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**AGRICULTURAL SECTOR SUPPORT PROJECT
PRIVATE SECTOR AGRIBUSINESS**

**Commodity
Price
Report**

April - June 1991

Agricultural Sector Support Project
Private Sector Agribusiness

Prepared by Tom Harrington for Development Alternatives, Inc., for the office of the
AID Representative to Afghanistan under Contract Number 306-0204-C-00-9829-00.

Islam Abad, Pakistan

October 1991



Development Alternatives, Inc.

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Introduction

The goal of the commodity price report is to show basic trends and patterns in the prices of agricultural commodities by province in Afghanistan.¹ Price data are collected through informal surveys with Afghan traders, mujahideen, farmers, truckers and NGO representatives coming from Afghanistan.

During the second quarter 1991, collection of fertilizer price data was limited because many travellers reported that no fertilizer was locally available, especially phosphate fertilizer. Given existing constraints on data collection and unpredictable conditions pertaining in Afghanistan these price data should be used cautiously.

Quarterly Highlights

- ▶ The Afghani gained 7 percent in value against the rupee between the beginning of April and the end of June, in contrast to a 29 percent devaluation against the rupee during the first quarter. The Afghani ended the second quarter at Afs 36.4 per rupee. However, against the U.S. dollar the Afghani lost 3 percent of its value during the second quarter and ended the quarter at Afs 944 per U.S. dollar.
- ▶ Provincial monthly wheat prices increased only one percent on average during the quarter. Compared to a year ago, however, provincial wheat prices at the end of the second quarter 1991 were 45 percent higher.
- ▶ Provincial monthly mutton and beef prices increased on average 20 and 24 percent, respectively, during the second quarter, in contrast to modest 7 and 2 percent increases in the first quarter 1991. Average provincial mutton and beef prices at the end of the second quarter 1991 were 59 and 56 percent higher than a year ago.
- ▶ Provincial monthly urea prices increased rapidly during the quarter, on average prices increased 43 percent and for some provinces more than 100 percent. Much of the rapid rise in urea prices was due to an increase in the official urea price set by the Kabul government at the end of March. June provincial prices average almost 70 percent higher than a year ago.
- ▶ Data for provincial phosphate fertilizer prices was limited, but available data show a 20 percent increase in price during the second quarter.

¹The Agricultural Sector Support Project/Private Sector Agribusiness has collected price data for Afghanistan agricultural commodities since 1987. Data is maintained in computer files and is available on request.

- ▶ Provincial oxen prices increased 29 percent on average during the second quarter 1991, a high rate of increase compared with an average increase of 27 percent for all of 1990. June provincial oxen prices average 52 percent higher than a year ago.
- ▶ The Kabul Government estimates that price inflation for 1989/90 and 1990/91 was 85 and 78 percent, respectively. By comparison, average estimated inflation for the previous eight years, 1981/82 to 1988/89, was 18 percent.

Exchange Rates

The Afghani gained 7 percent of its value against the rupee between the beginning of April and the end of June, decreasing from approximately 39 to 36 Afs per rupee. After a sharp devaluation against the rupee during the first quarter 1991, the Afghani has stabilized between 35.5 and 36 Afs per rupee. The stability of the Afghani against the rupee during the second quarter 1991 mirrors the flat trend in exchange rates during the second and third quarters of 1990.

Compared with the U.S. dollar, the Afghani declined slightly in value. The average monthly exchange rate rose to approximately 917 Afs per U.S. dollar in June from approximately 887 Afs per U.S. dollar in March. The exchange rate at the end of June was as high as 944 Afs per U.S. dollar. Inside Afghanistan, where difficulties of transport, communications and security increase the costs of handling and changing foreign currencies, rates may have been higher and fluctuated more during the second quarter. Nevertheless, the exchange rates set in Pakistan follow closely fluctuations in Kabul as money changers receive daily updates of current exchange rates.

Second Quarter Agricultural Commodity Prices

Wheat

In terms of planted area, wheat has been and remains the most dominant crop in Afghanistan, and serves as a staple food in the diet. Historically, wheat accounted for about 60 percent of total crop area in Afghanistan.² In recent surveys, 70 to 95 percent of farmers said they grow wheat.³ Pre-war studies of household expenditure indicate that wheat accounted for approximately 45 percent of expenditures for food

²Government of Afghanistan, Ministry of Planning, Central Statistics Office, Afghan Agriculture in Figures, December 1978.

³Agricultural Survey of Afghanistan, The Swedish Committee for Afghanistan, Sixth Report, 1989 and 1990 Surveys, 1990, Table 5.

and fuel.⁴ As such, wheat prices are an important indicator of agricultural and living conditions in Afghanistan.

Wheat prices were increasing in some provinces and decreasing in others during the second quarter 1991. As a result, the average change in provincial wheat prices of only 1 percent misrepresents the divergence of price levels and trends among Afghanistan's provinces. Average provincial wheat prices for June were Afs 156 per kilogram, a 45 percent increase over a year ago. Price increases are associated with areas of military conflict and possible signals of poor 1991 wheat harvests. Price decreases reflect the expected trend in agriculturally productive provinces during the harvest season.

Provinces showing price increases 25 percent or higher during the second quarter were Helmand, Kabul, and Paktika. Ghazni, Kapisa, Kunar, Laghman, and Paktia experienced price increases of less than 10 percent. In terms of price levels, at the end of the quarter, higher than average prices prevailed in the eastern and central mountainous provinces of Afghanistan.

For Paktika and Paktia, continued fighting through the early summer was the most important cause behind high and increasing prices. These provinces' June wheat prices were more than 100 percent higher than a year ago. The locus of fighting in general is in provinces surrounding Kabul causing a concentration of high prices in that area. Wheat prices in agriculturally productive Helmand province increased rapidly during the quarter, perhaps reflecting the effect of flood damage to crops during the spring.

Price decreases during the quarter ranged from 4 to 37 percent in Baghlan, Balkh, Bamyan, Jawzjan, Logar, Nangarhar, Parwan, Samangan, and Wardak. The lowest wheat prices were found in the northern agriculturally productive provinces of Baghlan, Balkh, Jawzjan, Kunduz, and Takhar, reflecting increased supplies in the market after the wheat harvest. Kunar's typically low price is likely mostly due to importation of cheaper wheat from Pakistan. Price decreases in northwestern provinces are perhaps a signal that the impact of the locust and senn pest problem was less severe than last crop year. These provinces' wheat prices in June fell below the provincial average price of Afs 161 per kilogram.

Mutton and Beef

In contrast to the previous quarter, mutton and beef prices increased rapidly during the second quarter. Beef prices rose slightly faster than mutton prices, but typically beef remained almost 20 percent cheaper than mutton.

⁴Gerald P. Owens, USAID/The University of Wyoming Contract, Price Data Book, Kabul, Afghanistan, February, 1971.

Mutton

The average of provincial monthly mutton prices for the second quarter was 1,316 Afs per kilogram, a 17 percent increase over the preceding quarter's average price. Mutton prices increased by as much as 44 percent in Kabul and by more than 20 percent in several provinces across the country from April to June. Only Nangarhar experienced a price decrease during the quarter, as mutton prices fell from a high of Afs 1,650/kilogram in April to Afs 1,450/kilogram in June, a drop of 12 percent. Despite the drop in price, Nangarhar's mutton price was 4 percent above the average provincial June mutton price.

In June, mutton prices ranged from Afs 1,000 per kilogram in Takhar and Jawzjan to Afs 2,600 per kilogram in Kabul province. The highest mutton prices (Afs 1,600 per kilogram and above) were concentrated in provinces close to Kabul - Logar, Paktia, Paktika, Parwan, and Wardak. The lowest mutton prices were concentrated in provinces north of the Hindu Kush - Baghlan, Balkh, Faryab, Jawzjan, Kunduz, Takhar, and Samangan. The June average of provincial mutton prices increased 59 percent from a year ago.

Beef

The average of provincial monthly beef prices for the second quarter was Afs 1,082 per kilogram, an increase of 26 percent over the preceding quarter's average price. Beef prices increased by more than 40 percent in Baghlan, Kabul, and Parwan. In Paktia and Nangarhar beef prices decreased 10 and 7 percent, respectively. Despite price decreases, Paktia's and Nangarhar's June beef prices are still 38 and 13 percent higher, respectively, than the average provincial June beef price.

In June, beef prices ranged from Afs 800 per kilogram in Samangan to Afs 1,966 per kilogram in Kabul province. The highest beef prices (Afs 1,200 per kilogram and above) were concentrated in provinces close to Kabul - Kapisa, Logar, Nangarhar, Paktia, Paktika, Parwan, and Wardak. The lowest beef prices (less than Afs 1,000 per kilogram) were distributed in provinces in the south - Ghazni, Helmand, and Uruzgan - and north of the Hindu Kush - Balkh, Faryab, Jawzjan, Kunduz, Samangan, and Takhar. The June average of provincial beef prices, Afs 1,102 per kilogram, was 56 percent higher than a year ago.

Second Quarter Agricultural Input Prices

Oxen

Oxen prices increased rapidly during the second quarter. The average of provincial oxen price increases from April to June was 29 percent, in contrast to no

change during the first quarter 1991. No province experienced a decline in oxen price as in the first quarter, and seven provinces had price increases greater than or equal to 35 percent.

June's highest prices per head were at or above Afs 280,000 per head in Helmand, Kabul, Logar, and Wardak, a price Afs 100,000 higher than March's highest oxen prices. Below average oxen prices were concentrated in northern Afghanistan such as Badakshan, Balkh, Jawzjan, Samangan, and Takhar. Compared to a year ago, June average oxen prices increased 52 percent.

Urea Fertilizer

The second quarter average provincial urea price was Afs 3,632 per 50 kilograms, a 36 percent increase from the first quarter average price. During the second quarter provincial urea prices increased on average at a rate of 12 percent per month, in sharp contrast to overall urea price declines during the first quarter.

In addition to seasonal demand for urea which occurs during the second quarter, urea prices were driven higher by a policy change. At the beginning of the Afghan year, the Kabul government increased the official price of urea by 70 percent, from Afs 600 per 50 kilograms to Afs 1,000. This increase caused the black market price to move higher, such that June urea prices were on average 69 percent higher than a year ago.

The black market price of urea was everywhere higher than the official price. For example, in April shortly after the official price increase to Afs 1,000 per 50 kilograms, black market urea prices ranged from 1.4 to 6 times the official price. By June, black market prices ranged from 1.9 to 10.2 times the official price.

The highest reported price for June was over Afs 10,000 per 50 kilograms in Helmand. The lowest June prices were reported in Balkh, where urea is produced, and in its neighboring provinces. Typically, urea prices increase rapidly as the distance from the Mazar-i-sharif urea factory in Balkh increases.

Phosphate Fertilizer⁵

Phosphate fertilizer was not generally available in Afghanistan during the second quarter, limiting availability of price data. Prices reported by DAI surveyors for bazaars in eastern Afghanistan in April and May were Afs 14-15,000 per 50 kilograms for

⁵Phosphate fertilizers in Afghanistan are known generically as "black" or "gray" fertilizer. Prices reported by travellers are for black or gray fertilizer and as such represent a variety of phosphate fertilizers. Unless specifically noted otherwise, in this commodity price report, as in previous reports, price data are treated as generic phosphate fertilizer prices in the text and tables.

Diammonium Phosphate (DAP) and Afs 7,000 to 8,800 per 50 kilograms for Single Super Phosphate. Surveyors reported that phosphate fertilizer was not available in many bazaars visited during the quarter.

Based on price data collected from interviews with travellers from Afghanistan, provincial phosphate fertilizer prices increased 20 percent on average during the second quarter. The June average phosphate fertilizer price for a limited number of provinces was Afs 9,609 per 50 kilograms, almost 2.5 times higher than a year ago.

Estimated Annual Inflation Rates

For 1981/82 through 1988/89, Kabul government statistics indicate that annual inflation has averaged 18 percent.^{6,7} Since 1988/89, however, Afghanistan's annual rate of inflation has increased dramatically. The highest recorded annual price level increase was 85 percent between 1988/89 and 1989/90. For March 1990 to December 1991, the consumer price index rose 54 percent, which extrapolated to twelve months is an annual inflation rate of 78 percent. Part of the increased upward pressure on prices during the past two years is due to the decline of monetary and commodity assistance from the USSR to the Kabul government. Rapid growth in borrowing from the Central Bank by the Kabul government since 1987/88 has caused a rapid acceleration in the rate of annual inflation.

The annual inflation rate extrapolated as above from the first nine months of 1990/91 from the National Consumer Price Index for cereals was 29 percent from March 1990 to March 1991. DAI wheat price data show higher price increases for the same period. For meat, inflation extrapolated from the National Consumer Price Index was 42 percent from March 1990 to March 1991. DAI mutton and beef price data show higher price increases for the same period. Using the National Consumer Price Indices as a basis for calculating inflation, DAI price data suggest real price increases for the basic food commodities of wheat, mutton and beef between March 1990 and March 1991.

⁶Calculation of annual inflation rates are based on percentage annual changes in the National Consumer Price Index as reported by the Government of Afghanistan, Central Statistics Office, Ministry of Planning.

⁷References to years such as 1988/89 refer to the Islamic year which begins on March 21 and ends on March 20 the following year.

Comparison with Pakistan Commodity Prices

At the end of the second quarter 1991, the average price of wheat in Afghanistan (at Rs 4.3 per kilogram for June converted at June average exchange rates) remained 1.3 to 1.5 times higher than wheat prices in Pakistan. In Kunar, the June wheat price average of Rs 3.2 per kilogram was comparable with Pakistan wheat prices. In Kabul, Paktia, and Paktika, June wheat prices approached levels twice as high as Pakistan prices.

Afghanistan average urea prices (on the black market) at Rs 133 per 50 kilograms in June were almost at parity with the Pakistan price of Rs 140 per 50 kilograms. The previous gap between Afghanistan prices and Pakistan prices has narrowed due to reduction of the Afghanistan urea price subsidy and reduced urea production in Afghanistan. In addition, the disparity in urea prices between provinces in Afghanistan has increased. Urea prices range from Rs 54 in Balkh (where Afghanistan urea is produced) to Rs 288 per 50 kilograms in Helmand, or greater than twice as high as the Pakistan price.

Afghanistan average phosphate prices in June ranged from Rs 225 to Rs 330 per 50 kilograms generally higher than the most expensive phosphate fertilizer (Diammonium phosphate) available in Pakistan at a government-controlled price of Rs 245 per 50 kilograms.

Wheat and Fertilizer Price Expectations for the Year Ahead

Wheat

At the provincial level, wheat prices were moving in opposite directions during the second quarter - wheat prices decreased in nine provinces and increased in eight provinces. In general, provinces south of the Hindu Kush experienced price increases and provinces north of the Hindu Kush experienced price declines. These price patterns, occurring during the harvest season, suggest below average production in the south and normal to above average production in the north.

Rapid price increases in traditionally productive Helmand during the harvest season suggest a poor 1991 wheat crop. In past years Helmand wheat prices were declining during the second quarter. These price increases reflect the damaging effect on wheat production of a long wet winter and spring flooding in southern Afghanistan.

Wheat prices can be expected to increase in southern and eastern provinces during the third and fourth quarters in the absence of internal trade from provinces north of the Hindu Kush or imports from abroad. In the mid-1970s Afghanistan was at or reaching self-sufficiency in wheat production. More than a decade of war has

diminished that capacity. It is unlikely that wheat surpluses from north of the Hindu Kush will be adequate to meet demand in southern provinces in the possible case of partial crop failure. In the absence of wheat imports, wheat prices may rise dramatically in 1991.

Urea

In March, at the beginning of the Islamic year, the Kabul government raised the official urea price from Afs 600 per 50 kilograms to Afs 1,000 per 50 kilograms, a price increase of about 70 percent. Since little of Afghanistan is under the control of Kabul, most Afghan farmers cannot buy urea at government subsidized prices and pay several times more than the official price. June black market urea prices ranged from 1.9 to 10.2 times the official price.

The 70 percent hike in the official price was not uniformly translated into 70 percent increases in black market prices. Urea prices close to the urea production plant in Mazar-i-sharif increased less than 70 percent, while prices south of the Hindu Kush rose close to or above 70 percent. This pattern of price increases illustrates the difficulties of internal transportation.

In addition, part of the explanation for the growing disparity in urea prices between the North and South may be reduced production at the Mazar-i-sharif factory. The current output of the factory may be half its rated capacity. It is an old factory, that was brought used to Afghanistan and reassembled to begin production in 1974. It was designed to produce 105,000 metric tons of urea annually with capacity reportedly expanded to 120,000 metric tons. Although it is reported that Soviet engineers have helped to maintain and operate the factory, urea production for the period 21 March to 20 June was about 13,000 metric tons, or approximately 50 percent of rated capacity.⁸

During fall land preparation and planting, urea prices can be expected to rise as this is the season of peak demand. If urea production remains below capacity, the price disparity between the North and South will likely continue to increase and lack of urea may become a problem. With decreasing subsidies and reduced supplies, Afghan farmers' access to cheap urea (by world standards) appears to be coming to an end.

Phosphate Fertilizer

For phosphate fertilizers, Afghanistan depends on imports either from or through neighboring countries - Iran, the Soviet Union, and Pakistan. Afghanistan has

⁸Based on reports from U.N. observers in Mazar-i-sharif.

relied on the Soviet Union to supply much of its phosphate fertilizers during the war. Reports that these supplies were reduced in 1990 and may be further reduced in 1991 provide one explanation for continuing rapid price increases. Without Soviet-supplied phosphate fertilizers, the total available supply of phosphate fertilizer will be greatly reduced. There is no recent news concerning importation of phosphate fertilizer by private traders who were to be given import licenses by the Kabul government.

Demand for phosphate fertilizer in Afghanistan peaks during the fall planting season. Without further evidence of importation of phosphate fertilizers, prices may mimic 1990's rapid rise between September and November, starting this year from a higher initial price level.

APPENDIX 1
MONTHLY AVERAGE EXCHANGE RATES

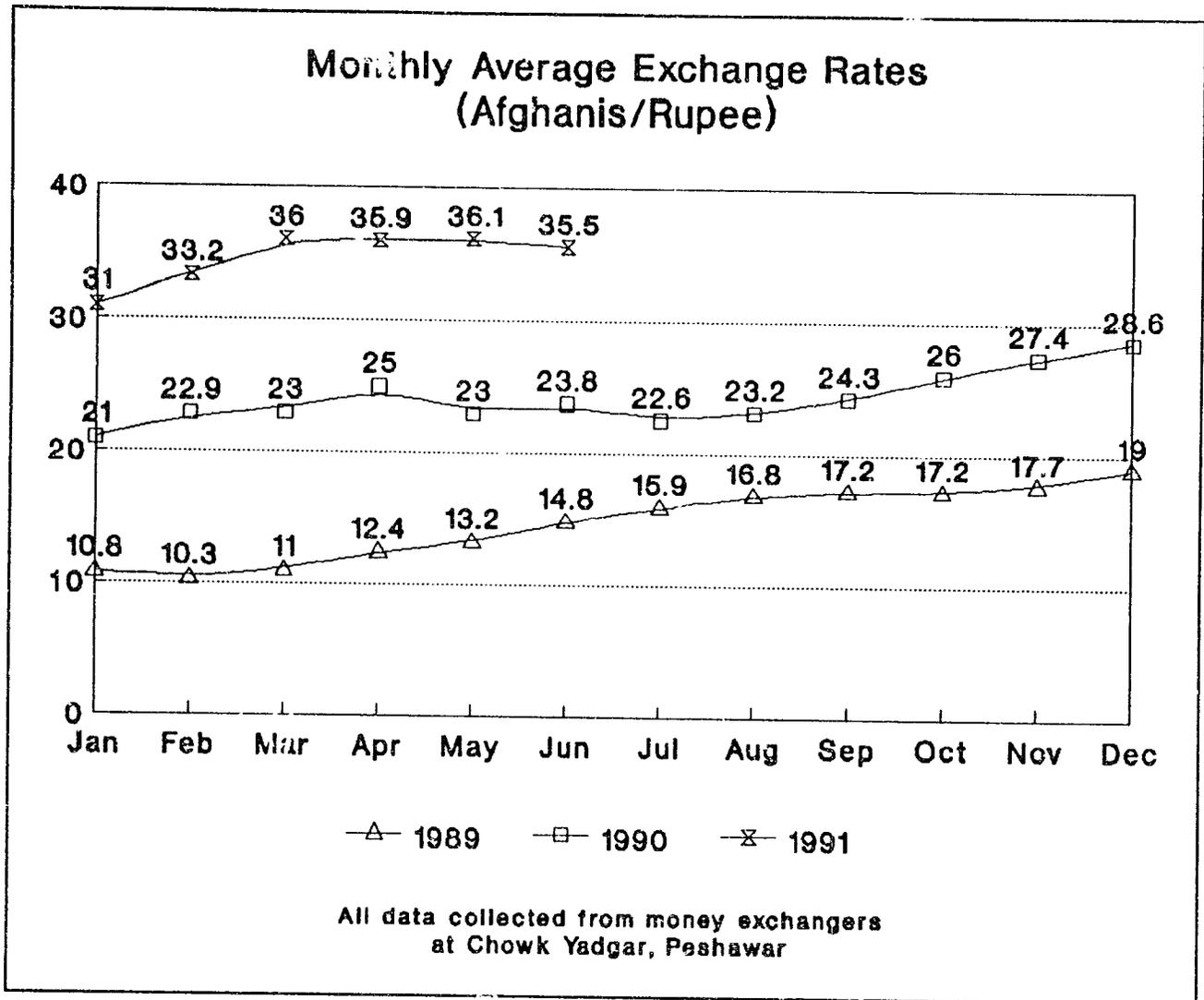


Figure 1. Monthly Average Exchange Rates (Afs/Rs), 1989-91

APPENDIX 2
SECOND QUARTER AGRICULTURAL COMMODITY PRICES

Table 1. Wheat Prices (Afghanis per kilogram) by province, April through June, 1991

Region	Province	April	May	June	April - June		June 90 -
					Avg.	% Chg.	June 91 % Change
I	KABUL	143	136	190	156	33%	67%
	KAPISA	157	171	164	164	5%	44%
	LOGAR	186	186	171	181	-8%	50%
	PARWAN	164	157	150	157	-9%	31%
II	GHAZNI	150	171	157	160	5%	69%
	PAKTIKA	136	164	186	162	37%	117%
III	BAMYAN	200	200	193	198	-4%	29%
	GHOR WARDAK	171	179	164	171	-4%	36%
IV	PAKTIA	193	214	200	202	4%	133%
V	HELMAND	121	143	151	139	25%	63%
	KANDAHAR		145	143			43%
	URUZGAN		166	152			42%
	ZABUL			164			64%
VI	FARAH						
	HERAT						
	NIMROZ	136					
VII	BADGHIS						
	BALKH	143	143	129	138	-10%	80%
	FARYAB			164			5%
	JAWZJAN	214	186	136	179	-37%	-5%
VIII	BAGHLAN	143	143	136	140	-5%	58%
	KUNDUZ			121			21%
	SAMANGAN	186	179	150	171	-19%	62%
IX	BADAKSHAN		214	171			9%
	TAKHAR		143	129			0%
X	KUNAR	100	133	107	113	7%	15%
	LAGHMAN	136	157	143	145	5%	43%
	NANGARHAR	186	179	164	176	-12%	-4%
Provincial Averages:		159	166	156	161	1%	45%

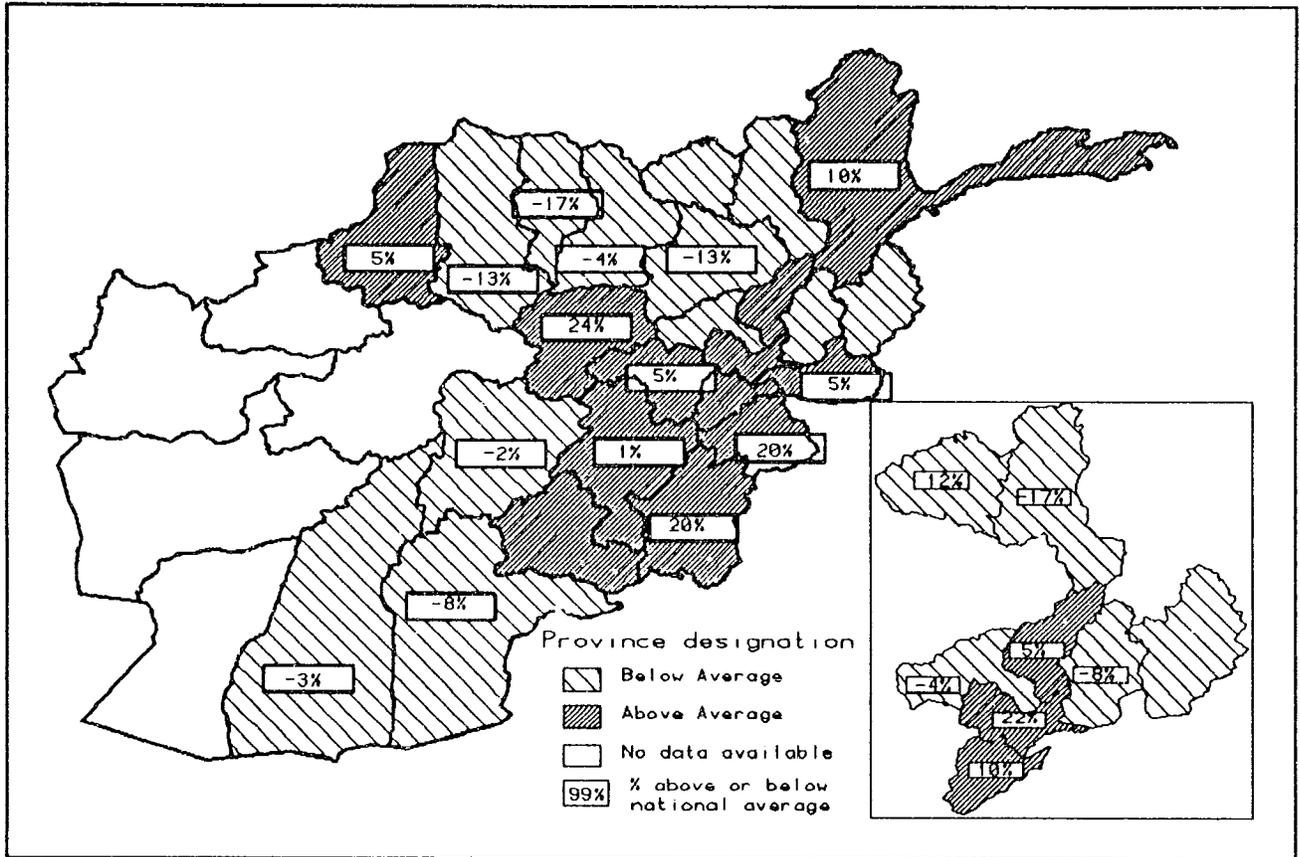


Figure 2. Afghanistan June provincial wheat price differences from the national average of Afs 156 per kilogram

Table 2. Mutton Prices (Afghanis per kilogram) by Province, April through June, 1991

Region	Province	April	May	June	April - June		June 90 -
					Avg.	% Chg.	June 91
						% Change	
I	KABUL	1800	2100	2600	2167	44%	126%
	KAPISA	1200	1400	1500	1367	25%	114%
	LOGAR	1400	1550	1750	1567	25%	75%
	PARWAN	1250	1550	1600	1467	28%	100%
II	GHAZNI	950	1100	1133	1061	19%	42%
	PAKTIKA	1500	1600	1700	1600	13%	79%
III	BAMYAN	1000	1100	1150	1083	15%	28%
	GHOR WARDAK	1300	1350	1600	1417	23%	60%
IV	PAKTIA			1600			60%
V	HELMAND	1150	1326	1428	1301	24%	78%
	KANDAHAR		1383	1485			48%
	URUZGAN		1338	1483			65%
	ZABUL			1400			65%
VI	FARAH HERAT NIMROZ	1500					
VII	BADGHIS						
	BALKH	900	1000	1100	1000	22%	57%
	FARYAB			1200		41%	
	JAWZJAN	900	900	1000	933	11%	33%
VIII	BAGHLAN	900	1200	1200	1100	33%	71%
	KUNDUZ		1200	1150			64%
	SAMANGAN	900	1000	1050	983	17%	40%
IX	BADAKSHAN		1500	1400			56%
	TAKHAR		1000	1000			54%
X	KUNAR	1100	1110	1326	1179	21%	33%
	LAGHMAN	1200	1350	1250	1267	4%	25%
	NANGARHAR	1650	1600	1450	1567	-12%	4%
Provincial Averages:		1212	1317	1398	1316	20%	59%

Table 3. Beef Prices (Afghanis per kilogram) by Province, April through June, 1991

Region	Province	April	May	June	April - June		June 90 -
					Avg.	% Chg.	June 91
						% Change	
I	KABUL	1400	1900	1966	1755	40%	131%
	KAPISA	900	1100	1200	1067	33%	140%
	LOGAR	1100	1350	1450	1300	32%	81%
	PARWAN	950	1250	1350	1183	42%	93%
II	GHAZNI	750	950	950	883	33%	58%
	PAKTIKA	1200	1350	1500	1350	25%	100%
III	BAMYAN	750	900	900	850	20%	29%
	GHOR WARDAK	1000	1000	1200	1067	20%	60%
IV	PAKTIA	1550	1600	1400	1517	-10%	65%
V	HELMAND	900	844	927	890	3%	32%
	KANDAHAR		894	1020			28%
	URUZGAN		968	750			7%
	ZABUL			1000			43%
VI	FARAH						
	HERAT NIMROZ		1100				
VII	BADGHIS						
	BALKH	700	800	900	800	29%	50%
	FARYAB JAWZJAN	700	800	950 850	783	20%	27% 42%
VIII	BAGHLAN	700	900	1000	867	43%	67%
	KUNDUZ		1000	950			58%
	SAMANGAN	700	850	850	800	21%	31%
IX	BADAKSHAN		1200	1100			57%
	TAKHAR		800	800			45%
X	KUNAR	850	930	1122	967	32%	32%
	LAGHMAN	850	1150	1050	1016	24%	31%
	NANGARHAR	1350	1300	1250	1300	-7%	39%
Provincial Averages:		982	1083	1102	1082	24%	56%

APPENDIX 3

SECOND QUARTER AGRICULTURAL INPUT PRICES

Table 4. Oxen Prices (Afghanis per Head) by Province, April through June, 1991

Region	Province	April	May	June	April - June		June 90 -
					Avg.	% Chg.	June 91
						% Change	
I	KABUL	200	250	280	243	40%	47%
	KAPISA	160	190	220	190	38%	57%
	LOGAR	180	215	280	225	56%	87%
	PARWAN	175	200	230	202	31%	53%
II	GHAZNI	170	195	230	198	35%	70%
	PAKTIKA	185	205	240	210	30%	71%
III	BAMYAN	170	200	230	200	35%	44%
	GHOR WARDAK	190	230	300	240	58%	76%
IV	PAKTIA	185	220	233	213	26%	73%
V	HELMAND	185	204	290	226	57%	107%
	KANDAHAR		150	247			65%
	URUZGAN		250	240			66%
	ZABUL			277			104%
VI	FARAH HERAT NIMROZ	210					
	VII	BADGHIS					
		BALKH	160	170	180	170	13%
FARYAB				185			32%
JAWZJAN		170	180	175	175	3%	35%
VIII	BAGHLAN	180	180	195	185	8%	44%
	KUNDUZ		180	185			32%
	SAMANGAN	170	175	170	172	0%	26%
IX	BADAKSHAN		190	180			24%
	TAKHAR		170	170			21%
X	KUNAR	175	210				
	LAGHMAN	170	195	190	185	12%	19%
	NANGARHAR	185	205	220	203	19%	22%
Provincial Averages:		179	198	224	202	29%	52%

Table 5. Urea Prices (Afghanis per 50 kilograms) by Province, April through June, 1991

Region	Province	April	May	June	April - June		June 90 -
					Avg.	% Chg.	June 91 % Change
I	KABUL	2400	2200	3300	2633	38%	65%
	KAPISA	3000	2900	3500	3133	17%	75%
	LOGAR	2600	2900	4100	3200	58%	64%
	PARWAN	2800	2600	3250	2883	16%	67%
II	GHAZNI	3600	3800	5250	4217	46%	91%
	PAKTIKA	3900	4200	6000	4700	54%	76%
III	BAMYAN	3900	4500	4250	4217	9%	166%
	GHOR						
	WARDAK	2600	3400	4300	3433	65%	72%
IV	PAKTIA	2600	4000	5800	4133	123%	21%
V	HELMAND	5000	10050	10233	8428	105%	184%
	KANDAHAR		7525	8750			150%
	URUZGAN		6975	9833			146%
	ZABUL			6050			59%
VI	FARAH						
	HERAT						
	NIMROZ	6000					
VII	BADGHIS						
	BALKH	1400	1500	1900	1600	36%	90%
	FARYAB			2900			-9%
	JAWZJAN	2000	2000	2400	2133	20%	9%
VIII	BAGHLAN	2100	2100	2600	2267	24%	18%
	KUNDUZ		2300	3050			22%
	SAMANGAN	1800	1650	2000	1817	11%	82%
IX	BADAKSHAN		2900	5500			83%
	TAKHAR		2500	3733			24%
X	KUNAR	4500	5730	6511	5580	45%	97%
	LAGHMAN	3150	3750	3900	3600	24%	8%
	NANGARHAR	3400	4000	3950	3783	16%	-6%
Provincial Averages:		3150	3795	4711	3632	41%	69%

Table 6. Phosphate Prices (Afghanis per 50 kilograms) by Province, April through June, 1991

Region	Province	April	May	June	April - June		June 90 - June 91 % Change
					Avg.	% Chg.	
I	KABUL			9,000			275%
	KAPISA	10,000					
	LOGAR		8,000	8,200			103%
	PARWAN	8,500	10,000	11,000	9,833	29%	
II	GHAZNI	7,700	8,000	9,000	8,233	17%	
	PAKTIKA	7,000	7,500				
III	BAMYAN		9,000				
	GHOR						
	WARDAK	7,500	7,400	8,000	7,633	7%	116%
IV	PAKTIA	7,300	9,000		8,150		
V	HELMAND	9,500	8,250	10,500	9,417	10%	144%
	KANDAHAR		7,120				
	URUZGAN		8,238	11,733	9,986		113%
	ZABUL						
VI	FARAH						
	HERAT						
	NIMROZ	8,000					
VII	BADGHIS						
	BALKH						
	FARYAB						
	JAWZJAN						
VIII	BAGHLAN						
	KUNDUZ						
	SAMANGAN						
IX	BADAKSHAN						
	TAKHAR						
X	KUNAR	6,300	7,545	8,551	7,465	36%	114%
	LAGHMAN						
	NANGARHAR			10,500			89%
Provincial Averages:		7,977	8,186	9,609	8,674	20%	136%

APPENDIX 4

ESTIMATED ANNUAL INFLATION RATES FOR AFGHANISTAN

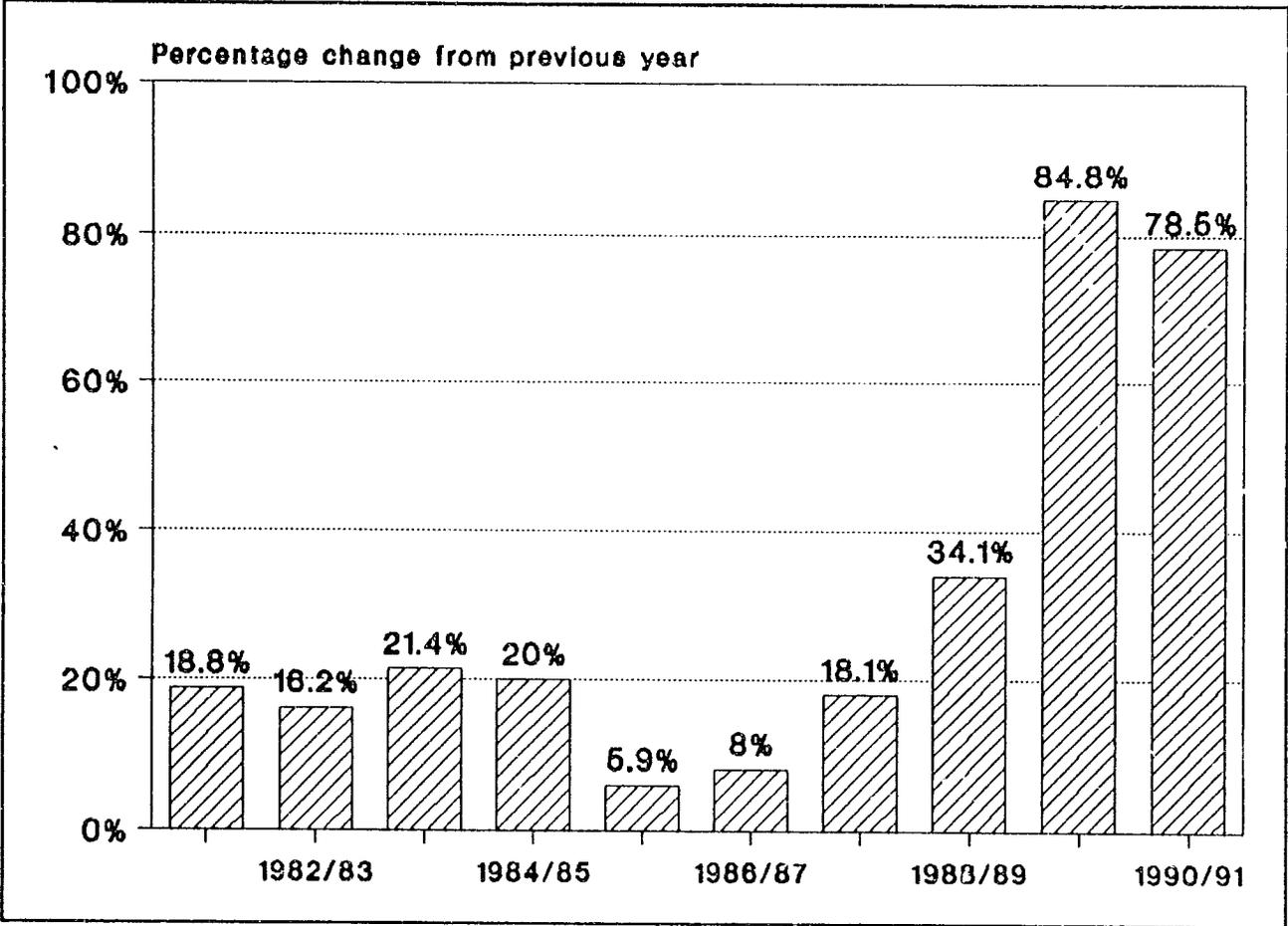


Figure 4. Percentage annual change in the National Consumer Price Index (Kabul Government, Ministry of Statistics), 1981/82 - 1990/91

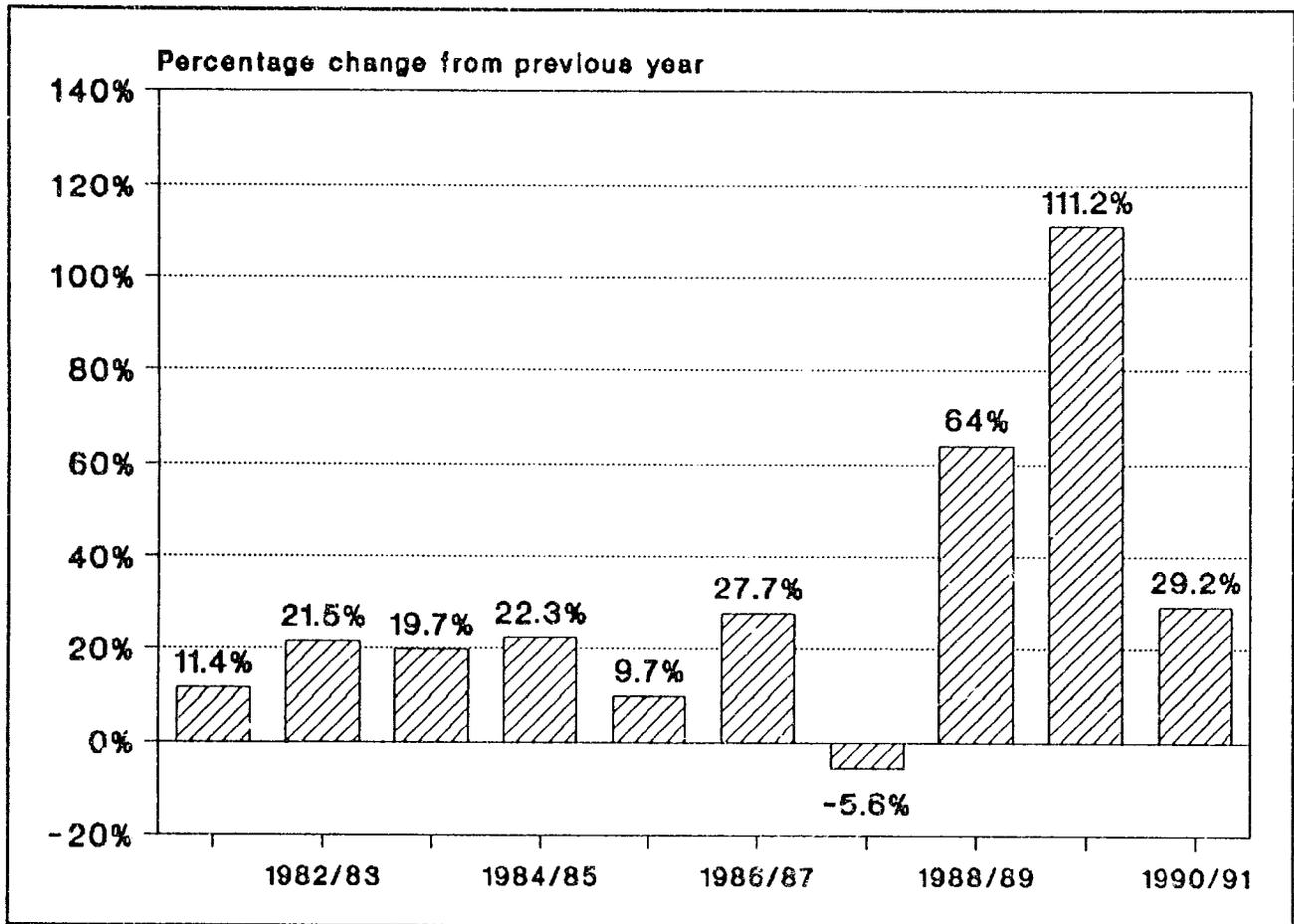


Figure 5. Annual percentage change in the National Cereals Price Index (Kabul Government, Ministry of Statistics), 1981/82 - 1990/91

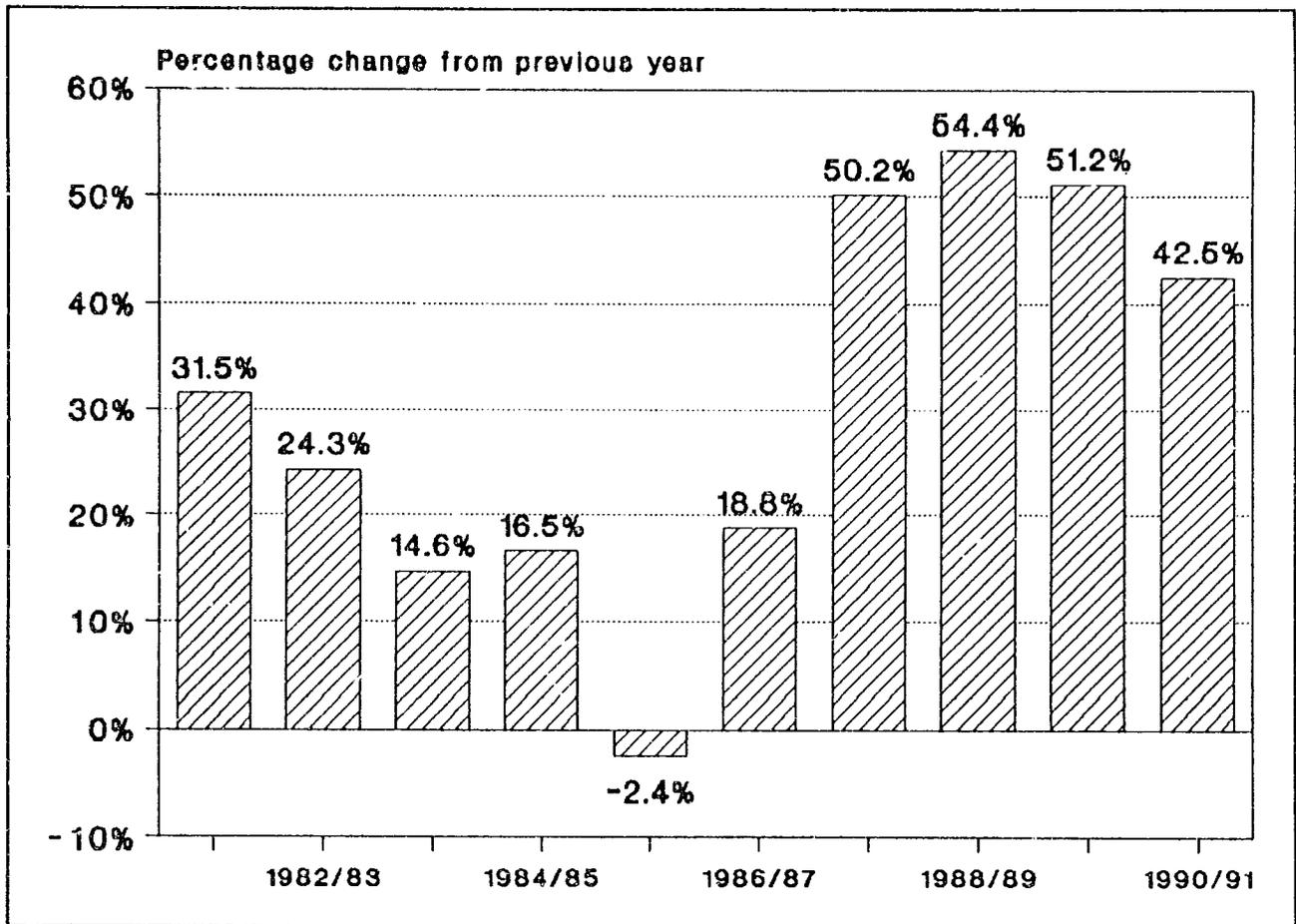


Figure 6. Annual percentage change in the National Meat Price Index (Kabul Government, Ministry of Statistics), 1981/82 - 1990/91

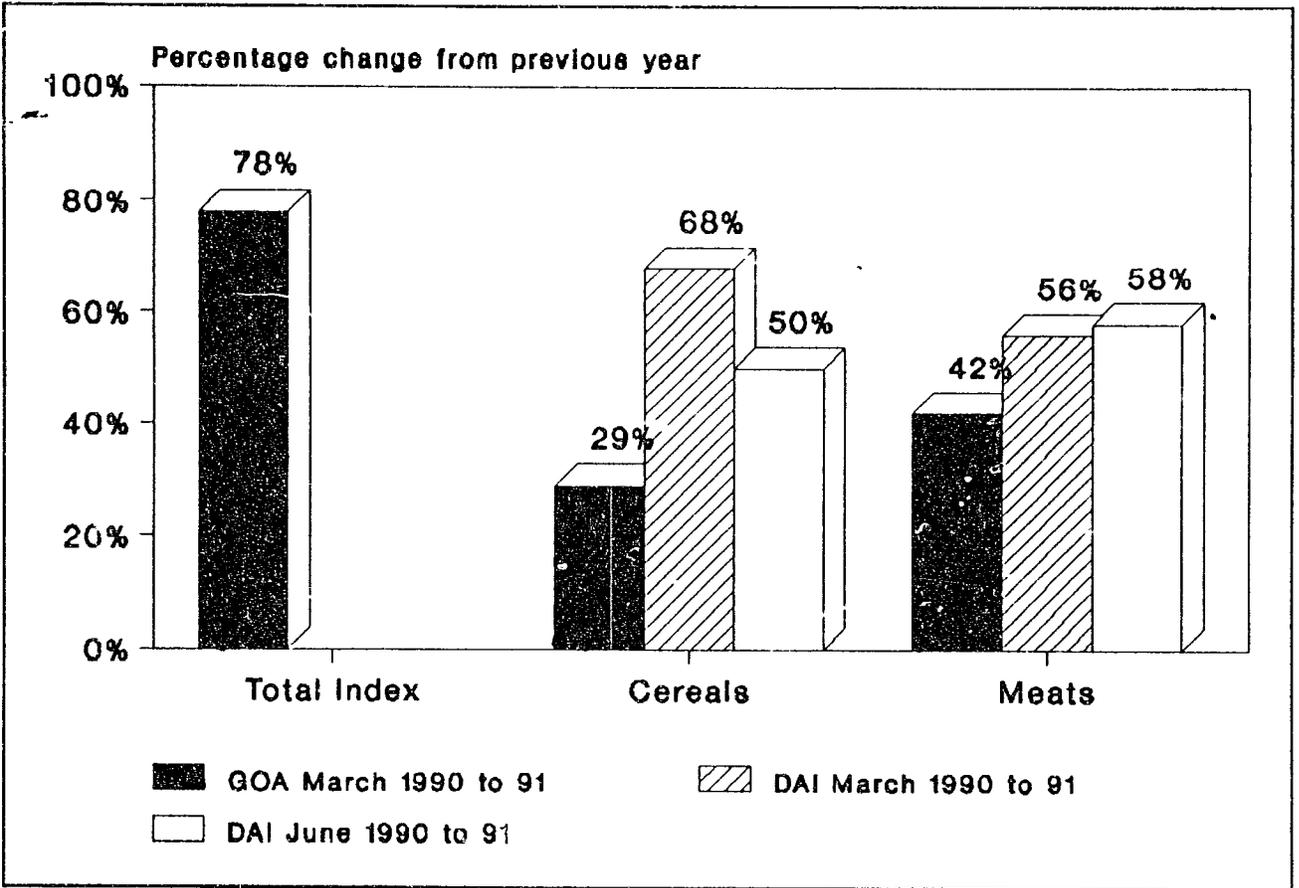


Figure 7. Comparison of annual percentage change in price for Kabul Government Price Indices and for DAI Wheat and Mutton and Beef Price Data, 1990/1991