WFP
World Food Programme
SAVING LIVES
CHANGING LIVES

GAZA MARKET MONITORING FLASH UPDATE #2

October 2023

KEY FINDINGS

- **Following the military escalation on 7 October, a siege has been imposed on Gaza along with a shutdown of electricity, food, water and fuel supplies, leading to shortages and impeded access to essential services and needs.**
- **According to WFP rapid remote market monitoring, shops showed a continuous decrease in the quantities and an increase in the prices of main food commodities such as wheat flour, eggs, and vegetables.**
- **Most shops have food stocks for less than one week and movement restrictions and fuel shortages are compromising shops' ability to replenish their stocks.**
- **The Gaza Strip's estimated overall stocks of key food items are sufficient to cover the following durations: 27 days for wheat flour, 23 days for sugar, 18 days for pulses, 16 days for rice, and 10 days for vegetable oil.**
- **Four WFP contracted shops have been damaged and 17 are closed due to the conflict. Food shortages, shop closure and the continuous airstrike are expected to further decrease WFP beneficiaries' ability to redeem their food e-voucher aggravating the already dire humanitarian situation in Gaza Strip.**
- **The majority of bakeries are operational and have remained open despite safety concerns but face occasional closures due to energy disruptions. However only one out of the five mills is functioning.**

INTRODUCTION

SITUATION OVERVIEW

Following the military escalation between Palestinian armed groups and Israel on October 7, Gaza has been under siege, with the cutoff of electricity, food, water, and fuel supplies, resulting in blocked access to and restricted movement within Gaza. Starting from October 11, Gaza's only power plant ran out of fuel and shut down. Essential services are currently relying on backup generators and solar power.

Gaza Strip is experiencing an unprecedented level of conflict, leading to the destruction of homes, infrastructure, and posing a severe threat to people's lives and hampering their access to essential needs. The situation is negatively affecting shops' stock availability and households' access to food commodities.

As of October 17, the number of internally displaced persons (IDPs) in Gaza is estimated at about one million, including about 400,000 IDPs staying in UNRWA schools in central and southern Gaza alone, in increasingly dire conditions.. The exact number of IDPs in Gaza City and northern Gaza is challenging to ascertain due to security concerns and the constant movement of people[1]. The World Food Programme (WFP) has been trying to assess the availability of food stock in markets, particularly at the retail level.

In response to emergency, WFP has reached more than half a million people with emergency food and cash aid. At the beginning of the escalation, 220,000 displaced people in 92 UN-designated shelters received fresh bread in Gaza. On 16 October, WFP reached 170,000 displaced people across 30 shelters. This situation points to the increasing congestion within these shelters, as the average number of people per shelter has nearly tripled. With the shortage of electricity and stocks, only five of the 23 bakeries contracted by WFP to provide fresh bread in shelters, are currently operational. In result, WFP was forced to reduce the food ration per person.

WFP provided cash transfer of USD 12.4 to 138,863 displaced people (those who had been previously suspended due to funding shortfalls in June 2023) and cash emergency top-up of USD 5 to 164,000 of our regular beneficiaries who had already received their October transfer. People receive cash in the form of electronic vouchers to buy food from shops that are still open. Approximately 90 percent are in Gaza (10 percent in West Bank).

[1] Hostilities in the Gaza Strip and Israel | Flash Update #11, OCHA oPt

So far, 175,115 people have redeemed their vouchers. WFP is also addressing requests from Humanitarian partners to use WFP's cash-based transfers platform to reach affected populations.

CONTEXT PRIOR TO THE CRISIS

Prior to the hostilities, the economic conditions in the Gaza Strip were already poor: The estimated population of the Gaza Strip is 2.226 million [2], 68 percent of whom are refugees and 32 percent non-refugees. Their distribution is as follows: 749 thousand in Gaza, 444 thousand in North Gaza, 439 thousand in Khan Younis, 319 thousand in Deir Al-Balah, and 275 thousand in Rafah. The majority of the population is located in the north. Furthermore, among the Gaza Strip population, there are approximately 1.24 million people in need of food assistance [3]. In addition, over 73 percent of households in Gaza Strip received humanitarian assistance for survival, with 68.3 percent citing NGO or charity assistance as their primary income source (MSNA,2022).Moreover, the poverty rate in the Gaza Strip stands at 61 percent [4] and it holds the highest unemployment rate at 46.4 percent [5].

FOOD AVAILABILITY & ACCESSIBILITY

FOOD AVAILABILITY IN GAZA STRIP

As of October 14, 2023, the Gaza Strip has an estimated food stock sufficient to cover essential items for a limited period, with wheat flour holding out for 27 days, vegetable oil for 10 days, rice for 16 days, sugar for 23 days, and pulses for 18 days [6]. Furthermore, compared to Gaza's average monthly imports of those commodities for the period between April 2023 and September 2023, Gaza's current stocks of the commodities are equal to: 94 percent of its average wheat flour imports, 39 percent for vegetable oil, 74 percent for rice, 45 percent for sugar, 58 percent for pulses. These figures reveal a concerning trend, as items like vegetable oil, sugar, and pulses are depleting promptly, indicating a growing need for these items in the market.

In addition to the challenges arising from the relatively lower availability of essential food items, more challenges arise pertaining to shops' physical access to those commodities. Retailers are struggling with difficulties in restocking from wholesalers, primarily due to widespread road infrastructure damage and security concerns, as well as poor telecommunication connectivity, making it a logistical hurdle to meet the demand.

Moreover, of the five WFP-contracted mills operating in the Gaza Strip, only one remains functional. This is primarily due to both security concerns and the critical lack of fuel and electricity. While estimates of wheat stock in Gaza mills indicate around 10,000 tons, a significant portion of it cannot be processed to wheat flour in the near future due to the closure of 4 out of 5 mills in the Gaza strip.

Although many wholesalers and importers, report sufficient food stocks in their warehouses for about 20 days, they grapple with challenges stemming from the location of their warehouses in Gaza City. Security challenges, road damage, and fuel shortages collectively hamper their capacity to efficiently distribute food to the southern region [7].

Finally, it is important to note that commercial crossings have remained completely closed since October 9, further exacerbating the challenges faced in the Gaza Strip's food supply chain.

FOOD AVAILABILITY IN CONTRACTED SHOPS

WFP conducted a remote rapid survey to assess the food availability in local shops. This survey includes questions about the availability and prices of the main food commodities such as wheat flour, vegetable oil, vegetables, rice, dairy products, eggs, pulses. Information about changes in food stock, stock duration, and the status of electricity was also collected.

---

2 2023 PCBS projected population

3 FSS – 2023

4 World Bank. Economic Monitoring Report to the Ad Hoc Liaison Committee. May 10, 2022. World Bank Document

5 Palestinian Central Bureau of Statistics, 2023. Labor Force Survey: (April-June, 2023), Second Quarter 2023. Press Report Labor Force Survey. Ramallah - Palestine.

6 Press_Ar_LFSQ022023A.pdf (pcbs.gov.ps)
Stocks in days is calculated based on the existing stocks reported by various key informants. It which assumes that 25 percent of the stock was lost or left behind, based on the percentage of Internally Displaced Persons (IDPs) from the total Gaza population, and daily consumption data retrieved from the Palestinian Expenditure and Consumption Survey (PECS, 2017).

7 Based on phone calls conducted with a number of wholesalers and importers.

Out of the 202 WFP-contracted shops in the Gaza Strip, 95 shops (47 percent) responded to the WFP questionnaire between October 8 and October 14, 2023, with variations in the daily response rate. To account for the decline in daily response rates, the data was aggregated every two days to achieve more reliable results [8].

OVERVIEW OF FOOD AVAILABILITY & PRICES

Regarding food availability, owners of the retail shops reported a sharp decrease in food stocks over the period between 8 and 14 October. During the first two days of the escalation, a third of the shops in Gaza Strip reported shortages in stock of the main food commodities; however, after less than a week, around 83 percent of the owners reported food shortages in their shops. In terms of duration of the food stock, 64 percent of shops in Gaza Strip reported at the beginning of the escalation that they have an adequate stock of food commodities to cover more than two weeks. After one week of the escalation, 64 percent of the shops indicated that the current supply is sufficient for less than one week highlighting the fact that they were not able to replenish their food stock.

Amid the escalation and the restrictions on movement and fuel shortages, the delivery time for goods from wholesale retailers to shops increased over time from two days to more than five days. Additionally, the percentage of shops initially reporting that they did not require food items decreased from 53 to 11 percent within the first week of the escalation.

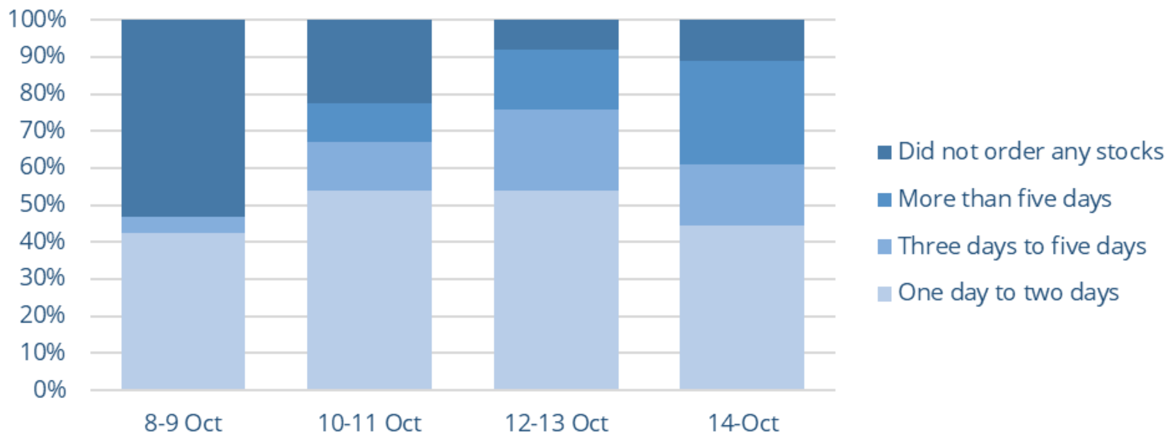
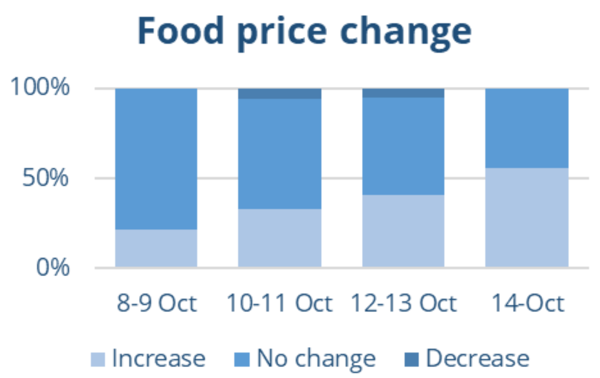


Figure 1: Duration of delivering food commodities to shops

Regarding prices, there is a significant increase over time in the food price compared to before the escalation. More than 20 percent of the interviewed shops stated that the food prices have increased in the first two days of escalation, while it reached 56 percent on October 14th.



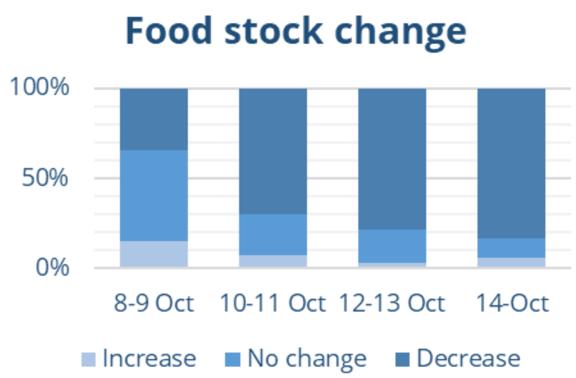


Figure 2: Food commodity stock and prices change between October 8 and October 14 (percent of interviewed shops)

[8] The response rate over this period were as follows: 23% from October 8-9, 33% from October 10-11, 18% from October 12-13, and 9% on October 14.

AVAILABILITY & PRICE CHANGES OF KEY COMMODITIES

KEY FINDINGS

- **All tracked commodities' stocks appear to be depleting rapidly, with the majority of responding shops indicating having stocks of each commodity sufficient for less than one week as of the 14th of October.**

- **The commodities whose stocks depleted the most rapidly are: wheat flour and pulses. The number of stores reporting having stocks that are sufficient for less than 1 week increased by 42 and 39 percentage points between the first two days and the 14th of October, respectively . To add, the share of respondents reporting decreases to their stocks of those commodities increased throughout the duration of the survey. This indicates either an overestimation of the shops' stocks at the beginning of the conflict, or an unexpected sharp increase in purchases and/or waste.**

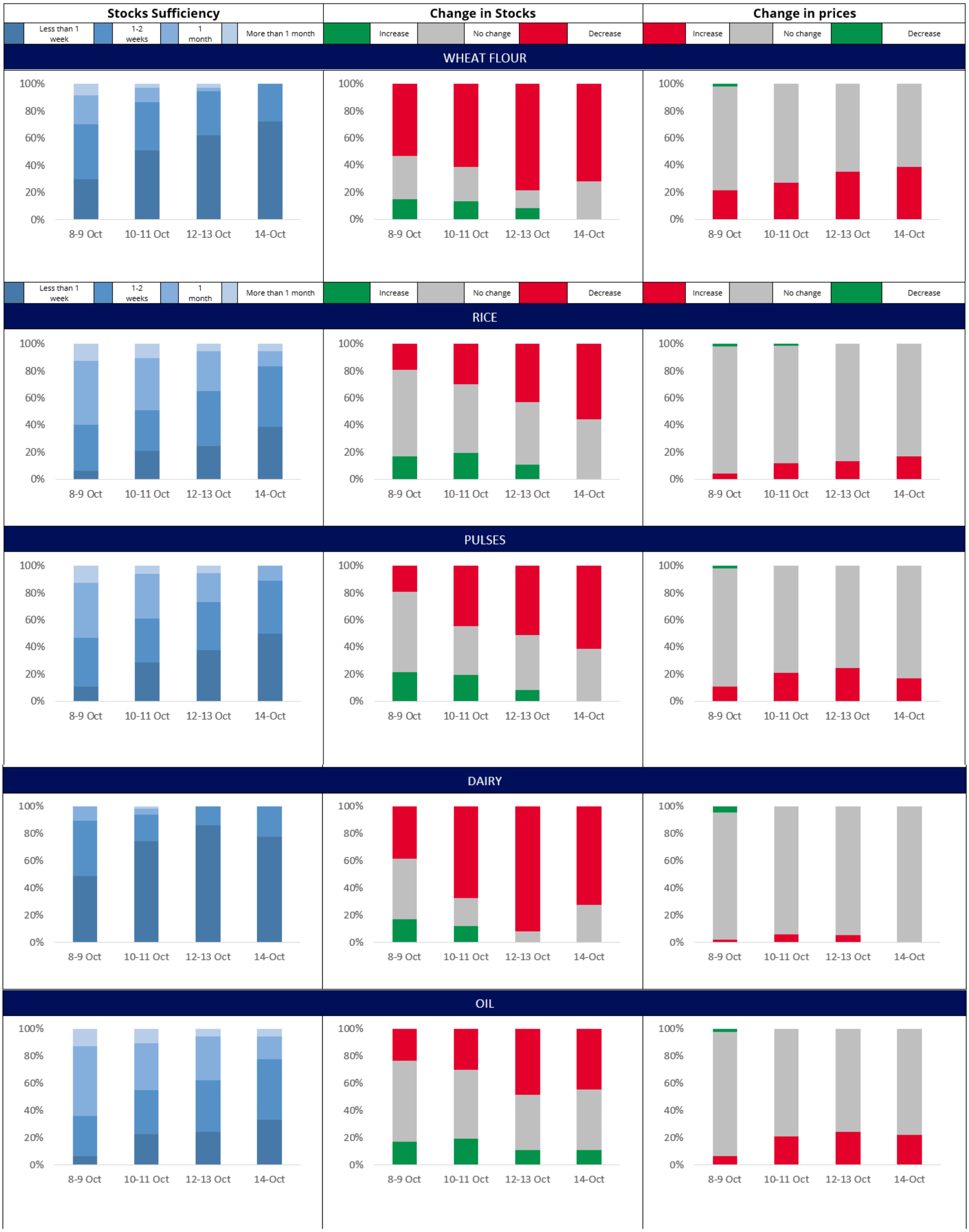
- **On average, eggs, vegetables, and dairy products had the lowest stocks over the entire first week of the escalation of the conflict, as on average respectively 79, 72, and 70 percent of respondents indicated having stocks that are sufficient for less than one week. This can be explained by the perishable nature of these commodities. However, challenges to restocking these items also made them the most susceptible to price increases. In fact, the survey results show that eggs and vegetables were the commodities for which shop owners reported price increases the most frequently.**

- **It is noteworthy that the prices of dairy products remained the most stable commodity compared to before the escalation of the crisis, as just over four percent of respondents reported price increases in dairy products throughout the first week of the survey.**

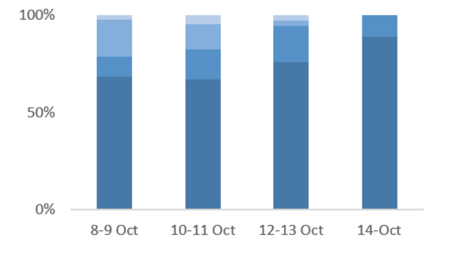
- **Rice, oil, and pulses stocks were estimated to last longer at the start of the conflict, as only 6 percent, 6 percent, and 11 percent of respondents during the 8th and 9th of October reported having less than 1 week's worth of stocks of the commodities, respectively. This can also be explained by their less perishable nature. In fact, they are the only commodities that had some shops report having stocks sufficient for one month or more throughout the entire week.**

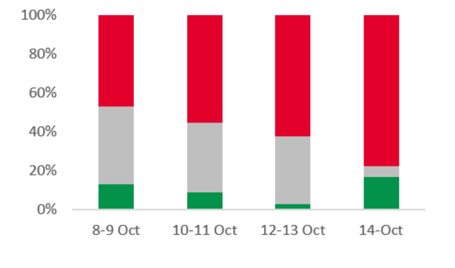
- **Rice and oil were also the most stable commodities with respect to the changes to their available stocks, as only 33 percent and 34 percent of respondents indicated drops in their stocks throughout the week, respectively.**

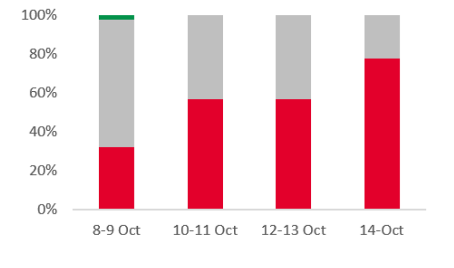
Figure 3: Prices, stocks sufficiency and stocks change for the main food items between October 8th and October 14th



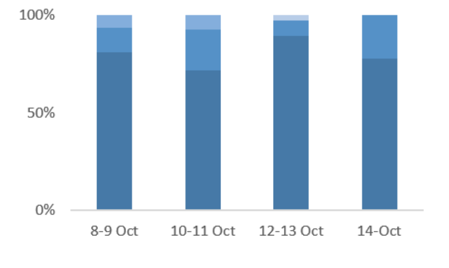
VEGETABLES

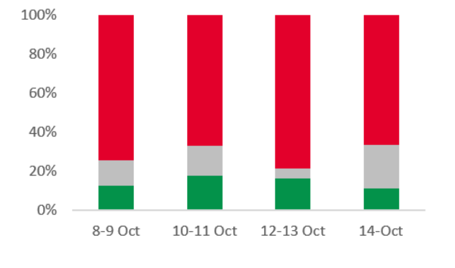


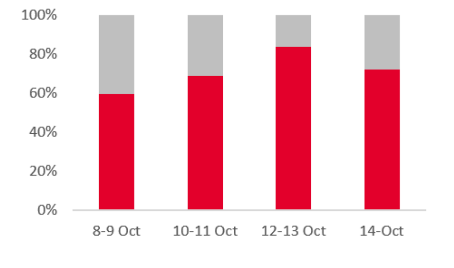




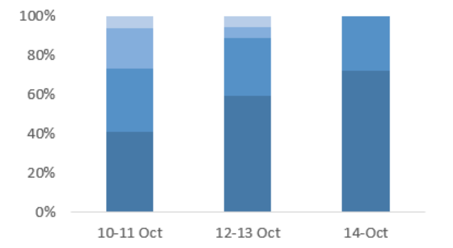
EGGS

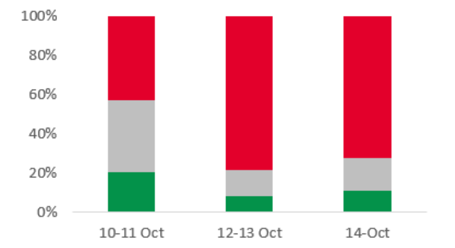


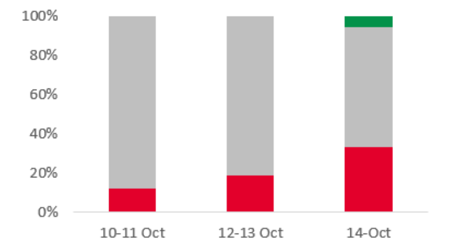




WATER







ANNEX A

The Overview of Food Availability and Prices sub-section is based on the three specific questions:

1. General food stock change.

2. The duration required to transport food products from wholesale retailers to retail shops.

3. General food price changes.

The Availability and Price Changes of Key Commodities sub-section describes the situation of key food items (Wheat flour, oils, pulses, dairy products, rice, eggs, vegetables, and mineral water) with respect to their available stocks and their prices. The information reported in this section is based on responses collected from the afore-mentioned survey, particularly to questions asking them to describe:

The duration they expect their stocks to last of each commodity compared to the start of the escalation of the conflict.

The changes that took place to the stocks they have of each commodity since the escalation of the conflict.

The changes that took place to the prices of each commodity since the escalation of the conflict

WFP CONTACTS

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

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

Mr. Tobias Flaemig, Head of Knowledge Generation Unit, RBC
Tobias.Flaemig@wfp.org

Mrs. Eliana Favari, VAM Officer, RBC
Eliana.favari@wfp.org

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

vam | food security analysis