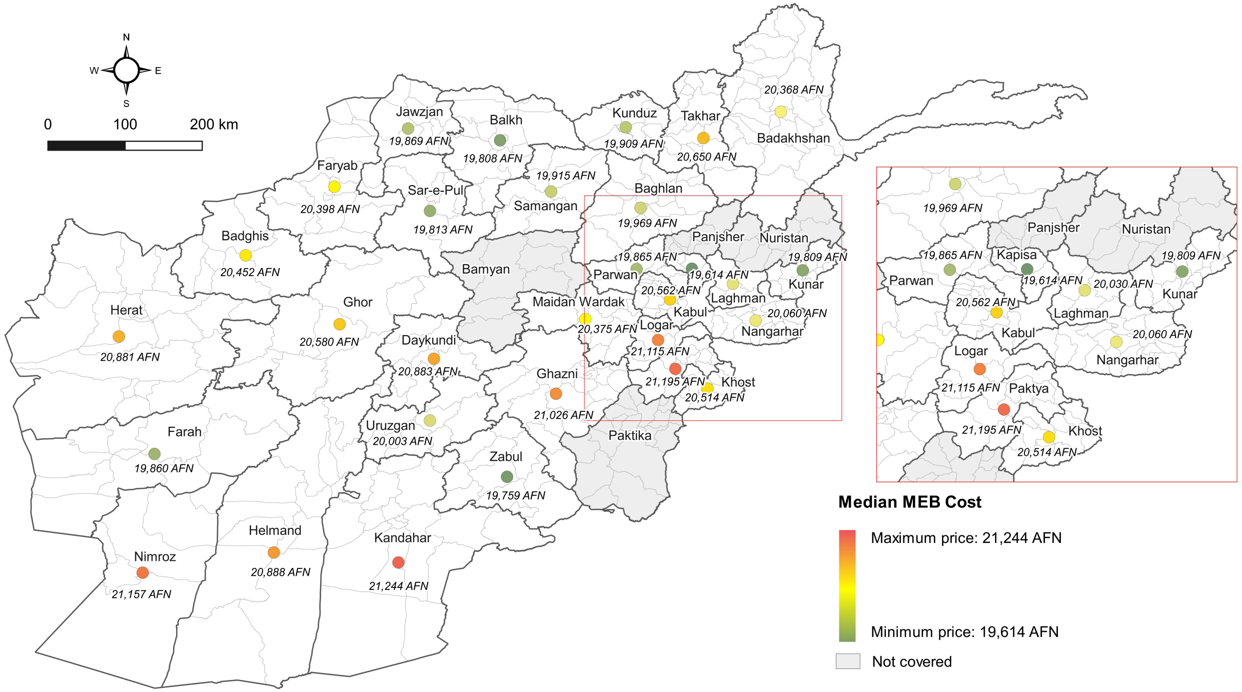
** Pulses in this factsheet are calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.

*** 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[5]

Province	MEB in AFN	MEB in USD
Capital	19912	226.74
Kabul	20562	234.14
Kapisa	19614	223.34
Logar	21115	240.43
Maidan Wardak	20375	232.01
Parwan	19865	226.21
Central Highland	20883	237.79
Daykundi	20883	237.79
East	20068	228.52
Kunar	19809	225.56
Laghman	20030	228.08
Nangarhar	20060	228.42
North East	20159	229.55
Badakhshan	20368	231.93
Baghlan	19969	227.39
Kunduz	19909	226.71
Takhar	20650	235.14
North	19912	226.73
Balkh	19808	225.55
Faryab	20398	232.27
Sar-e-Pul	19813	225.61
Jawzjan	19869	226.24
Samangan	19915	226.77
South East	21056	239.76
Ghazni	21026	239.42
Khost	20514	233.59
Paktya	21195	241.35
South	20840	237.30
Helmand	20888	237.86
Nimroz	21157	240.91
Kandahar	21244	241.90
Uruzgan	20003	227.77
Zabul	19759	225.00
West	20593	234.50
Ghor	20580	234.34
Herat	20881	237.77
Badghis	20452	232.89
Farah	19860	226.14

MEDIAN MEB COST, BY PROVINCE IN AFN



ITEM PRICE MONITORING

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

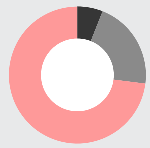
Item	Unit	Price in AFN	Price in USD	Change (%)
Food Items				
Wheat flour (local)	1 Kg	46	0.52	▲ 7%
Wheat flour (imported)	1 Kg	49	0.56	▲ 11%
Local rice	1 Kg	60	0.68	▲ 8%
Vegetable oil	1 L	169	1.92	▲ 2%
Pulses[6]	1 Kg	78	0.89	▼ 9%
Salt	1 Kg	13	0.15	▲ 7%
Sugar	1 Kg	61	0.70	▲ 2%
Tomatoes	1 Kg	70	0.80	▲ 40%
NFIs				
Pen and pencil	1 Pc	10	0.11	No change
Notebook	1 Pc	20	0.23	No change
Rubber	1 Pc	5	0.06	No change
Cotton cloth (2m²)	1 Pc	100	1.14	No change
Toothbrush (adults)	1Pc	30	0.34	No change
Toothpaste	1 Pc	50	0.57	No change
Sanitary pads	1 Box	50	0.57	No change
Antiseptic soap bar	1 Pc	30	0.34	No change
Other NFIs				
Safe (drinking) water without jerry can	20 L	45	0.51	No change
Coal or charcoal	1 Kg	12	0.14	▼ 1%
LPG	1 L	70	0.80	▼ 22%
Firewood	1 Kg	12	0.13	▼ 11%
Cooking fuel	1 Kg	70	0.80	▼ 22%
Diesel	1 L	71	0.81	▼ 15%
Petrol	1 L	68	0.77	▼ 15%
Jacket	1Pc	700	7.97	▼ 7%
Water container	1Pc	285	3.25	▼ 5%
Cooking Pot	1Pc	1100	12.53	No change
Blanket	1Pc	1100	12.53	▼ 7%

CURRENT AVAILABILITY OF ITEMS FROM SUPPLIERS

Item	Available (% KIs)	Limited (% KIs)	None (% KIs)
Food Items			
Wheat flour (local)	96%	4%	0%
Wheat flour (imported)	97%	2%	0%
Local rice	99%	1%	0%
Vegetable oil	100%	0%	0%
Pulses[6]	98%	2%	0%
Salt	100%	0%	0%
Sugar	99%	1%	0%
Tomatoes	99%	0%	1%
NFIs			
Pen and pencil	99%	2%	0%
Notebook	99%	1%	0%
Rubber	98%	2%	0%
Cotton cloth (2m²)	98%	1%	2%
Toothbrush (adults)	99%	1%	0%
Toothpaste	99%	1%	0%
Sanitary pads	97%	1%	2%
Antiseptic soap bar	100%	0%	0%
Other NFIs			
Safe (drinking) water without jerry can	84%	5%	11%
Coal or charcoal	86%	5%	9%
LPG	98%	1%	1%
Firewood	93%	3%	4%
Cooking fuel	97%	0%	3%
Diesel	99%	1%	0%
Petrol	100%	0%	0%
Jacket	95%	4%	1%
Water Continer	96%	0%	4%
Cooking Pot	98%	1%	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[7]

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



6% Decreased
21% Stayed the same
73% Increased
0% Don't know

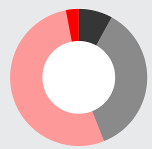
Out of those KIs reporting an increase in food items prices, the most frequently cited reasons were[8]:

1. 78% Increased cost of supplies
2. 54% Increased transportation costs
3. 16% Seasonality

100% of KIs in Parwan, Laghman, Ghazni, Kunar, Kunduz, Balkh, Uruzgan, Zabul, Badghis and Herat reported and increase in the food prices in the last 30 days prior to data collection, compared to the national average of 73%.

REPORTED CHANGE IN PRICE OF NFIs IN THE IN 30 DAYS PRIOR TO DATA COLLECTION, AND REPORTED REASONS FOR INCREASE IN PRICE[7]

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



8% Decreased
36% Stayed the same
53% Increased
3% Don't know

Out of those KIs reporting an increase in NFIs prices, the most frequently cited reasons were[8]:

1. 78% Increased cost of supplies
2. 55% Increased transportation costs
3. 12% Seasonality

100% of KIs in Baghlan, Ghazni, Kunar, Daykundi, Zabul and Badghis reported an increase in the cost of NFIs in the last 30 days prior to data collection, compared to the national average of 53%

LOCATION OF MAIN SUPPLIERS FOR FOOD ITEMS AND NFIs[8]

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

15% Imported from abroad
44% Different province
35% Province capital city

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

11% Imported from abroad
42% Different province
38% Province capital city

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

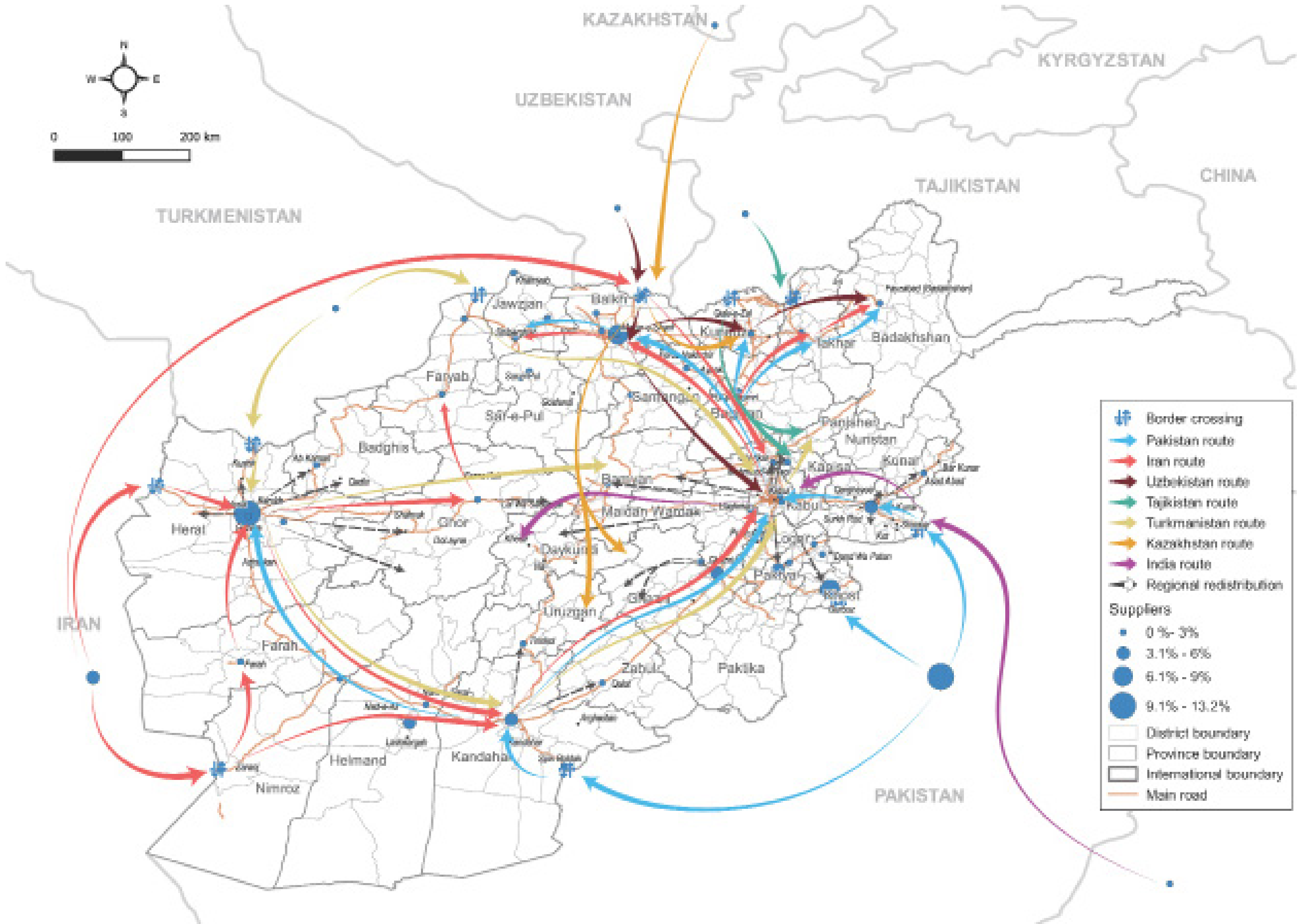
15% Imported from abroad
33% Different province
46% Province capital city

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

10% Imported from abroad
43% 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

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]

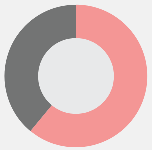
1. 83% Financial constraints and inability to purchase supplies
2. 39% Supplier not providing enough commodities
3. 37% Limited availibility of imported items and commodities

19% 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. 10% Seasonality
2. 8% 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:



61% Barriers to access reported

39% No barriers reported

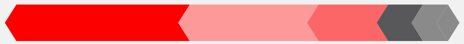
Among those KIs reporting that people face barriers to accessing markets, the most frequently cited reasons were:

1. 36% Item expensive
2. 13% Distance of the market
3. 9% No access for unaccompanied women due to safety issues

All KIs in Baghlan, Faryab and Kunar reported no barriers for consumers to access markets, whilst 100% of KIs in Kabul, Maidan Wardak, Takhar, Zabul and Nimroz 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:



35% Borrow and rely on credit

26% Limit expenses

14% Restrict stocks

7% Spend savings

5% Increase working hours

0% 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. 52% Supplier (buy on credit)
2. 39% Family and friends
3. 7% Informal services

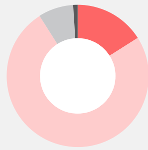
PRESENCE OF FINANCIAL SERVICES

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

1. 91% Hawala
2. 45% Banks
3. 19% Formal transer service

TRADER PRESENCE IN THE MARKET

31% 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:



16% Decreased

75% Stayed the same

8% Increased

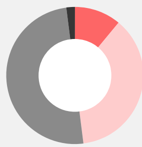
1% Don't know

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. 74% Financial constraints
2. 34% Lack of commodities
3. 24% Other

CONSUMERS, PAYMENT, & CREDIT

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



11% Decreased

37% Stayed the same

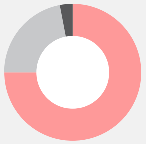
50% Increased

Don't know

CASH AVAILABILITY, ENDNOTES, CVWG & PARTNERS

USD TO AFN EXCHANGE

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



75% Yes

22% No

3% Don't Know

USD TO AFN EXCHANGE RATE

Exchange rate of 1 USD to AFN and change (%) since the 22th round of data collection:

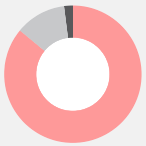
87.80 Sell rate

87.20 Buy rate

▼ 1% Change (%) [9]

CASH ACCESS

Proportion of KIs reporting on being able to access cash:



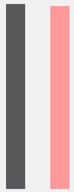
86 Yes

12% No

2% Don't Know

MIN AND MAX EXCHANGE RATE

Minimum and maximum exchange rate of 1 USD to AFN:



88 Average of maximum sell and buy rate

87 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 (in USD) of the MEB and the Food Basket during data collection refers to the changes recorded since the previous round of the JMMI.
3. Data from the previous round is used to compute food basket and supply chain changes across time
4. 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.
5. 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 categorised as "no change".
6. Pulses in this table are calculated as the median (normalised) price of all three types of pulses monitored: lentils, beans, and split-peas.
7. 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.
8. Respondents could report multiple options. Findings may therefore exceed 100%.
9. Percentage change of the sell rate compared to the previous round

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.