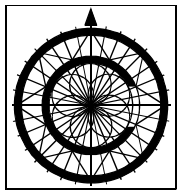

CHEMONICS INTERNATIONAL INC.

AFGHANISTAN FOOD AID IMPACT ASSESSMENT

RAISE Task Order No. 017

Submitted to:
USAID/Washington/ANE-SPOTS

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CONTENTS

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ACRONYMS AND ABBREVIATIONS

AFS	Afghani (Afghan currency)
CFSA FAO/WFP	Crop and Food Supply Assessment Mission (under FAO/WFP)
CV	Coefficient of Variation
EMOP	Emergency Food Assistance to Afghanistan Program
FAO	Food and Agriculture Organization
FFW	Food for Work
IDP	Internally Displaced Person
MRRD	Ministry of Rural Rehabilitation and Development
MT	Metric Ton
NGO	Non Governmental Organization
PRRO	Protracted Relief & Recovery Operation
Rps	Rupee (Pakistani currency)
UN	United Nations
USAID	United States Agency for International Development
VAM	Vulnerability Analysis Mapping
WFP	World Food Programme

Executive Summary

Afghanistan has suffered greatly from the effects of prolonged conflict and drought in recent years, but the government is committed to achieving market-based food security. Massive efforts by relief organizations and the NGO community have put the country on the road to recovery, and maintaining this momentum in a sustainable fashion will be critical for the country in the coming year.

This report presents analysis and findings on the wheat market in Afghanistan, and impacts of food aid distributions on producers, traders and other businessmen who are involved in these markets.

Afghanistan saw a gradual increase in wheat production through the 1990s, with a high estimated at 2.83 million MT in 1998. The drought that still plagues much of the country today, began in 1999, and production tapered to just of 1.5 million MT in 2001. Rainfall in the northern parts of the country has boosted production to almost 2.7 million MT this year.

It is apparent that food aid does decrease the price of wheat in commercial markets, but farmers consistently reported that price is not the main consideration for them in production decisions. Persistent drought conditions have forced most farmers to decide how much wheat to plant each season based on the availability of water, not the price of wheat. It is assumed however, that although price is not a *disincentive* to wheat production at this time, an increase in price could prove to be an *incentive* for farmers to allocate more resources to increased wheat production.

The amounts of food aid projected to be dispatched will decrease over the next couple of years. Under the Emergency Food Assistance to Afghanistan (EMOP) program, the World Food Programme (WFP) plans to dispatch a total of 543,837 MT of wheat during the calendar year ending March 31, 2003. Under the Protracted Relief & Recovery Operation (PRRO), the two-year program which will begin immediately upon completion of the EMOP, WFP plans to dispatch almost 273,000 MT in the first year and 224,000 MT in the second year. There will continue to be a need for some level of food aid for Afghanistan for the foreseeable future, as there are many areas of the country with limited access to markets, and businessmen are not willing to take the risks associated with serving these areas.

As food aid decreases, the price of wheat and volatility of the market can be expected to increase. However, the private sector will likely respond by increasing commercial imports and developing infrastructure for wheat storage to capitalize on fluctuations in market price, and this will in turn stabilize the market.

It is a policy of WFP not to monetize food aid, and preliminary research indicates that no significant quantities of food aid are monetized by beneficiaries. Traders in the bazaars did report however, that wheat distributed as food aid is frequently found in the markets.

Key recommendations for future aid activities for Afghanistan include:

- The top priority for food aid intervention should be to reach those areas that are not currently served by commercial markets.
- Replacing many of the food aid activities with cash for work programs is an avenue that should be further explored, but resource constraints will be a limitation. The government of Afghanistan is increasingly interested in cash for work activities.

SECTION I

Overview

Although the ability of Afghans to meet their basic food needs is increasing, the country is still dealing with the effects of four years of drought, more than 30 years of war, and hundreds of years of deforestation and topsoil erosion. WFP estimates that more than four million Afghans in rural areas are still vulnerable to food shortages, and that the coming winter will further isolate rural populations and cause food deficits in the next year. This report will assess the overall availability of food in Afghanistan, and analyze the economic and humanitarian impacts of food aid distributions in the country.

For the sake of simplicity given the short turnaround for this assessment, wheat was the primary commodity for investigation. In the last decade, wheat has accounted for more than 70 percent of the total cereal production in Afghanistan, and more than 80 percent of the total food aid to the country. Methodology included interviewing Afghan wheat producers and traders to solicit their observations and opinions on the impact of the timing and quantity of food aid shipments on their production and marketing decisions. Economic data were analyzed to reinforce or refute claims made by producers and traders, and collectively use this information to draw conclusions on the appropriateness of food aid intervention in Afghanistan.

A number of assumptions were made to complete this analysis with so many critical pieces of data missing. There are few systematic methods for collecting data in the different regions of the country. Food and Agriculture Organization price data were collected in the markets by reporters to FAO, and all other data sets are best estimates by reputable entities.

For the purpose of this paper, we will assume that the current population is 22.8 million people as estimated by the FAO/WFP Crop and Food Supply Assessment Mission (CFSA) earlier this year. This figure is based on the 2002/03 population estimate by the Central Statistics Office (CSO), and includes 20.3 million settled and 1.5 million nomadic populations for a total of 21.8 million. This figure was projected forward using an annual growth rate of 1.92 percent used by CSO. The total of 22.8 million also includes an estimated 800,000 refugees expected to have returned between July and December 2002. There are reported population estimates ranging from 20 to 28 million people in Afghanistan. Afghanistan Information Management systems currently estimates the population of Afghanistan to be 20.8 million.

The remainder of this paper is divided into five sections. The Afghan wheat market is summarized in Section II. In Section III, food availability is assessed in the context of the WFP Vulnerability Assessment Model (VAM). Section IV analyzes the impact of food aid on the Afghan wheat market, including the competitiveness of domestic wheat production with imported commercial wheat. Section V touches briefly on currency valuation in Afghanistan. WFP programs and activities are outlined in Section VI. And finally, Section VII presents key findings, conclusions and recommendations for future implementation of food aid programs as the national reconstruction and development program proceeds.

SECTION II

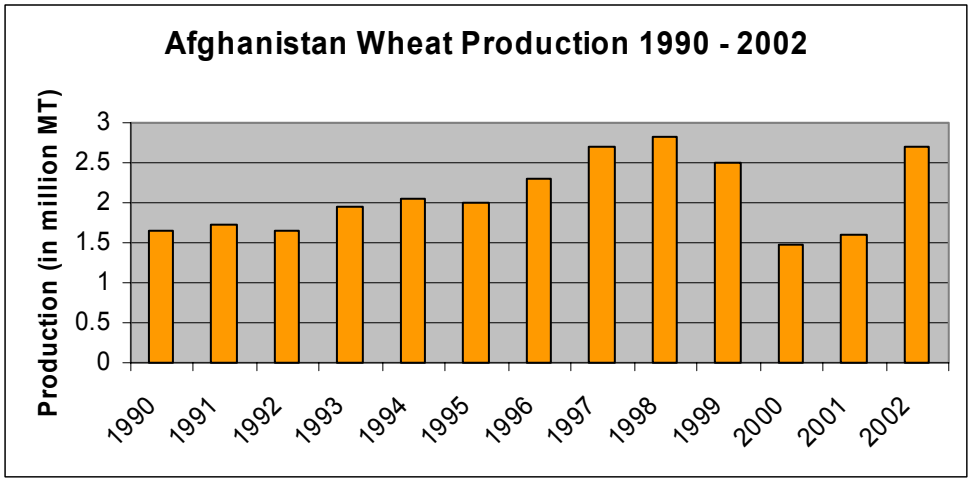
The Afghan Wheat Market

Wheat is typically most expensive in Afghanistan during winter months, as stocks are lowest, and transportation is most difficult, expensive, and in places impossible. There are some areas of the country where transportation costs are so high, and the overall purchasing power of the population is so low, that businessmen will not transport wheat to these places for sale. Among these areas are most of Bamyan and Ghor provinces, and large parts of Ghor, Badghis, Samangan and Uruzan provinces. It was reported that the two best markets in which to sell wheat in Afghanistan are Kabul and Mazar. Annex A includes a map produced by WFP's VAM unit that shows areas of Afghanistan that are not accessible during winter months.

A. Recent Trends in Wheat Production

From 1992 to 1999, Afghanistan wheat production averaged almost 2.2 million MT annually, but the drought that began in 1999 caused production to drop to 1.47 million MT and 1.6 million MT in 2000 and 2001, respectively. The drought subsided throughout much of the country this year, with significant rains in the north and the west, pushing production to 2.69 million MT for the year. Exhibit II-1 shows the annual wheat production in Afghanistan since 1990.

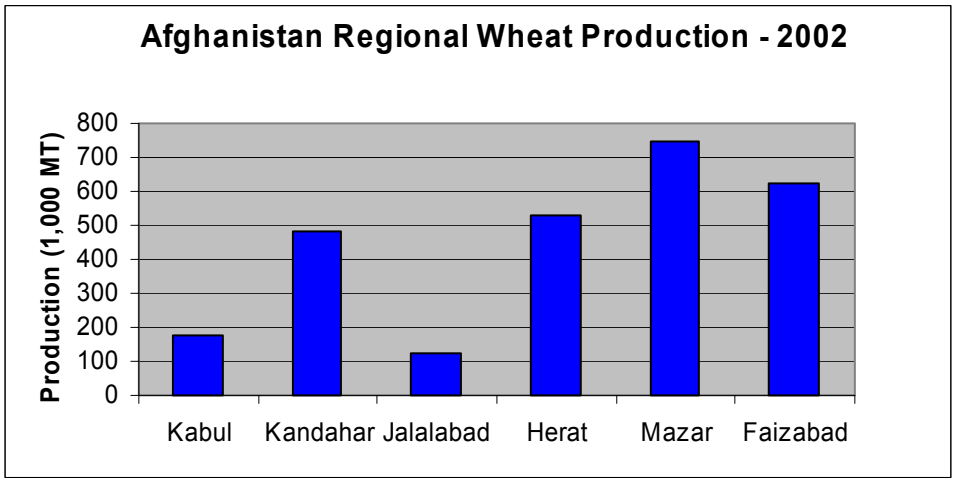
Exhibit II-1



Source: 1990-1999 FAO, 2000-2002 CFSA

The regional wheat production data presented in Exhibit II-2 on the next page were derived from the FAO/WFP Crop and Food Supply Assessment mission, included in Annex B. The data reflect total estimated production, including both irrigated and rain-fed lands.

Exhibit II-2



Source: CFSA

B. Recent Trends in Imports

There are no data available on commercial imports to Afghanistan. The CFSA estimated Afghanistan's import capacity for wheat to be 865,000 MT annually, but it is unknown how this figure was constructed. The report did say that the lifting of UN sanctions against Afghanistan, the appreciation of the Afghani in the last year, and relative improved purchasing power of the Afghan population provide promise for the increase of commercial wheat imports to the country.

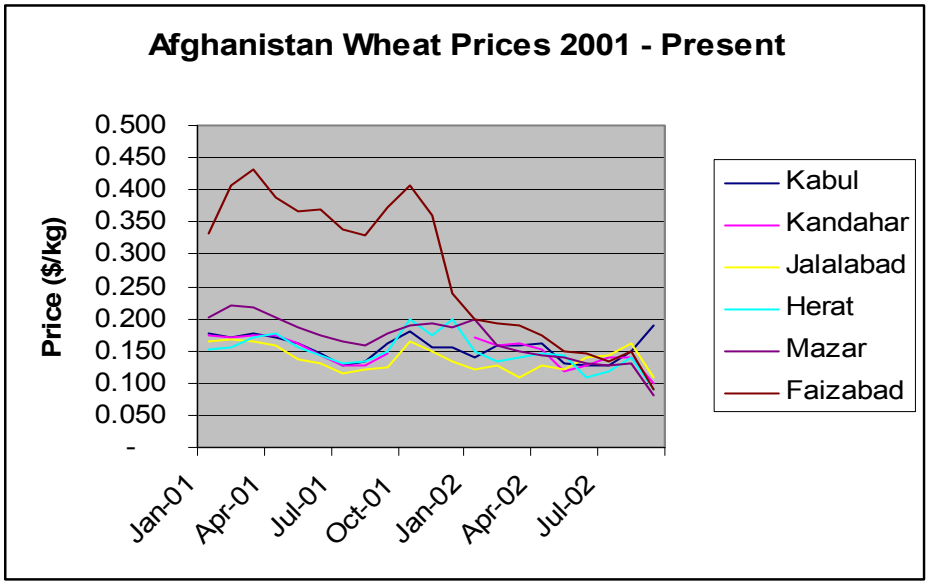
A businessman who frequently transports shipments of wheat into Afghanistan from Pakistan was interviewed while waiting in line to clear customs in Torkham in November of this year. He reported that about 150 commercial trucks, carrying approximately 10 MT each, come into Afghanistan each day, and about 100 trucks carrying the same amount of wheat labeled WFP enter the country through this location each day. It was not apparent how long this trend had been going. As illustrated in Section III, even if only maintained for a short time, 40 percent of wheat imports being used for food aid will have a significant impact on the market.

C. Recent Trends in Price

Afghanistan is a landlocked country, and wheat that is imported must include transportation costs in the sell price. As production increases in Afghanistan, farmers will have the opportunity to sell surplus wheat with increased margins and still be competitive in the market against imported wheat.

As shown in Exhibit II-3 on the next page, wheat prices have remained fairly stable since 2001, with the exception of the Faizabad market. Faizabad was cut off from other markets during the Taliban regime, and after their fall in early 2002, it was opened up to other markets and prices quickly fell in line with the rest of the country.

Exhibit II-3



Source: WFP

D. Jalalabad Case Study

The following information was obtained through direct interviews with local wheat producers, traders and businessmen transporting wheat from Pakistan to Kabul on November 20, 2002. Two farmers were asked questions on wheat production, markets, and their opinions on the impact food aid distribution. A number of wheat traders where interviewed in the Jalalabad bazaar. They were candid in their responses to questions about the market, and provided consistent information on buy and sell prices of wheat, as well as the impact of food aid distribution on the wheat market. A businessman who was transporting wheat from Peshawar to Kabul welcomed us in as his team was preparing a meal on the side of a road for the break of fast just before sundown. He gave an interesting perspective on the overall wheat market in Afghanistan and challenges for commercial markets in meeting the wheat requirements for the country. This information has been substantiated by additional interviews with other players in the Afghan wheat markets in and around Kabul.

The Two Greatest Problems Facing Commercial Transporters of Wheat in Afghanistan

Roads: The poor road conditions increase transport and maintenance costs and make trucks more accessible to thieves. Conditions are poorest and transport most costly during the winter months.

Theft: At night, gunmen pull trucks over and take money from drivers. They normally do not take any of the wheat or the truck.

The buy price for wheat traders in the Jalalabad bazaar for wheat from local producers or businessmen passing through in route to Kabul is 60 Rps/seer or $0.156/kg. Transport costs are minimal as they normally buy wheat on or close to location, and the average sell price in the market is 68 Rps/seer, or $0.177/kg. A good price for a trader in the market is 80 Rps/seer, or $0.208/kg, and the traders seem to feel that they are able to take advantage of the slight volatility in price.

A discussion with a small farmer who grows multiple crops including wheat, rice and vegetables, in small irrigated plots of land yields similar information. His normal sell price for surplus wheat is 60 Rps/seer, or $0.156/kg. When food aid is dispatched locally, the sell price for producers to the local market drops 8 to 17 percent to 50 – 55 Rps/seer, or potentially less than $0.13/kg. The farmer reported that prices do not impact production decisions in any way, as only production that is excess to subsistence is sold. The primary consideration for in production decisions is the availability of water. One farmer was working on an irrigation canal full of water and preparing to plant all of his available land in wheat. It appeared that no more than 3 hectares that could be irrigated by the canal he was working on.

It is difficult to estimate the amount of food aid that is monetized in the markets. Farmers feel that 'commanders' who are tasked with distributing wheat to beneficiaries take significant portions of dispatched shipments to sell in the markets. Traders indicated that monetization occurs at low levels, but the loss of business with beneficiaries of food aid is much more detrimental to them. Some feel that corruption in the food aid distribution system was eliminated by the Taliban when they came to power in 1996, and since their fall, some corruption has seeped back into the system.

Exhibit II-4. Case Study: Businessman transporting wheat from Pakistan to Kabul

	Rps/seer (1 seer = 98 kg)	$/kg*
Buy Price (Peshawar)	950	$0.167
Transport Cost	120	$0.021
Sell Price (Kabul)	1130	$0.199
Net Profit	60	$0.011
Net Profit/Truckload	**6,380 Rps**	**$110**

*Based on exchange rate of 58 Rps/$

A businessman normally buys wheat in Peshawar for about 950 Rps/seer. A seer is 7 kg, and 14 seers, or 98 kg is a jed. A truckload is about 10 MT. The transportation cost associated with shipping from Peshawar to Kabul is 120 Rps/seer, or $0.022/kg. Of this, diesel costs are 550 Rps/load. The most significant components of transport costs are thieves and depreciation due to poor roads. Drivers report normally paying 120 Rps in tolls and bribes an average of five times between Peshawar and Kabul. It was reported that gunman periodically stop trucks, order the driver out, knock him unconscious, and take his money. The thieves normally do not take the wheat or the trucks. Many transporters believe that thieves would be much less of a problem if the roads were better. Poor roads slow traffic down and provide thieves with opportunities to stop vehicles. The poor roads also increase maintenance costs and dramatically increase transit times.

E. Role of Storage in Wheat Markets

In the 1960s, mud structures called *kandus* were used for storing wheat and cereals. The government was well equipped with many *kandus,* and was prepared to store large quantities of wheat. To bolster the production of wheat in Afghanistan, they set a price floor at 50 AFS/seer, and would pay this amount for any wheat that did not achieve this price in the market.

Under the Communist regime (1979-1989), Afghanistan developed and maintained a strong system of silos for the storage of wheat and grains. The systems were developed to ensure adequate wheat supply in various locations around the country when major markets were cut off due to internal conflict. In 1992, when the Northern Alliance took control of Kabul, the *mujaheddin* looted these facilities in an effort to weaken the hold of the Northern Alliance and gain control of the capital. They stole the wheat, and destroyed the infrastructure for storage.

WFP currently has the capacity to store one million metric tons of grains. There are few private sector businesses with the capacity for large-scale storage, but wheat producers and traders alike indicated that the opportunity cost of storing wheat is too great to be economically feasible.

As the amount of food aid decreases in Afghanistan, the price of wheat will increase and become more volatile. If social stability is maintained, this will provide an opportunity for businessmen to store wheat on a large-scale to capitalize from market fluctuations. This profit-motivated reaction by wheat traders will serve to stabilize the market price of wheat.

SECTION III

Food Availability and Access in Afghanistan

When considering food availability in Afghanistan, one must consider the harsh drought that has depressed wheat production over the last three years. Last year the drought subsided in the northern and western parts of the country, and yields are up more than 80 percent.

According to the recent Vulnerability Assessment and Mapping (VAM) project conducted by the WFP, an estimated 4.3 million people, or 19 percent of the population of Afghanistan, will not be able to meet their annual food requirements. This was based on total production of wheat, secondary crop and horticultural production, livestock, and other coping strategies such as wage labor or remittances. Additional data on social structure, land ownership, and nutrition were collected to support and interpret the results of the VAM assessment. A copy of the comprehensive survey used to collect the data is provided in Annex C.

The central highlands, despite being the least densely populated area in Afghanistan, have the greatest number of people who are unable to meet their food requirements, estimated at almost 1.5 million people. This can be attributed to the lack of arable land amidst huge mountains and deep, narrow valleys. The rugged terrain and harsh winters combine to make roads impassable for much of the year, and summers are short with mild, temperate weather.

The Northeast region currently has the least amount of food insecurity in the country. There has been improved wheat production in Badakhshan and Takhar in the last year, resulting from increased rainfall, and increased cultivation of land due to improved security in the area. This increase in agricultural activity has increased employment opportunities through infrastructural improvements and the expansion of trade routes between Badakhshan and western provinces.

Exhibit III-1. VAM Estimated Food Vulnerable Population

Food insecurity class	Months food gap	North East	East	Central Highlands	South	West	North	Total	% Afghan Population*
Acute	10	-	-	-	385,000	-	-	385,000	**2%**
Very high	8	131,000	148,000	230,000	481,000	24,000	28,000	1,042,000	**5%**
High	5	113,000	132,000	723,000	133,000	280,000	444,000	1,825,000	**8%**
Moderate	2	54,000	53,000	501,000	28,000	146,000	272,000	1,054,000	**5%**
Total		**298,000**	**333,000**	**1,454,000**	**1,027,000**	**450,000**	**744,000**	**4,306,000**	**19%**

*Based on population of 22,800,000
Source: VAM

Exhibit III-1 shows the total number of people in the different areas of Afghanistan who do not have the resources to provide their annual kilocalorie requirements in food as provided by WFP's VAM unit. Data used in determining food vulnerability were collected through a comprehensive survey, attached in Annex C. Based on these data, it is estimated that more than 4.3 million people, or 19 percent of the total, will face varying levels of food insecurity over the next year.

Exhibit III-2. Estimated 2003 Food Aid Requirement for Afghanistan

Food Insecurity Class	Months Food Gap	Total Number of Afghans	Number of Full-Time Food Insecure Afghans	Maximum 2003 Food Aid Requirement (Wheat MT)
Acute	10	385,000	320,833	48,767
Very high	8	1,042,000	694,667	105,589
High	5	1,825,000	760,417	115,583
Moderate	2	1,054,000	175,667	26,701
Total		4,306,000	1,951,583	**296,641**

Exhibit III-2 uses total number of Afghans who will be food vulnerable in the next year to estimate the annual food aid requirement for Afghanistan. The total number of vulnerable people in each category is weighted against their respective months of food gap to arrive at a figure of just over 1.95 million full-time food vulnerable people in the country. The CFSA estimated an annual per capita wheat requirement of 152 kg, based on a 2,000 calorie adult requirement, weighted for age, and given a kilocalorie content of 3,640 for wheat. By multiplying the total full-time food insecure population (1,951,583) by 152 kg of wheat, it is estimated that the maximum 2003 food aid requirement for Afghanistan is 296,641 MT.

SECTION IV

Measuring the Market Impact of Food Aid

Afghan wheat markets function according to the usual laws of supply and demand, and thus are affected by the distribution of food aid. Traders and businessmen in both Kabul and Jalalabad consistently reported a short-term drop in prices of about 4 to 6 percent when food aid is distributed in a given location. Distributions occur over several days, so price decreases gradually, and respondents report that the price will typically rebound to its original price after 10 to 20 days. There are areas that currently are not served by commercial wheat markets in the country. Although historical data beyond what is reported here do not exist, wheat aid has a significant impact on market prices. Lack of reliable data on supply (stocks and imports) prevent the impact from being quantified statistically. Some experts estimate that given the low level of production in the last few years and the limited import capacity of the country, discontinuing food aid would result in the market price for wheat increasing by 200 to 300 percent, along with a significant increase in price volatility.

A. Short-term Trends

The available data indicate that the price impacts of food aid could be more significant over a longer period of time. However, given that reliable time series price data do not exist, it is impossible to validate these claims through quantitative analysis. For this reason, much of the information presented here is qualitative in nature, collected from producers and traders who have stakes in the wheat market.

In the last several months, there has generally been a normal reaction by the market in terms of price to the distribution of food. Although monthly price data exist for the different markets for the past six years, WFP only has distribution data for specific market locations from April to September 2002, so this is the time frame that can be analyzed. Unfortunately there are no data available on monthly supply, stocks, or production for the various markets, so it is impossible to calculate a price elasticity of supply, or reaction in market price of wheat due to injections of wheat quantities into the market in the form of food aid. Therefore, we are limited to analyzing the reaction of market price for each respective location to changes in the amount of food aid (wheat) dispatched per month, and consider any other potential external changes in supply such as increased yields or harvest time.

The measure of the responsiveness in price to a change in quantity food aid supplied is called *price flexibility*. To calculate a true price flexibility with respect to a supply change, it would be necessary to know the demand and supply functions that define an equilibrium price and quantity, then estimate the change in equilibrium price and quantity as the supply curve is shifted along a fixed demand curve. We could use an econometric estimate of the demand function to approximate the slope of the demand curve and treat the percentage change in supply as a change along the demand curve, and thus estimate the resulting percentage change in price.

Alternatively, we could plot two price-quantity points on the demand curve as the supply-demand intersections before and after the supply change and estimate the percentage changes in price and quantity across those points as the *arc price flexibility*. The closer the two points are together, the closer the value gets to a point price flexibility, or the preferred measure of price responsiveness to supply changes by economists. Unfortunately we do not have such estimates because we do not know the amount of tradable wheat that constitutes demand and supply. However, we can approximate the arc price flexibility by estimating the rate of change in price over a specific time period and dividing it by the estimated rate of change in quantity over the same time period, or:

Arc Price Flexibility = Growth rate of price / Growth rate of food aid distribution

Price flexibility is the percentage change, or growth rate[1], in price of wheat divided by the percentage change, or growth rate, in the amount of food aid (wheat) distributed. If the value is negative, it implies that a relatively more variable supply curve has shifted over a relatively fixed demand curve, thus "identifying" a demand relationship. Conversely, a positive arc price flexibility would imply that a relatively more variable demand curve has shifted over a relatively fixed supply curve, thus "identifying" a supply relationship.

Exhibits IV-1a through IV-6b on the following pages illustrate how wheat prices have reacted to changes in the amount of wheat distributed in each market, and the corresponding arc price flexibilities provide econometric backup.

[1] The growth rates are estimated by ordinary least squares (OLS) regression, using the "semilog" functional form, where the natural logarithm of observed prices are regressed on a time-trend index as follows:

$\ln(P) = a + bT$, or $\ln(Q) = a + bT$

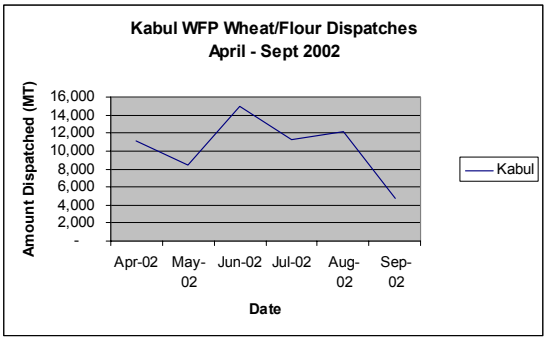
where,

ln(P), or ln(Q), the dependent variable, is the natural logarithm of the observed price in each time period,
T, the independent variable, is an time trend index, noted as 1,2,3, etc for each time period;
a is a constant term, or intercept, equal to the dependent variable when T is zero; and
b is the slope of the relationship between the dependent and independent variables, and in this model also represents the average growth rate in P or Q over the time periods, 1,2,3, etc.

In this analysis, the estimates of "b" have been multiplied by 100 to be expressed as percentages. The corresponding p-values are estimates of the probabilities that the slopes/growth rates are equal to zero. Lower p-values indicate higher confidence that the growth rates are non-zero.

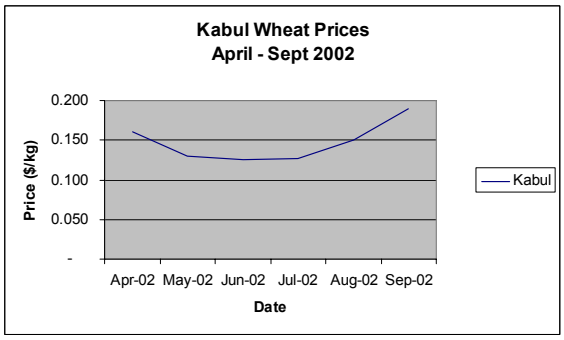
A1. Kabul

Exhibit IV-1a



Growth rate: -9.96% p-value=.35

Exhibit IV-1b



Growth rate: 3.70% p-value=.40

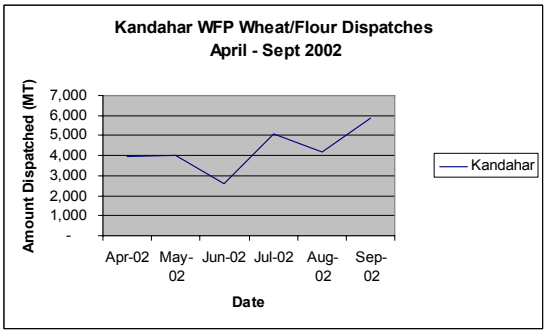
Price Flexibility = -0.372

In Kabul, a normal trend exists between price response and increases in the supply of wheat in the market that result from food aid distributions. There was a decrease from 11,000 to 9,000 MT of wheat dispatched from April to May, and the price also decreased from $0.16/kg to $0.14/kg. This unexpected direct relationship between amount dispatched is likely the result of an increase in regional supply due to early wheat harvests. The relationship normalizes from May to September as an increase in the amount of wheat dispatched to 15,000 MT coincides with a decrease in price to $0.125 and then the general decrease in amount dispatched to 5,000 MT yields an increase in price to $0.19 in September.

The price flexibility for this market of -0.372 (3.70%/-9.96%) implies that a 10 percent increase in food aid would lead to a 5.4 percent decrease in price.

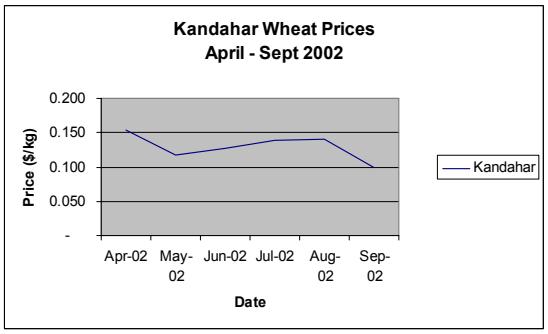
A2. Kandahar

Exhibit IV-2a



Growth rate: 8.08% p-value=.27

Exhibit IV-2b



Growth rate: -4.37% p-value=.27

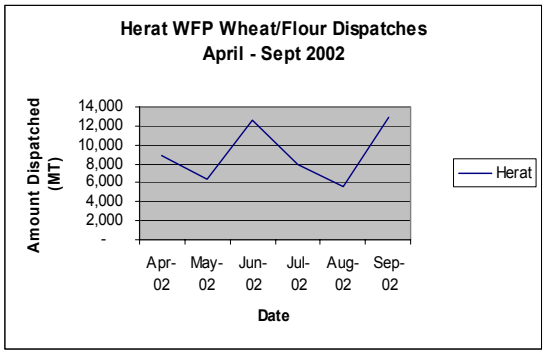
Price Flexibility = -0.541

In Kandahar, the price of wheat dropped from $0.153 in April to $0.118 in May, and the amount dispatched remained steady at 4,000 MT. Food distribution dropped to 2,569 MT and the price increased slightly to $0.128. A gradual increase in price continued to $0.14 in August, despite a sharp increase in amount dispatched to 5,092 MT in July. From there the relationship normalizes as the amount of wheat distributed dropped to 4,183 MT, and then increased to 5,869 MT in September and price fell to $0.10/kg.

The price flexibility for the period in the Kandahar market was -0.541, implying that a 10 percent increase in food aid would result in a 5.41 percent decrease in price.

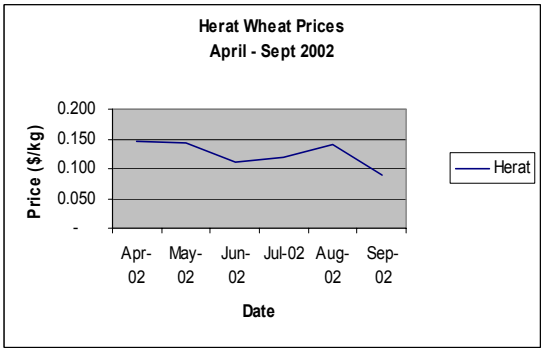
A3. Herat

Exhibit IV-3a



Growth rate: 3.05% p-value=.76

Exhibit IV-3b



Growth rate: -6.99% p-value =.13

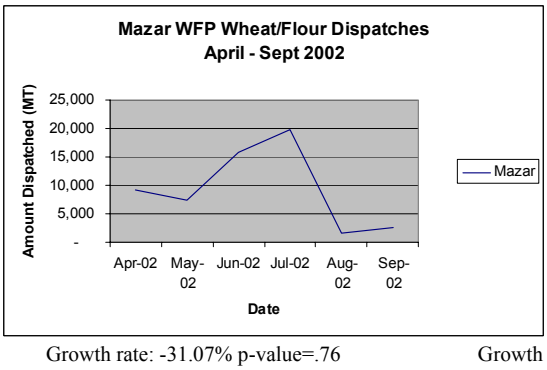
Price Flexibility = -2.294

With the exception of the month of April, where the amount of wheat dispatched decreased from 8,817 MT to 6,309 MT and price decreased slightly, the Herat market behaved normally and as expected. A 99 percent increase in amount dispatched to 12,569 MT in June resulted in a 23 percent decrease in price from $0.143 to $0.110. The amounts dispatched decreased in July and August while the price of wheat increased. Another significant increase in the amount dispatched in September from 5,541 MT to 12,954 MT resulted in a 36 percent price decrease from $0.14 to $0.09/kg.

Price flexibility of -2.94 indicates that as the amount of wheat distributed increases by 10 percent, the price will decrease by 29.4 percent.

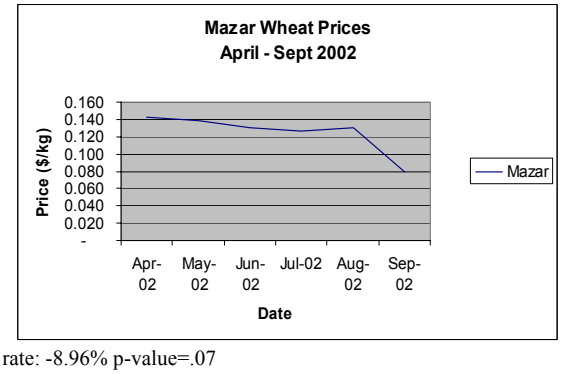
A4. Mazar

Exhibit IV-4a



Growth rate: -31.07% p-value=.76

Exhibit IV-4b



Growth rate: -8.96% p-value=.07

Price Flexibility = 0.29%

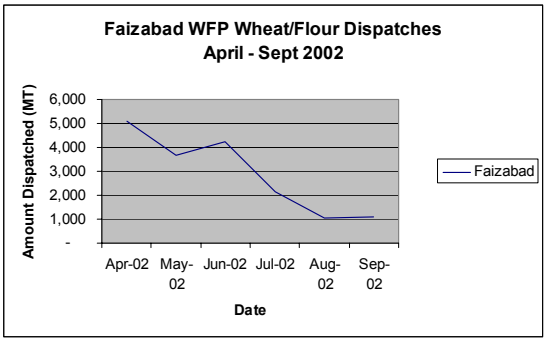
For the period April through September 2002, the wheat market in Mazar reacted to food aid in an opposite manner of the Kabul, Kandahar, and Herat markets. Although the surrounding wheat

producing area saw a significant increase in wheat yields due to increased rains and the increased production area by returning refugees, the amount of wheat dispatched increased significantly during what are typically peak harvest months, and price reacted only slightly unfavorably for this period. From April to May, the amount distributed decreased from 9,203 to 7,378 MT, with a slight decrease in price of $0.004 to $0.139. From May through July, there was a significant increase in the amount of food dispatched to almost 20,000 MT while price remained relatively stable, dropping slightly to $0.127/kg despite the 169 percent increase in wheat distribution. Dispatches decreased dramatically to 1,556 MT in August, and wheat prices strengthened slightly to $0.130. This seemingly disproportionate relationship could be due to a late wheat harvest in the region. September saw a slight increase in the amount of wheat dispatched to 2,556 MT, and price dropped sharply to $0.08/kg, again possibly due to an increase in supply due to late harvest coupled with the slight increase in food aid distribution.

The growth rate of -8.96 percent in price coupled with a strong negative growth rate of 31.07 percent in food distribution yielded a price flexibility of 0.29 percent. Here, the positive value of the price flexibility figure suggests that the decrease in food aid was consistent with increased production and decreased prices. Therefore, a 10 percent decrease in food aid distributed would have reflected a 2.9 percent decrease in price that had already resulted from an increase in production.

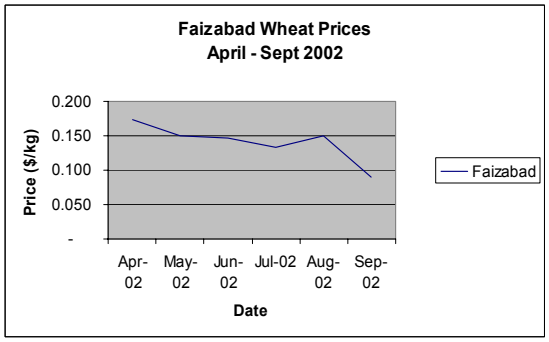
A5. Faizabad

Exhibit IV-5a



Growth rate: -34.66% p-value=.01

Exhibit IV-5b



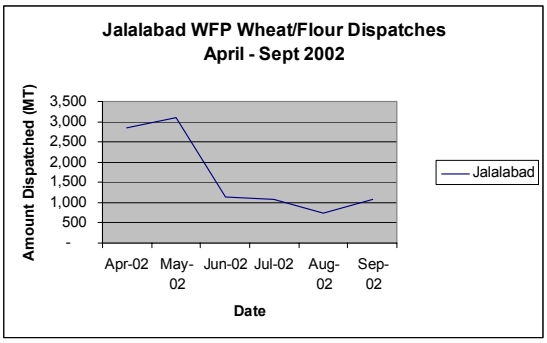
Growth rate: -9.60% p-value= .06
Price Flexibility = 0.28

The Faizabad region also saw a significant increase in wheat yields this year, and wheat dispatches and price reacted normally. From April to May, the amount of wheat dispatched fell from 5,115 MT to 3,667 MT, but price decreased from $0.173 to $0.15/kg, likely due to the breaking of the drought, and increased production in the region. May to June saw a normal reaction in price, a slight decrease of $0.04 to $0.146, as distribution increased 15.4 percent to 4,235 MT. From June through August the amount of wheat dispatched dropped steadily to 1,046 MT, and price declined slightly to $0.133 in July, with a slight rebound to $0.150 in August, possibly due to the continued decrease in the distribution of food aid. September saw a slight increase in wheat distributions to 1,102 MT, and a significant 40 percent decrease in price to $0.09, likely due to holdover stocks from the June harvest that were released onto the market.

As was the case in the Mazar market, the negative growth rates associated with both wheat distribution and price result in a positive price flexibility of 0.28. In this case, a 10 percent increase in food aid would have reflected a 2.8 percent decrease in price that had already resulted from increased production.

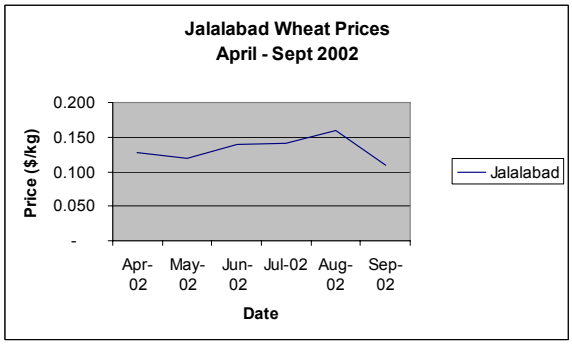
A6. Jalalabad

Exhibit IV-6a



Growth rate: -26.12% p-value=.04

Exhibit IV-6b



Growth rate: 0.36% p-value=.92

Price Flexibility = -0.014

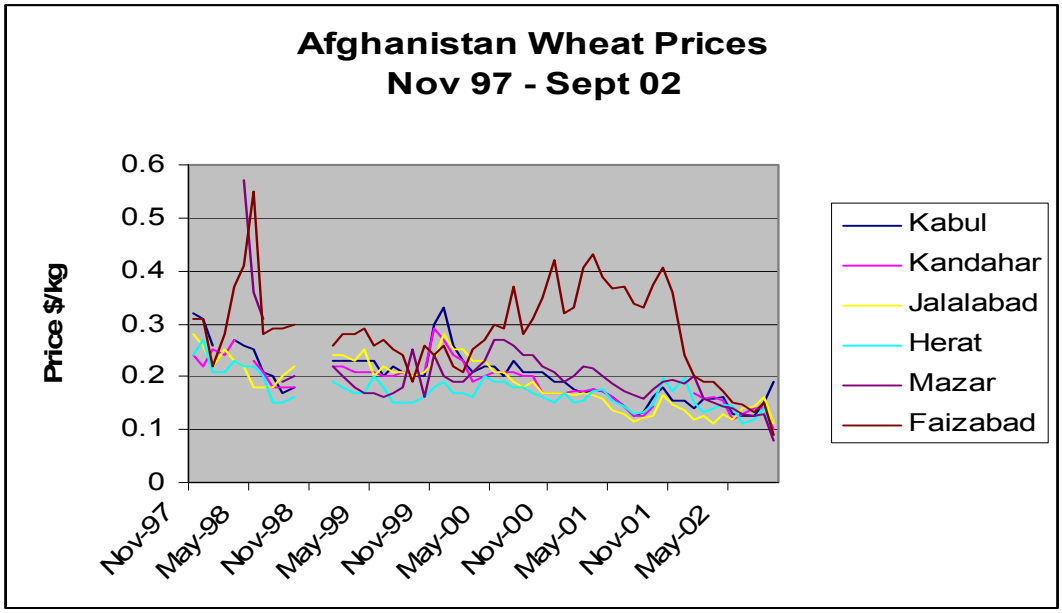
The Jalalabad market reacts normally in each observation, although the price increase from May to June was not proportionate to the dramatic decrease in wheat distribution. Due to the prevalence in poppy production in the area (23,000 ha in Nangahar province this year), the economy is strong in Jalalabad and the amounts of food aid distributed are low in general. In May, the amount of wheat dispatched increased slightly from 2,835 MT in April to 3,108 MT, while price decreased slightly from $0.128 to $0.120. In June there was a significant decrease in distribution to 1,148 MT and price increased slightly to $0.139. From July to September, prices reacted to distribution as expected in direction and amount, with gradual decreases in amounts dispatched and slight increases in price through August, and an increase in distribution and price decrease in September.

Although the calculated price flexibility in the Jalalabad market is not great at -0.014, it does indicate an indirect relationship between price and the amount of food aid dispatched. The weak relationship is likely due to the relative low levels of food aid in the area, coupled with the market coordinated responsiveness of WFP in reacting to increases in local supply due to harvests or imports.

B. Long-term Trends

With the exception of the Faizabad market, and to a lesser degree the Mazar market, wheat prices have been relatively stable over the last six years. The Exhibit IV-7 on the next page shows the wheat prices for the six major markets since November of 1997.

Exhibit IV-7



Source: WFP

Exhibit IV-8 summarizes regional price data from the November 1997 to 2002 data that is graphed in Exhibit IV-7. As evidenced in the graph, the prices for the regional markets are fairly consistent with each other, with the exception of the Faizabad market. The mean price for this period is close to $0.20/kg for Kabul, Kandahar, Jalalabad, and Mazar. The Herat market had a slightly lower price at about $0.17/kg. The Jalalabad price was more than 30 percent higher at almost $0.30/kg. As the graph indicates, most of the high prices and volatility in this market were observed before 2001, possibly due to the isolation of the market by warlords.

Exhibit IV-8. Afghanistan Regional Price Summaries 1996-2002

	Kabul	*Kandahar*	*Jalalabad*	*Herat*	*Mazar*	*Faizabad*
Mean	0.201	0.197	0.200	0.173	0.204	0.297
Median	0.20	0.19	0.18	0.165	0.19	0.28
Standard Deviation	0.049	0.061	0.064	0.042	0.070	0.133
Range	0.20	0.35	0.36	0.23	0.49	0.78
Minimum	0.13	0.10	0.11	0.08	0.08	0.09
Maximum	0.33	0.45	0.47	0.31	0.57	0.87
Observations	55	74	78	78	70	78
Coefficient of Variation	**25%**	**31%**	**32%**	**24%**	**34%**	**45%**

Source: WFP

To measure the volatility of prices, a coefficient of variation (CV) was calculated by dividing the standard deviation by the mean. This figure gives a weighted measure of volatility for each market, and is not skewed disproportionately because of outliers in the data. The most stable markets in terms of price volatility are Herat and Kabul, with CVs of 24 and 25 percent,

respectively. Faizabad has had the greatest price volatility as previously mentioned, with a CV of 45 percent. The other markets demonstrate CVs between 30 and 35 percent.

C. Monetization

Given time constraints, it was not possible to get an accurate feel for the amount of food aid that is monetized in commercial markets.

In some of the markets, traders reported that wheat distributed as food aid is of such poor quality, that beneficiaries commonly sell it at discounts in the markets and use the funds to purchase a significantly lesser quantity of "normal" wheat for breadmaking.

Local agricultural experts agreed that low levels of food aid is at times distributed to beneficiaries who are not food insecure, as is the case with some of the refugees returning to the country who receive aid, and these amounts are sometimes sold on the open market. All respondents commented that monetization is inevitable at some level, and that the system currently in place for targeting beneficiaries is sound and accurate.

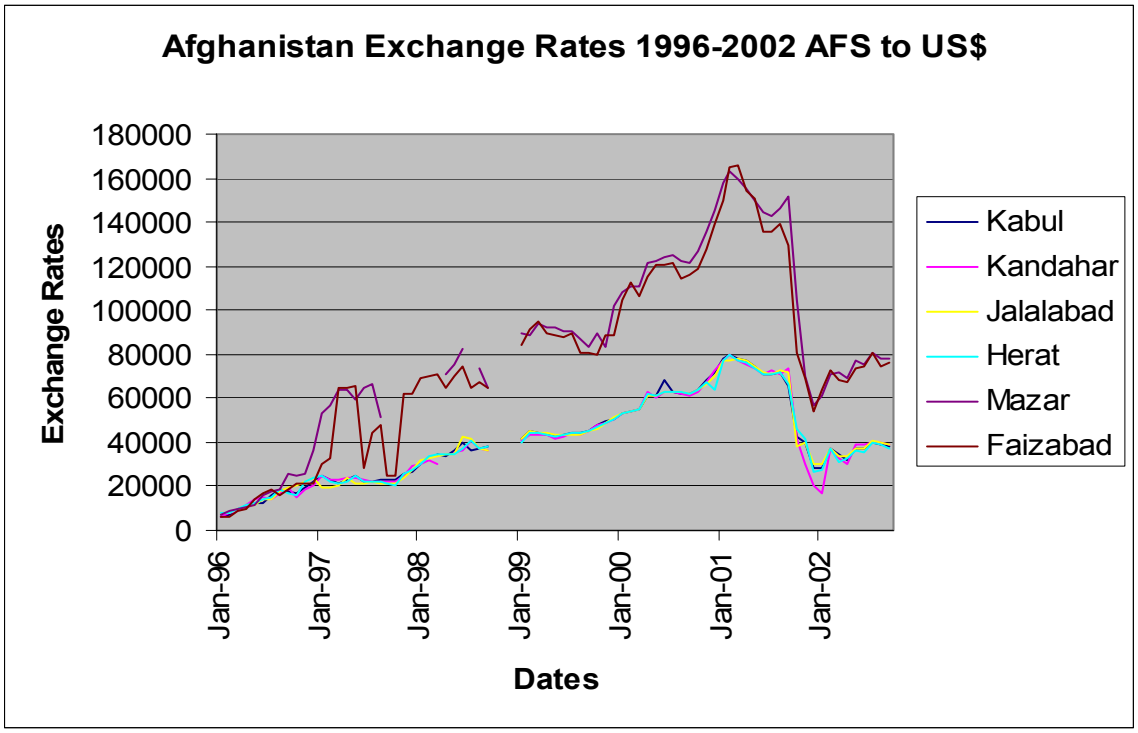
SECTION V

Currency Valuations

The local currency in Afghanistan is the Afghani. However, purchases in Afghanistan may be routinely made in U.S. dollars and Pakistan rupees as well.

Warlords began printing counterfeit Afghanis in the in late 1996, and the value of the currency continually devalued until late 2001. Notice in Exhibit V-1 that the value of the currency in Faizabad and Mazar devalued at a higher rate than elsewhere in the country, and the exchange rate in Mazar and Faizabad has been consistently higher than in Kabul, Jalalabad, Kandahar, and Herat ever since. In late 2001, the Afghani strengthened sharply across the entire country due to a sharp increase in sales of Pakistan rupees by the government of Pakistan to Afghanistan. On October 7, 2002, the government of Afghanistan issued a standardized currency to decrease the chances of illegal replication.

Exhibit V-1



Source: WFP

SECTION VI

WFP Food Aid Distributions

The leaders of Afghanistan envision a future where humanitarian relief is not necessary for the country, and a market economy will provide a reasonable quality of life for all families. There are many areas in the country that will not be able to feed themselves in the foreseeable future due to insufficient wheat production resulting from marginal lands, drought and access to inputs, coupled with harsh climatic and road conditions that inhibit commercial markets from serving these areas. For this reason, there will continue to be a need for food aid distribution in Afghanistan for the foreseeable future.

It appears that WFP is doing a good job of estimating the food aid needs of Afghanistan and tailoring programs to target appropriate beneficiaries. Studies such as WFP's VAM assessment and the CFSA are valuable for providing insight to the food security situation on the ground level in Afghanistan, by considering production, imports, market factors, and coping strategies and effectively identifying food aid interventions.

The Emergency Food Assistance to Afghanistan (EMOP) program, which is currently being implemented and will continue through March 31, 2003, 543,837 MT of food is required to be distributed throughout the year. The EMOP used food aid to meet immediate and critical shortages to save lives. A schedule of donors for the EMOP is included in Annex D.

The Protracted Relief & Recovery Operation (PRRO), a two-year program which will begin April 1, 2003, uses food aid to help vulnerable segments of the Afghan population to re-establish livelihoods and household food security. This program calls for just under 273,000 MT of wheat to be dispatched in year 1, and 224,000 MT of wheat to be distributed in year 2.

Exhibit V-1. PRRO Food Aid Intervention Package (MT)

	Year 1	Year 2	Total (Yrs 1 & 2)
Relief	115,619	72,436	188,055
Recovery	156,588	151,908	308,496
Total	272,207	224,344	496,551

Source: WFP

Relief activities include:

- *Urban Vulnerable (bakeries)*. Provides fortified and micronutrient supplemented food rations to vulnerable groups in urban areas that have been least maintained through food aid intervention.
- *Rural Vulnerable (10 percent of FFW).* Services target able-bodied men and women with family rations in a community.
- *Institutional and Therapeutic Feeding*. Targeted food rations for populations that have been at least maintained from the pre-intervention level.

- *Supplemental Feeding.* Targeted food rations for populations that have been at least maintained from the pre-intervention level.
- *IDP Feeding (camps)*. Provides timely food packages to internally displaced persons (IDPs) who have settled and started regular life.
- *Returnee Packages.* Supports returnees at point of return with return package followed by integration into regular and specifically targeted activities.

Recovery activities include:

- *Food for Work*. Provides food for work (FFW) and food for training to improve infrastructure and enhance skills of the vulnerable groups in food insecure areas.
- *Food for Training.* Targets vulnerable women adolescent girls, and ex-combatants to enhance skills.
- *School Feeding.* Rations for school children and teachers provided, including de-worming tablets.

A full schedule of contributions for all activities under the PRRO is attached in Annex E.

The estimated level of food aid allocated for the next two years seems to be in line with actual food aid requirements in Afghanistan. The primary area of concern, however, is the targeting of beneficiaries of the aid. The first priority should be to provide rations in rural vulnerable areas that are not served by the commercial markets, and will not be served by the commercial markets in the near term. Food economy mapping and baselines could assist in targeting to minimize the impact of food aid on markets.

In some of these activities, it would obviously serve the economy of Afghanistan better to provide cash for services and training through cash for work (CFW) activities, rather than food. Cash would allow for the purchase of food in the commercial markets. This would promote competition and strengthen distribution channels, and these channels will play a greater role in the market system as food aid declines.

As illustrated in the example of wheat transport from Peshawar to Kabul (Exhibit II-4), the transport costs in Afghanistan must be accounted for in the sell price. The price of imported wheat is therefore higher than the price of local wheat. This provides opportunities for increased margins for Afghan farmers who can sell surplus wheat at prices above the cost of production and remain competitive in the markets.

The primary constraint to cash distribution in place of food is the availability of cash. Donors are willing to pledge food aid, but cash is more difficult to pledge.

SECTION VII

Conclusions and Recommendations

A. Conclusions

Based on the information and analysis contained in this report, the following conclusions can be drawn.

1. The markets function normally in Afghanistan. Assessments consistently demonstrate that markets respond normally to supply and demand factors. Although we do not have the necessary data to quantify all of the reactions econometrically, it is clear that food aid does have a negative impact on wheat prices in Afghanistan.

2. Commercial food markets are not capable of serving all regions of Afghanistan due to the difficulties in transport (and associated high costs) and the low purchasing power of consumers in these areas. Areas identified as such by wheat traders include most of Bamyan and Ghor provinces, and large parts of Ghor, Badghis, Samangan and Uruzan provinces. The VAM unit has identified other areas with no market access during winter months (Annex B).

3. WFP has done a good job of ratcheting down projected requirements for the amount of food aid to be distributed in Afghanistan. Requirements for the coming PRRO are not excessively overestimated, but the targeting of distributions should be carefully considered.

4. As food aid decreases, the price of wheat and volatility of the market can be expected to increase. The private sector will likely respond by increasing commercial imports and developing infrastructure for wheat storage to capitalize on fluctuations in market price, and this will in turn stabilize the market.

5. Although no data exist on imports, significant amounts of wheat are coming into Afghanistan, and commercial imports will increase to serve the Afghan markets as food aid distributions decrease.

6. Unfortunately for Afghan consumers, unless Afghanistan once again becomes self sufficient in wheat production, retail prices of wheat will remain above the world price due to the fact that Afghanistan is a land-locked country, and overland transport costs must be factored into the delivered import price.

7. As demonstrated in the Jalalabad case study in Section II, the higher price of imported wheat in Afghanistan due to transport cost provides an opportunity for local producers to achieve increased margins and remain competitive in the wheat market.

8. In recent years, farmers have not considered the price of wheat to be the primary factor when making decisions on production. Availability of water is the primary consideration, and wheat will be planted for subsistence at a price of zero if water available permits. It is assumed however, that an increase in the price of wheat will provide an incentive for increased production. For farmers, low prices weigh less heavily as a "disincentive" for production, than high prices weigh as an "incentive" to production.

9. In the long-term, farmer's food (wheat) production decisions will depend on returns to their labor. If other enterprises yield significantly higher net returns to labor than wheat production, they will specialize in these enterprises and buy wheat from earnings. What is the threshold farm wage rate? Over the past decade, rural wages have averaged about US$1 per day. Within the last six months, donor programs have increased wages to between US$2 and US$3 per day in many communities through donor-funded NGO programs. Over time, returns to labor on wheat production will become the base rural wage.

10. While there may be resource constraints to implementing cash for work rather than food for work activities, cash aid will reinforce market-based stimuli to wheat production, trader/distributor activity and commercial imports to cover demand gaps unfulfilled by domestic production. Cash aid for the food insecure will complement Afghanistan's economic restructuring toward long-term competitive advantages, whether in agriculture or another sector.

B. Recommendations

Based on the above conclusions, the following recommendations are presented:

1. The top priority in food aid distribution should be targeting areas that the commercial markets will not serve. Although some of the activities outlined in Section VI will provide much needed humanitarian relief, activities such as the institutional, therapeutic and supplemental feeding programs should be monitored closely to gauge their effects on food markets.

2. Donors should not purchase wheat in surplus areas of Afghanistan for distribution in food insecure areas. Rarely is it necessary for surpluses to be transported a great distance before it is purchased in the private market. The purchase of such surpluses does not provide a sustainable benefit to producers, and it is a disruption of the market.

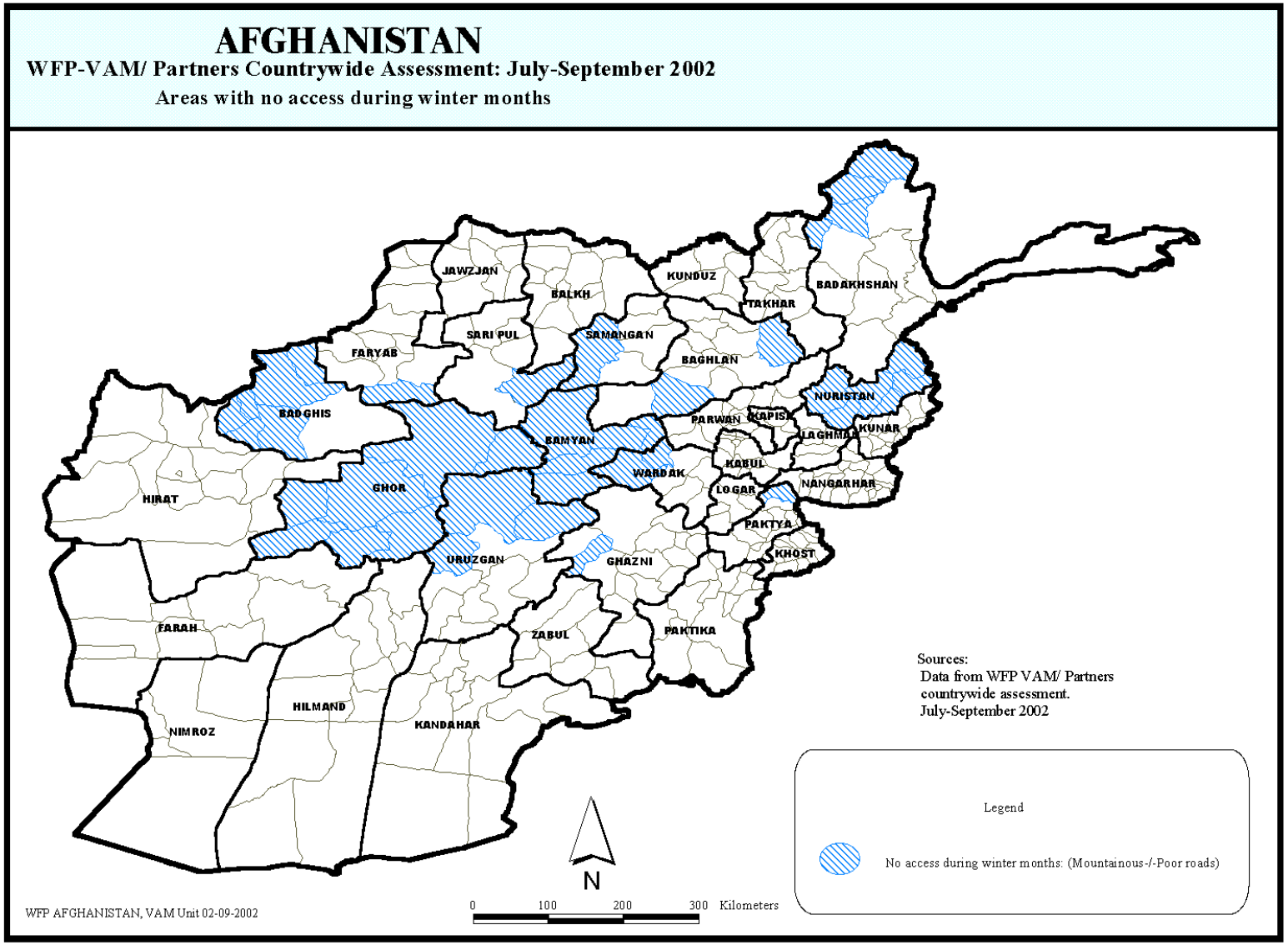
3. Cash for work programs should be implemented in place of food aid intervention where possible, given the limitation on resources.

4. In reporting, NGOs who distribute food aid should include price-quantity relationships as shown in this report to allow for more accurate projections of future food aid requirements.

5. Monitoring of commercial wheat imports should be improved to allow the government of Afghanistan, as well as food aid donors, to better gauge their roles in improving food security.

ANNEX A

Areas With No Access During Winter Months



ANNEX B

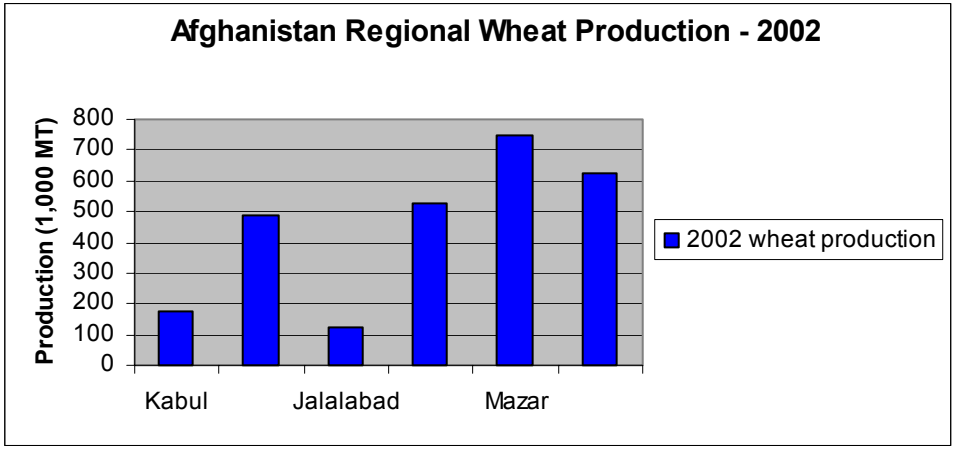
FAO/WFP Crop and Food Assessment Estimates of Irrigated and Rainfed Wheat

FAO/WFP Crop & Food Supply Assessment Estimates of Irrigated & Rainfed Wheat Production by Province - 2002									
Province/ Region	IRRIGATED Wheat 2002			RAINFED Wheat 2002			TOTAL Wheat 2002		
	Area	Yield	Prod.	Area	Yield	Prod.	Area	Yield	Prod.
	(ha)	(t/ha)	(tonnes)	(ha)	(t/ha)	(tonnes)	(ha)	(t/ha)	(tonnes)
NORTH	260	1.7	449	269	0.7	180	529	1.2	629
Faryab	87	1.6	139	80	0.7	56	167	1.2	195
Juzjan	37	1.4	52	10	0.3	3	47	1.2	55
Sar-i-Pul	30	1.7	51	10	0.3	3	40	1.4	54
Balkh	80	2	160	40	0.7	28	120	1.6	188
Samangan	26	1.8	47	129	0.7	90	155	0.9	137
NORTH-EAST	204	2.2	452	180	1	171	384	1.6	623
Bughlan	35	2	70	60	0.9	54	95	1.3	124
Kunduz	75	2.4	180	30	0.9	27	105	2	207
Takhar	70	2.2	154	60	1	60	130	1.6	214
Badakhshan	24	2	48	30	1	30	54	1.4	78
WEST	170	2.1	358	180	0.9	170	350	1.5	528
Heart	95	2.1	200	60	0.9	54	155	1.6	254
Farah	25	1.9	48	40	0.9	36	65	1.3	84
Badghis	50	2.2	110	80	1	80	130	1.5	190
WEST-CENTRAL	50	1.7	87	35	0.9	31	85	1.4	118
Ghor	26	1.7	44	5	0.8	4	31	1.5	48
Bamyan	24	1.8	43	30	0.9	27	54	1.3	70
CENTRAL	74	2.4	178	3	0	0	77	2.3	178
Kabul	20	2.4	48	1	0	0	21	2.3	48
Parwan	20	2.4	48	0	0	0	20	2.4	48
Kapisa	5	1.8	9	0	0	0	5	1.8	9
Logar	14	2.4	34	0	0	0	14	2.4	34
Wardak	15	2.6	39	2	0	0	17	2.3	39
SOUTH	44	2	87	0	0	0	44	2	87
Paktya	6	1.3	8	0	0	0	6	1.3	8

FAO/WFP Crop & Food Supply Assessment Estimates of Irrigated & Rainfed Wheat Production by Province - 2002									
Province/ Region	IRRIGATED Wheat 2002			RAINFED Wheat 2002			TOTAL Wheat 2002		
Paktika	2	1.5	3	0	0	0	2	1.5	3
Khost	16	1.9	30	0	0	0	16	1.9	30
Ghazni	20	2.3	46	0	0	0	20	2.3	46
EAST	57	2.2	125	0	0	0	57	2.2	125
Nangarhar	33	2.1	69	0	0	0	33	2.1	69
Laghman	14	2.6	36	0	0	0	14	2.6	36
Kunarha	10	2	20	0	0	0	10	2	20
Nooristan**									
SOUTH-WEST	186	2	374	30	0.8	24	216	1.8	398
Kandahar	58	2	116	0	0	0	58	2	116
Helmand	63	2.6	164	0	0	0	63	2.6	164
Zabul	30	1.6	48	0	0	0	30	1.6	48
Nimroz	20	1.4	28	10	0.8	8	30	1.2	36
Uruzgan	15	1.2	18	20	0.8	16	35	1	34
TOTAL	**1,045**	**2**	**2,110**	**697**	**0.8**	**576**	**1,742**	**1.5**	**2,686**

* Names of provinces are spelled differently in different publications.
** Areas not available for Nooristan

Regional Market	TOTAL Wheat 2002		
	Area	Yield	Prod.
	(1,000 ha)	(t/ha)	(1,000 MT)
Kabul	77	2.31	178
Kandahar	260	1.87	485
Jalalabad	57	2.19	125
Herat	350	1.51	528
Mazar	614	1.22	747
Faizabad	384	1.62	623
TOTAL	**1,742**	**1.54**	**2,686**



ANNEX C

Cereal Value Questionnaire - VAM Survey July-August 2002

CEREAL VALUE QUESTIONNAIRE - VAM SURVEY JULY-AUGUST 2002

GENERAL INFORMATION

1. Date: _____
2. Name of Surveyor: _____
3. To which organisation he belongs: _____
4. Province where the survey is done: _____
5. District: _____
6. Agro-ecological zone: _____
7. Village: _____
8. AIMS Geo-coding: _____

POPULATION

9. What is the current total number of households in the village, including IDPs and returnees as well as resident Kuchis? _____ Households
10. What is the average Household size in the village? _____ persons/household

VILLAGE AGRICULTURAL PRODUCTION IN 2002

11. What is the total rain fed area in the village? _____ Jeribs
12. What was the total area cultivated under rain fed wheat during 2002?_____ Jeribs
13. What is the average rain fed wheat yield in 2002? _____ Grain/Seed
14. What is the seed rate per Jerib for rainfed wheat? _____ Seer/Jerib
15. What is the total irrigated area in the village? _____ Jeribs
16. What was the total area cultivated with cereals under irrigation in 2002? _____ Jeribs
17. What is the average irrigated wheat yield in 2002? _____ Grain/Seed
18. What is the seed rate per Jerib for irrigated wheat? _____ Seer/Jerib
19. Is there any second crop? Yes No
20. If yes, what is the main second crop? _____

21. What is the total area cultivated under this second crop in 2002? _____ Jerib
22. What is the average yield for this second crop? _____ Seer/Jerib
23. What percentage of this second crop the household will eat? _____%
24. What is the 2002 selling price of this second crop now? _____ Afs/Seer
25. Does the village have significant number of orchards? Yes No
26. If yes, what is the main fruit tree grown? _____
27. What is the 2002 average (dry or fresh) fruit production per Jerib? _____ Seer/Jerib
28. How many households have orchards in the village? _____
29. What is the average area under orchard per household in the village? _____ Jerib
30. What percentage of this fruit production will be eaten by the household? _____%
31. What is the 2002 selling price of this second crop now? _____ Afs/Seer

LIVESTOCK IN 2002

32. How many sheep does the village have, including those that are currently in pasture? _____
33. What percentage are giving milk? _____%
34. How many female sheep are you expecting to sell or eat this year? _____
35. At which age? _____ Years
36. At which price? _____ Afs
37. How many male sheep are you expecting to sell or eat this year? _____
38. At which age? _____ Years
39. At which price? _____ Afs
40. How many goats does the village have, including those that are currently in pasture? _____
41. What percentage are giving milk? _____%
42. How many female goats are you expecting to sell or eat this year? _____
43. At which age? _____ Years
44. At which price? _____ Afs
45. How many male goats are you expecting to sell or eat this year? _____
46. At which age? _____ Years

47. At which price? _____ Afs

48. How many cows does the village have, including those currently in pasture? _____

49. What percentage are giving milk? _____%

50. How many female cows are you expecting to sell or eat this year? _____

51. At which age? _____ Years

52. At which price? _____ Afs

53. How many male cows are you expecting to sell or eat this year? _____

54. At which age? _____ Years

55. At which price? _____ Afs

LABOUR

56. Since January 2002, what is the number of casual labourers in the village, who work in Afghanistan? _____ Labourers

57. What is the average number of days per month that they are able to work in order to get income? _____ Days

58. What is the daily wage labour rate since January 2002? _____ Afs

OTHER SOURCES OF INCOME

59. Are there any other significant sources of income (excluding livestock sales) in the village?
Yes No

60. If yes, what is it? A: _____

B: _____

61. How many households are significantly involved in this activity? A: _____Households

B: _____Households

62. What is the average income generated by this activity per year per household? A: _____ Afs

B: _____ Afs

REMITTANCES

63. How many households have close relatives abroad? _____Households

64. How many in: Iran____ Pakistan_____ Russia_____ Western countries & other_____

65. In 2002 how many households are receiving money from abroad? _____ Households

66. What is the average amount of money each household is receiving every year? _____ Afs

EXPENDITURE

67. Out of the total average cash income of the household, what percentage is spent on food? ___%

LANDOWNERSHIP

68. What is a big landowner in the village? _____

69. How many Jeribs of irrigated land does he have? _____ Jeribs

70. How many Jeribs of rain fed land does he have? _____ Jeribs

71. What is the proportion of big landlords in the village? _____%

72. To which ethnic group do they belong? _____

73. What is a small landowner in the village? _____

74. How many Jeribs of irrigated land does he have? _____ Jeribs

75. How many Jeribs of rain fed land does he have? _____ Jeribs

76. What is the proportion of small landowners in the village? _____%

77. To which ethnic group do they belong? _____

78. What is the proportion of landless people in the village? _____%

79. To which ethnic group do they belong? _____

80. What is the cost of one jerib irrigated land in the village? _____ Afs/Jerib

81. What is the cost of one jerib rainfed land in the village? _____ Afs/Jerib

82. Did some households mortgage their land? Yes No

83. Which proportion of households? _____%

84. How much irrigated land has been mortgaged in the whole village since the drought in drought? _____ Jerib

85. How much rainfed land has been mortgaged in the whole village since the drought in drought? _____ Jerib

86. How much money did they get per irrigated jerib mortgaged? _____ Afs/Jerib

87. How much money did they get per rainfed jerib mortgaged? _____ Afs/Jerib

LIVESTOCK OWNERSHIP

88. How many reproductive bulls does the village have? _____

89. What is a big livestock owner in the community? _____

90. How many sheep does he/she own? _____

91. How many goats does he/she own? _____

92. How many cows does he/she own? _____

93. What is the proportion of big livestock owners? _____%

94. To which ethnic group do they belong? _____

95. What is a small livestock owner in the community? _____

96. How many sheep does he/she own? _____

97. How many goats does he/she own? _____

98. How many cows does he/she own? _____

99. What is the proportion of small livestock owners? _____%

100. To which ethnic group do they belong? _____

101. To which ethnic group do the household with no livestock belong? _____

PLOUGHING

102. What means are available in the village for ploughing? _____

103. How many tractors does the village have in total? _____ Tractors

104. How many oxen does the village have in total? _____ Oxen

105. How many donkeys does the village have in total? _____ Donkeys

106. How many camels does the village have in total? _____ Camels

107. How many horses does the village have in total? _____ horses

HOUSING

108. Which percentage of houses have been destroyed by the conflict/natural disasters since 4 years? _____%

109. What is the total number of houses that people are living in? _____ houses

110. What is the percentage of houses with 2 basic rooms? _____%

111. What is the percentage of houses with more than 2 rooms? _____%

112. If there are more than two rooms, what is the number of rooms? _____ rooms

113. How much does it cost today to build one complete room (including doors and windows)?

_____ Afs

DEBT / SOCIAL IMPACT

114. Which percentage of households has been borrowing money? _____%

115. What is the average value of the loan per household? _____ Afs

116. What is the average interest rate for loans in the village? _____%

117. Which percentage of households has been borrowing in wheat? _____%

118. What is the average quantity of wheat borrowed per household? _____ Seer Wheat/HH

119. What is the percentage of households that married daughters under 13 years old? _____%

120. Is this a long-standing practise? Yes No

COMMUNITY GROUPS

121. What is the proportion of rich households in the village? _____%

122. What is the proportion of middle class households in the village? _____%

123. What is the proportion of poor households in the village? _____%

124. Which percentage of households is giving charity? _____%

125. Which percentage of households is receiving charity? _____%

ADDITIONAL INFORMATION

126. Which are the different ethnic groups in the village and what is their respective percentage?

_____

127. How many families left the village since the last 3 months? _____ Families

128. Among the total number of households in the village, what is the percentage of IDPs who arrived since January 2002? _____% IDPs

129. Among the total number of households in the village, what is the percentage of returnees who came back since January 2002? _____% Returnees

130. Among the total number of households in the village, what is the percentage of kuchis who arrived since January 2000? _____% Kuchis

131. Is there any drinking water problem in the village? Yes No

132. What is the percentage of each type of cereal in the village diet?

Wheat _____%

Corn _____%

Rice (Shola) _____%

Barley _____%

Other _____%

133. Remarks.

PRICES IN DISTRICT CENTER

Province: **District:** **District centre:**

Date: **Name of surveyor & the organization he belongs to:**

1. What are the following 3 months cereal prices? - (Wheat prices according to the different origins)

Origin of wheat:	**Prices in Afs/kg**			
	May	**June**	**July**	**Average**
Afghanistan				
Pakistan				
Kazakhstan				
Uzbekistan				
Iran				
Other origin – name				
Average wheat price				
Rice (Shola)				
Barley				
Maize				

2. What are the following 3 months livestock prices? *To be completed by Frauke*

Prices in Afs/animal head	**May**	**June**	**July**	**Average**
Sheep (1 year)				
Goat				
Cow				
Ox				
Donkey				
Camel				

3. What is the daily wage labour rate for the following 3 months?

Daily wage labour in Afs/day	**May**	**June**	**July**	**Average**

NUTRITION

1. Mark the following food practices with Yes or No

Table 1: Food preparation practice	**Normally do for the winter months?** (Yes or No)	**Will do this coming winter?** (Yes or No)
Dry plants		
Dry fruit		
Dry meat		
Dry milk		
Store nuts		
Cereal Other (indicate practice)		

2. The new foods or food preparations (if any) that you are currently consuming / practicing or that you did not eat / do before the drought:

Table 2: Food or food preparation	**New foods or preparations of food:** (Yes or No)
Piawa	
Sholeh	
Mosh	
Wild foods	
Other (indicate food or practice)	

3. For each of the different foods listed in Table 3, how frequently were they normally consumed in the average household? (give code 4,3,2,1, or 0 in both columns of Table 3)

4 = 4 times per week to everyday
3 = 1-3 times per week
2 = 1-3 times per month
1 = Less than 3 times per season (winter or summer)
0 = never

Table 3: **Food group**	**Food Frequency**	
	Last winter	**Summer (Currently)**
Cereal (wheat, rice, corn, barley)		
Pulses (beans)		
Meat		
Eggs		
Dairy Products (milk, yoghurt)		
Fruit		
Vegetables		
Oil		
Sugar		
Wild foods		

Micronutrient deficiency diseases:

4. How many households in this village had at least one person who suffered from scurvy (*Seialengia*) last winter? _____ Households

5. Are there currently any cases of goiter in this village? _____ Households

ANNEX D

EMOP Donors and Contributors

Project Title:	EMOP 10155.0 "Emergency Food Assistance to Afghanistan"
	SO 10163.0 "Common Services".
Recipient country:	**Afghanistan**
Number of Beneficiaries	9,885,000
Total Cost to WFP: US$	295,306,792

	EMOP 10155.0				SO 10163.0	
	Duration: 1 April 2002 - 31 March 2003				Duration: 1 April - 31 December 2002	
	Operational Requirements**				Operational Requirements	
	Dollars		Tons		Dollars	
	$ 285,253,640	**% of total**	**543,837**	**% of total**	**$ 10,053,152**	**% of total**
Donor	**Confirmed Contributions**				**Confirmed Contributions**	
Australia	$ 4,087,975	1.43%	9,567	1.76%		
Belgium	$ 985,222	0.35%	2,092	0.38%		
Canada	$ 636,943	0.22%	1,950	0.36%		
Denmark	$ 3,199,194	1.12%	3,735	0.69%		
EC – ECHO					$ 1,936,317	19.26%
EC-EuropeAid	$ 21,897,321	7.68%	63,834	11.74%	$ 983,284	9.78%
Faroe Islands	$ 329,412	0.12%	897	0.16%		
Finland	$ 437,445	0.15%	1,303	0.24%		
Germany	$ 1,985,560	0.70%	6,109	1.12%	$ 451,264	4.49%
India	$ 7,444,245	2.61%	9,526	1.75%		
Ireland	$ 469,484	0.16%	1,458	0.27%		
Italy	**$ 7,859,515**	**2.76%**	**TBD**			
Japan-Private	$ 442,881	0.16%	1,320	0.24%		
Japan	$ 16,627,745	5.83%	43,194	7.94%		
Korea, Rep. of	$ 40,000	0.01%	109	0.02%		
Luxembourg	$ 490,678	0.17%	1,466	0.27%		
Netherlands	$ 4,374,453	1.53%	13,288	2.44%		
Norway	$ 1,262,626	0.44%	3,809	0.70%		
Switzerland	$ 3,303,863	1.16%	6,294	1.16%		
UK	$ 5,317,923	1.86%	8,262	1.52%	$ 2,003,340	19.93%
UN	$ 125,000	0.04%	TBD			
USA	$ 134,166,385	47.03%	256,470	47.16%	$ 4,200,000	41.78%
US Friends of WFP	**$ 172,020**	**0.06%**	**195**	**0.04%**	$ 15,692	0.16%
Multilateral funds	$ 834,827	0.29%	1,043	0.19%		
Total Received	**$ 216,490,717**		**435,921**		**$ 9,589,897**	
% Against the Appeal	**75.89%**		**80.16%**		**95.39%**	
* *Carry over*	**$ 41,954,663**	**14.71%**	**93,472**	**17.19%**		
Shortfall	**$ 26,808,260**		**14,444**		**$ 463,255**	
% Shortfall	**9.40%**		**2.66%**		**4.61%**	

Footnotes
- Difference in shortfalls between '$ Amount' and 'Tonnage' is due to changes in the food basket, or resources not yet used.
* Carry over from EMOP 10126.0 ending 31 March 2002
** Please note that the first three month requirements are 290,795 MT, worth US$154,361,761
NOTE : Changes from the last resourcing chart are indicated in **bold.** Text to be deleted is indicated in ~~strikethrough~~.

ANNEX E

Beneficiaries and Tonnage

Beneficiaries and Tonnage - Year 1 (12 months)

#	Activity	Proposed # of feeding days per year	Proposed # of Recipients	Proposed # of Beneficiaries	Food requirements (MT)								TOTAL	% of Requir e-ments vs. Total
					Wheat	Wheat Flour	Pulses	Veg. Oil	Sugar	WSB	Iodized Salt	Biscuit		
	A. Relief													
1	Urban Vulnerable (bakeries)	365	60,000	360,000	-	42,048	-	-	-	-	657	-	42,705	13%
2	Rural Vulnerable (10 % of FFW)	51	30,000	180,000	9,180	-	367	275	-	918	46	-	10,787	3%
3	Institutional and Therapeutic Feeding	365	10,500	10,500	-	1,341	153	115	38	383	19	-	2,050	1%
4	Supplementary Feeding	30	10,000	10,000	-	-	-	9	12	57	-	-	78	0%
5	IDP Feeding (camp)	365	200,000	200,000	-	25,550	2,920	2,190	730	7,300	365	-	39,055	12%
6	Returnee Package	N/A	250,000	1,500,000	37,500	-	-	-	-	-	-	-	37,500	11%
	Subtotal Relief		**560,500**	**2,260,500**	**46,680**	**68,939**	**3,441**	**2,589**	**780**	**8,658**	**1,087**	-	**132,175**	**39%**
	B. Recovery													
7	Food for Work	51	300,000	1,800,000	91,800		3,672	2,754	-	-	459	-	98,685	29%
8	Food for Training / Non Formal Education	104	75,000	225,000	13,650	-	468	351	-	-	-	-	14,469	4%
9	School Feeding (Boys & Girls)	234	660,000	660,000	-	-	-	-	-	-	-	15,444	15,444	5%
10	School Feeding Take Home (Boys & Girls)	234	440,000	440,000	49,500	-	-	-	-	-	-	-	49,500	15%
11	Take Home Ration (Girls)	234	440,000	440,000	-	-	-	15,840	-	-	-	-	15,840	5%
12	Food for Teacher Training	234	20,000	20,000	-	1,638	187	117	47	-	23	-	2,012	1%
13	Food for Teachers	234	100,000	600,000	-	-	-	9,000	-	-	-	-	9,000	3%
	Subtotal Recovery		**1,595,000**	**3,745,000**	**154,950**	**1,638**	**4,327**	**28,062**	**47**	**-**	**482**	**15,444**	**204,950**	**61%**
	Grand total (A+B)		***2,155,500***	***6,005,500***	***201,630***	***70,577***	***7,768***	***30,651***	***827***	***8,658***	***1,569***	***15,444***	***337,125***	***100%***

Beneficiaries and Tonnage - Year 2 (12 months)

#	Activity	Proposed # of feeding days per year	Proposed # of Recipients	Proposed # of Beneficiaries	Food requirements (MT)								TOTAL	% of Require-ments vs. Total
					Wheat	Wheat Flour	Pulses	Veg. Oil	Sugar	WSB	Iodized Salt	Biscuit		
	A. Relief													
1	Urban Vulnerable (bakeries)	365	45,000	270,000	-	31,536	-	-	-	-	493	-	32,029	11%
2	Rural Vulnerable (10 % of FFW)	51	27,000	162,000	8,262	-	330	248	-	826	41	-	9,708	3%
3	Institutional and Therapeutic Feeding	365	10,500	10,500	-	-	153	115	38	383	19	-	709	0%
4	Supplementary Feeding	30	10,000	10,000	-	-	-	9	12	57	-	-	78	0%
5	IDP Feeding (camp)	365	50,000	50,000	-	6,388	730	548	183	1,825	91	-	9,764	3%
6	Returnee Package	N/A	175,000	1,050,000	26,250	-	-	-	-	-	-	-	26,250	9%
	Subtotal Relief		**317,500**	**1,552,500**	**34,512**	**37,924**	**1,214**	**919**	**233**	**3,091**	**644**	**0**	**78,537**	**28%**
	B. Recovery													
7	Food for Work	51	270,000	1,620,000	82,620	-	3,305	2,479	-	-	413	-	88,817	32%
8	Food for Training / Non Formal Education	104	75,000	225,000	13,650	-	468	351	-	-	-	-	14,469	5%
9	School Feeding (Boys & Girls)	234	720,000	720,000	-	-	-	-	-	-	-	16,848	16,848	6%
10	School Feeding Take Home (Boys & Girls)	234	480,000	480,000	54,000	-	-	-	-	-	-	-	54,000	19%
11	Take Home Ration (Girls)	234	480,000	480,000	-	-	-	17,280	-	-	-	-	17,280	6%
12	Food for Teacher Training	234	20,000	20,000	-	1,638	187	117	47	-	23	-	2,012	1%
13	Food for Teachers	234	110,000	660,000	-	-	-	9,900	-	-	-	-	9,900	4%
	Subtotal Recovery		**1,675,000**	**3,725,000**	**150,270**	**1,638**	**3,960**	**30,127**	**47**	**-**	**437**	**16,848**	**203,326**	**72%**
	Grand total (A+B)		***1,992,500***	***5,277,500***	***184,782***	***39,562***	***5,174***	***31,046***	***280***	***3,091***	***1,081***	***16,848***	***281,863***	**100%**

Proposed Food Basket											
#	Activity	Unit	Food Ration (KG)								Kcal/ day
			Wheat	Wheat Flour	Pulses	Veg. Oil	Sugar	WSB	Iodized Salt	Biscuit	
1	Urban Vulnerable (bakeries)	Day		0.32					0.005		1,120
2	Rural Vulnerable	Day	6.00	-	0.24	0.18	-	0.60	0.030		24,417
3.a	Institutional / Targeted Therapeutic Feeding (yr 1)	Day		0.35	0.04	0.03	0.01	0.10	0.005		2,035
3.b	Institutional / Targeted Therapeutic Feeding (yr 2)	Day			0.04	0.03	0.01	0.10	0.005		810
4	Supplementary Feeding	Day				0.03	0.04	0.19	-		1,129
5	IDP Feeding (camp)	Day		0.35	0.04	0.03	0.01	0.10	0.005		2,035
6	Returnee Package	One time/ hh	150.00		-	-					N/A
7	Food for Work	Day	6.00		0.24	0.18			0.03		N/A
8	Food for Training / Non Formal Education	Day	3.50	-	0.12	0.09	-	-	-		2,125
9	School Feeding (Boys & girls)	Day		-		-	-		-	0.100	-
10	School Feeding Take home (Boys & Girls)	Month	12.50								N/A
11	Take Home Ration (Girls)	Month				4.00					N/A
12	Food for Teacher Training	Day		0.35	0.04	0.03	0.01		0.005		1,620
13	Food for Teachers	Month				10.00					N/A