

WFP Palestine Monthly Market Dashboard

April 2022

Highlights

The monthly market dashboard presents price trends for staple commodities and cash crops most consumed by Palestinians.

Consumer prices continued to increase for the **forth consecutive month** as a result of a rise in the prices of fresh chicken, fresh vegetables, fruit, and fuel during April 2022. **In April 2022, the overall consumer price index (CPI) increased by 1.08% compared with March 2022** (1.26% in the West Bank, 0.72% in Gaza Strip). The Food CPI also increased in April 2022 by 3.03% compared with March 2022 (3.62% in the West Bank, and 1.88% in Gaza Strip).[1]

The price increases are mainly driven by the increase in prices of the following commodities: fresh chicken by 10.32%, fresh vegetables by 10.16%, and fresh fruit by 3.79%.
When compared to April 2021, **the overall CPI increased by 3.78%** (3.51% n the West Bank, and 4.31% in Gaza Strip), and the **Food CPI increased significantly by 9.66% (9.63% in the West Bank, and 10.50% 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 158.50 points in April 2022, a slight decrease of 0.50% from the all-time high reached in March. The (FFPI) is still 29.8% higher than its value in the previous year (April 2021).** The drop in the (FFPI) in April was led by a significant decrease in the vegetable oil index (5.7% decrease from the record high registered in March) along with a slight decline in the cereal price index. Meanwhile, sugar, meat and dairy price indices increased slightly.

The price of global commodities has been increasing significantly as a result of the impact of the Ukraine crisis; global supply interruptions attributed to China's policy responses to high COVID-19 mortality rates; and the continuous increase in energy prices. Additional increase in the price of wheat flour is expected due to India's recent ban on wheat exports after costs rose and a record-breaking heatwave damaged local crops.

The crisis in Ukraine, along with the economic sanctions imposed on Russia, has resulted in a global 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 the import dependency ratio reached 32%.

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 41% in the Gaza Strip since the beginning of the Ukraine crisis. Energy prices have also increased by 4-6%.**

Banner Photo: WFP\Ali Jadallah

[1] The Palestinian Central Bureau of Statistics (PCBS)

To tackle the increase in prices, the government issued a Value Added Tax (VAT) exemption of 16% on all sales of wheat flour wrapped in bags of 25 kg and above for three months (March, April, May); and a VAT exemption of 16% for bakeries for three months (March, April, May). The government will likely extend these policies after May. Despite the efforts, the prices continue to increase, and the purchasing power of the most vulnerable individuals is decreasing. This increase in prices will have a major impact on the living standards of the vulnerable Palestinian households,

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.

In April 2022, the average value of **WFP food ration prices has increased 6% since the beginning of the Ukraine crisis (February 2022)** and has increased by 16% compared to April 2021.

According to WFP Palestine's field observation from WFP's beneficiaries (CBT Voucher and In-kind), **38% (32% in Gaza and 52% in West Bank) reported witnessing an increase in prices of most food commodities** such as vegetable oil, pulses, wheat flour, vegetables and fruits, chicken, eggs, rice, powder milk, cold cuts, and sugar.

Also, only **15% of those in the West Bank and 47% of those in Gaza 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 (85% in the West bank and 53% in Gaza) 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 stopped consuming some food items such as fruits, meat, and chicken and instead 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, **95% of the shops reported that the product availability is sufficient to cover the demand. 58% 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 graphs on the next page highlight the prices trends, commodities stocks availability, and the implication of the crisis in Ukraine on the Palestinian economy.

Situation Monitoring: Implications & Potential impact

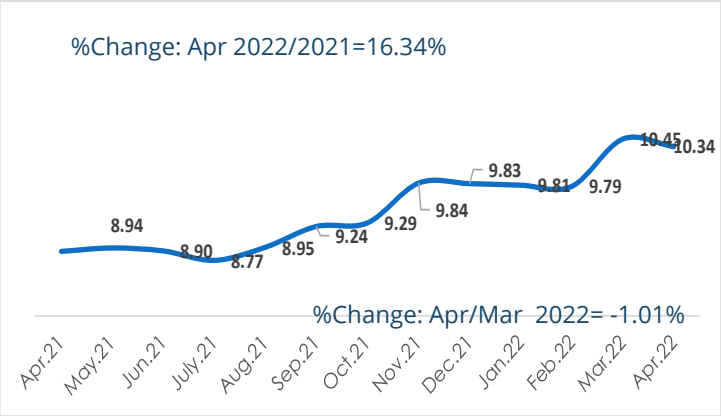
Around 1.8 million persons are estimated to be moderately or severely food insecure across Palestine. Meanwhile, 31.2% of households were categorized as either moderately (13.6%) or severely (17.6%) food insecure. The status of food security in the Gaza Strip has worsened, with the share of severely 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. In addition, poor families registered in the National Cash Transfer programme (NCTP) have not received any payments since May 2021 and for seven consecutive months, civil servants have not received their full salary due to the lack of funding and the fiscal challenges that the PA is facing. **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 14% in West Bank and 41% in Gaza Strip. While 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, recalling that Palestine is an import-dependent country.

The ministerial meeting of the Ad-Hoc Liaison Committee (AHLC) was concluded in Brussels in May chaired by the Minister of Foreign Affairs of Norway and attended by the Palestinian Prime Minister, and the donor community. The participants reaffirm the need to increase the financial support to the PA, and the PA to implement fiscal reforms. The participants also call the PA and the government of Israel to work closely ion fiscal files, water, trade, and energy.

Price Trends

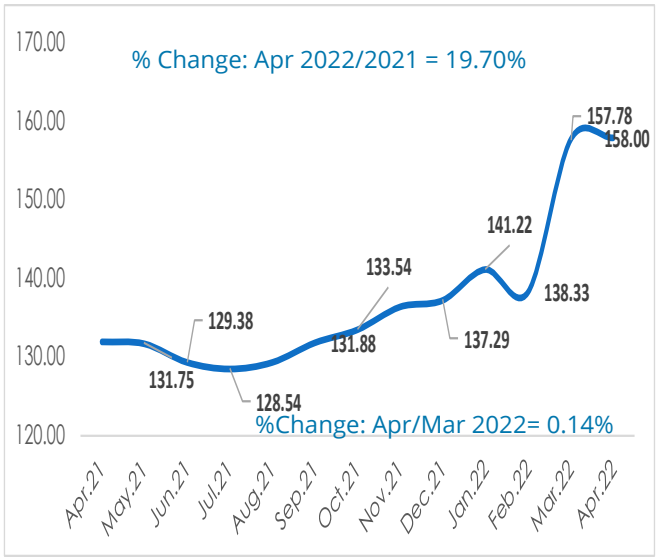
WFP Rations

Monthly Average of WFP Rations ($) Per Capita

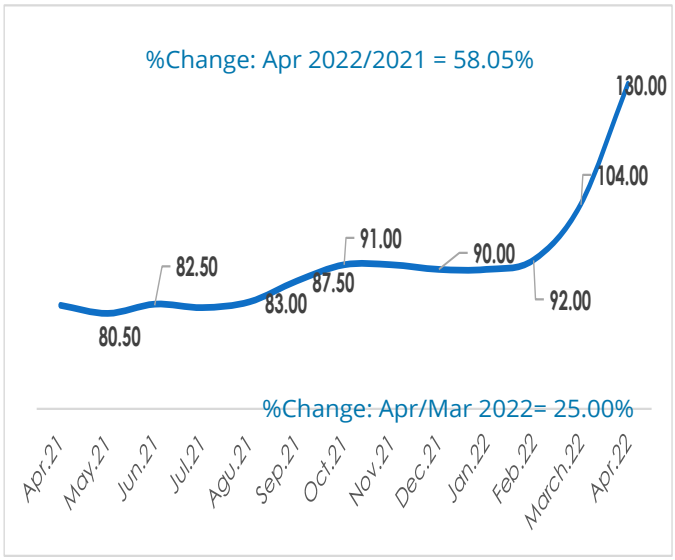


Commodities

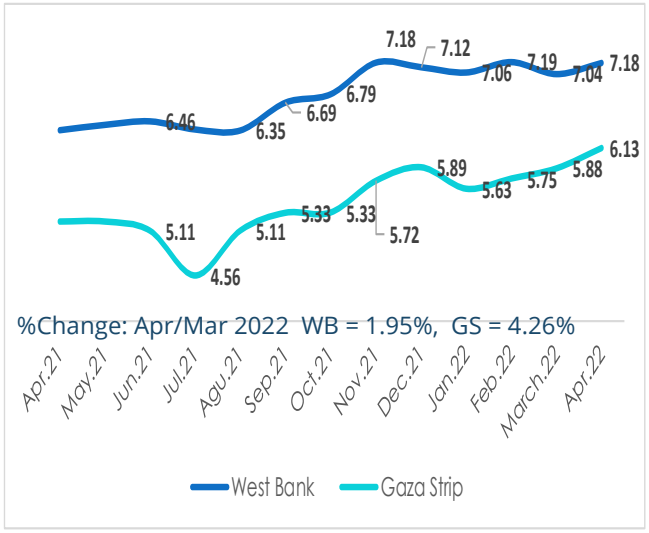
Haifa Wheat Flour-West Bank – (NIS/60Kg)



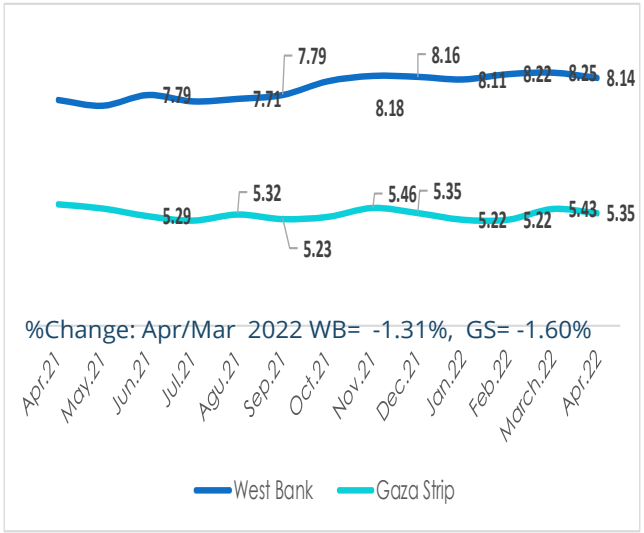
Local Wheat Flour-Gaza Strip – (NIS/50Kg)



Lentils – (NIS/Kg)

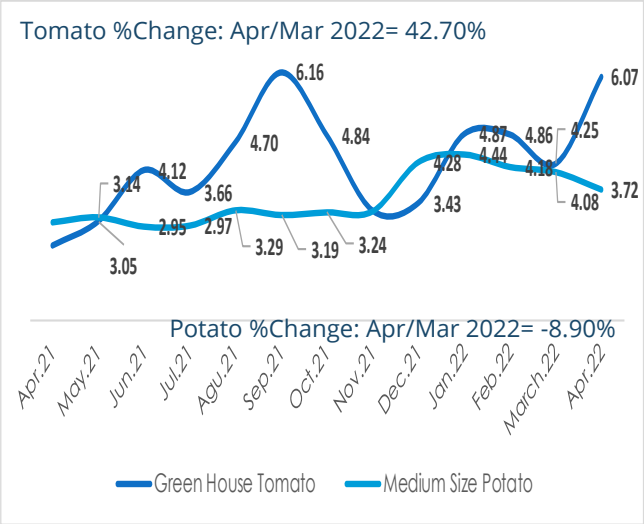


Chickpeas (Hummus) – (NIS/Kg)

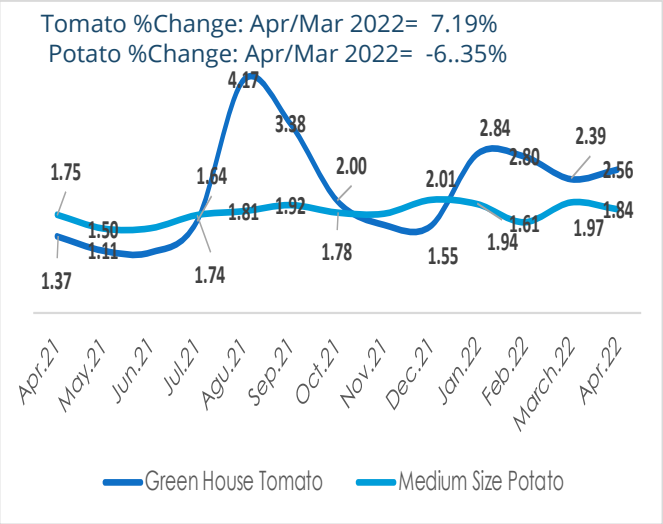


Commodities (cont'd)

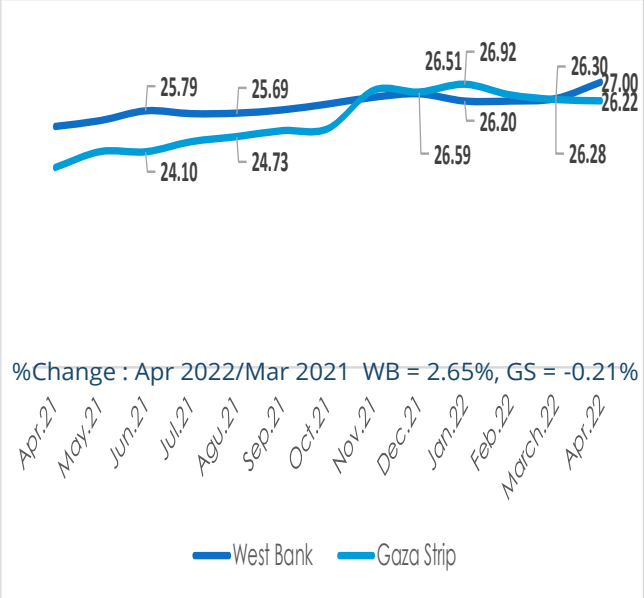
Vegetables-West Bank – (NIS/Kg)



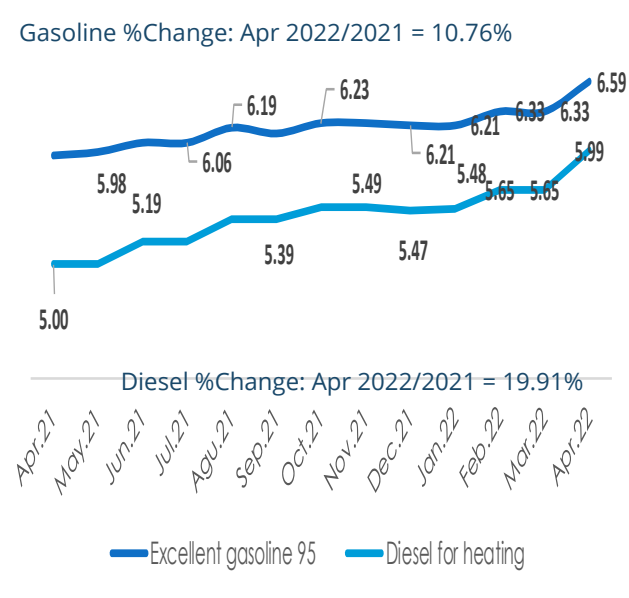
Vegetables-Gaza Strip – (NIS/Kg)



Corn Oil (Corn Oil)– (NIS/3L)

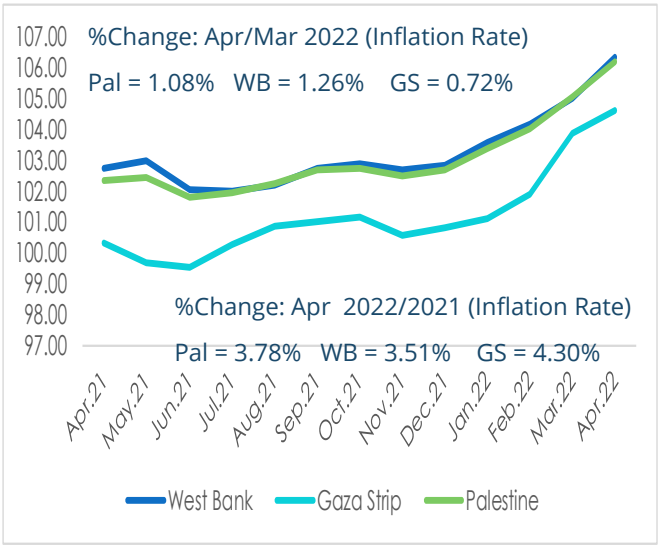


Fuel – (NIS/L)

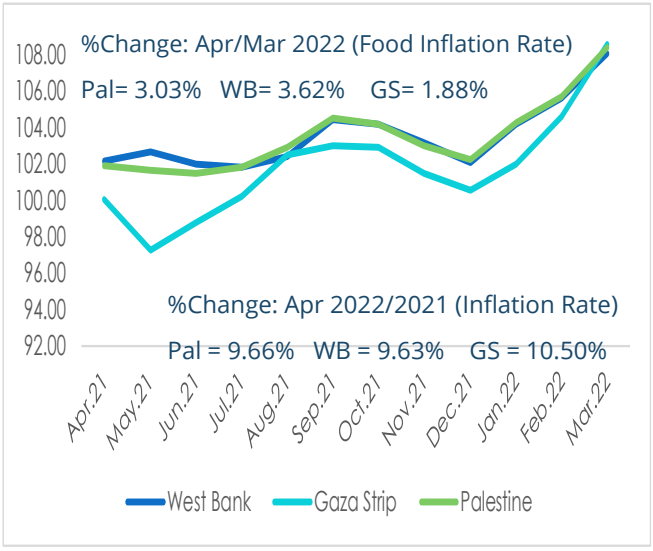


Consumer Price Index (CPI)

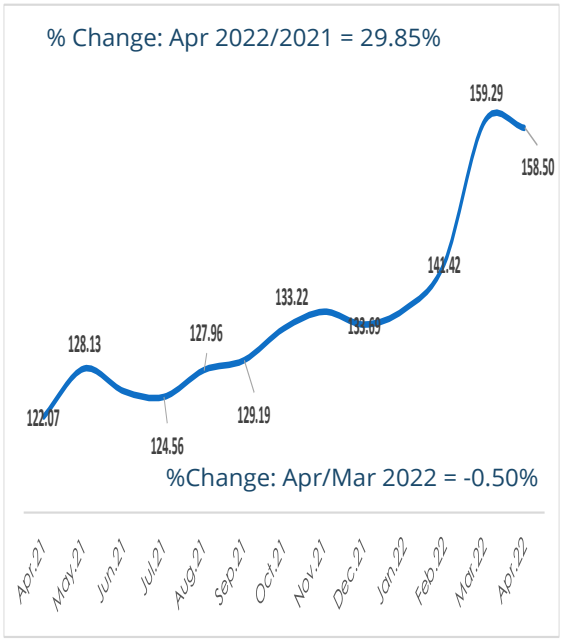
Overall Consumer Price Index



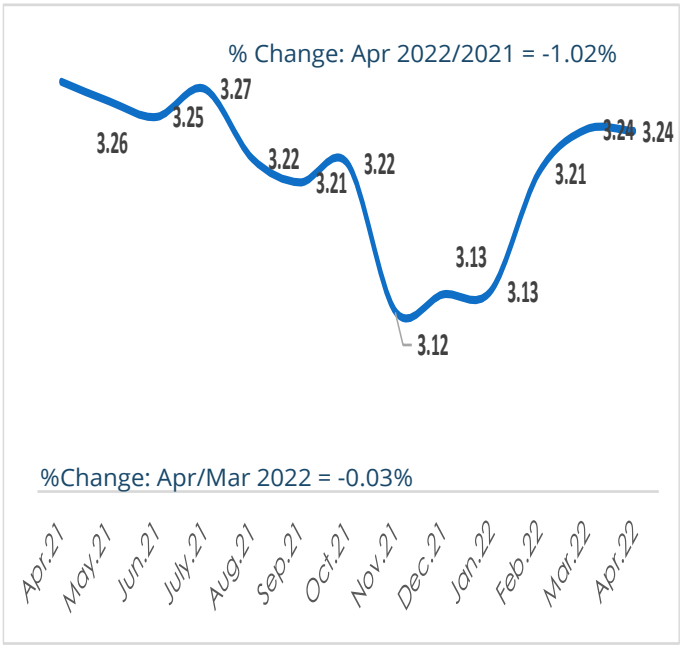
Food & Soft Drinks CPI



FAO Food Price Index



Exchange Rate (NIS/$)



Tracking trends

Selected food items price: April 2021—2022

Food	Region	2021 (NIS)	2022 (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	132.00	158.00	19.7%
	Gaza (local wheat flour, 50 kg)	82.25	130.00	58.1%
Corn oil (3L)	West Bank	25.13	27.00	7.4%
	Gaza	23.44	26.22	11.9%
Chickpeas (kg)	West Bank	7.69	8.14	5.8%
	Gaza	5.53	5.35	-3.3%
Lentils (kg)	West Bank	6.35	7.18	13.0%
	Gaza Strip	5.22	6.13	17.3%
White table salt (kg)	West Bank	1.79	1.91	6.8%
	Gaza Strip	1.22	1.30	6.4%
Chicken eggs (2kg)	West Bank	16.14	14.95	-7.4%
	Gaza Strip	11.02	12.60	14.3%
White sugar (kg)	West Bank	3.35	3.67	9.5%
	Gaza Strip	2.47	2.99	20.9%
Fresh chicken (Kg)	West Bank	15.02	19.38	29.0%
	Gaza Strip	14.08	19.06	35.3%

Tracking trends

Selected food items price: March 2022— April 2022

Food	Region	Mar (NIS)	Apr (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	157.78	158.00	0.1%
	Gaza (local wheat flour, 50 kg)	104.00	130.00	25.0%
Corn oil (3L)	West Bank	26.30	27.00	2.6%
	Gaza	26.28	26.22	-0.2%
Chickpeas (kg)	West Bank	8.25	8.14	-1.3%
	Gaza	5.43	5.35	-1.6%
Lentils (kg)	West Bank	7.04	7.18	1.9%
	Gaza Strip	5.88	6.13	4.3%
White table salt (kg)	West Bank	1.88	1.91	1.7%
	Gaza Strip	1.30	1.30	0.0%
Chicken eggs (2kg)	West Bank	15.77	14.95	-5.2%
	Gaza Strip	14.15	12.60	-11.0%
White sugar (kg)	West Bank	3.58	3.67	2.6%
	Gaza Strip	2.92	2.99	2.3%
Fresh chicken (Kg)	West Bank	17.10	19.38	13.3%
	Gaza Strip	18.12	19.06	5.2%

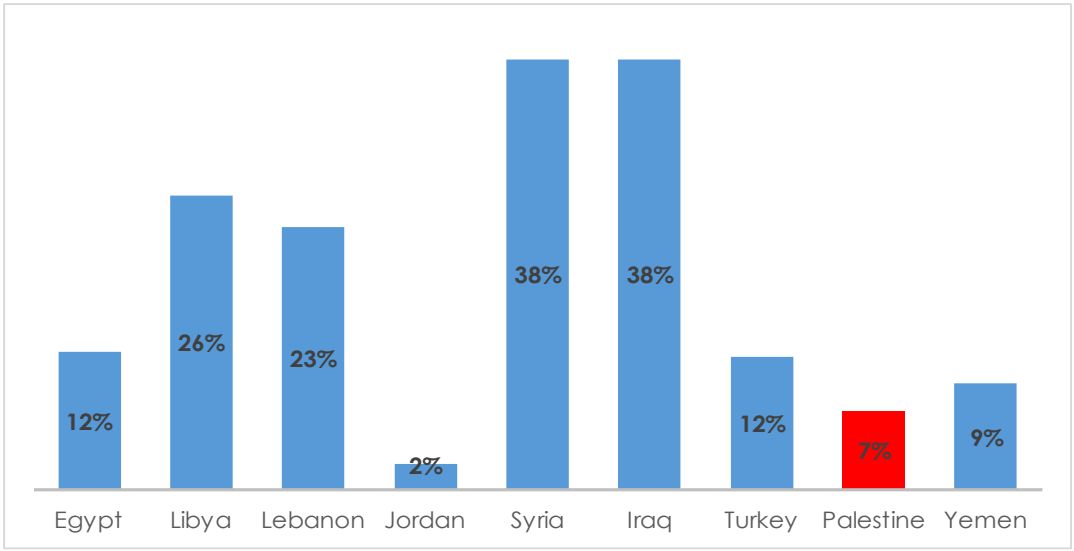
Tracking trends

Selected food items price: Feb 2022— April 2022 (since the begining of the Ukraine crisis)

Food	Region	Feb (NIS)	Apr (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	138.33	158.00	14.2%
	Gaza (local wheat flour, 50 kg)	92.00	130.00	41.3%
Corn oil (3L)	West Bank	26.20	27.00	3.0%
	Gaza	26.47	26.22	-0.9%
Chickpeas (kg)	West Bank	8.22	8.14	-0.9%
	Gaza	5.22	5.35	2.5%
Lentils (kg)	West Bank	7.19	7.18	-0.1%
	Gaza Strip	5.75	6.13	6.5%
White table salt (kg)	West Bank	1.91	1.91	0.0%
	Gaza Strip	1.30	1.30	0.0%
Chicken eggs (2kg)	West Bank	14.88	14.95	0.5%
	Gaza Strip	12.57	12.60	0.3%
White sugar (kg)	West Bank	3.55	3.67	3.3%
	Gaza Strip	2.91	2.99	2.7%
Fresh chicken (Kg)	West Bank	14.92	19.38	29.8%
	Gaza Strip	16.47	19.06	15.7%

Food Basket Cost

% increase in the cost of food basket in the region (since the begining of the Ukraine crisis)



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	5,000 MT of wheat grain= 3,750 MT of wheat flour	11, 250 MT of wheat flour
Wheat flour prices % change	15-20%	40%-45%	
Bread prices	ILS 4.5 per Kg (12.5% increase)	ILS 3.1 per Kg (24% increase)	
Pipeline (MT)	30,000 MT from Russia, Bulgaria, Lithuania, and other countries.	15,000 of wheat grain stored in Israel	45,000 MT
Imported Quantity April 2022	30,000 MT	12,600 MT of wheat flour, and 4,800 MT of wheat grain	
Government Polices	- 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).	Tax exemption on imported wheat flour from Egypt for one month	

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

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