

Price Monitoring and Analysis Country Brief

Afghanistan

February 2010

Key Messages

- Wheat prices are declining particularly due to the bumper harvest and are stabilizing in recent months.
- Conflict is still intense and seriously affecting population.
- Pockets of food insecurity remain despite bumper harvest and declining wheat prices.
- Further financing of the government's development agenda has been approved through the Afghanistan Reconstruction Trust Fund.

Background

The total population of Afghanistan was 28.39 million in 2008 and the annual growth rate was 2%. Most of the population lives in rural areas, however the contribution of agriculture to the GDP is below 40%.

Economic Indicators	View Data
Total Population - 2009 (CIA)	28396000
Population growth rate - 2009 (CIA)	2%
GDP per capita, \$ PPP - 2008 (CIA)	700
Population below 1\$ PPP per day	n.a.
Rural population - 2006 (WB)	77%
Agriculture, value added (% of GDP) - 2007 (WB)	37%

Food Consumption	
Undernourished Population	n.a.
Cereal share in total dietary energy consumption	n.a.
Meat share in total dietary energy consumption	n.a.

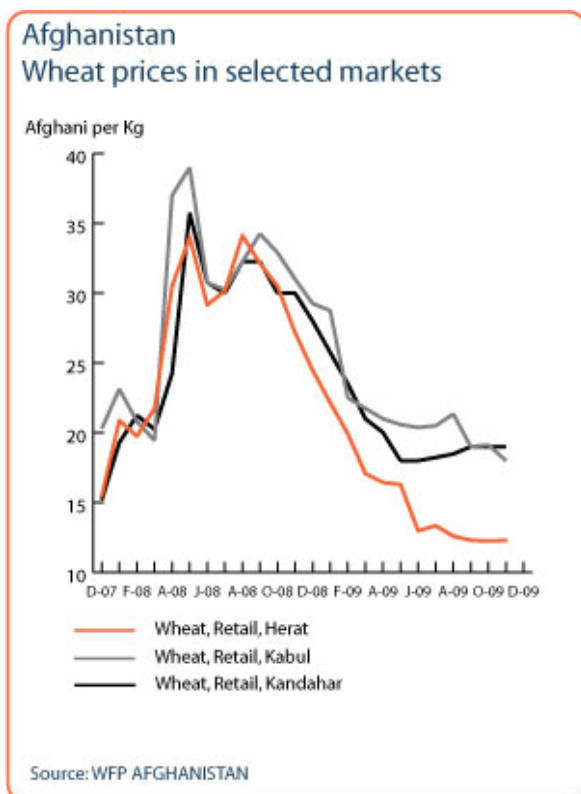
Health Indicators	
Pop. with sustainable access to improved sanitation - 2006 (WHO)	30%
Life expectancy at birth (years) both sexes - 2006 (WHO)	42
Pop. with access to improved drinking water sources - 2006 (WHO)	22%
Prevalence of HIV among adults aged >= 15 years - 2005 (WHO)	0%

Prices

In response to the bumper harvest, wheat prices have come down. For example, wheat retail price in Kabul in the central region has come down to 15 AFN/Kg in January 2010 from 19 AFN/Kg in Oct. A similar trend is found in Kandahar, a major southern city market where prices decreased from 19 to 17 AFN/Kg in January. Prices of wheat in Herat, a western city, are much lower (11 AFN/Kg in January). Nevertheless the current prices in general remain higher than during the pre-crisis period of 2007. In January, Afghan wheat prices were (305 USD/Ton) 43% higher than the international prices of US Wheat No2 Hard Red Winter, US fob Gulf (213 USD/Ton).

Natural Disasters, Drought and Conflicts

The armed conflict in Afghanistan has intensified affecting a growing number of people; particularly in the southern part of the country where the conflict is more intense. Insecurity has forced displacement, loss of livelihood, and destruction of property and personal assets. According to UNHCR, the conflict has displaced more than 230,000 IDPs in the country and total population of concern is estimated at 515,659.



Refugees and IDPs	2006	2007	2008
Total in the country	527710	535632	515659
Total outside the country	2749915	3609746	3371919

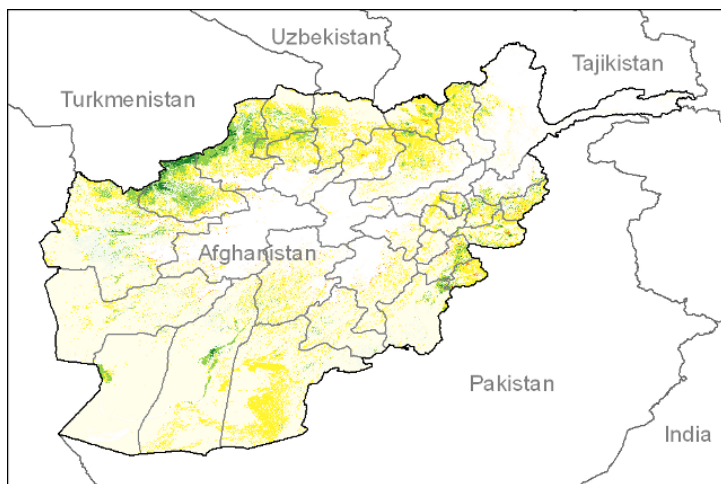
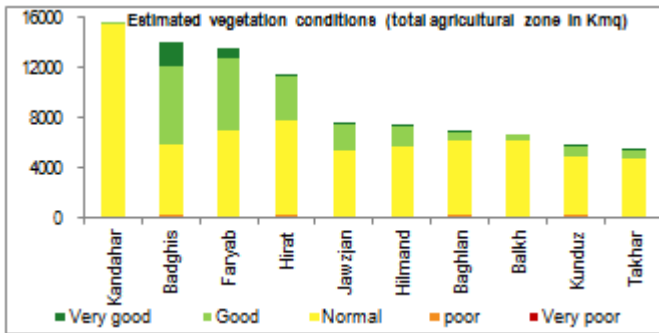
Source: UNHCR Statistical Online Population Database, United Nations High Commissioner for Refugees (UNHCR), Data extracted on 22/10/2009.

Disaster Type (last year)	Date	Location	Alert
Earthquake	2009-10-30	Nangarhar	2/3
Earthquake	2009-10-29	Badakhshan	2/3
Flood	2009-05-11	Faryab	1/3

Source: Global Disaster Alert and Coordination System - 3 = 1000 or more people killed or 800000 or more people displaced. 2 = 100 or more people killed or 80000 or more displaced.

Vegetation Condition

At the middle of the winter season, normal to good vegetation conditions are observed throughout the country. The general indicator of vegetation condition provided below is the relative difference between the NDVI for January 2010 and the average of the last 10 years, calculated on the agricultural zones derived from the GLOBCOVER land cover database (2005).



Source: JRC MARS – FoodSec

Food Security Situation

Despite the good cereal production of 2009, pockets of food insecurity exist in the country, mainly due to the prolonged conflict. In the short term, GIEWS and FEWSNET estimates severe localized food insecurity in many parts of the country. The long term prospect is dim so long as the conflict continues.

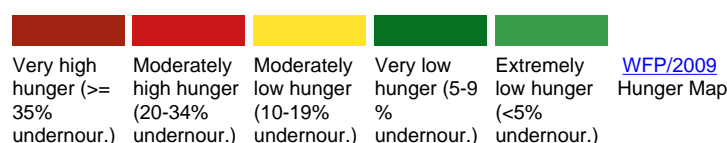
CURRENT EMERGENCY ASSESMENT



The bumper main wheat harvest in 2009, decrease in cereal prices, and good food aid coverage are encouraging signs for the current food security situation in Afghanistan. ...[more](#)

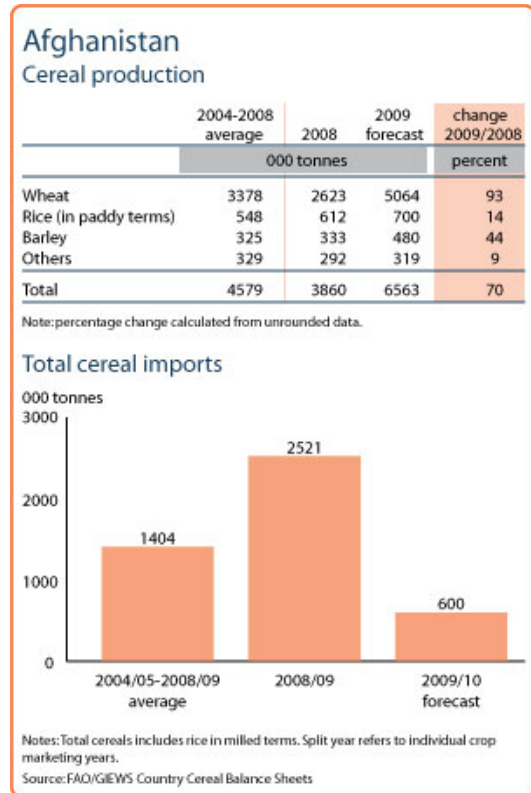
FEWSNET

SCALE OF HUNGER



Food Balance Sheet

The 2009 wheat harvest was estimated at 5.064 million tonnes (93% increase from 2008). The 2009 total cereal output, estimated at record level of 6.33 million tonnes, is about 73% above the 2008 output. Consequently, imports of wheat and rice for 2009/2010 marketing year are expected to go down to about 600,000 tonnes, from 2.5 million tonnes in 2008/09.



Source: GIEWS Country Briefs

Government Policies

The Afghanistan Reconstruction Trust Fund (ARTF) will now follow a clear Afghan government strategy which focuses on priorities in the agriculture, infrastructure and irrigation sectors. The ARTF will finance around 2.6 US\$ billion for 2010-2013. The Gvmt has succeeded in increasing the use of improved seeds and fertilizers and expanding the area under cultivation, partly due to reduction of poppy cultivation.

Consumer and market oriented measures	Market infrastructure development measures
Producer oriented measures	Irrigation; Support to inputs for animal production/fisheries
Trade policy measures	n.a.
Safety net (increased or introduced)	Food/cash transfer; Targeted input distribution

Different sources

Current events to watch (Click to see the full report)

- [AFGHANISTAN: Women's rights trampled despite new law](#)
- [AFGHANISTAN: Seasonal floods warning](#)
- [AFGHANISTAN: Help promised for returning Marjah IDPs](#)
- [In Brief: Major tree-planting drive in Afghanistan](#)
- [AFGHANISTAN: Dip in civilian deaths in first two months of 2010](#)

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