



World Food Programme

SAVING LIVES
CHANGING LIVES



WFP Palestine Monthly Market Dashboard

March 2022

Highlights

The monthly market dashboard presents price trends for staple commodities and cash crops most consumed by Palestinians. In this two-month update, special attention will be given to the impact of the Ukraine crisis on the Palestinian and global economy.

Consumer prices continued to increase for the **third consecutive month** as a result of a rise in the prices of fresh chicken, eggs, fruit, and flour during March 2022. **The overall consumer price index (CPI) during March 2022 increased by 1.03% compared with February 2022** (0.80% in the West Bank, 1.93% in Gaza Strip). The Food CPI also increased in March by 2.57% compared with February (2.34% in the West Bank, and 3.76% in Gaza Strip).¹

The price increases are mainly driven by the increase in prices of the following commodities: fresh chicken by 11.75%, dried vegetables by 11.66%, eggs by 15.3%, wheat flour by 15%, potatoes by 16.6%, fresh fruit by 2.55%, and the fresh meat by 1.60%.

When compared to March 2021, **the overall CPI increased by 3.62%** (3.14% in the West Bank, and 4.82% in Gaza Strip), also the **Food CPI increased significantly by 9.61% (9.00% in the West Bank, and 12.37% in Gaza Strip)**.

The continuous increase, especially in the food prices, can be attributed to the rise of global prices. The **FAO Food Price Index (FFPI) averaged 159.3 points in March 2022, an increase of 12.6% from February, reaching the highest level since its inception in 1990**. The latest increase reflects new all-time highs for vegetable oils, cereals, and meat, while those of sugar and dairy products also rose significantly.

The global commodities prices have been increasing significantly as a result of the disruption of the global supply chain, the increase in energy prices, and the shortage of supply compared to demand in the post-COVID era. The crisis in Ukraine, along with the economic sanctions imposed on Russia, had a significant impact on the economies of many countries due to the shortage in essential products such as oil, gas, and cereals imported from Ukraine and Russia, disruption of supply chains, and the rise of the food prices. The consequences especially affect import-dependent countries such as Palestine, where around 90% of domestic demand for wheat is met through imports. In total, Palestine has a 32% import-dependency ratio.

In Palestine, the impact of the crisis has been noticed in the prices of wheat flour and energy prices. **The wheat flour prices increased by 14% in the West Bank and 16% in the Gaza Strip since the beginning of the Ukraine crisis**, despite the government's efforts to regulate the prices.

To tackle the price increases, the government issues a Value Added Tax (VAT) exemption of 16% on all sales of wheat flour wrapped in bags of 25 kg and above for 3 months (March, April, May); and a VAT exemption of 16% for bakeries for 3 months (March, April, May). The government also issued a price ceiling for a list of basic products to control the price increase. Despite the efforts, the prices continue to increase, and the purchasing power of the most vulnerable is decreasing as a result of continuous price hikes.

The price of Excellent gasoline 95, one of the **most commonly used fuels in Palestine, has increased in April 2022 by 10.76%** compared to April 2021 and increased by 4.11% compared to March. Also, **the price of diesel, which is mainly used for heating, increased by 19.91% during April compared to the same month in 2021** and increased by 6.02% when compared to the previous month.

The average value of **WFP food ration prices has increased in March by 7.53% compared to February** and has increased by 10.51% compared to March 2021. This increase is mostly attributed to the increase in basic food commodities prices during the month.

According to WFP Palestine's field observation from WFP's beneficiaries (CBT Voucher and In-kind), **49% (43% in Gaza and 64% in West Bank) reported witnessing an increase in prices of most food commodities** such as vegetable oil, pulses, wheat flour, vegetables and fruits, chicken, cold cuts, and sugar.

Also, only **5% of those in Gaza and 15% of those in the West Bank reported being able to buy the same amount of food as they did during the previous month**, relying on paying the cost difference in cash or on credit, or through purchasing the same quantities of the same types of food, but with lower quality at lower prices. **The remainder (95% in Gaza and 85% in the West bank) relied on some coping strategies**, such as consuming less quality food or less preferred food, reducing quantities of food consumed, purchasing food on credit, relying on help from friends and relatives, and stop consuming some food items such as fruits, meat, and chicken and keep relying only on basic commodities such as wheat flour, olive oil, and rice.

Additionally, according to WFP Palestine's field observation from WFP's contracted shops, **94% of the shops reported that the product availability is sufficient to cover the demand. 60% of WFP's contracted shops reported that the recent increase in prices will have a negative impact**

on their sales volume in the coming months.

The below graphs highlight the prices trends, commodities stocks availability, and the implication of the crisis in Ukraine on the Palestinian economy.

Situation Monitoring: Implications & Potential impact

Around 1.8 million persons are estimated to be moderately or severely food insecure across Palestine. Meanwhile, 31.2% of households were categorized as either moderately (13.6%) or severely (17.6%) food insecure. The status of food security in the Gaza Strip has worsened, with the share of severely food insecure households reaching 40.7%. This brings the total share of households **experiencing severe or moderate food insecurity in the Gaza Strip up to a staggering 64.4%**. The unemployment and poverty rate has also worsened in the Gaza strip in 2021, reaching 47% and 59% respectively.

Due to the lack of funding and fiscal challenges the government is facing, vulnerable families registered in the National Cash Transfer programme (NCTP) have not received any payments since May 2021. and civil servants have not received their full salary for six consecutive months.

Moreover, 80% of the population in the Gaza Strip depends on humanitarian assistance, with WFP and UNRWA providing food assistance to around 1.5 million people. The situation has been further exacerbated by the ongoing crisis in Ukraine, with wheat flour prices increasing by 15%. Currently, the stocks reserves remain at their normal level of 2-3 months. this is a growing concern in light of the of the ongoing global supply chain constraints, especially for Gaza, where the UN accounts for nearly 60% of wheat supply.

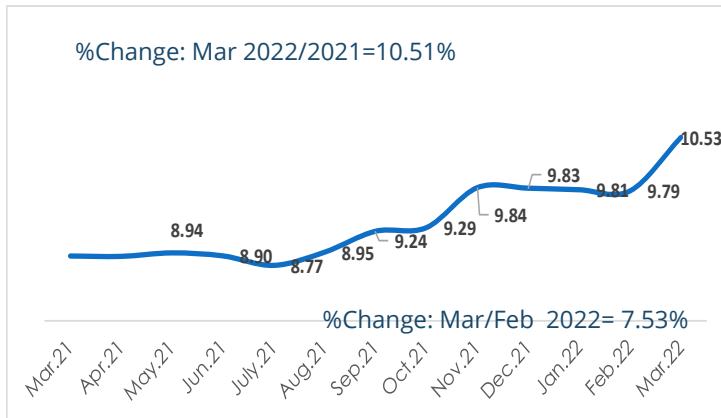
The PA passed the budget bill for the fiscal year 2022 with projected total revenue of \$4.771 billion, total expenditures of \$5.851 billion, and projected aid from donor countries of \$523 million, including \$300 million for projects, \$200 million for the budget and **a deficit of \$558 million.** The government **will prioritize spending on the education sector by 20%, the social protection sector by 20%, and 14% for the education sector.**

The budget deficit is still a major challenge for the PA and will likely impact the NCTP payments, and the PA's goals to help the poorest. The Ukraine crisis is likely to have an impact on funding as the international donors are reviewing their aid commitments in light of this crisis.

Price Trends

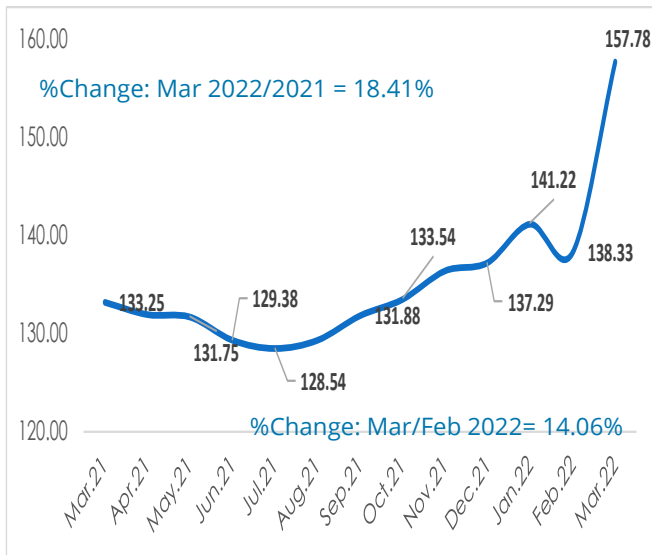
WFP Ratios

Monthly Average of WFP Ratios (\$) Per Capita

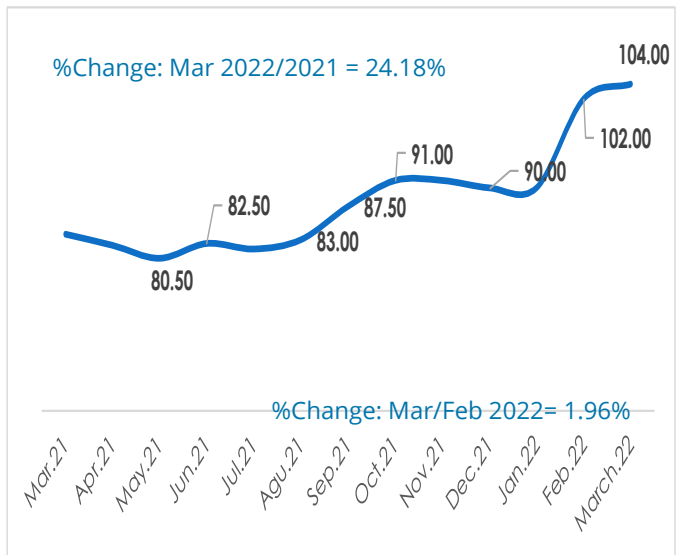


Commodities

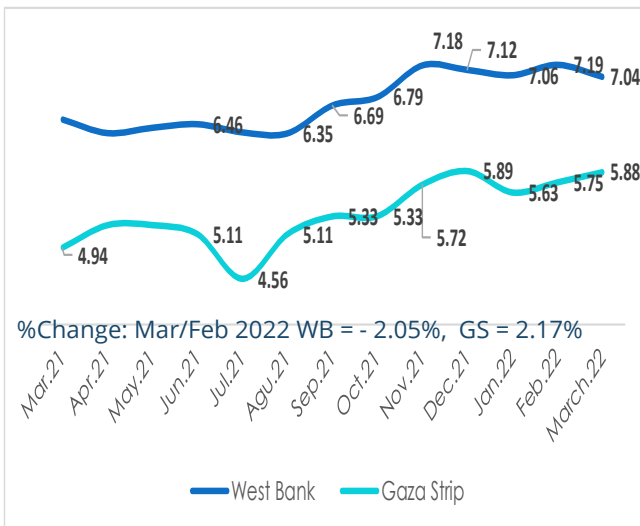
Haifa Wheat Flour-West Bank - (NIS/60Kg)



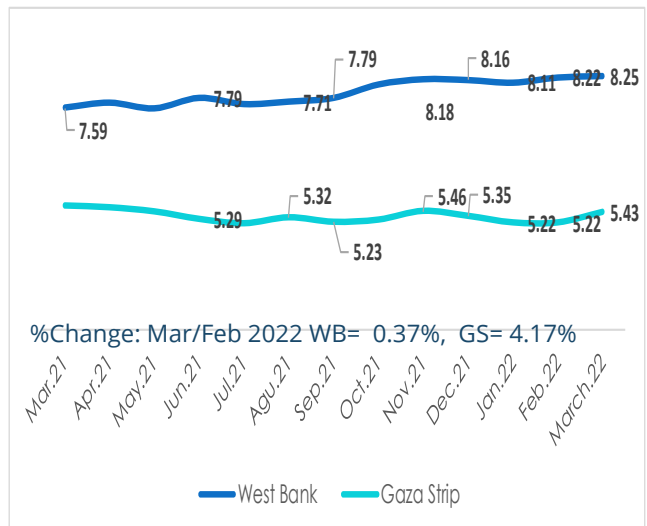
Local Wheat Flour-Gaza Strip - (NIS/50Kg)



Lentils - (NIS/Kg)

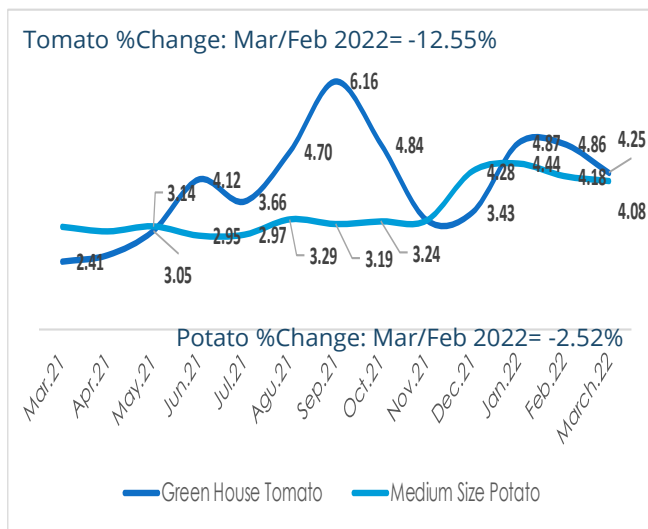


Chickpeas (Hummos) - (NIS/Kg)

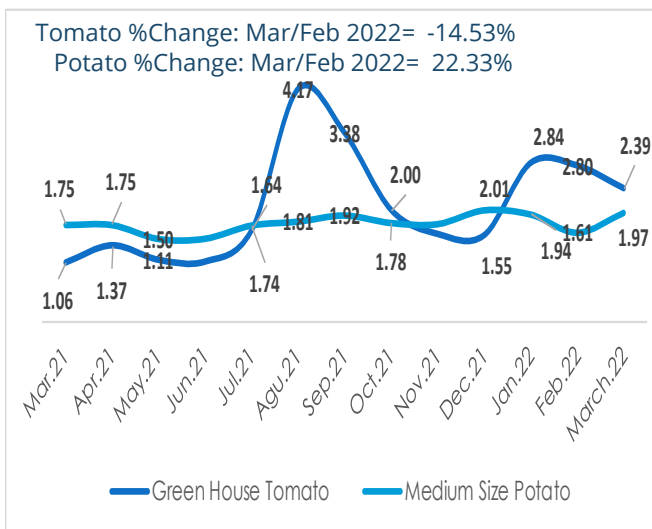


Commodities (cont'd)

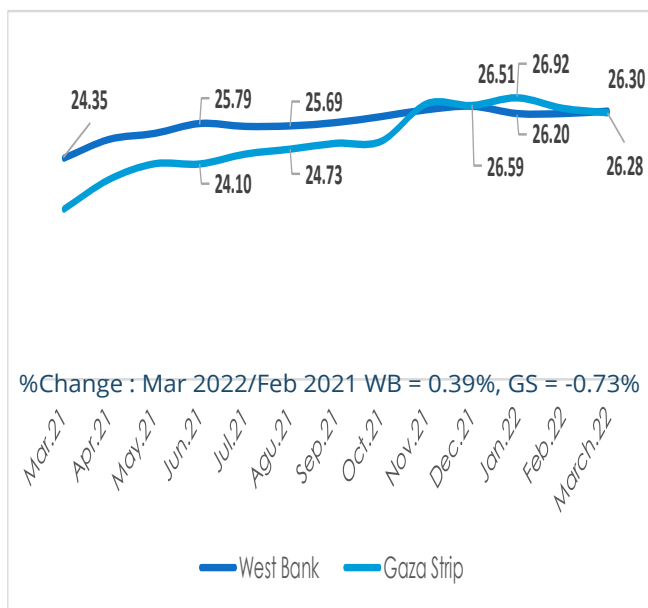
Vegetables-West Bank - (NIS/Kg)



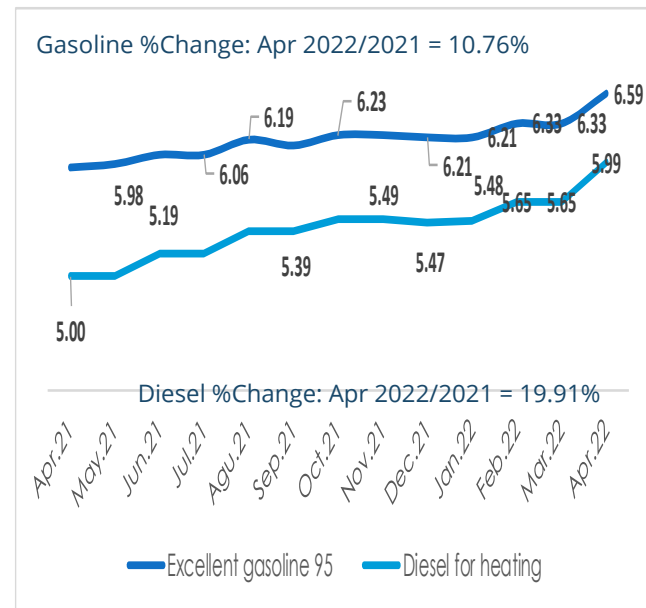
Vegetables-Gaza Strip - (NIS/Kg)



Corn Oil (Corn Oil)- (NIS/3L)

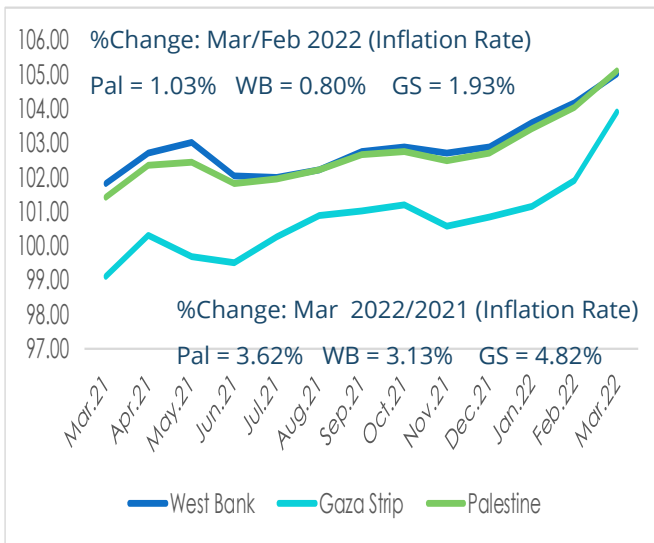


Fuel - (NIS/L)

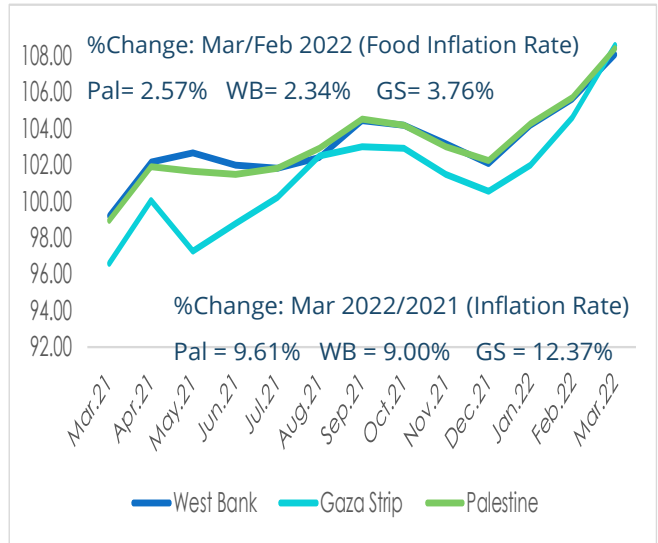


Consumer Price Index (CPI)

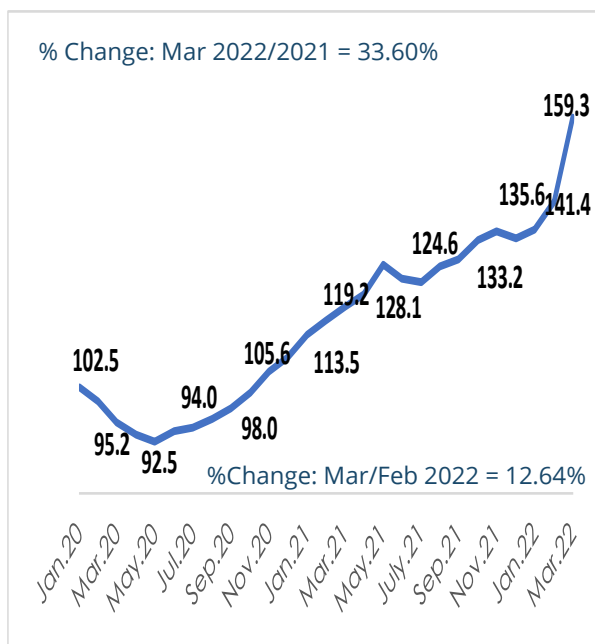
Overall Consumer Price Index



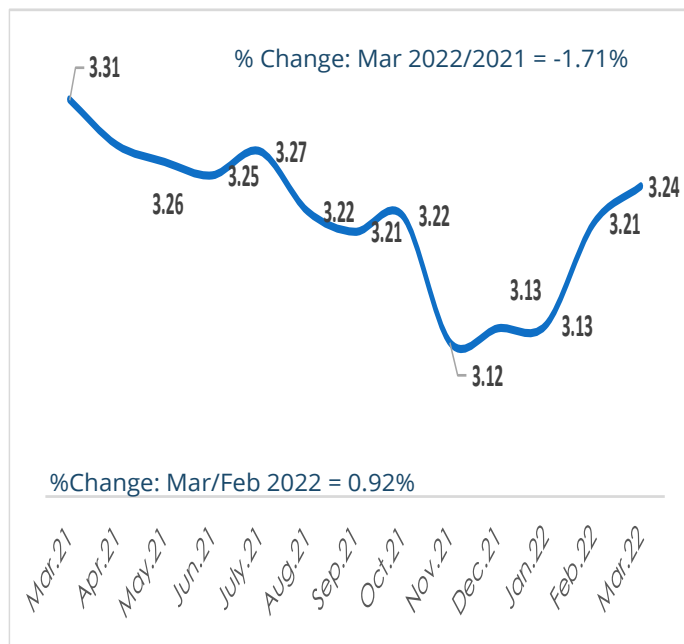
Food & Soft Drinks CPI



FAO Food Price Index



Exchange Rate (NIS/\$)



WFP Ration Items Prices: tracking trends

Selected food items price: March 2021—2022

Food	Region	2021 (NIS)	2022 (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	133.25	157.78	18.4%
	Gaza (local wheat flour, 50 kg)	83.75	104.00	24.2%
Corn oil (3L)	West Bank	24.35	26.30	8.0%
	Gaza	22.17	26.28	18.5%
Chickpeas (kg)	West Bank	7.59	8.25	8.7%
	Gaza	5.57	5.43	-2.4%
Lentils (kg)	West Bank	6.52	7.04	8.0%
	Gaza Strip	4.94	5.88	18.8%
White table salt (kg)	West Bank	1.79	1.88	5.0%
	Gaza Strip	1.22	1.30	6.4%
Chicken eggs (2kg)	West Bank	17.14	15.77	-8.0%
	Gaza Strip	9.25	14.15	53.0%
White sugar (kg)	West Bank	3.35	3.58	6.9%
	Gaza Strip	2.50	2.92	16.8%
Fresh chicken (Kg)	West Bank	12.56	17.10	36.2%
	Gaza Strip	13.38	18.12	35.5%

WFP Ration Items Prices: tracking trends

Selected food items price: February 2022— March 2022

Food	Region	Feb (NIS)	Mar (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	138.33	157.78	14.1%
	Gaza (local wheat flour, 50 kg)	102.00	104.00	2.0%
Corn oil (3L)	West Bank	26.20	26.30	0.4%
	Gaza	26.47	26.28	-0.7%
Chickpeas (kg)	West Bank	8.22	8.25	0.4%
	Gaza	5.22	5.43	4.2%
Lentils (kg)	West Bank	7.19	7.04	-2.0%
	Gaza Strip	5.75	5.88	2.2%
White table salt (kg)	West Bank	1.91	1.88	-1.6%
	Gaza Strip	1.30	1.30	0.0%
Chicken eggs (2kg)	West Bank	14.88	15.77	6.0%
	Gaza Strip	12.57	14.15	12.6%
White sugar (kg)	West Bank	3.55	3.58	0.8%
	Gaza Strip	2.91	2.92	0.5%
Fresh chicken (Kg)	West Bank	14.92	17.10	14.6%
	Gaza Strip	16.47	18.12	10.0%

Wheat Flour Stocks and Prices

Monitoring Situation - Crisis in Ukraine

Indicator	West Bank	Gaza Strip	Total
Average daily consumption	1,200 MT	400 MT	1,600 MT
Stock availability	2-3 months	2-3 months	2-3 months
Wheat flour stock (MT) at mills and big traders	Around 40,000 MT	Around 20,000 MT	60,000 MT 2-3 months
Wheat grain stock (MT) at mills	10,000 MT of wheat grain = 7,500 MT of wheat flour	7,106 MT of wheat grain= 5,330 MT of wheat flour	12, 830 MT of wheat flour
Wheat flour prices % change	16%	14%	
Bread prices	ILS 4 per Kg (no change)	ILS 2.7 per Kg (8% increase)	
Pipeline (MT)	30,000 MT from Russia, Turkey, and other countries	15,000 of wheat grain stored in Israel	45,000 MT
Imported Quantity 1-18 April 2022	N/A	5,953 MT of wheat flour, and 3,778 MT of wheat grain	
Government Policies	<ul style="list-style-type: none"> - Value Added Tax (VAT) exemption of 16% on all sales of wheat flour wrapped in bags of 25 kg and above for 3 months (March, April, May). - VAT exemption of 16% for bakeries for 3 months (March, April, May). - The government has agreed with the union of bakeries to keep the bread prices at the same level (ILS 4 per kg) 	<ul style="list-style-type: none"> Tax exemption on imported wheat flour from Egypt for one month 	

WFP PALESTINE CONTACTS

Mr. Samer AbdelJaber, Representative and Country Director, Palestine
Samer.Abdeljaber@wfp.org

Mr. Salah Lahham, VAM Officer
Salah.Lahham@wfp.org

Mr. Sobhi Swailem, Programme Assistant (VAM)
Sobhi.Swailem@wfp.org

Prepared by the WFP Palestine Vulnerability Analysis and Mapping (VAM) Unit.

