

Concerns are alleviated as Kazakhstan announces willingness to export wheat flour to Afghanistan

Key Messages

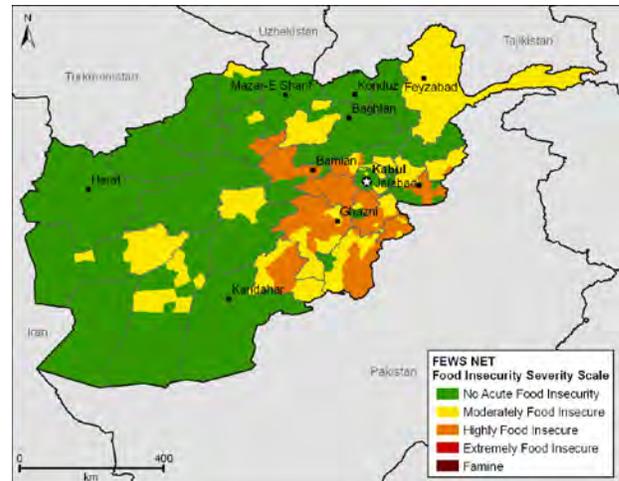
- Concerns over increased food insecurity are alleviated as Kazakhstan announced its willingness to export wheat to Afghanistan through commercial means. Afghanistan’s 2010 wheat deficit is estimated at 700,000 tons and is expected to be mostly supplied by Kazakhstan.
- Despite Pakistan’s current wheat export ban and the negative impacts of the recent devastating floods on Pakistan’s cereal production, bordering provinces, like Jalalabad and Kandahar, are expected to regularly receive wheat flour from Pakistan; although prices will likely be higher than normal.
- Food security conditions are expected to deteriorate in cereal deficit provinces in southern, eastern, and central Afghanistan where localized poor harvests, recent flooding, decreases in remittance from Pakistan and an increase in regional wheat market prices negatively affect access to food.

Updated food security outlook through December 2010

Concerns over increased food insecurity brought on by wheat export bans from Russia and Kazakhstan are alleviated as Kazakhstan announced its willingness to export wheat flour to Afghanistan through commercial means. As a result of devastating droughts and crop losses in Russia and parts of Kazakhstan, Russia has put into place a wheat export ban until after the 2011 harvest that could disrupt wheat market prices in the region.

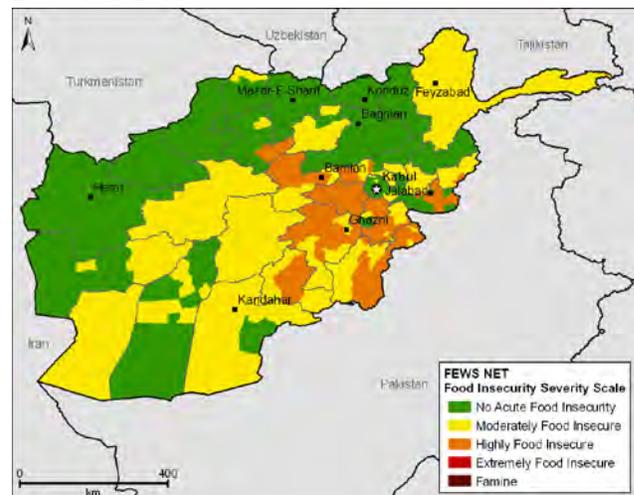
Afghanistan is expected to have a national wheat deficit of approximately 700,000 tons in 2010. Shortfalls in national wheat production are typically covered in part by imports from Kazakhstan and Pakistan. Nevertheless, the Kazakhstan government has not received an official request from the Afghanistan government for additional wheat flour exports. Kazakhstan is prepared to export up to 8 million tons grain to Russia, Central Asia (including Afghanistan) and Caucasus regions.

Figure 1. Estimated food security outcomes, September 2010



Source: FEWS NET

Figure 2. Estimated food security outcomes, October-December 2010



Source: FEWS NET

For more information on FEWS NET’s Food Insecurity Severity Scale, please see: www.fews.net/FoodInsecurityScale

This report provides an update to the July 2010 FEWS NET Food Security Outlook report which estimated food security conditions from July through December 2010.

Despite Pakistan’s current wheat export ban and the negative impacts of the recent devastating floods on cereal production, bordering provinces, like Jalalabad and Kandahar, are expected to regularly receive wheat flour from Pakistan; although at higher than normal prices due to scarcity of wheat within Pakistan. The continued wheat flour supply will prevent drastic increases of food prices, as was previously anticipated in the food deficit regions. Cooking oil prices are expected to increase because of competing cross-border demand in Pakistan. Cooking oil that is imported to Afghanistan is re-exported to Pakistan which increases prices for Afghan consumers.

August wheat market prices remain below the July five-year average in all reference markets. However, since June market wheat prices steadily increased in all reference markets, with the exception of Faizabad. Mazar received the highest increase of 14 percent which is followed by Jalalabad where wheat price increased by 11 percent. The monthly wheat price increase was higher in July than in August indicating sufficient wheat supply and production in the country between July and August. Nevertheless, wheat prices are likely to continue to increase in September, October, and November as rural Afghans demand more wheat to build winter food stocks.

Livestock prices are expected to increase in the coming two months in anticipation of Eid-Qurban – when wealthy citizens buy more livestock to celebrate and donate food to poor households. This will likely increase the income for pastoral households and temporarily increase poor households’ access to meat.

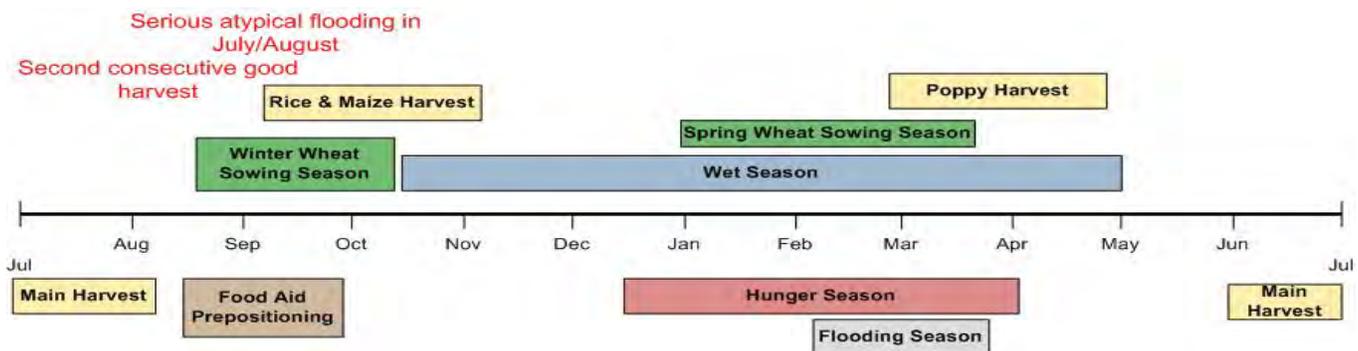
In August 2010, devastating floods hit provinces in the south and southeast of the country (Nangarhar, Kunar, Ghazni, Parwan, Wardak, Kapisa, Logor, Sar-i-Pul and Paktya, Paktika, Day Kundi and Khost provinces) killing thousands of livestock and destroying thousands of homes. At a national level, according to an ADMA report, an estimated 192 people died. OCHA reported that approximately 15,000 people are affected and thousands of homes were destroyed. The number affected is expected to increase once provinces have reported. Though affected households have received assistance to meet their immediate needs, it is unclear if there are plans to provide food assistance until the next harvest. Flood affected households are likely to be highly food insecure through winter.

Households in Day Kundi province expect to receive the same amount of remittances from Iran as in previous years. Income from remittances will also need to be used to rebuild livelihoods and homes in addition to purchase food. Thus, flood affected households in Day Kundi are likely to be highly food insecure, assuming that additional food assistance is not delivered.

Poor households in Paktya and Paktika are expected to remain highly food insecure between August and December and require additional assistance as remittances from Pakistan are likely to significantly decrease over the coming months due to the flooding in Pakistan. Remittances are the main source of income for poor households in these provinces. Income from firewood sales will improve as demand for firewood increases during the coming months in anticipation of winter, though firewood is becoming scarce as a result of heavy deforestation.

Poor households in Farah province are also expected to deteriorate as a result of increased wheat prices, but conditions are not expected to be as severe as in other areas of Afghanistan because no additional shocks have occurred. Poor households are expected to remain moderately food insecure.

Seasonal calendar and critical events timeline



Source: FEWS NET