SITUATION OVERVIEW

Quarterly Markets Overview - Spotlight on Affordability, Accessibility and Availability

July 2025 | Afghanistan

Context & Rationale

This report is part of a quarterly series that alternates focus between (1) the current theme of market access, affordability and availability and (2) a complementary analysis of market functionality and supply resilience in the context of evolving economic and humanitarian conditions.

As such, this overview focuses on the affordability, accessibility, and availability of key commodities, drawing on data from across the country to assess current challenges facing Afghan households. It analyses trends in the cost of the Minimum Expenditure Basket (MEB), including insights into food, WASH, and non-food item baskets, and highlights where affordability gaps are widening, particularly for vulnerable groups such as women-headed households, displaced populations, and returnees.

In addition to cost dynamics, the brief explores physical and financial barriers to market access, based on vendor and household data. While physical access has generally improved with the arrival of summer, high transportation costs and low purchasing power continue to limit households' ability to meet essential needs. Finally, the brief assesses the availability of key goods in markets, identifying where vendors report disruptions or constraints in supply, and how markets are coping with ongoing environmental stress and shifting trade dynamics due to geopolitical tensions.

Methodology Overview

Primary data comes from the Joint Market Monitoring Initiative (JMMI), an assessment conducted by REACH through the Cash and Vouchers Working Group (CVWG) and its partners. The JMMI is a monthly assessment in which vendor key informants (KIs) are purposively selected from markets across Afghanistan. The KIs are interviewed using a structured questionnaire, which asks about the availability and prices of essential goods in the KI's location, as well as providing insights into market functionality. The brief includes JMMI data from June 2024 through June 2025.

The most recent dataset can be accessed here and the corresponding dashboard can be found here; for more information on the methodology, please see the Terms of Reference here. For more information on the MEB and its components, please refer to the CVWG Guidance here.

Note that due to the key informant methodology and reliance on purposive sampling, the JMMI data does not accurately portray conditions in all markets. Instead, it provides an indication of conditions in assessed markets (see Map 4).

In addition to the JMMI, this brief includes data from various secondary sources. The full list of sources used can be found in the endnotes.

Key Messages

- For most of the population, the Minimum Expenditure Basket (MEB) reference value represents at least double the average household income, with women-headed households and refugees exposed to even bigger disparities between income and essential needs.
- A modest decrease in the national Minimum Expenditure Basket (MEB) cost was observed in June 2025. However, this decline does not appear to reflect a sustained trend. With an expected below-average wheat harvest and ongoing pressures on labor markets, MEB costs should continue to be closely monitored in the coming months.
- Slight price increases for essential WASH items contribute to additional cost pressures, with WASH-related costs remaining above the national WASH basket reference value in most assessed provinces.
- While nearly all vendors report no physical or security-related access barriers to markets, high transportation costs and limited household purchasing power continue to constrain financial access to essential items.

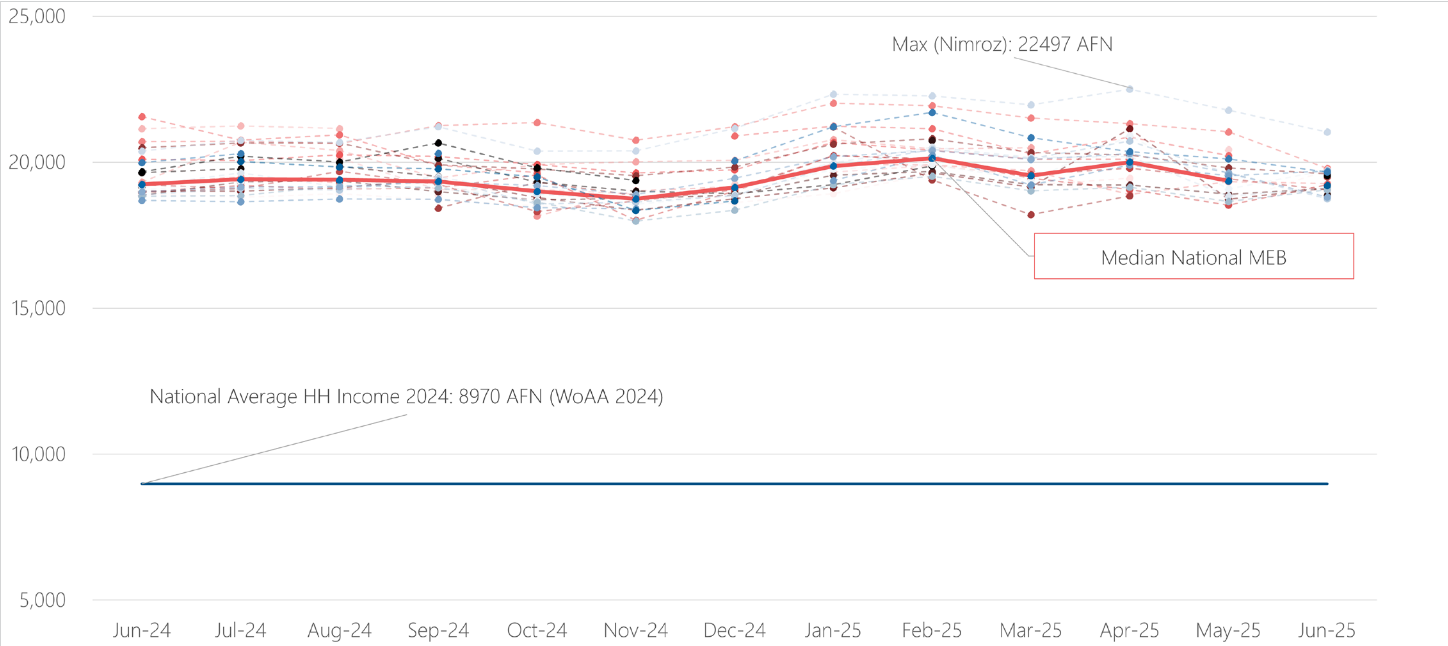
MEB Costs See Temporary Relief, But Underlying Pressures Remain

MEB Cost Trends Show Modest National Decline

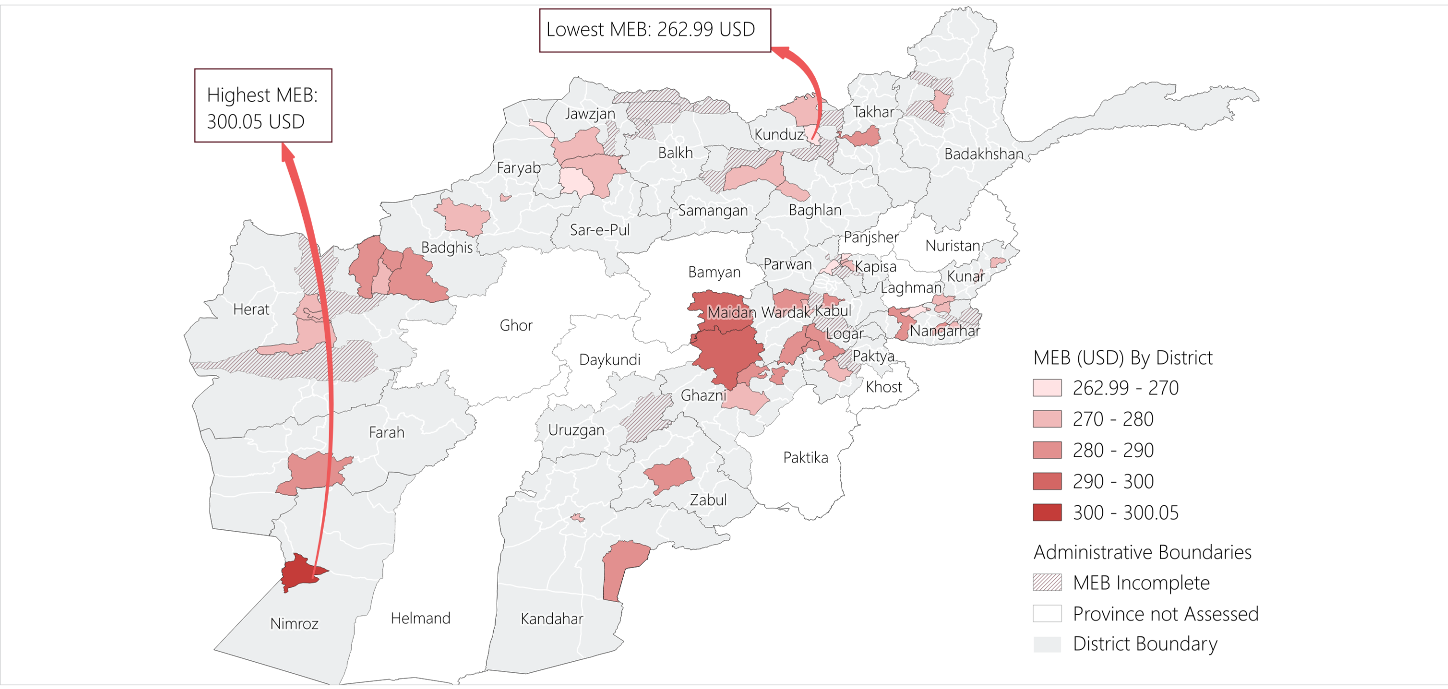
The cost of the Minimum Expenditure Basket (MEB) saw a slight decline in June 2025, returning roughly to levels seen 12 months ago. Rather than indicating a sustained improvement, this pattern appears consistent with seasonal trends of higher costs during the lean season and easing again in late spring (Figure 1).[1] Instead, Increased remittance inflows around Ramadan and Eid likely strengthened the Afghani, lowering costs in March and again in June.[2] At the same time, provincial price differences narrowed markedly in June, with some of the highest-cost provinces seeing sharper-than-average decreases, likely due to their greater sensitivity to the stronger currency. Despite this, concurrent trends may have offset some benefits of a stronger currency. The holidays reduced demand for casual labor, undermining purchasing power for those relying on it.[3] An influx of returnees from Iran could also increase job competition and strain essential services, worsening financial stress in vulnerable communities.[4]

Regionally, the highest MEB costs remain concentrated in provinces like Nimroz, Ghazni, and Maidan Wardak (see Map 1), reflecting persistent geographic disparities. Overall, costs have remained relatively stable over the past year, with only minor fluctuations, suggesting that while short-term relief may occur, underlying economic challenges continue to limit affordability for many households.

Figure 1: Median MEB Cost in AFN by Province, June 2024-June 2025. Dotted lines represent province MEB costs.



Map 1: MEB Cost by District, June 2025



Food Items Costs Have Stabilized but Remain High in Relative Terms

The national cost of the food components of the MEB declined in June 2025, reversing a rising trend that began in late 2024, likely likely reflecting typical seasonal easing for staples representing the largest cost share in the food basket like wheat and vegetable oil.[5] However, the current dry conditions may put additional strain on food affordability, not least due to an expected below-average wheat harvest this year.[6] Additionally, with overextraction threatening long-term groundwater levels, and forecasted stress on rangeland signaling mounting risks for the livestock sector, there is some concern over renewed price pressures, as well as growing reliance on markets and assistance in the months ahead, posing continued risks for households already struggling with affordability.[7]

WASH Items Prices Continue to Rise in Key Provinces

WASH items costs remained elevated and varied widely across provinces in June 2025.[8] The national average rose slightly from the previous month, with the highest costs at the provincial level reported in Nimroz, Maidan Wardak, and Kabul, where prices reached up to a third more than the national WASH basket reference value for Afghanistan.[9] Recent price rises likely reflect short-term, local inflation, but long-term trends are driven mainly by exchange rate fluctuations.[10] Despite this, the cost of the WASH basket components have consistently exceeded the Afghanistan WASH cluster's reference value in nearly a third of the country's provinces over the past 12 months, highlighting ongoing challenges for households. Environmental stressors, including prolonged low rainfall and falling groundwater levels, risk further driving up water costs raising concerns about the long-term affordability of safe water for many households, with some households in Kabul already spending 30% of their income on safe water.[11]

Figure 2: Median Food Items Cost in AFN by Province, June 2024-June 2025. Dotted lines represent province food items costs.

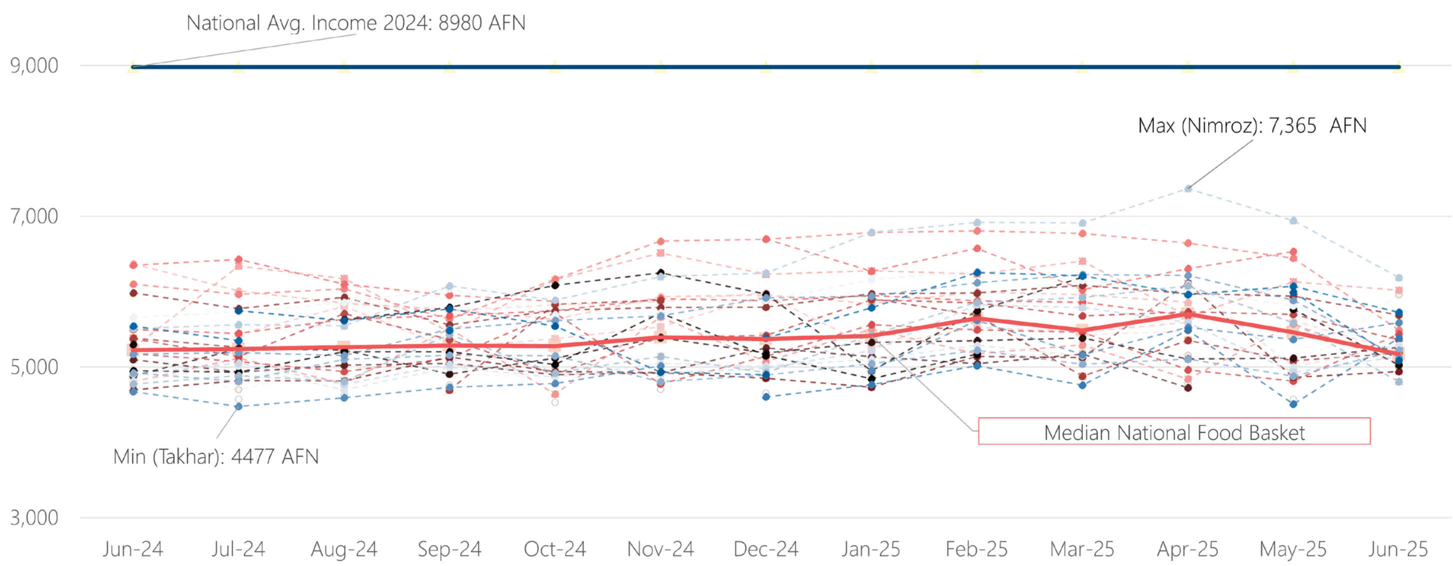
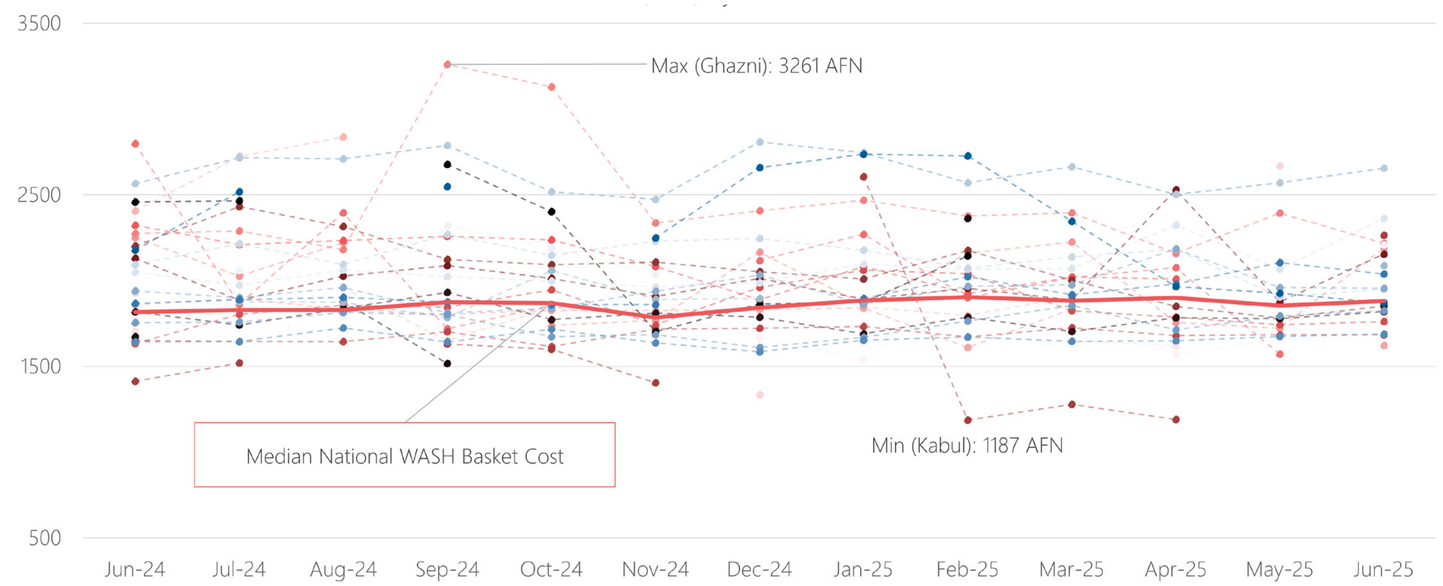


Figure 3: Median WASH Items Cost in AFN by Province, June 2024-June 2025. Dotted lines represent province WASH items costs.



Persistent Affordability Challenges Across Households and Regions

Displaced and Female-Headed Households Struggle Most with Essential Costs

Despite a modest decline in cost in June 2025, the MEB remains out of reach for most households. Over the past year, the national MEB cost has consistently exceeded twice the average household income.[12] This affordability gap is especially wide for vulnerable groups. For women-headed households, the MEB cost is more than three times their average income. Similarly, protracted IDPs and recent returnees face steep disparities between income and essential spending needs. These affordability challenges highlight the fragility of household economies, where even minor shocks to income or price levels can severely limit access to basic goods.

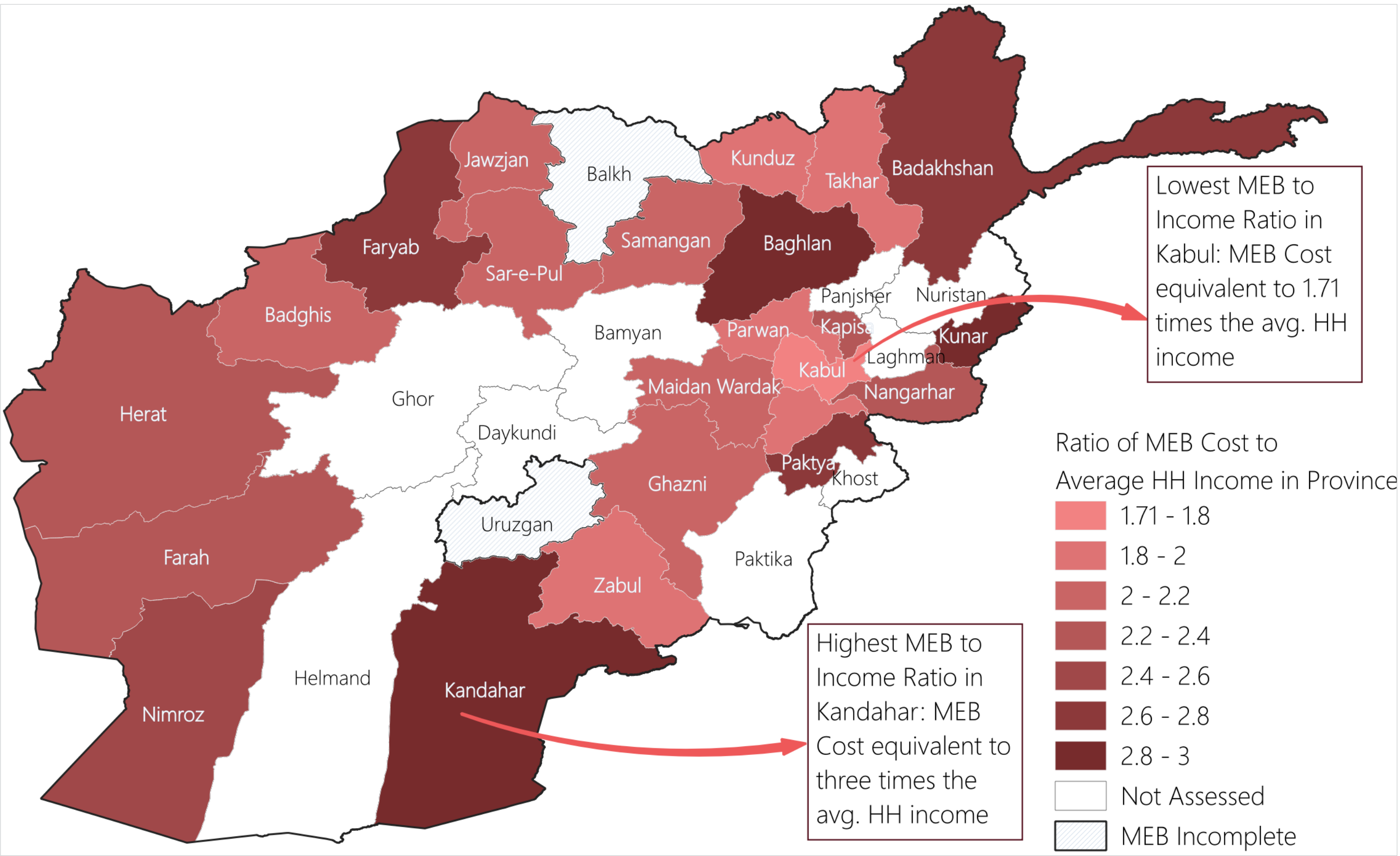
Affordability Gaps Are Widened by Geography and Group Characteristics

Where people live and who they are plays a major role in economic access. Urban households generally report slightly higher incomes than the national average, while rural households fall below it. Kandahar Province shows the largest affordability gap, with the lowest average household income in the country (See Map 2). Yet, despite these income constraints, Kandahar and the wider southern region do not consistently report the highest food insecurity.[13] This suggests that some households may be able to rely more on own production, such as farming or livestock, to meet food needs. In contrast to this, as highlighted above, women-headed households and displaced groups already face the steepest affordability gaps as their structural barriers to income generation and high income instability leave them especially vulnerable to price shocks and market disruptions. In Kandahar, where market prices are among the highest in the country, households without access to own production may face similar vulnerability when they must rely on markets.

Food and WASH Costs Exceed Safe Spending Thresholds for Many

Food basket costs alone place a heavy burden on household budgets. For women-headed households, the cost of food items alone represents over 85% of monthly income, compared to 69% for refugees and 62% for returnees.[14] Urban households face a lower burden at about half of average income, while rural households spend around 61%. These levels far exceed the 50% threshold that WFP's CARI uses to flag high economic vulnerability, signalling difficulty meeting non-food needs and exposure to shocks.[15] While not a full measure of food security, this indicator shows significant pressure that is likely to worsen as dry conditions and an underperforming wheat harvest may push more households to rely on markets. Similarly, WASH items costs, though lower in absolute terms, account for more than 20% of household income on average. These figures raise serious concerns about the long-term affordability of essential items, especially as environmental pressures and supply chain volatility persist.

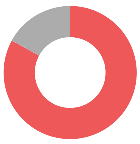
Map 2: Affordability Analysis: MEB to Avg. HH Income per Province, June 2025



Improved Physical Access, But Financial Constraints Persist

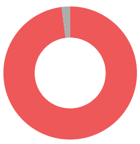
Physical access to markets has improved with summer conditions

Physical access to markets appeared to improve in June 2025, as summer conditions made travel easier. Most vendors reported that their clients faced no major obstacles reaching markets, a notable improvement compared to previous months. Despite this, transportation remained the most commonly reported challenge, mainly due to high costs, poor infrastructure, or limited transport options. Household-level data from WoAA 2024 confirms these patterns, additionally showing that in many provinces markets are both far away and difficult to reach regardless of seasonal trends (see Map 3). Notably, vendors almost never cited security as a reason clients couldn't reach the market, pointing to a generally stable security environment during this period.



83%

Vendors reporting customers have not faced any physical access challenges when traveling to the market in the past 30 days.



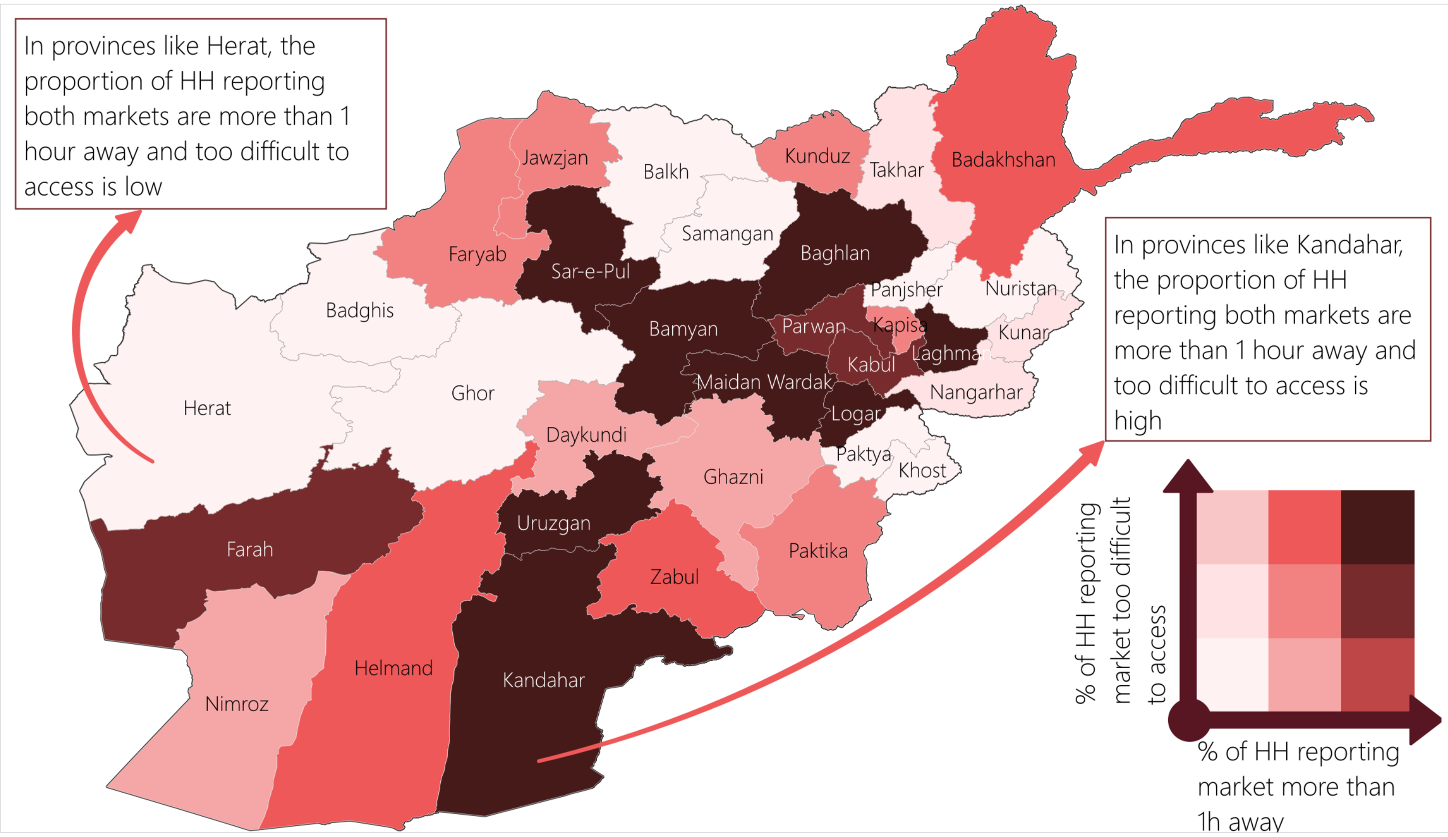
98%

Vendors reporting customers have not faced any major security constraints when traveling to the market in the past 30 days.

Financial barriers remain the biggest obstacle to market access

Despite improved physical access, many households still cannot afford market goods. Nearly half of all vendors reported that customers struggled with affordability of the items themselves, with the highest reported levels in the Northern, Southern, and Western regions. These findings are broadly in line with HH-level data, with a majority of HH at the national level reporting that prices for food and non-food items are unaffordable, and nearly half reporting health items being too expensive, too.[16]
Fuel prices spiked in June 2025 due to Iran–Israel conflict disruptions but quickly eased, remaining broadly in line with last year's levels.[17] The short-lived nature of the spike, together with seasonal price drops in major MEB components, likely prevented any clear impact on overall MEB figures. HSM data from March 2025 also indicates that financial barriers to market access were already widespread well before the June price shock.[18] Rising fuel costs are therefore only one of several factors limiting market access, with prices remaining out of reach for many even without temporary increases Moreover, households across much of the country already rely heavily on markets for food purchases during the winter months, when their own agricultural production falls short of meeting needs (see Map 3). Given this dependence, the anticipated declines in agricultural productivity this year are likely to intensify financial strain, making it increasingly difficult for households to access necessary items in the coming months. This reality highlights that improving market access alone is insufficient without addressing underlying affordability challenges.

Map 3. Reported Market Access Constraints by Province (WoAA 2024)



Food Basket Stability and Persistent WASH Availability Issues

While the previous section focused on how price levels affect household access to essential goods, the following analysis turns to the availability of those same items in markets, highlighting where supply constraints persist and how resilient market systems remain in the face of seasonal and structural pressures.

Food Basket Availability remains mostly stable with some regional concerns

All food basket items were available nationwide in June 2025, indicating overall market resilience.[19]
Salt was the most frequently reported item with limited availability and a significant price increase, likely reflecting recent structural changes to supply chains following a ban on salt imports.[20] Overall, JMMI data on availability suggest that, after disruptions in availability earlier in the year, such as temporary shortages of wheat and rice, market conditions largely stabilized by June. However, wheat availability remained somewhat constrained, particularly in the Northern Region, where dry conditions continue to impact the summer harvest. Remote sensing data points to drought risks in Southern and Eastern provinces that could further affect staple production.[21] Meanwhile, local authorities' active search for alternative wheat suppliers underscores growing concern over potential domestic shortfalls and evolving supply challenges in the months ahead.[22]

WASH Basket Availability shows persistent challenges for some items

For non-food essentials, safe water, sanitary pads, and cotton cloth were the only WASH items reported as completely unavailable in some provinces, affecting only a small share of vendors. Unlike food items, where availability constraints eased by June, the limited availability of sanitary pads remained relatively high, returning to levels seen earlier in the year after a dip in April 2025, possibly reflecting lingering effects of border closures with Pakistan in March.[23] Vendors generally linked low availability of sanitary pads and cotton cloth to weak customer demand. The limited availability of safe water likely reflects bottled water shortages, which households rarely use as their main drinking source according to WoAA data, but persistent availability challenges for other items may point to ongoing supply and demand imbalances for specific WASH items, highlighting the need for focused efforts to improve access and affordability in affected areas.

Figure 4: Availability of Food Items, June 2024 - June 2025

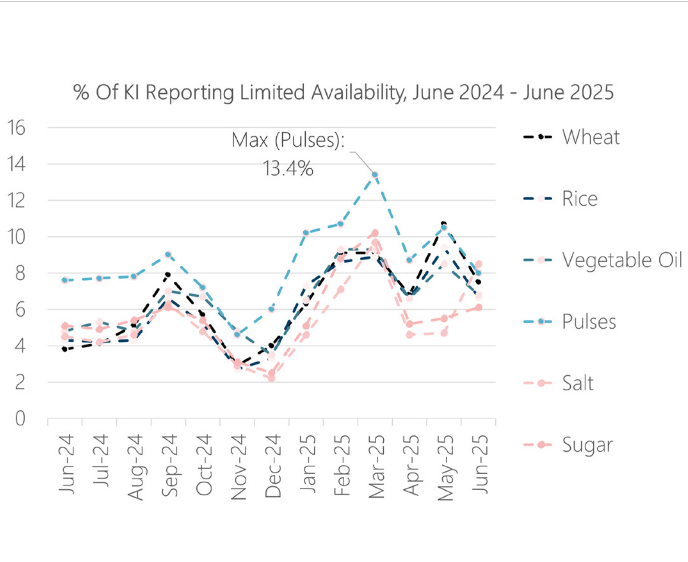
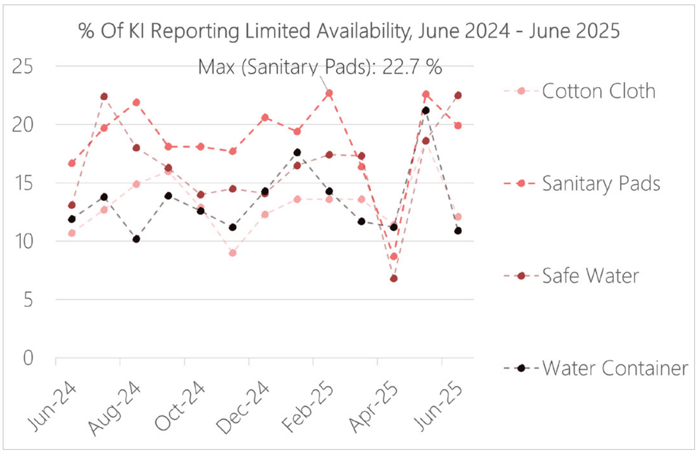


Figure 5: Availability of WASH Items, June 2024 - June 2025



Conclusion

Overall, markets in Afghanistan show seasonal easing in costs and stable availability for most food items, but affordability gaps remain severe, particularly for women-headed households, displaced populations, and returnees. While physical access has improved with summer conditions, high transport costs and low purchasing power continue to limit effective access to goods. Short-lived shocks such as the June fuel price spike and structural supply constraints in WASH items like sanitary pads highlight ongoing vulnerabilities. With an underperforming wheat harvest expected and environmental pressures persisting, affordability challenges are likely to intensify in the coming months, requiring close monitoring and targeted interventions to protect household access to essential goods.

ABOUT REACH

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 and 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).

Endnotes

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Assessment Coverage

Map 4. Number of Months in which Districts were covered by JMMI Data Collection, June 2024 - June 2025