



World Food Programme

SAVING LIVES
CHANGING LIVES



WFP Palestine Monthly Market Dashboard

July 2022

Highlights

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

The Consumer Price Index in Palestine recorded an increase in the prices of fuel, eggs, oil, bread, fresh fruit and vegetables and a decrease in the price of chicken this month.

In July 2022, the overall consumer price index (CPI) decreased slightly by 0.37 percent compared with June 2022 (0.41 percent in the West Bank, 1.04 percent in Gaza Strip). The Food CPI decreased in July 2022 by 1.69 percent compared with June 2022 (1.96 percent in the West Bank, and 2.96 percent in Gaza Strip).¹

When compared with July 2021, **the overall CPI increased by 3.95 percent** (4.20 percent in the West Bank, and 2.05 percent in Gaza Strip), and the **Food CPI increased by 4.58 percent (4.72 percent in the West Bank, and 3.21 percent in Gaza Strip)**.

The FAO Food Price Index (FFPI) averaged 140.90 points in July 2022, **a decrease of 9.05 percent compared to June, marking the fourth consecutive monthly decline. The FFPI remains 13.08 percent higher than its value in the previous year (July 2021)**. The decrease in the FFPI in July was led by significant drops in the vegetable oil and cereal indices compared to June (19.2 percent and 11.5 percent respectively), whilst those of sugar, dairy and meat also fell but to a lesser extent (3.8 percent, 2.5 percent, and 0.5 percent).

Banner Photo: WFP/Mostafa Ghroz
WFP Palestine Monthly Market Dashboard/July 2022

The onset of the conflict in Ukraine and the economic sanctions imposed on Russia resulted in a global shortage of essential products, disruption of supply chains, and a dramatic rise in food prices. Palestine was particularly susceptible to these shocks due to its high import dependency ratio of 32 percent.

However, the agreement between Ukraine and the Russian Federation to unblock Ukraine's main Black Sea ports as well as concerns over a global recession have led to a decrease in the global prices of many commodities. In August, international wheat prices fell by 5.1 percent, driven by improved production prospects and higher seasonal availability.

Whilst there has been a reduction in inflationary pressures prices for staple commodities remain elevated in Palestine. Furthermore, disruption to fertilizer supply and poor agricultural output are expected to continue through late 2022 and early 2023 which is anticipated to further exacerbate the supply deficits, particularly of grain and other staples.

Since the beginning of the crisis, **wheat flour prices in Palestine have increased by around 36 percent, vegetable oil prices by around 18 percent, fodder prices by 35-40%, and fuel prices by 12%**. Electricity prices also increased by 9% compared to pre Ukraine crisis

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 percent on all sales of wheat flour wrapped in bags of 25 kg and a VAT exemption of 16 percent for bakeries for six months (March-August). The government has also partially subsidized water, electricity, and fuel. Despite these measurements, prices continue to increase, weakening the purchasing power of the Palestinians.

The price of Excellent gasoline 95, one of the most commonly used fuels in Palestine, has increased by 2.86 percent in July compared with June, and increased **by 18.65 percent compared with July 2021. The price of diesel, which is mainly used for heating,** has also increased by 4.51 percent in July compared with June, **and increased significantly by 20.62 percent compared with July 2021.**

In July 2022, the average value of WFP **food ration prices in local currency has increased 20.27 percent since the beginning of the Ukraine crisis (February 2022), and by 32.02 percent compared to the corresponding month in 2021.**

In July 2022, **more than 300,000 people in Palestine received WFP's monthly e-voucher, which has injected \$3.5 million into the local economy.** Vegetable oil topped the redeemed items, followed by wheat flour, and rice.

According to WFP Palestine's monitoring activities, **74 percent of the beneficiaries interviewed in the West Bank and 15 percent of those in Gaza reported witnessing an increase in prices of most food commodities** such as vegetable oil, pulses, rice, wheat flour, bread, vegetables, chicken, eggs, tomato paste and sugar.

Also, only **30 percent of those in the West Bank and 22 percent 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 lower quality of the same type of food at lower prices. **The remainder (70 percent in the West bank and 78 percent in Gaza) relied on negative coping strategies,** such as consuming less preferred food, reducing quantities of food, relying on help from friends and relatives, and ceasing consumption of 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 monitoring of WFP contracted shops, **52 percent of shops only have**

enough product stock to last one month or less. The remaining 48 percent reported having sufficient stock to meet demands for more than two months. **70 percent of WFP's contracted shops reported that the increase in prices will have a negative impact on their sales volume in the coming months.**

Situation Monitoring:

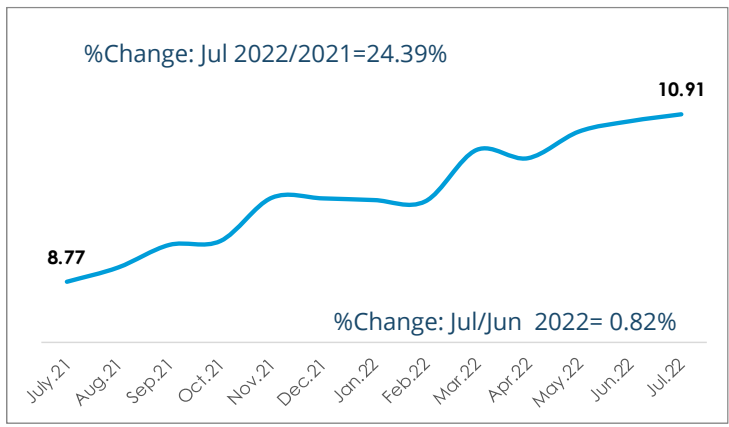
Implications & Potential impact

Around 1.8 million persons are estimated to be moderately or severely food insecure across Palestine. Meanwhile, 31.2 percent of households were categorized as either moderately (13.6 percent) or severely (17.6 percent) food insecure. The status of food security in the Gaza Strip has worsened, with the share of severely food insecure households reaching 40.7 percent. This brings the total share of households **experiencing severe or moderate food insecurity in the Gaza Strip up to a staggering 64.4 percent.** The unemployment and poverty rate has also worsened in the Gaza strip in 2021, reaching 47 percent and 59 percent respectively. Also, for eleven 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 percent 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 39 percent in West Bank and 33 percent in the Gaza Strip. While the stocks reserves remain at their normal level of 2-3 months, this is a growing concern in light of the ongoing global supply chain constraints, recalling that Palestine is an import-dependent country.

Price Trends

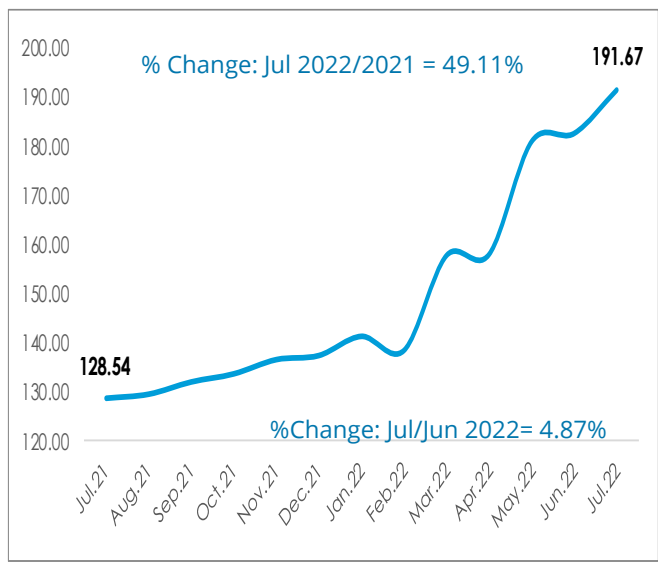
WFP Rations

Monthly Average of WFP Rations (\$) Per Capita

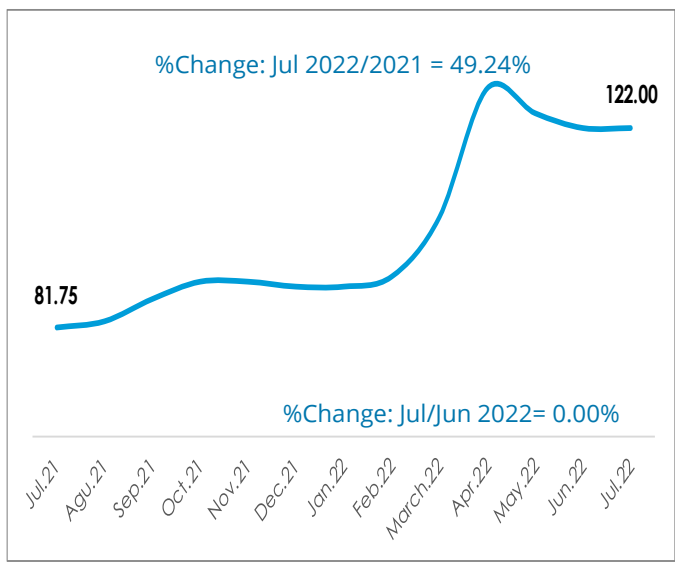


Commodities

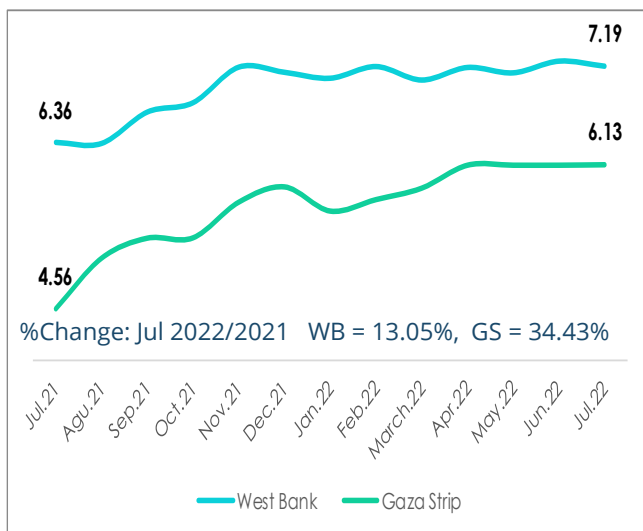
Haifa Wheat Flour-West Bank - (NIS/60Kg)



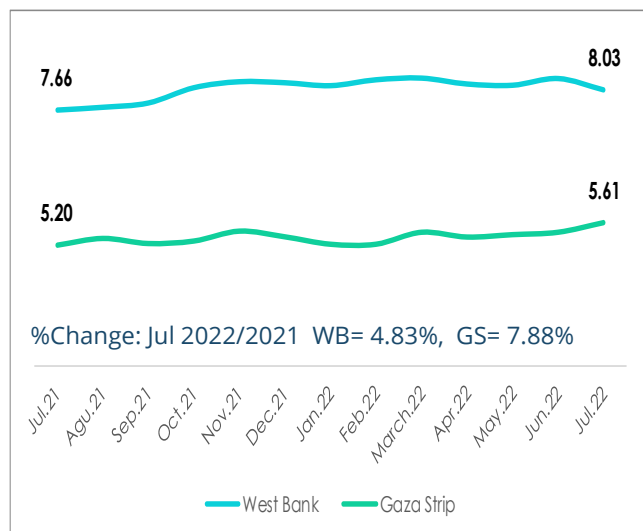
Local Wheat Flour-Gaza Strip - (NIS/50Kg)



Lentils - (NIS/Kg)

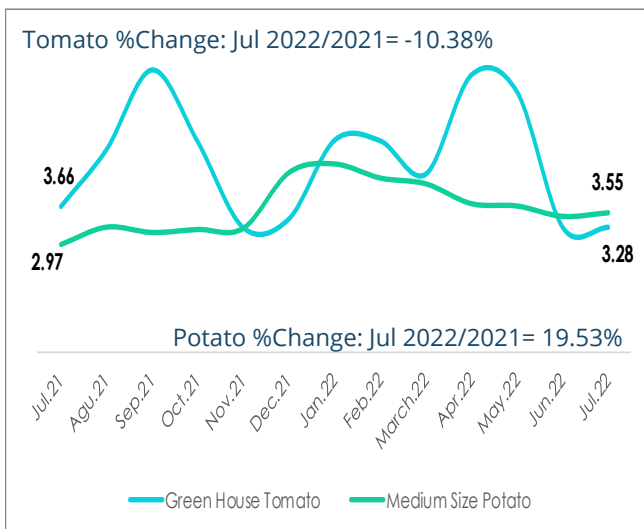


Chickpeas (Hummus) - (NIS/Kg)

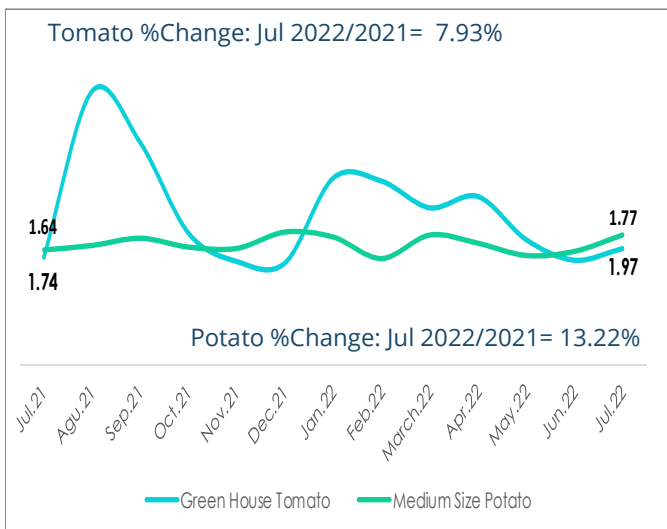


Commodities (cont'd)

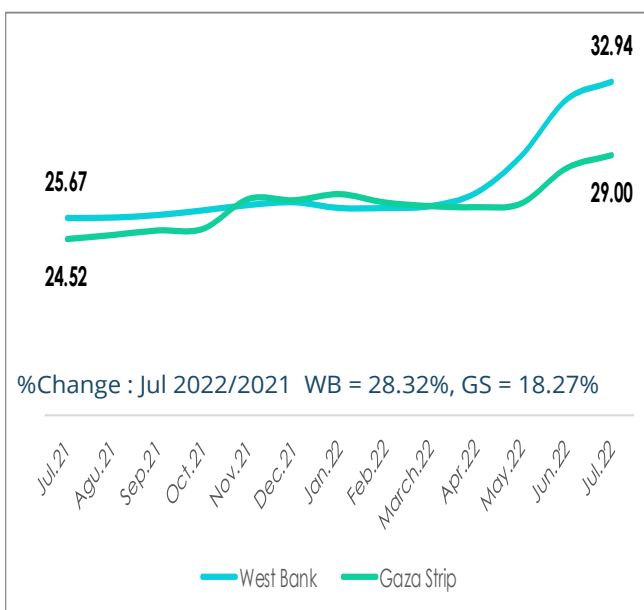
Vegetables-West Bank - (NIS/Kg)



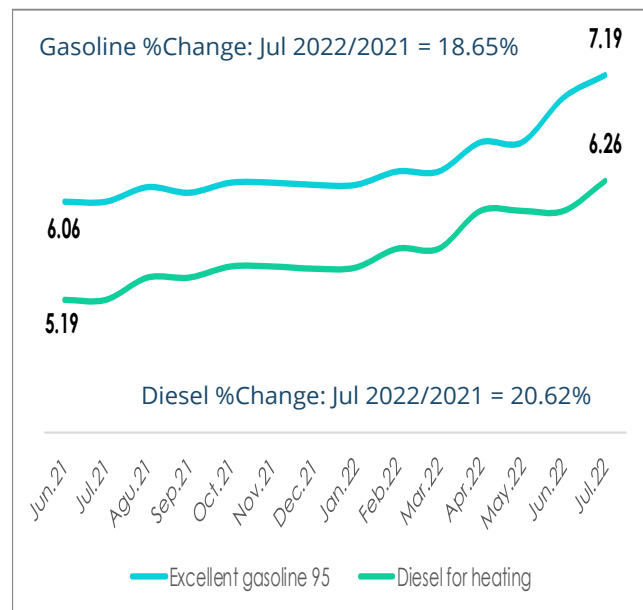
Vegetables-Gaza Strip - (NIS/Kg)



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

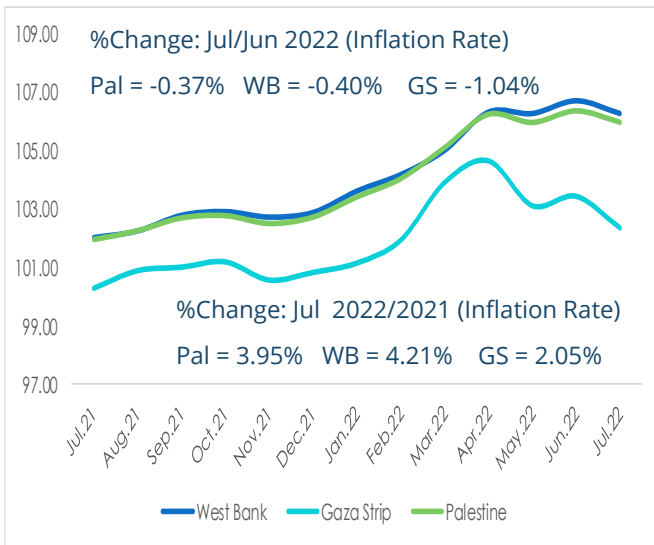


Fuel - (NIS/L)

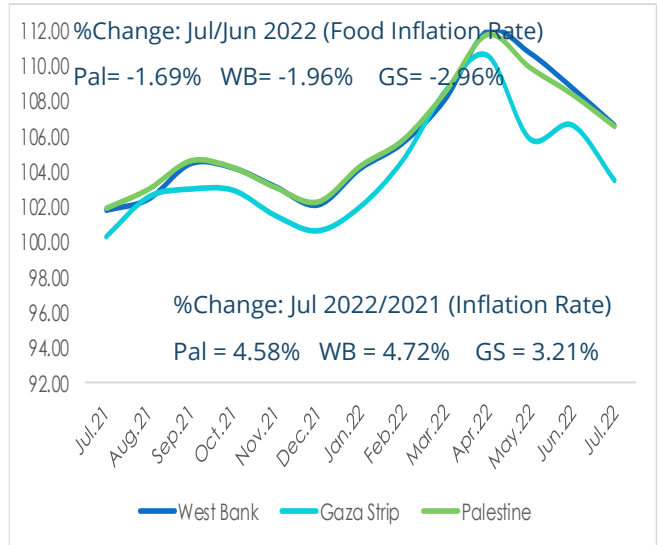


Consumer Price Index (CPI)

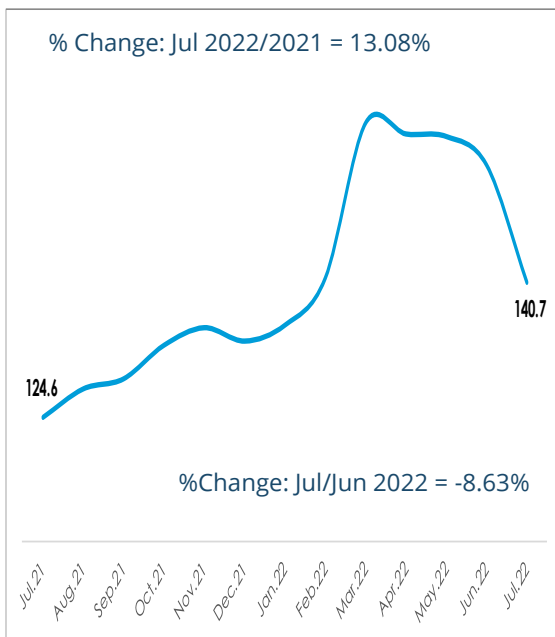
Overall Consumer Price Index



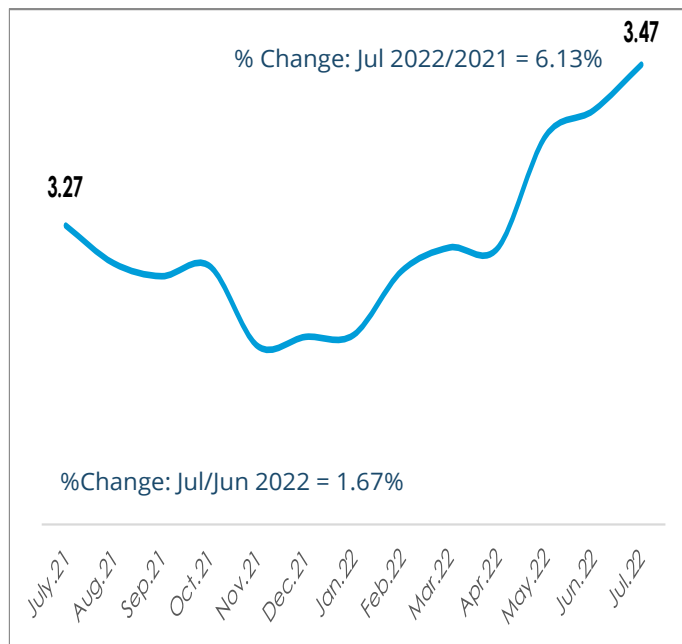
Food & Soft Drinks CPI



FAO Food Price Index



Exchange Rate (NIS/\$)



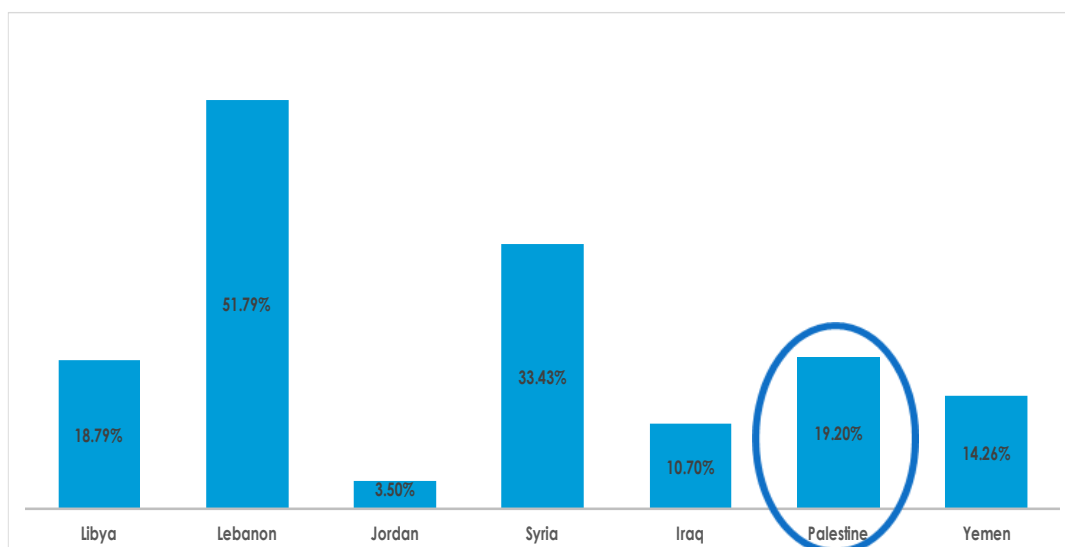
Tracking trends

Selected food items price: Feb 2022— July 2022 (since the beginning of the Ukraine crisis)

Food	Region	Feb (NIS)	July (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	138.33	191.67	38.6%
	Gaza (local wheat flour, 50 kg)	92.00	122.00	32.6%
Corn oil (3L)	West Bank	26.20	32.94	25.7%
	Gaza	26.47	29.00	9.5%
Chickpeas (kg)	West Bank	8.22	8.03	-2.3%
	Gaza	5.22	5.61	7.5%
Lentils (kg)	West Bank	7.19	7.19	0.1%
	Gaza Strip	5.75	6.13	6.6%
White table salt (kg)	West Bank	1.91	1.91	0.2%
	Gaza Strip	1.30	1.30	0.0%
Chicken eggs (2kg)	West Bank	14.88	16.50	10.9%
	Gaza Strip	12.57	12.63	-0.5%
White sugar (kg)	West Bank	3.55	3.84	8.1%
	Gaza Strip	2.91	3.00	3.2%
Fresh chicken (Kg)	West Bank	14.92	13.52	-9.4%
	Gaza Strip	16.47	14.71	-10.7%

Food Basket Cost

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



Tracking trends

Selected food items price: June 2022— July 2022

Food	Region	June (NIS)	July (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	182.78	191.67	4.9%
	Gaza (local wheat flour, 50 kg)	122.00	122.00	0.0%
Corn oil (3L)	West Bank	31.99	32.94	3.0%
	Gaza	28.31	29.00	2.5%
Chickpeas (kg)	West Bank	8.24	8.03	-2.5%
	Gaza	5.43	5.61	3.2%
Lentils (kg)	West Bank	7.25	7.19	-0.8%
	Gaza Strip	6.13	6.13	0.1%
White table salt (kg)	West Bank	1.91	1.91	0.2%
	Gaza Strip	1.30	1.30	0.0%
Chicken eggs (2kg)	West Bank	15.08	16.50	9.4%
	Gaza Strip	12.18	12.63	3.7%
White sugar (kg)	West Bank	3.87	3.84	-0.7%
	Gaza Strip	3.00	3.00	0.0%
Fresh chicken (Kg)	West Bank	17.29	13.52	-21.8%
	Gaza Strip	18.35	14.71	-19.8%

Tracking trends

Selected food items price: July 2021—2022

Food	Region	2021 (NIS)	2022 (NIS)	Change (%)
Flour	West Bank (Haifa white flour, 60 kg)	128.54	191.67	49.1%
	Gaza (local wheat flour, 50 kg)	81.75	122.00	49.2%
Corn oil (3L)	West Bank	25.67	32.94	28.3%
	Gaza	24.52	29.00	18.3%
Chickpeas (kg)	West Bank	7.66	8.03	4.8%
	Gaza	5.20	5.61	7.9%
Lentils (kg)	West Bank	6.36	7.19	13.1%
	Gaza Strip	4.56	6.13	34.4%
White table salt (kg)	West Bank	1.79	1.91	7.0%
	Gaza Strip	1.39	1.30	-6.4%
Chicken eggs (2kg)	West Bank	12.56	16.50	31.4%
	Gaza Strip	10.40	12.63	21.4%
White sugar (kg)	West Bank	3.30	3.84	16.2%
	Gaza Strip	2.37	3.00	26.4%
Fresh chicken (Kg)	West Bank	13.59	13.52	-0.6%
	Gaza Strip	15.74	14.71	-6.5%

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