NORTHEAST SYRIA JOINT MARKET MONITORING INITIATIVE (JMMI)

1 - 8 AUGUST 2022

INTRODUCTION

To inform humanitarian cash programming, the northeast of Syria (NES) Cash Working Group (CWG) conducts a monthly Joint Market Monitoring Initiative in northern Syria. The exercise assesses the availability and prices of 36 basic commodities that are typically sold in markets and consumed by average Syrian households, including food and non-food items, water, fuel, and cell phone data.

Of these, 18 items comprise the Survival Minimum Expenditure Basket (SMEB; see fg. 8-9; and 11) which represents the minimum, culturally adjusted items required to support a 6-person household for a month. For further information, please see our methodology.

ON-LINE DASHBOARD

To facilitate the interaction with the JMMI, an interactive dashboard is available on-line. The dashboard is designed to allow users to navigate more easily and draw geographical and temporal comparisons across different currencies. To use the on-line interactive dashboard, click here.

6	supporting partners
4	governorates
11	districts
28	subdistricts
52	communities
1,622	shops (vendor key informants)

COST OF NES SMEB[A]

589,651 SYP ▲ +6%

140 USD ▲ +1%

COST OF NES FOOD BASKET[A]

450,250 SYP ▲ +7%

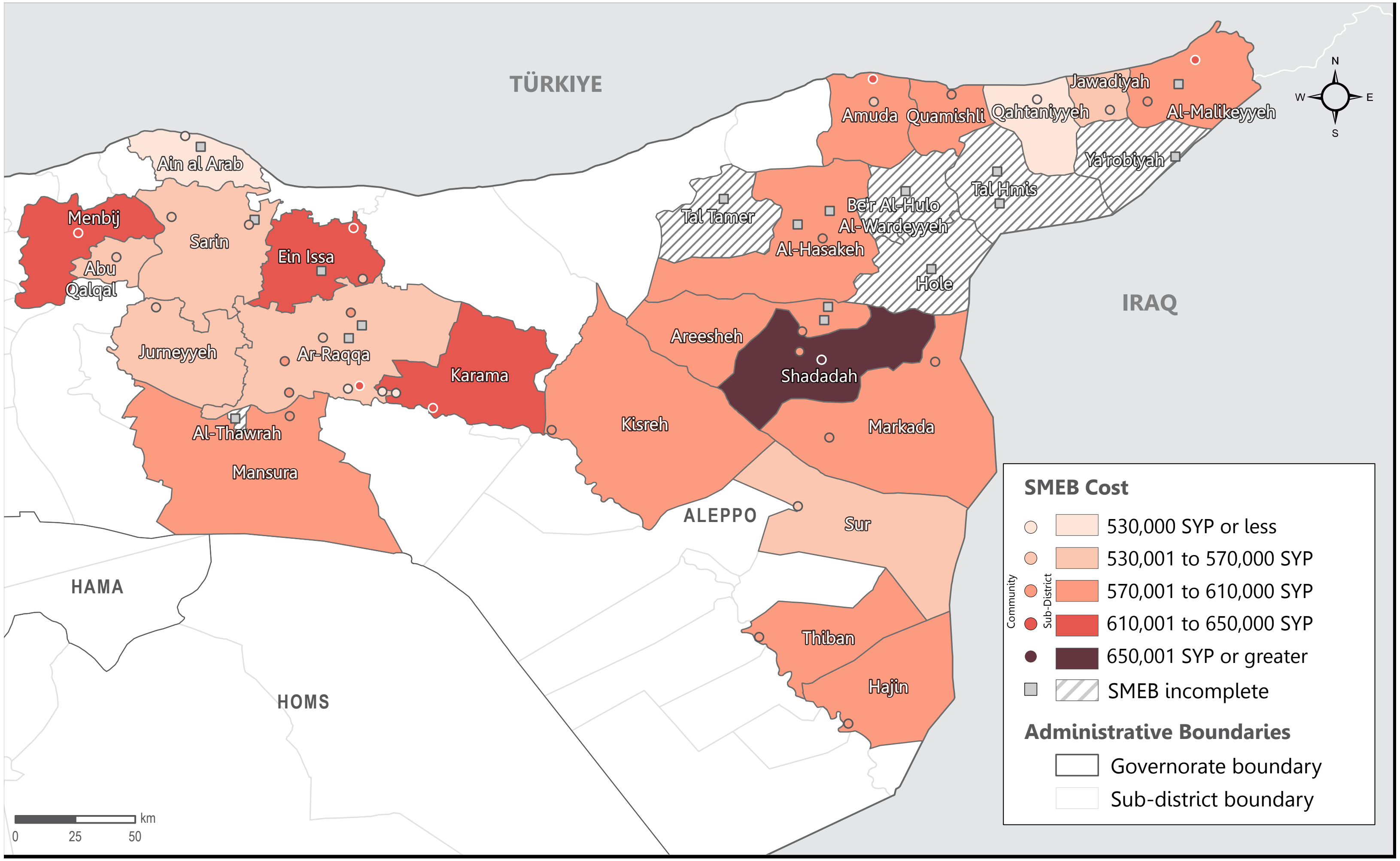
107 USD 0%

NES EXCHANGE RATE[A]

USD/SYP

4,220 SYP ▲ +6%

MEDIAN SMEB PRICE PER SUB-DISTRICT (SYP) - FIG. 1



A. For price and change % calculations, only the communities within a sub-district with consistent coverage across months are included. This also applies to the following tables.

IN THIS FACTSHEET

As the JMMI generates a large amount of data, this factsheet is limited to a high level analysis. For more detailed data, consult the dataset and online dashboard.

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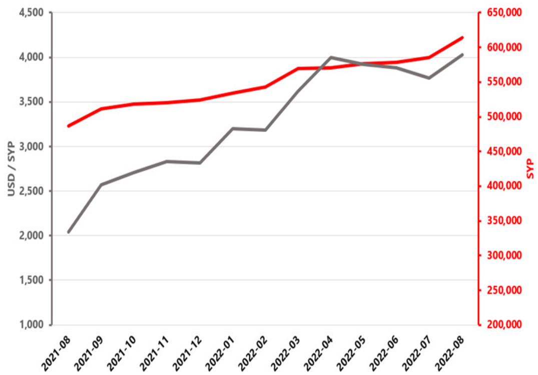
NORTHEAST SYRIA SMEB PRICE TRENDS VS USD TO SYP INFORMAL EXCHANGE RATES - FIG. 2



KEY DEVELOPMENTS

In July the regional price of the SMEB was recorded to be 589,651 SYP (140 USD), representing a 6% increase from July. This reverses the trend of overall declining prices observed over the past three months. **The SMEB value in NES is currently the highest recorded since JMMI monitoring began in 2016, surpassing the peak recorded in April 2022 shortly after the outbreak of the Ukraine crisis.** This is likely linked to an increase in the USD exchange rate which was recorded at 4,220 SYP representing a 6% increase (depreciation) since July, similarly reversing early signs of exchange rate stabilisation (fig. 2).

The regional SMEB food component was recorded at 450,250 SYP (107 USD) which represents a 7% increase in price since July (fig. 11). In addition to the impact of the Ukraine crisis on prices, low production levels as a result of drought, and the volatile exchange rate continue to impact access to food and inflation of imported commodities.

Majority of food items increased in price linked to seasonal changes in the availability of fresh produce as well as exchange rate fluctuations that impact the price of imported bulk food items. Bread prices however decreased overall despite a slight increase in unavailability; the decrease was most notable in Aleppo and Al-Hasakeh governorates. The price of flour comparatively continued to increase at a steady rate.

Cooking fuel prices continued to decrease in August at a similar rate compared to July however this is largely due to a drop in the price of manually refined kerosene. The price of LPG gas, which majority of households rely on, increased in August. The price of water trucking continued to increase in August, albeit at a reduced rate, largely attributed to increases in Deir-ez Zor and Al-Hasakeh governorate, where it remains most expensive.

Heightened instability over the last month in NES may be directly impacting market prices. High inflation and supply shortages remain consistently serious challenges for vendors in NES; both of these indicators increased again in August by 3% from July (fig. 12).

MEDIAN SMEB PRICE PER SUB-DISTRICT - FIG. 3

	SMEB SYP	1 month change	6 month change	SMEB USD[B]
Northeast Syria SMEB [C]	**589,651**	**6%**	**23%**	**140**
Northeast Aleppo Governorate	538,000	1%	16%	127
Abu Qalqal	534,315	-4%	13%	126
Ain al Arab	500,125	2%	10%	119
Menbij	615,410	8%	NA	148
Sarin	541,684	7%	NA	128
Al-Hasakeh Governorate	589,651	2%	20%	142
Al-Hasakeh	576,992	4%	13%	137
Al-Malikeyyeh*	575,801	1%	31%	136
Amuda*	607,325	10%	29%	144
Areesheh	599,680	4%	22%	142
Jawadiyah*	544,891	5%	20%	129
Markada	589,651	2%	12%	144
Qahtaniyyeh*	497,667	0%	35%	118
Quamishli	586,067	-11%	29%	139
Shadadah	655,567	-2%	NA	155
Ar-Raqqa Governorate	611,367	9%	22%	144
Ar-Raqqa	548,201	-2%	9%	131
Ein Issa	645,742	25%	18%	153
Jurneyyeh*	558,785	5%	11%	NA
Karama	611,367	6%	23%	144
Mansura*	576,318	5%	NA	137
Deir-ez-Zor Governorate	593,897	8%	34%	140
Hajin	593,897	12%	NA	140
Kisreh	603,953	8%	37%	143
Sur*	543,681	0%	27%	128
Thiban	573,889	5%	19%	135

B. USD values are calculated as per the informal exchange rate recorded in the same geographical area. Please see this month's JMMI dataset for informal exchange rates by area.
C. * For these sub-districts, water trucking prices were not available and is not included in the SMEB price.

SMEB COMPONENT ANALYSIS

The regional SMEB food component was recorded at 450,250 SYP (107 USD) which represents a 7% increase in price since July, and 23% increase since the start of the Ukraine crisis. Majority of food items increased in price in August, most notably fresh vegetables, chicken, and eggs as well as other key imported items such as sugar, tomato paste, and dish soap (fig. 11). The increase in vegetable prices (fig. 4) is likely linked to the end of the agricultural production season that begins to decline in August.[1] The increase in the price of chicken and eggs is reportedly attributed to a shortage of supply[2] due to the death of large numbers of chickens during the recent heat wave where high costs and limited availability of diesel inhibit farmers' use of generators, as well as a rise in the price of chicken feed.[3]

The increase in the cost of certain bulk food items is likely linked to exchange rate fluctuations and border crossing closures (fig. 11).[4] The price of sugar in particular rose, despite declines in global sugar prices,[5] which may be attributed to stock-piling and monopolization of the commodity by wholesalers following recent border crossing closures, particularly from Iraq which is the main route for sugar in NES. In markets in Deir-ez Zor and Ar-Raqaa such supply shortages and monopolization is reportedly causing a "sugar crisis".[6] Increasing taxes of shops and commercial warehouses in NES may also be contributing to higher prices of bulk food items.[7] Bulgur comparatively remained stable in price however has increased in price more than other bulk food items over the past six months; Food and Agriculture Organization (FAO) has linked this trend to the impacts of the drought on wheat production.[8]

Bread prices decreased in August, most notably in Aleppo and Al-Hasakeh governorates, despite a slight increase in unavailability (fig. 5). Field teams reported that the decrease in these governorates is likely linked to changes in the availability of subsidized bread. The price of flour comparatively continued to increase at a steady rate, despite a decline in global wheat prices[8] following the recent UN-brokered deal to resume oil and grain exports through the Black Sea. The continued increase in the cost of flour in NES is likely linked to the depreciation of the SYP against the USD given regional reliance on flour imports from. Türkiye imports 78% of its wheat from Ukraine and Russia.[9]

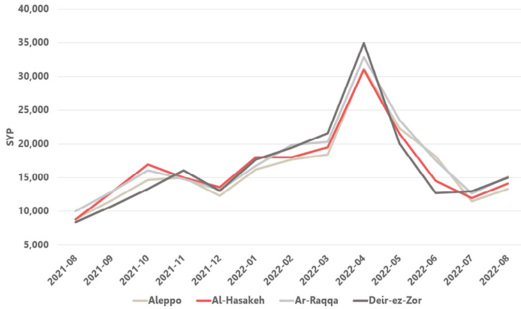
Furthermore, there is a question as to whether potential relief from shipments of Ukrainian grain to the Middle East will actualise given the fact that underlying factors pushing global food prices up remain unchanged.[10] Such factors include the high costs of agricultural inputs, climate change, and currency depreciation.[11] In addition, Global Agricultural Monitoring reported that in NES harvesting of winter wheat was recorded at below average yields due to low rainfall, a delayed start to the season, and unusually high temperatures from July to September.[12] The World Meteorological Organisation recently described the 'severe and long-term drought' in Syria as a key factor underpinning the current food security crisis[13]; currently 12 million people are facing acute food insecurity in Syria according to World Food Program (WFP).[14] The drought combined with increasing fertilizer prices[15] has caused significant losses to farmers in rain-fed areas.[16] As such grain production in NES is not expected to meet the needs of the population residing in the region, let alone support other regions in Syria as it has previously.

The price of cooking oils stabilised coming down from a price hike in April following early impacts of Ukraine crisis (fig. 6). Cooking oils remain 34% more expensive than they were six months ago at the beginning of the crisis. This trend is in line with global vegetable oil prices according to FAO Food Price Index.[5] Recent vegetable oil exports from the Ukraine may have contributed to the stabilisation of vegetable oil prices globally and in NES.

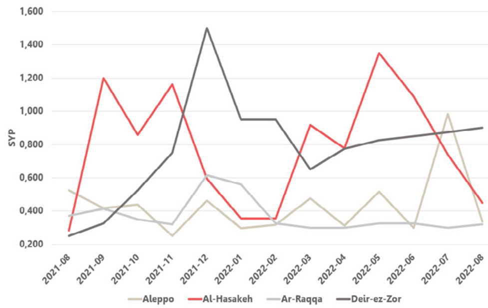
Cooking fuel prices continued to decrease in August, largely due to a drop in the price of manually refined kerosene (fig. 11). However, the price of LPG gas, which majority of households rely on, increased. This was mainly observed in Deir-ez Zor where gas remains more expensive than elsewhere in the region. This is likely linked to the suspension of centrally managed distribution[17] in May 2022 which has forced households to rely on high market prices that are sensitive to supply route disruptions caused by the tense security situation in the area. In general, where electricity supply is intermittent gas is an important energy source for cooking, thus even minor increases in cost can impact household purchasing power.

The price of water trucking continued to increase in August largely attributed to increases in Deir-ez Zor and Al-Hasakeh governorate, where it remains most expensive (fig. 7). This is likely linked to lower availability of water from public tanks meaning prices reflect what is available from private tanks. In particular, Western Rashidiyeh, Dashisha, and Areesha communities in Al-Hasakeh governorate witnessed notable increases in the price of water trucking which field teams reported is potentially linked to a removal of fuel subsidies for public tanks in these municipalities. Field teams also reported that a malfunction in some water stations in Deir-ez Zor impacted prices in this governorate.

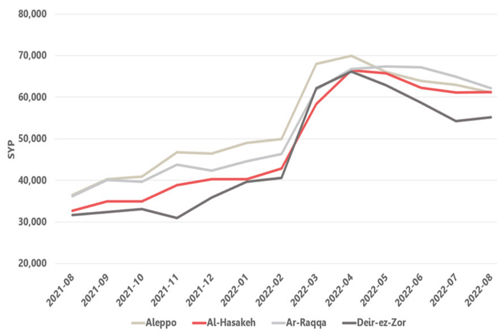
SMEB VEGETABLE PRICES IN NES - FIG. 4



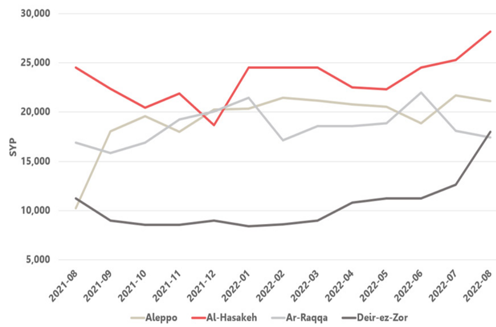
BREAD PRICES IN NES - FIG. 5



SMEB COOKING OILS PRICES IN NES - FIG. 6



SMEB WATER TRUCKING PRICES IN NES - FIG. 7



SMEB COMPOSITION[D] FOR NORTHEAST SYRIA - FIG. 8

SMEB CONTENTS - FIG. 9

Food

Bread	37 kg	Rice	19 kg
Bulgur	15 kg	Salt	1 kg
Chicken	6 kg	Sugar	5 kg
Eggs	6 kg	Tomato paste	6 kg
Ghee/veg. oil	7 kg/L	Vegetables (fresh)	12 kg
Red lentils	15 kg		

Hygiene (NFI)

Bathing soap	12 bars	Toothpaste	200 g
Laundry/dish soap	3 kg	Sanitary pads	4 packs of 10

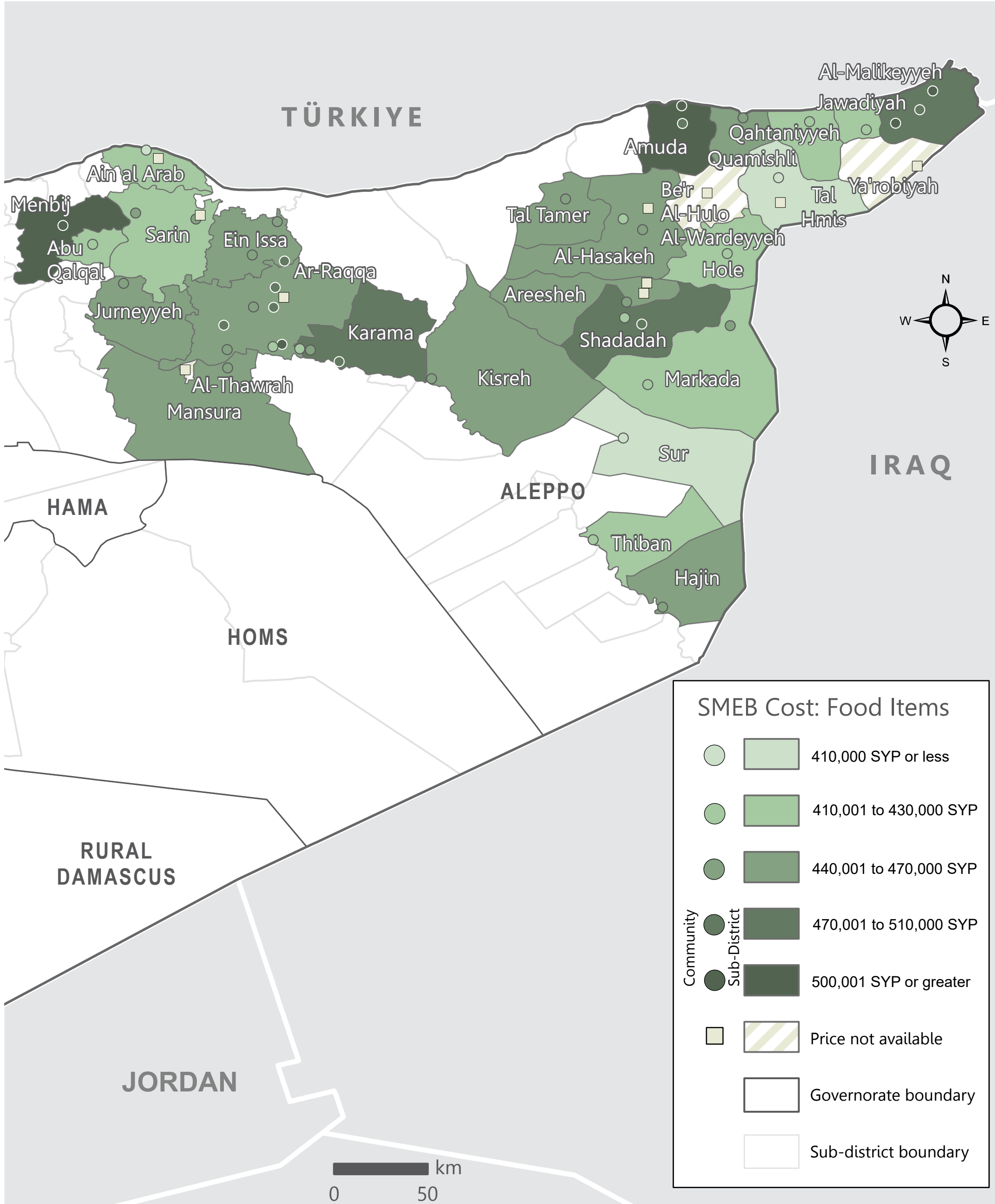
Other

Cooking fuel	25 L	Phone data	1 GB
Water trucking	4500 L	"Float"/other costs	7.5% of total

The SMEB Total is the median cost of the minimum, culturally adjusted items required to support a 6-person household for a month.

D. Due to rounding figures may not total 100%

SMEB FOOD COMPONENT COST ACROSS NES, BY SUBDISTRICTS AND COMMUNITIES - FIG. 10



PRICE OF ALL SMEB ITEMS - FIG. 11

Item	Unit[E]	Price SYP	1 month change	6 month change	Price USD[F]
Northeast food Syria SMEB		**450,250**	**7%**	**19%**	**107**
SMEB bulk component	SMEB	240,275	3%	26%	56.94
Bulgur	1 kg	3,500	0%	37%	0.83
Red lentils	1 kg	4,775	2%	14%	1.13
Rice	1 kg	3,500	0%	25%	0.83
Salt	500 g	625	4%	25%	0.15
Sugar	1 kg	3,500	17%	17%	0.83
Tomato paste	1 kg	5,625	13%	25%	1.33
SMEB vegetables component	SMEB	14,100	15%	-24%	3.34
Tomatoes	1 kg	1,500	36%	-29%	0.36
Potatoes	1 kg	1,488	14%	14%	0.35
Cucumbers	1 kg	800	0%	-60%	0.19
Onions	1 kg	988	16%	23%	0.23
Cooking oils	SMEB	61,031	0%	34%	14.46
Ghee	1 kg	8,500	-3%	31%	2.01
Vegetable oil	1 L	8,500	-6%	35%	2.01
SMEB non-veg perishables					
Bread	8 pc	361	-10%	2%	0.09
Chicken	1 kg	6,625	10%	2%	1.57
Eggs	30 pc	10,825	13%	14%	2.57
Non-food items component	SMEB	42,400	3%	54%	10.05
Bathing soap	1 pc	1,425	2%	43%	0.34
Sanitary pads	10 pc	2,000	0%	33%	0.47
Toothpaste	100 g	2,400	-4%	6%	0.57
Laundry powder	1 kg	5,000	0%	25%	1.18
Dish soap	1 L	4,000	14%	29%	0.95
Cooking fuels component	SMEB	12,750	-28%	28%	3.02
Kerosene (manually refined)	1 L	968	-8%	17%	0.23
LP gas	1 L	195	11%	11%	0.05
Water trucking component	SMEB	22,500	5%	47%	5.33
Water trucking (1000 L)	1 m3	5,000	5%	47%	1.18
Other					
Phone data	1 gb	3,000	0%	20%	0.71

E. The SMEB unit refers to the current SMEB allocation of the item, as outlined in fig. 9

F. USD values are calculated as per the informal exchange rate recorded in the same geographical area. Please see this month's JMMI dataset for informal exchange rates by area.

MARKET FUNCTIONALITY

While market functionality indicators show markets are functioning in NES, ongoing inflation continues to impact the purchasing power of households and reduce the affordability of important market inputs such as fuel, fertilizers, seeds, and bread. Both high inflation and supply shortages increased as reported challenges for vendors again in August by 3% (fig. 12).

Heightened instability over the last month in NES may be directly impacting market prices with the closure of border crossings as well as the relocation of some residents and businesses and stockpiling of commodities in anticipation of further instability.[18] This is particularly noticeable in Deir-ez Zor governorate where a greater number of vendors reported supply issues emanating from border crossing closures (18%), road closures (23%), and insecure transport roads (6%). In July these factors were for the most part not reported on as issues facing vendors in this governorate.

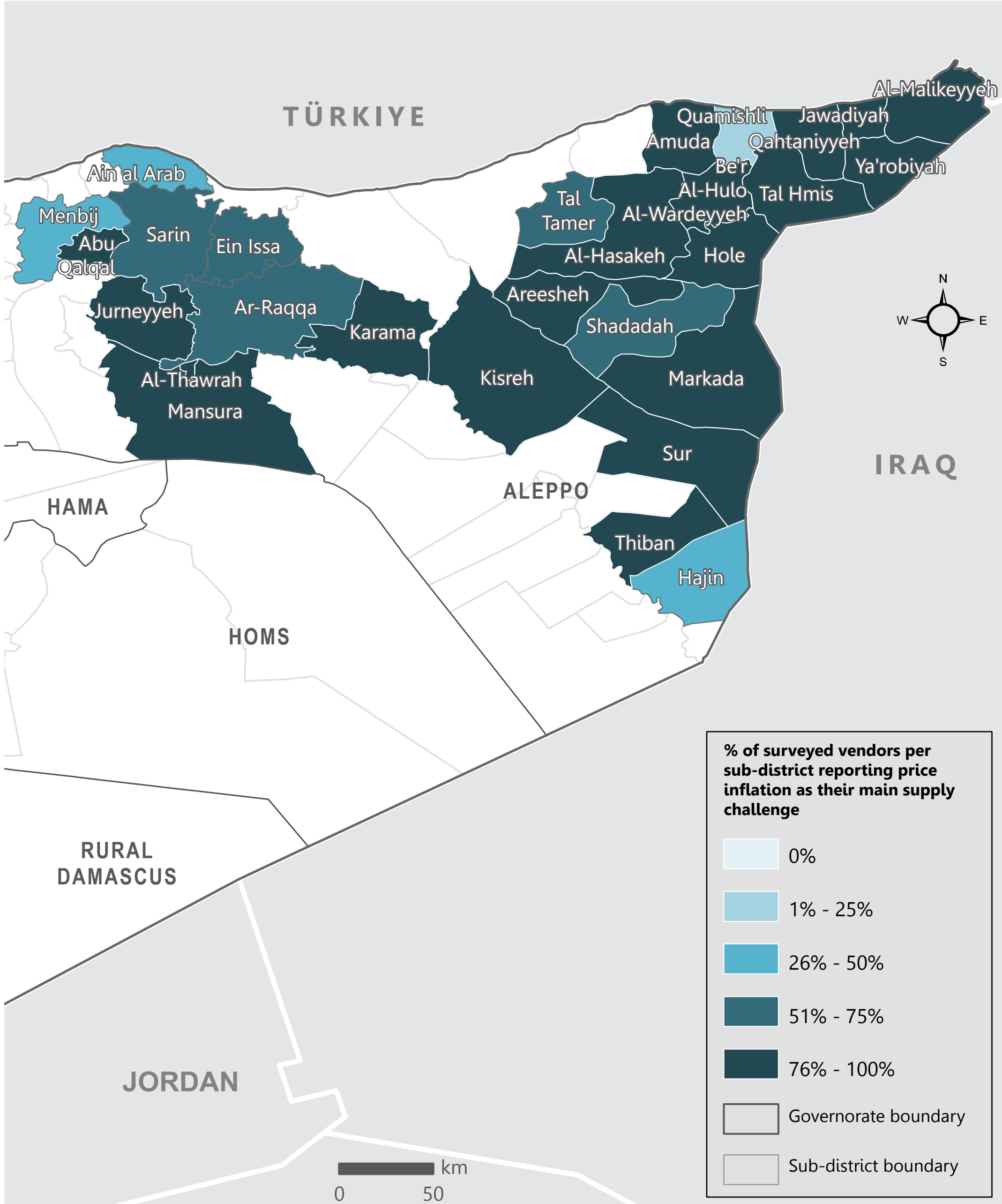
Overall, 100% of butchers across NES and 100% of non-food item stores in Ar-Raqqa governorate reported that they would run out of stock in less than 3 days if unable to restock. Nevertheless, all key food items remained available in over 94% of reporting communities. Limited stock of USD notes remains a challenge with over half of vendors reporting having inadequate stock of 5 and 10 USD denominations.

Manually refined fuels decreased as a result of a correction in the collection of prices from unsubsidized stalls and thus the prices in August more accurately reflect the cost of subsidized fuel. However, low quality fuel prices increased in Deir-ez Zor likely as a result of supply challenges emanating from the security situation. High quality fuels continued to increase in price and are widely unavailable. Rising costs of diesel in particular continues to be a key contributor to high food prices given the impact on production costs and transport costs for imported goods.

SUPPLY CHALLENGES REPORTED[G] BY SURVEYED VENDORS - FIG. 12

	AREA	REPORTED %
PRICE INFLATION	**NES**	**73%**
	NE Aleppo	55%
	Al-Hasakeh	82%
	Ar-Raqqa	73%
	Deir-Ez-Zor	75%
NO ISSUES	**NES**	**18%**
	NE Aleppo	39%
	Al-Hasakeh	6%
	Ar-Raqqa	18%
	Deir-Ez-Zor	20%
SUPPLY CANT MEET DEMAND	**NES**	**17%**
	NE Aleppo	5%
	Al-Hasakeh	25%
	Ar-Raqqa	12%
	Deir-Ez-Zor	25%
SUPPLIER LIMITED SUPPLY	**NES**	**11%**
	NE Aleppo	13%
	Al-Hasakeh	14%
	Ar-Raqqa	7%
	Deir-Ez-Zor	9%

VENDORS REPORTING PRICE INFLATION AS THEIR MAIN SUPPLY CHALLENGE ACROSS NES - FIG. 13



G. Multiple choice responses are not expected to total 100%. Please see this month's JMMI dataset for all supply challenges reported by vendors.

ABOUT

To inform humanitarian cash programming, the northeast of Syria (NES) Cash Working Group (CWG) - in partnership with local and international NGOs - conducts a monthly JMMI in northern Syria. The exercise assesses the availability and prices of 36 basic commodities that are typically sold in markets and consumed by average Syrian households, including food and non-food items, water, fuel, and cell phone data.

METHODOLOGY

In order to be included in the JMMI, markets must be permanent in nature, large enough to support at least two wholesalers, and diverse enough to provide a sufficient variety of goods and commodities. Additionally, the shops surveyed within each market must be housed in permanent structures and must sell certain items to be eligible for inclusion.

Prices are calculated by taking the median of the next level of aggregation: community and sub-district prices are both drawn from the median prices collected from different vendors. Districts medians are calculated from from sub-district medians, governorate figures are calculated from district medians, and regional figures are calculated from governorate medians.

For more details about the methodology, access the online JMMI dashboard.

In light of the fluctuation of the Syrian Pound (SYP)'s value and resulting market disruption, prices should be seen as representative only of the markets and dates where and when information was collected (1st - 8th August 2022).

LIMITATIONS

All JMMI data is only indicative for the specific timeframe within which it was collected, and trend lines in graphs may not be continuous where data is missing. Usually, data is collected during the first Monday-to-Monday of each month. The JMMI data collection tool requires enumerators to record the cheapest available price for each item, but does not require a specific brand, as brand availability may vary. Therefore, price comparisons across regions may be based on slight variants of the same product. Non-food items (NFIs) are particularly challenging to standardize as they vary significantly in terms of types, brands, and specifications. The JMMI methodology aims to balance consistency and comparability considerations with geographical variations in availability.

Due to issues of access, security and partner capacity, the markets included in the JMMI may vary on a monthly basis. As such, the reported changes in the more aggregate levels (governorate, district) may be driven by shifts in coverage rather than actual changes. For this reason, we recommend all users to consider local markets and lower levels of aggregation (sub-district, community) when using JMMI data for more specific trend analyses.

It is important to keep in mind that some vendors might feel more or less inclined to share their actual experiences (fearing that the information shared might be used by competitors or in some way against their business), while others might adjust their answers based on the expected effect that they will have on humanitarian programming. Similarly, even though all enumerators received the same training, some might have more previous experience and might therefore be better able to produce higher quality data.

Part of the data collection takes place remotely using vendor contact information collected in advance by the JMMI partners, in order to prevent the spread of COVID-19. Market monitoring can be challenging, especially through remote interviews. At the same time, the JMMI has over seven years of accumulated experience, strong internal coordination and external relation with vendors, and vast longitudinal data, which supports the accuracy of findings.

JMMI AND THE CASH WORKING GROUP

The JMMI exists within the framework of the Cash Working Group (CWG). In northwest Syria (NWS), the CWG was established in May 2014 to analyse the impact of the ongoing conflict on markets in Syria and guide the implementation of humanitarian cash and voucher programmes within those markets. In northeast Syria (NES), the CWG was established in 2018, to fulfil a similar purpose in that region.

For more information about the CWG in NES, please contact the cash working group coordinator at cashcoordnes@gmail.com

PARTNERS

Each month, around 20 different organizations work together to collect market data. Participating organisations train their enumerators on the JMMI methodology and data collection tools using standard training materials developed by REACH, who is then responsible for processing the data.

REACH

REACH Initiative facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms.

For more information about REACH, please contact the REACH JMMI focal point, Safa'a Harahsheh, at safaa.harahsheh@reach-initiative.org or visit the REACH Syria Resource Centre.

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