AFGHANISTAN JOINT MARKET MONITORING INITIATIVE (JMMI)

7 - 17 May 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.

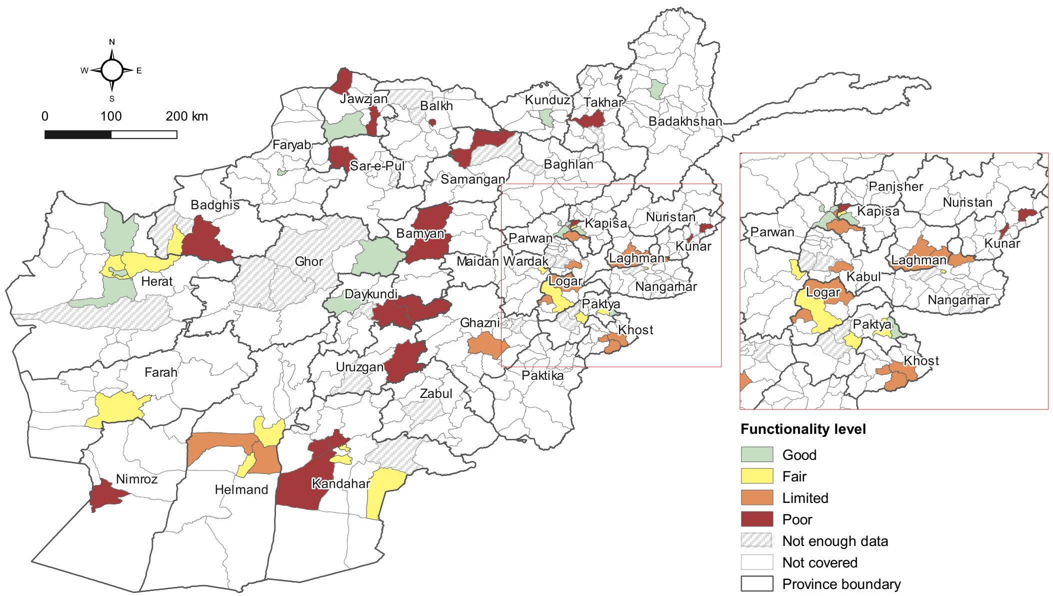
The JMMI assessment employs a quantitative key informant interview (KII) approach. The methodology includes surveys with purposively sampled traders (both retail and wholesale), acting as key informants (KIs) for their respective markets. Participants are selected through partner KI networks in their 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 24th round of the JMMI was collected between May 7th and 17th 2022.

Median cost of MEB[1]	Median cost of Food Basket
240.87 USD	**93.61 USD**
21,021 AFN	8,170 AFN
▲ 4.21%[2] USD	▲ 9.42%[2] USD
▲ 3.56%[2] AFN	▲ 8.73%[2] AFN

MARKET FUNCTIONALITY INDEX (MFI), BY DISTRICT



17	participating agencies
31	assessed provinces
556	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.

16% 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.

89% of KIs report an increase in price of food items and the most reported reasons are the increase in cost of supplies (85%), followed by transportation cost (57%) and reduced availability of commodities (16%).

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 23 and 24 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 Sanitation and Hygiene
(fixed at 18.95 USD)

Soap for handwasing and bathing

Soft cotton cloth ($2m^2$ piece)

Water (liters 105)

Sanitary pad (box of 10/12)

Underwear for women

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 amounts was used in the calculation.

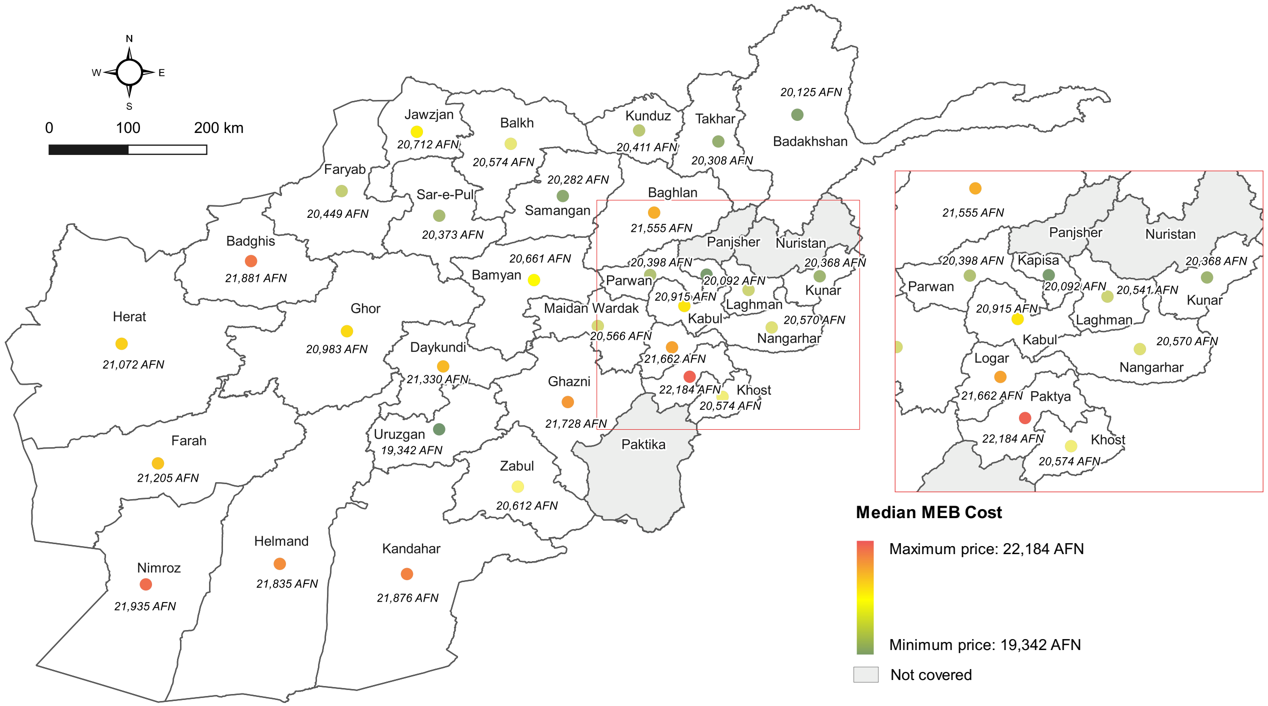
** Pulses in this factsheet are calculated as the average price of all three types of pulses monitored: lentils, beans, and split-peas.

*** 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	20356	233.25
Kabul	20915	239.66
Kapisa	20092	230.23
Logar	21662	248.22
Maidan Wardak	20566	235.66
Parwan	20398	233.73
Central Highland	21308	244.16
Bamyan	20661	236.74
Daykundi	21330	244.41
East	20513	235.06
Kunar	20368	233.39
Laghman	20541	235.37
Nangarhar	20570	235.71
North East	20378	233.50
Badakhshan	20125	230.61
Baghlan	21555	246.99
Kunduz	20411	233.88
Takhar	20308	232.70
North	20456	234.40
Balkh	20574	235.75
Faryab	20449	234.31
Sar-e-Pul	20373	233.45
Jawzjan	20712	237.33
Samangan	20282	232.40
South East	22048	252.64
Ghazni	21728	248.98
Khost	20574	235.75
Paktya	22184	254.20
South	21809	249.91
Helmand	21835	250.20
Nimroz	21935	251.34
Kandahar	21876	250.67
Uruzgan	19342	221.63
Zabul	20612	236.19
West	21170	242.58
Ghor	20983	240.44
Herat	21072	241.46
Badghis	21881	250.73
Farah	21205	242.99

MEDIAN MEB COST, BY PROVINCE
IN AFN



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

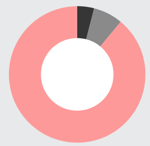
Item	Unit	Price in AFN	Price in USD	Change in AFN (%)	Change in USD (%)
Food Items					
Wheat flour (local)	1 Kg	50	0.57	+9%	+9.%
Wheat flour (imported)	1 Kg	52	0.60	+6%	+7%
Local rice	1 Kg	70	0.80	+17%	+17%
Vegetable oil	1 L	180	2.06	+7%	+7%
Pulses[6]	1 Kg	89	1.02	+14%	+15%
Salt	1 Kg	13	0.15	No change	+1%
Sugar	1 Kg	63	0.72	+3%	+3.%
Tomatoes	1 Kg	51	0.58	-27%	- 27%
NFIs					
Pen and pencil	1 Pc	10	0.11	No change	+1%
Notebook	1 Pc	20	0.23	No change	+1%
Rubber	1 Pc	5	0.06	No change	+1%
Cotton cloth ($2m^2$)	1 Pc	100	1.15	No change	+1%
Toothbrush (adults)	1Pc	30	0.34	No change	+1%
Toothpaste	1 Pc	50	0.57	No change	+1%
Sanitary pads	1 Box	60	0.69	+20%	+21%
Antiseptic soap bar	1 Pc	32	0.37	+7%	+7%
Other NFIs					
Safe (drinking) water without jerry can	20 L	45	0.52	No change	+1%
Coal or charcoal	1 Kg	14	0.16	+17%	+17%
Liquefied petroleum gas	1 L	76	0.87	+9%	+9%
Firewood	1 Kg	11	0.13	-1%	No change
Cooking fuel	1 Kg	80	0.92	+14%	+15%
Diesel	1 L	80	0.92	+13%	+13%
Petrol	1 L	78	0.89	+15%	+15%
Jacket	1Pc	700	8.02	No change	+1%
Water container	1Pc	290	3.32	+2%	+2%
Cooking pot	1Pc	1150	13.18	+5%	+5%
Blanket	1Pc	1160	13.29	+5%	+6%

CURRENT AVAILABILITY OF ITEMS FROM SUPPLIERS

Item	Available (% KIs)	Limited (% KIs)	None (% KIs)
Food Items			
Wheat flour (local)	93%	5%	2%
Wheat flour (imported)	98%	1%	1%
Local rice	98%	1%	1%
Vegetable oil	98%	2%	0%
Pulses[6]	96%	2%	2%
Salt	100%	0%	0%
Sugar	100%	0%	0%
Tomatoes	97%	2%	1%
NFIs	0%	0%	0%
Pen and pencil	99%	0%	1%
Notebook	100%	0%	0%
Rubber	98%	0%	2%
Cotton cloth ($2m^2$)	96%	1%	3%
Toothbrush (adults)	98%	1%	1%
Toothpaste	99%	0%	1%
Sanitary pads	97%	1%	2%
Antiseptic soap bar	99%	0%	1%
Other NFIs	0%	0%	0%
Safe (drinking) water without jerry can	88%	0%	11%
Coal or charcoal	93%	2%	4%
LPG	97%	3%	3%
Firewood	95%	0%	4%
Cooking fuel	95%	2%	4%
Diesel	97%	1%	1%
Petrol	97%	2%	1%
Jacket	98%	2%	1%
Water Continer	94%	1%	4%
Cooking Pot	98%	1%	1%
Blanket	98%	1%	1%

REPORTED CHANGE IN PRICE OF FOOD ITEMS IN 30 DAYS PRIOR TO DATA COLIECTION, 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:



- 4% Decreased
- 7% Stayed the same
- 89% Increased
- 0% Don't know

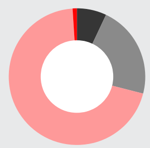
Out of those KIs reporting an increase in food items prices, the most frequently cited reasons were[8]:

1. 85% Increased cost of supplies
2. 57% Increased transportation costs
3. 16% Reduced availability of commodities

100% of KIs in Badakhshan, Samanagan, Jawzjan, Daykundi, Farah, Kunduz, Kunar, Kabul, Ghazni, Zabul, Nimroz, Laghman, Balkh, Baghlan, Badghis and Bamyan reported and increase in the food prices in the last 30 days prior to data collection, compared to the national average of 89%.

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:



- 7% Decreased
- 22% Stayed the same
- 70% Increased
- 1% Don't know

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

1. 88% Increased cost of supplies
2. 60% Increased transportation costs
3. 18% Reduced availability of commodities

100% of KIs in Bamyan, Kunar, Kabul, Ghazni, Zabul and Laghman reported an increase in the cost of NFIs in the last 30 days prior to data collection, compared to the national average of 70%

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

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

19% Imported from abroad

28% Different province

53% Same province

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

14% Imported from abroad

27% Different province

59% Same province

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

16% Imported from abroad

32% Different province

52% Province capital city

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

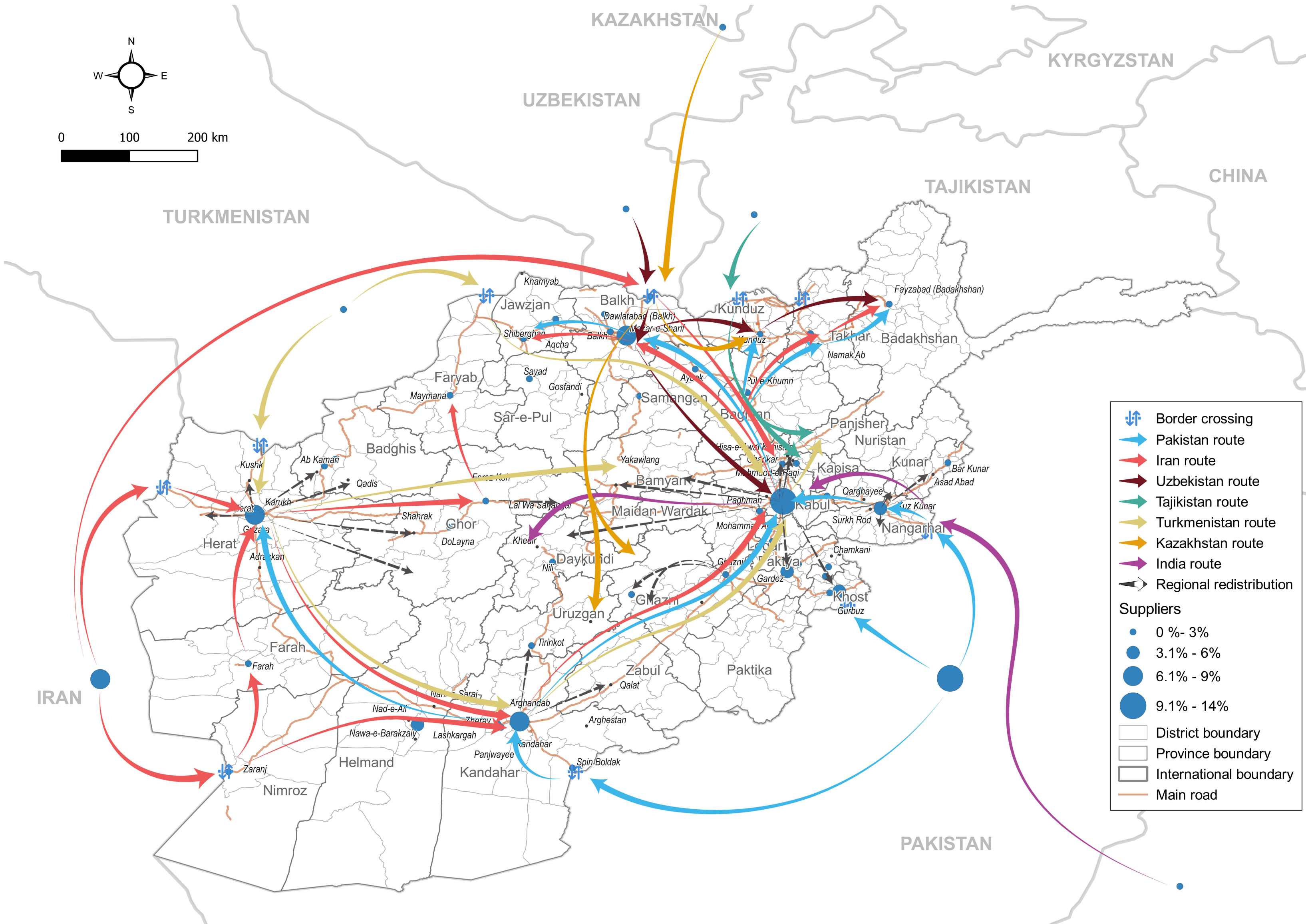
8% Imported from abroad

34% Different province

58% 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

16% 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]

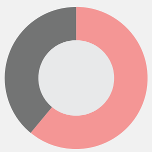
1. 93% Financial constraints and inability to purchase supplies
2. 30% Limited availibility of imported items and commodities
3. 25% Supplier not providing enough commodities

18% 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. 9% Seasonality
2. 8% Restriction from the authorities
3. 7% Natural disaster

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:



60% Barriers to access reported

40% No barriers reported

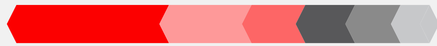
Among those KIs reporting that people face barriers to accessing markets, the most frequently cited reasons were:

1. 44% Item being too expensive
2. 10% Covid-19
3. 9% No access for unaccompanied women due to safety issues

All KIs in Faryab, Kunduz and Zabul reported no barriers for consumers to access markets, whilst 100% of KIs in Maidan Wardak, Bayman, Baghlan, Ghazni, Samangan 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:



37%	Borrow and rely on credit
20%	Limit expenses
13%	Restrict stocks
12%	Spend savings
11%	Increase working hours
7%	Others

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. 50% Supplier (buy on credit)
2. 36% Family and friends
3. 13% Informal services

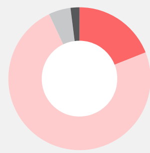
PRESENCE OF FINANCIAL SERVICES

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

1. 85% Hawala [9]
2. 37% Banks
3. 17% Formal transer service

TRADER PRESENCE IN THE MARKET

26% 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:



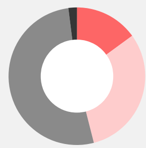
19%	Decreased
74%	Stayed the same
5%	Increased
2%	Don't know

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:[7]

1. 80% Financial constraints
2. 37% Lack of commodities
3. 20% Goverment restrictions

CONSUMERS, PAYMENT, & CREDIT

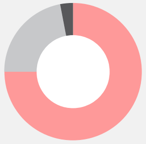
Proportion of KIs reporting having perceived a change in the number of customers purchasing on credit in the marketplace in the 30 days prior to data collection:



15%	Decreased
31%	Stayed the same
52%	Increased
2	Don't know

USD TO AFN EXCHANGE

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



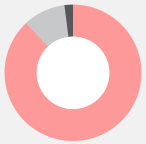
73% Yes

25% No

2% Don't Know

CASH ACCESS

Proportion of KIs reporting on being able to access cash:



88 Yes

10% No

2% Don't Know

USD TO AFN EXCHANGE RATE

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

89.95 Sell rate

89.20 Buy rate

▼ 1% Change (%) [10]

MIN AND MAX EXCHANGE RATE

Minimum and maximum exchange rate of 1 USD to AFN:

92.85 Average of maximum sell and buy rate

86.90 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. The hawala system is an informal method of transferring money, including across borders, through a network of money brokers. Hawala is used today as an alternative remittance channel that exists outside of traditional banking systems.
10. 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.