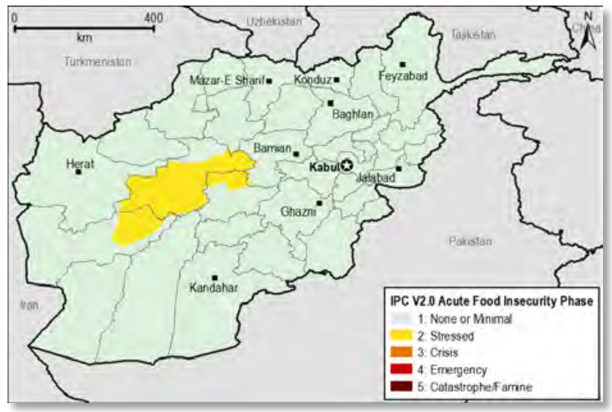
AFGHANISTAN Food Security Outlook — July to December 2013

Afghanistan's national wheat harvest is expected to be above average

KEY MESSAGES

- In general, Afghanistan's wheat harvest is expected to be above average in volume for the second year in the row, resulting in increased wheat availability at the national level and decreased needs for imports. A combination of the above average harvest and other normal to above normal sources of incomes is likely to maintain food security outcomes at Minimal (IPC Phase 1) until December in the vast majority of Afghanistan.
- In the West-Central Highlands Agropastoral livelihood zone, the rainfed wheat harvest is expected to be far below normal and the irrigated wheat harvest is expected to be significantly below normal. By September, households will have sold the vast majority of their saleable livestock, and income from other sources will be reduced compared to a normal year. Food security will shift to Crisis (IPC Phase 3) in the absence of additional, external, humanitarian assistance.
- Due to the expected above average national harvest and good regional supplies, wheat grain prices are likely to decrease in wheat surplus-producing areas of Afghanistan and to remain stable in wheat deficit areas over the coming two to three months. However, by beginning of the September to November stocking period, wheat grain prices are likely to increase along a normal, seasonal pattern. However, with adequate income from labor and sharecropping, even landless households will be able to purchase some stocks before winter.

Figure 1. Current food security outcomes, July 2013

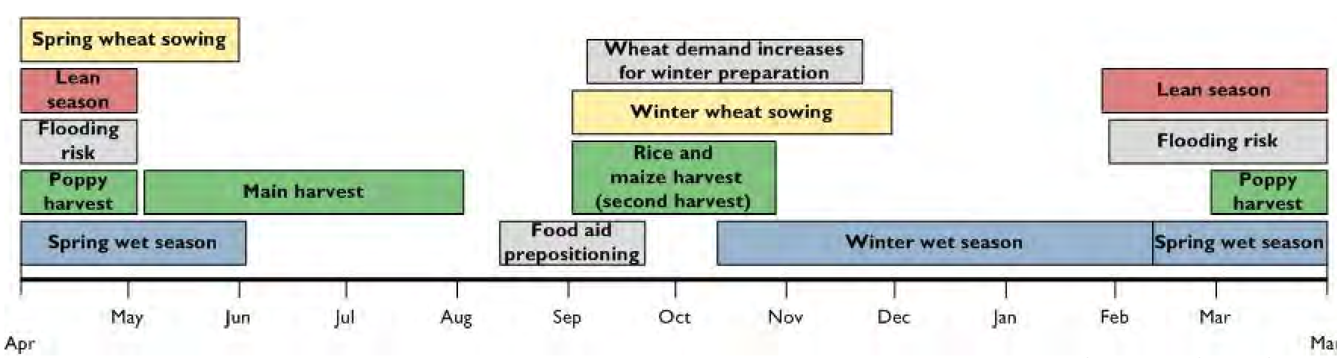


Source: *FEWS NET Afghanistan*

Note: *Newly displaced populations are classified as Stressed (IPC Phase 2).*

This map represents *acute* food insecurity outcomes relevant for emergency decision-making. It does not necessarily reflect *chronic* food insecurity. Visit www.fews.net/foodinsecurityscale for more on this scale.

SEASONAL CALENDAR FOR A TYPICAL YEAR



Source: *FEWS NET Afghanistan*

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NATIONAL OVERVIEW

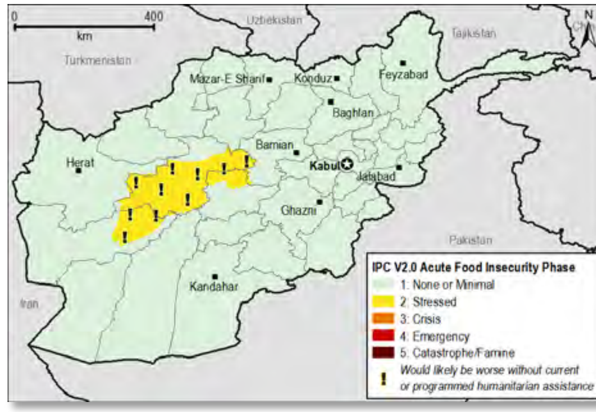
Current Situation

Despite the slow start of the wet season in November and December 2012, by late February, precipitation became both steady and relatively well distributed, and amounts and distribution were especially regular in March across much of Afghanistan. In general, this provided enough moisture at the right times of year for near normal or above normal development of both the winter and spring wheat crops, despite overall wet season precipitation being less than average in many areas. However, steadily wet conditions from March to May caused some localized wheat stem rust and smut. In Faryab and Khost Provinces, this year's wheat crops have had a higher than usual level of wheat stem rust and smut. As a result, yields of rainfed wheat were down by approximately one fifth and irrigated wheat down by around one tenth compared to last year.

The wheat harvest started in April and was mostly completed by late May in the lowlands in the East, the Southeast, and the Southwest. The harvest started in June/July and is still underway in the midlands in the West and the North. Overall, the 2013 wheat harvest is expected to be above average. Overall, if harvests continue at their current, expected levels, the national wheat harvest would be broadly similar to 2012 in terms of total volume, but some areas are likely to have below average production, including areas of Ghor, Faryab, Jawzjan, and Khost Provinces.

In Khost and Faryab, reduced wheat production stemmed from overly wet conditions for too long, but in eastern Jawzjan Province, wheat production declined due to a 20- to 25-day dry spell during March, which reduced growth and consequently, yields. However, the overall provincial-level wheat harvest volume was above average due to higher production in other parts of the province.

Figure 2. Projected food security outcomes, July to September 2013



Source: *FEWS NET Afghanistan*

Figure 3. Projected food security outcomes, October to December 2013

Source: *FEWS NET Afghanistan*

Note: *Newly displaced populations are classified as Stressed (IPC Phase 2)*

These maps represent *acute* food insecurity outcomes relevant for emergency decision-making, and do not necessarily reflect *chronic* food insecurity. Visit www.fews.net/foodinsecurityscale for more on this scale.

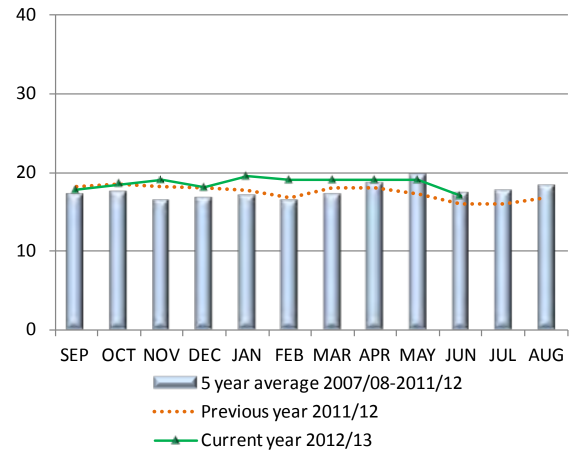
Labor migrants from the highlands typically come to lowland areas during the wheat harvest, since it is two to three months earlier than the harvest in the highlands, and wage rates for casual, agricultural labor tend to be at their annual highs at that time. This year, the landless and labor migrants from the highlands have been working during the wheat harvest in the lowlands. With an above normal volume of wheat harvest, demand for agricultural labor has been relatively high in the lowlands. According to data collected by the World Food Program (WFP) in eight major cities in June, casual labor wage rates were generally somewhat above their five-year averages. These rates are primarily for urban, casual, unskilled, construction labor. Agricultural labor wages in rural areas, particularly in northern Afghanistan, have reached up to AFN 600 per day during the harvest in some areas, meaning terms of trade (ToT) between one day of agricultural labor and wheat flour reaching up to 23 kilograms (kg) per day in some areas.

Due to regular precipitation from March to early May, generally pasture conditions have been slightly above average, with the notable exception of parts of the western central highlands centering around Ghor Province. As a result of good conditions for livestock and improving livestock body conditions, in many markets the price of a one-year old female sheep was moderately to well above the five-year average in June. In June in Jalalabad, Maimana, and Mazar, the price of a one-year old female sheep was 63 percent, 55 percent, and 35 percent above their five-year averages, respectively.

Following the primary grain harvest, which is mostly wheat but includes some barley, second crops are planted in irrigated areas. Rice, barley, corn, melon, watermelon, and cotton sowing have already happened in the lowlands and midlands both as second crops and in a few areas as a first crop. Planted area for these various cash crops and fodder crops is near normal. Field reports indicate that crops are developing normally and are on a mostly normal schedule for their harvests at this point. However, in eastern Afghanistan, so far, the June to August monsoon rains have started but generally been lighter than usual.

Due to the ongoing national wheat harvest and its above average total volume, wheat grain prices have reduced slightly in most reference markets compared to prices before the harvest. However, wheat grain prices are still up to 17 percent higher than the five-year average in some areas, but in most wheat surplus-producing areas, wheat grain prices have since April tended to be slightly lower than the five-year average (Figure 4).

Figure 4. Nominal retail wheat prices in Mazar, in afghani (AFN) per kilogram (kg)



Source: *World Food Program (WFP) and Ministry of Agriculture, Irrigation, and Livestock (MAIL)*

Remittances from the Arab countries of the Persian Gulf are continuing at normal rates. They are a significant source of income in southern and southeastern Afghanistan. Nevertheless, remittances from Iran are significantly lower than recent years. Fewer migrants are choosing Iran as a labor migration destination and the value of remittances has fallen due to a combination of the high living costs in Iran to support the migrant laborer and the relatively low value of those wages compared to previous years with similar wages in Afghanistan.

The melon and watermelon harvests in southern and northern Afghanistan, which runs from July to September in different areas, has thus far had a higher volume harvest than last year and higher producer prices than last year. Localized melon fly infestation has been reported in areas of northeastern Afghanistan. Grape and pomegranate crops are also developing normally.

As result of generally favorable conditions and normal to above normal levels for most sources of food and income, current food security outcomes are Minimal (IPC Phase 1) in most parts of the country. However, in the West-Central Agropastoral livelihood zone as a result of poorer agricultural and livestock production conditions along with changes to the availability of labor opportunities, poor households have moved into Stressed (IPC Phase 2). Internally displaced persons (IDPs) who have been displaced over the past year are also continuing to be classified as Stressed (IPC Phase 2) (Figure 1).

Assumptions

The July to December 2013 outlook is based on the following, national-level assumptions:

- The 2013 wheat harvests both from rainfed areas and from irrigated areas are likely to have an above average volume. The total volume is likely to be close to that of 2012. This will lead to fewer imports needed from regional markets than usual.
- The above normal national wheat harvest is likely to increase national wheat availability, which is likely to result in lower wheat grain prices in the surplus-producing areas in the North from now until September. The good harvest should maintain the fairly stable wheat prices in the wheat-deficit areas in the South.
- The second crop harvests from August to November are likely to be near normal, close in terms of volume and quality as those of 2010 , which is often referred as a normal year.

- The August to September spring wheat harvest in Kazakhstan will likely to be higher than the 2012 harvest. This will help maintain stable wheat flour prices through December in Afghanistan, particularly in northern markets, which are strongly co-integrated with Kazakh export prices.
- The potato harvest in the central highlands, including in Bamyan Province, will be average to above average. This will lead to average to above average national potato availability from September to December.
- Civil insecurity is likely to increase seasonally over the summer, especially in July and August. However, the security situation will not deteriorate to the extent that private sector trade in goods or usual local and long-distance labor migration would be significantly curtailed. However, there will be a seasonal increase in the number of displaced people due to insecurity and conflict.
- The June to August Indian monsoon rains have been somewhat lighter than normal so far, but they are expected to fall in eastern Afghanistan. They are not expected to be either particularly dry, damaging crops, or to be particularly strong, leading to widespread flooding and waterlogging. However, some small-scale, localized flooding is possible.
- For the October 2013 to May 2013 wet season, the October to December start is expected to have normal to slightly below normal total amounts of rainfall and snowfall over Afghanistan.
- Pakistan is expected to continue exporting wheat flour to Afghanistan from July to December with no significant, new restrictions on trade.
- Pakistan and Iran will not forcibly repatriate the 2.5 million registered Afghan refugees between now and December 2013. However, voluntary repatriations from both countries are expected to continue at a rate similar to recent years with returns tapering off with the start of the winter in December.
- Afghanistan's new social safety net programs run by the Ministry of Labor, Social Affairs, Martyrs, and Disabled will continue to function year-round, which will help cover the cash and food needs for qualifying groups including widows, disabled people, and households who have lost a household member in the war. People who have died fighting in the war are locally referred to as martyrs. These survivor and disability benefits will continue, but they are not expected to increase or decrease significantly in either nominal nor food-value terms for qualifying households.

Most Likely Food Security Outcomes

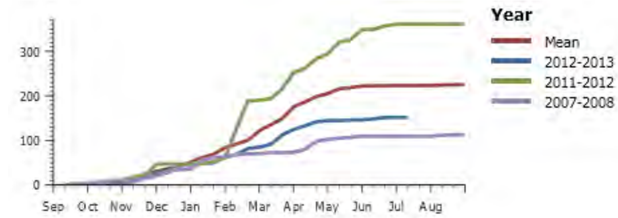
The central highlands' harvests take place in August and September. The potato harvest in the central highlands is expected to be above average which will lead to normal supplies and above average incomes for producers. Grape and pomegranates are also likely to have normal to above normal production from August to October.

Primarily due to expected supplies from the above average 2013 grain harvest, most rural households are going to enter the 2013/2014 consumption year with more household stocks than usual. In many areas, household stocks for poor households provide up to a six-month supply of wheat products, particularly as this will be the second above-average harvest in a row. For households who do not have access to land or do not grow wheat or enough wheat, such as in parts of the highlands, the above-average casual labor wages during the harvest has produced income, enabling them to purchases adequate food stocks during the September to November stocking period. Some households will also sells livestock during the fall, especially as livestock return from high elevation pasture from August to October and in the period leading up to the Eid Qurban holiday in October when demand for livestock is high. Agropastoral, mixed farming, and pastoral households will use the proceeds to procure food, and this year they are likely to benefit from the above-average livestock prices and sustained demand for livestock and for meat in much of the country.

For poor, urban households who continue to rely entirely on markets as a source of food, wheat flour prices are expected to remain relatively stable from now to December, due to the well above average domestic harvest in 2013 that has decreased the need for imports. Also, these households have taken casual labor opportunities, with labor rates having been above average both in rural and urban areas during the summer. Labor opportunities are expected to become more limited after September when they seasonally decrease.

From August to November, households who rely on sales of horticultural crops like pomegranates and grapes in southern and central-eastern Afghanistan or on potato sales in the central highlands are likely to make enough income due to normal volumes to support stocking at a normal time. Food security outcomes are anticipated to be classified at Minimal (IPC Phase 1) in the vast majority of Afghanistan from July to December with seasonally above normal food security outcomes. However, higher levels of food insecurity will likely persist in the western portion of the central highlands and among the more recently displaced IDPs (Figures 2 and 3).

Figure 5. Satellite-based cumulative rainfall estimate (RFE2) for Ghor Province in millimeters (mm)



Source: U.S. Geological Survey (USGS)/FEWS NET

AREAS OF CONCERN

West-Central Highlands Agropastoral livelihood zone

Current Situation

Poor households are currently purchasing their staple foods from the market, as is typical from April until the harvest starts in September in this zone which includes portions of Ghor, Farah, and Day Kundi Provinces. At this time, poor households have, generally, exhausted their household food stocks, both those purchased as part of winter stocking from September to December 2012 and those from their own production in 2012. These purchases are funded with income from livestock sales and labor migration. However, the income level from labor migration this spring and early summer, particularly from labor for the Helmand poppy harvest has diminished significantly compared to recent years. Poppy is a labor-intensive crop, and wages are generally favorable, but the volume of the poppy harvest in Helmand was very far below average. Nevertheless, incomes from labor migration to Herat have remained stable and even improved a bit because of increased demand for laborers during the wheat harvest time in June to July, due to the above average volume of the harvest. Currently, this zone's road access to the source markets in Herat and Kabul remains seasonally good, which has kept current wheat flour prices very close to source markets prices at around AFN 30 per kilogram (kg).

Lower than normal snowfall during winter and well below average rainfall from May to June (Figure 5) negatively affected pasture conditions, which along with increased needs for cash to make market purchases, has led to earlier than usual and at a higher volume than usual of spring and summer livestock sales. With increased livestock sales replacing low labor migration income, the increased livestock on the markets and low demand has brought July 2013 livestock prices down as much as 30 percent compared to July 2012. The declining crop prospects negatively affected current labor wages, which is reduced by 12 percent since July 2012.

At least partially in anticipation of the withdrawal of international military forces, farmers choose to cultivate far more poppy than usual, instead of wheat, on irrigated land, due to the perceived higher profits associated with poppy production. However, the colder than normal temperatures this spring have damaged poppy crops, and consequently, the harvest, which is currently underway, has been very poor with many fields failing to produce plants with harvestable pods.

The colder than normal temperatures in April to May also reduced the germination rates of the planted, spring, rainfed wheat that was planted in late March and early April. Both due to colder temperatures and moisture stress, some of the crop failed to germinate. Further, during May to June, the what that germinated did not receive needed amount of rainfall due to the drier than normal conditions in the late part of the west season, reducing growth. Therefore, a significant amount of cultivated land will not have a harvest. The irrigated wheat has also had below average germination rates due to cold temperatures and reduced growth due to below average irrigation water availability, particularly in the further downstream farms due to the below average snowfall during the winter.

Assumptions

In addition to the national assumptions described above, the following assumptions have been made about the West-Central Highlands Agropastoral livelihood zone:

- Poor households in rainfed areas are likely to only harvest a one to two month household supply of wheat in September as opposed to a more typical supply of up to a six-month supply.

- External aid is planned, funded, and likely for August and September with food in-kind being distributed to some poor households by the World Food Program (WFP) under the Protracted Relief and Recovery Operation (PRRO) and from the government's locally stored portion of the strategic grain reserve.
- Due to poor pasture conditions that resulted in poor animal body conditions, livestock prices are likely to decrease further between now and December. However, in November livestock prices are likely to temporarily increase in anticipation of Eid Qurban when wealthy households often buy livestock for the holiday and to donate food to the poor.
- Labor wages and the availability of labor opportunities are likely to decrease from September to December due to the expected poor wheat harvest, fewer livestock-related opportunities, and the normal seasonal decline that follows the grain harvest.

Most Likely Food Security Outcomes

Poor households are likely to meet their immediate minimal food needs now and through August from ongoing and additional early livestock sales, income from labor migration, primarily to wheat growing areas in nearby lowland and midland areas, and local, casual, day labor wages despite the reductions in some these sources of incomes compared to normal. However, households will be selling livestock at a higher than usual rate in order to cover these purchases.

Households who do not have livestock to sell or have income from labor migration are likely to benefit from ongoing external assistance from WFP or from the locally stored portion of the government's strategic grain reserve. By the beginning of October, poor households are likely to have run out of saleable livestock due to the early sales of livestock or to have destocked in anticipation of poor fodder availability for the winter. Income-earning opportunities will, at that point, diminish both seasonally as well as because of the expected well below average local grain harvest. With household stocks from own production reduced to a one- or two-month supply of wheat, and the normal secondary source of income of livestock sales mostly already exhausted, households will need to employ unusual coping strategies to gain access to food. Thus, from now to September, food security outcomes are expected to be Stressed (IPC Phase 2) as households cover food needs but increasingly neglect necessary non-food expenses, employ unusual coping strategies, or consume food provided as in-kind assistance. However, by October, food security outcomes are likely to shift to Crisis (IPC Phase 3) in the absence of additional humanitarian assistance as both sources of food and of income dwindle.

Internally Displaced Persons (IDPs)

Current Situation

Conflict is the main driver of displacement in Afghanistan, which is followed by natural disasters. According to the United Nation's High Commissioner for Refugees's (UNHCR's) May 2013 data, there were 570,705 individuals or 89,006 households who have been internally displaced across the country since 2002. The highest concentrations of IDPs are in Herat, Helmand, and Nangarhar Provinces. Between May 2012 and May 2013, 173,897 individuals became newly displaced, mostly due to conflict. They have lost access to their normal sources of income and food. Before displacement, typical main sources of income and food were mostly from agriculture and animal husbandry. After displacement, these sources of income and food are often completely unavailable. Male IDPs often turned to casual labor in the construction sector. However, they typically do not have much experience, so they are locked out of the skilled labor opportunities in this sector. Also, the construction sector is seasonal as very little construction goes on in the winter. Nationwide, the number of large-scale construction projects and investment in construction has reduced this year compared to recent years in anticipation of the withdrawal of the International Security and Assistance Force (ISAF) by the end of 2014. Female IDPs are unable to participate in urban casual labor, so in the most extreme cases, they turn to begging.

Following displacement, new IDPs have not only lost their normal sources of incomes and food but also lost their social networks and social capital by which they would typically cope. This usually leads to extended unemployment in the place of displacement. IDPs have also lost their households assets. In post-displacement situations, IDPs rely heavily on external aid. At least in part due to assistance, the new IDPs' current food security outcomes are Stressed (IPC Phase 2).

Assumptions

In addition to the national assumptions described above, the following assumptions have been made about IDPs:

- Conflict will both lead to a seasonal increase in the number of displacements r and prevent those already displaced from returning to their places of origins.
- Increasing numbers and concentration of IDPs are likely to increase competition for labor opportunities, especially in areas which take in a large number of IDPs over a short period of time. Urban construction labor availability seasonally decreases after October as construction work, and thus urban, casual, unskilled labor demand declines as winter approaches.
- The number of newly displaced people between July and December is expected to be broadly similar to previous years' rates.
- Humanitarian assistance is likely to continue for IDPs over the entire scenario period.

Most Likely Food Security Outcomes

With limited ability to replace the lost sources of income, the newly displaced tend to rely heavily on assistance and seasonal construction labor. Though, they will be meeting their basic needs through external aid and purchased food, funded in part by daily, casual labor wages, dietary diversity is likely to be low. They are likely to remain Stressed (IPC Phase 2) from July to December.

EVENTS THAT MIGHT CHANGE THE OUTLOOK

Table 1: Possible events over the next six months, which could change the most-likely scenario.

Area	Event	Impact on food security outcomes
Nationwide, but particularly urban households, the landless	Pakistan bans or further restricts wheat and/or wheat flour exports	If Pakistan bans wheat or wheat flour exports, wheat flour prices in Afghanistan can rise dramatically in response. High prices decrease households' access to food, particularly in the highland areas, particularly the western parts of central highlands where market-dependence is expected to be higher than usual.
Nationwide, but particularly for northern Afghanistan	Kazakhstan's upcoming wheat harvest is below average	Wheat flour prices are likely to increase, which would lead to poor purchasing power during the September to November stocking period.
South and southeastern Afghanistan	Remittances from Gulf significantly decline from current levels	If remittances from Gulf countries decrease, then this could reduce households' purchasing power.
Southern Afghanistan	Pomegranate and grape harvests produce well below average volume	If pomegranate and grapes harvest turned to be poor, incomes in southern and central-eastern growing areas would decrease significantly, reducing poor household's ability to procure stocks of staple foods for winter
Nationwide	Second crop harvests reduced by plant disease or pest outbreak	Reduced household income and availability of labor opportunities in affected areas
Nationwide, particularly southern Afghanistan	Civil insecurity increases well beyond usual summer peaks	Further displacement and increased needs for assistance for IDPs
Nationwide	Pakistan and Iran forcibly repatriate Afghan refugees	The large influx of returnees would likely lead to increased demand and thus increased prices for staple food, and increased supply of casual labor and thus more competition for labor opportunities, especially in urban areas.
Nationwide	A La Niña occurs in the tropical Pacific Ocean in late 2013	A La Niña typically suppresses rainfall and snowfall across Central Asia though this depends on many other climactic variables. A suppressed start of the wet season could disrupt planting or germination of winter crops and lead to lower availability of irrigation water later in 2014.

ABOUT SCENARIO DEVELOPMENT

To project food security outcomes over a six-month period, FEWS NET develops a set of assumptions about likely events, their effects, and the probable responses of various actors. FEWS NET analyzes those assumptions in the context of current conditions and local livelihoods to develop scenarios estimating food security outcomes. Typically, FEWS NET reports the most likely scenario.