AFGHANISTAN Food Security Outlook Update April 2020

Urban food insecurity increases due to COVID-19 movement restrictions and declining remittances

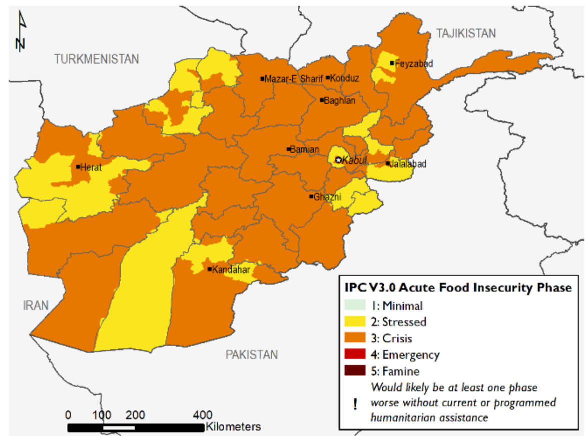
KEY MESSAGES

- Crisis (IPC Phase 3) outcomes are emerging in urban across the country, driven largely by the impacts of COVID-19 control measures. In some provinces such as Balkh, conflict-related displacement is also separating people from assets and livelihoods, with Crisis outcomes expected. In mid-May, the anticipated near average wheat harvest and favorable livestock productivity are expected to improve access to food in rural areas, with Stressed (IPC Phase 2) outcomes expected in late May/early June. Crisis (IPC Phase 3) outcomes are most likely to continue in parts of the country where years of conflict and COVID-19 related restrictions have affected households' ability to engage in normal livelihoods.

- The ongoing outbreak of COVID-19 has signifcantly impacted urban poor populations. To control the spread of the virus, the government has imposed limitations or total restrictions on movment in main cities of Afghanistan. As a result, access to income has been significantly reduced, with poor households who typically earn income from daily wage labor and other small trades among the worst affected. Furthermore, due largely to increased domestic demand as the government imposed lock down measurements, prices significantly increased in late March and early April. Given significantly reduced purchasing power, many households are expected to be unable to meet all food and essential non-food needs, with Crisis (IPC Phase 3) outcomes expected.

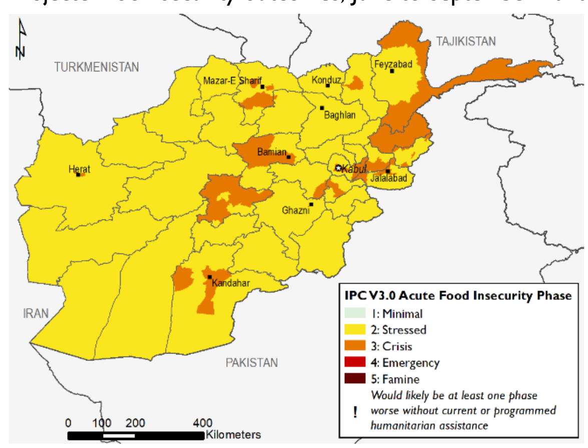
- Approximately 65,000 individuals have been displaced by conflict and between January 1 and 26 April according to UNOCHA, with the largest numbers of displacments reported in the eastern and northeastern provinces. Conflict-induced displacment continues to restrict access to food and other basic necessitites. However, the number of internal displacements during this time was 65 percent lower compared to the same period of 2019, attributed laregly to peace negotiations. Meanwhile, an atypically high number of Afghan refugees continue to return from Iran, with Crisis (IPC Phase 3) outcomes expected among most due to limited labor opportunities in urban areas. As of April 26, an estimated 265,460 undocumented Afghan refugees had returned from Iran in 2020.

Projected food security outcomes, April to May 2020



Source: *FEWS NET*

Projected food security outcomes, June to September 2020



Source: *FEWS NET*

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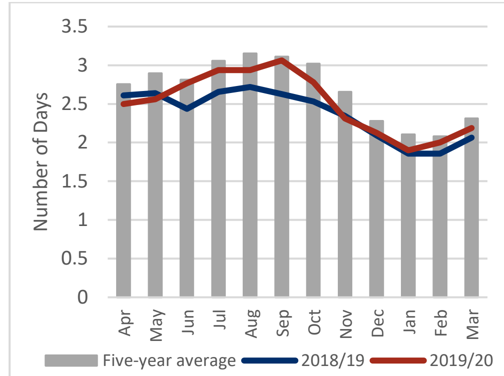
CURRENT SITUATION

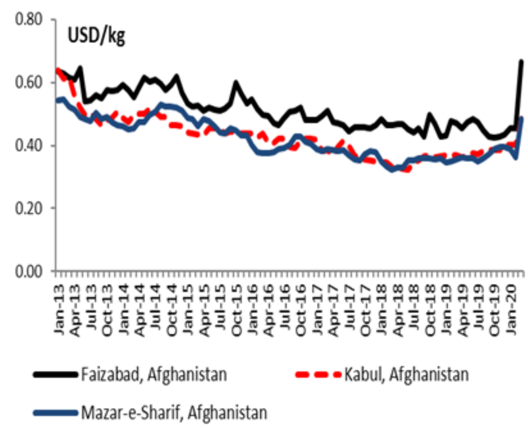
As of April 30**,** 2,171 people across the country have tested positive for COVID-19 according to Ministry of Public Health (MOPH) reports. Worst-affected parts of the country include Herat and Kabul. Herat shares a border with Iran, and most returning Afghan refugees initially cross through this province. Kabul is the capital of the country and serves as a transit route connecting all provinces. Urban areas in almost 34 provinces of the country have been impacted by reducing access to income and weakening purchasing power due to the COVID-19 lockdown measures. In particular, restrictions on movement have significantly reduced job opportunities in Kabul, Herat, and Nangarhar provinces. Additionally, declining levels of remittances from Iran and gulf countries is further decreasing access to income.

Figure 1. Average number of working days available per week, national average based on eight major markets



Source: *WFP VAM*

Figure 2. Low-quality wheat flour prices in three key markets of Afghanistan (January 2013 - March 2020)



Source: *WFP*

Due to COVID-19, on 14 March 2020 the government of Afghanistan imposed additional control measurements to prevent further spread of the virus. These included restrictions on movement within Afghanistan and the closure of main markets. All of the main cities are now partially locked down, with only food vendors and essential services allowed to operate. This has resulted in a significant loss of daily labor opportunities in urban areas, as well as food price increases due to increased domestic demand. The most vulnerable groups are urban poor household's dependent on daily wage labor, as already limited job opportunities are completely depleted.

Until early February 2020, availability of labor opportunities had been following seasonal trends, with an increase in the availability of labor at the national level in February relative to January (Figure 1). This increase continued in early March. However, the availability of labor opportunities significantly reduced in mid-March, particularly in urban areas following the lockdown of big cities. In the second half of March, the average number of working days available per week for laborers fell to zero in Kabul and significantly decreased in other urban cities of the country.

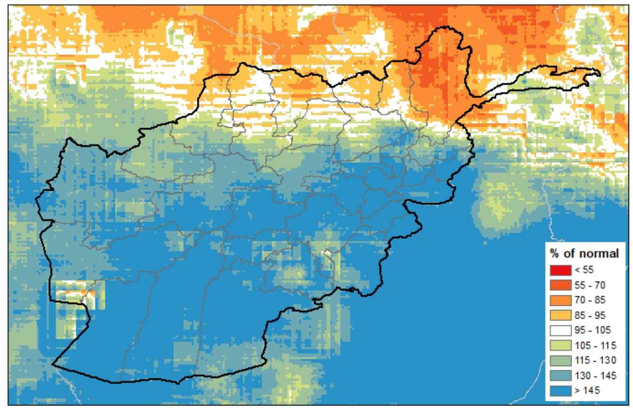
At the national level, low quality wheat flour prices in March increased 21 percent compared to February according to WFP market monitoring data (Figure 2). Prices in March were 35 percent higher than the five-year average and 28 percent higher than prices at the same time last year. This increase was largely driven by increased demand after 14 March as the government-imposed lockdown measures across the country. Despite the fact that wheat export prices in the key source markets of Kazakhistan, Saryagash, and Pakistan Lahore were stable, rumors of a border closure with Kazakhstan contributed to hoarding behavior in Afghanistan. Between 14 and 17 March, the average price of low-quality wheat flour in main urban cities increased by 10 percent to reach 32 Afghan Afghani (AFN)/kg according to daily WFP price monitoring. Since then, the average price of low-quality wheat flour has reached 35 AFN/kg, with the sharpest increases observed in March. Prices of other commodities such as cooking oil and pulses have continued to increase, particularly in the second half of April.

Wages for casual labor in main urban markets decreased by an average of 4 percent between February and March 2020 – driven by Kandahar and Maimana where wages decreased by over 10 percent – according to WFP data. Average March wages were relatively stable compared to last year and were 7 percent higher than the five-year average. Given that labor wages declined and prices of wheat flour increased, the average terms of trade between casual labor wages and wheat flour significantly deteriorated between February and March, and further deteriorated in April. From March 14 to April 30 – the period of the sharpest decrease following the lockdown – the average terms of trade between casual labor and wheat flour deteriorated by 18 percent.

The terms of trade between livestock and wheat flour deteriorated by 10 percent from March 14 to April 30, mainly due to the increase in wheat flour prices. Despite average livestock body conditions, income earned from livestock and livestock products remains below average due the below-average herd sizes, especially among poor households who are still recovering from the 2017/18 drought.

Levels of remittances from Iran have been declining in recent years to due poor economic conditions in Iran. Due to COVID-19 and the significant increase in Afghan returnees, levels of remittances from Iran have further declined in recent months. Levels of remittances from Gulf countries – especially the United Arab Emirates (UAE) have also been declining in recent years, but no significant decreases have so far been reported due to COVID-19.

Figure 3. October 2019 – April 2020 percent of normal (1981-2010) precipitation accumulation



Source: *USGS/FEWS NET*

Cumulative precipitation from October 2019 to April 2020 has been average to above average across most of the country (Figure 3). Previous precipitation deficits in northern parts of the country have largely been eliminated or have significantly reduced as the result of heavy precipitation in April. Despite the recent above-average precipitation, the snow depth anomalies remained below average at higher elevations in the north and northeast, while above average snow depth persisted in the in the middle and lower elevations of central and southern Afghanistan. From February to mid-March, temperatures were average to below average, slightly delaying the start of the spring rains and the snow melt. This has slightly delayed the growth of vegetation and crops.

Agricultural area planted for wheat in the 2019/2020 production year was overall average across the country. However, area planted for wheat was below average in northern areas due to precipitation deficits; favorable precipitation in April was too late to allow for winter wheat planting. Due to above-average precipitation and above-average temperatures, wheat leaf rust and loose smut diseases were prevalent in most irrigated planted area of local wheat varieties. This can cause significant economic losses to the farmers. In northern rainfed areas where rainfall was below-average to average, there were no signs of wheat rust or loose smut. Official crop estimates provided by the Ministry of Agriculture, Irrigation, and Livestock are typically available after the pre-harvest assessment in late May.

In the eastern part of the country, farmers are accessing income from the sale of vegetable and fruit crops. In southern Hilmand, Kandahar, Zabul, and Uruzgan, the poppy harvest is complete.

Currently, vegetative conditions are mostly average across the country. Soil moisture is favorable, with water available for irrigation, land preparation, and planting in areas where there are no precipitation deficits. Land preparation activities for the 2020/21 spring wheat season started normally across most of the country as farmers responded to normal spring rains. Thus far, agricultural activities for the spring season have not been significantly impeded by COVID-19 control measures. Most households are currently trying to access seeds – mainly wheat – through all possible means, even purchasing seeds on credit, so as not to miss the agriculture season.

As of April 26, an estimated 265,460 Afghan refugees had returned from Iran in 2020 according to IOM . This significant increase in the number of returnees has been largely due to the fear of COVID-19 transmission and deterioration in labor opportunities for Afghan refugees. An additional 1,840 and 3,180 returned from Pakistan and other countries, respectively, during this time. Due to limited labor opportunities available in main urban markets and loss of their typical livelihood activities in areas of origin, nearly all these recent returnees are relying heavily on assistance through social networks and domestic welfare charity organizations.

According to UN OCHA, an estimated 65,000 individuals fled their homes due to conflict across the country between January 1 and 26 April 2020. The largest number of displacements occurred in the eastern provinces where 27,840 people were displaced and the northeastern provinces where 11,400 individuals were displaced. Conflict-induced displacment continues to restrict access to food and other basic necessitites. However, the number of internal displacements during this time was 65 percent lower compared to the same period of last year (January-April 2019), attributed laregly to peace negotiations.

As the lean season progresses, levels of malnutrition typically increase. Based on the results of a nutrition SMART survey conducted in Parwan province by Action Against Hunger (AAH) in February 2020, the prevalence of Global Acute Malnutrition (GAM) in children aged 6-59 months as measured by weight-for-height z-score (WHZ) was 8.1 percent (5.8 - 11.2 95% C.I.) and prevalence of Severe Acute Malnutrition (SAM) by WHZ was 1.3 percent (0.5 - 3.3 95% C.I.). This is classified as a poor nutrition situation. Given typical seasonal trends as the lean season progresses, levels of malnutrition are expected to be similar or worse in April.

Based on data from the Food Security and Agriculture Cluster (FSAC), an estimated 484,000 individual were reached with full rations of humanitarian food assistance in February 2020, with the largest caseload reported for Kabul province (104,800 individuals), followed by Farah (69,000), Balkh (56,400), Kunar (48,900), Khost (48,600), and Badghis (40,500). Since November 2019 when 56,000 individuals were reached nationally, the number of beneficiaries reached per month has steadily increased.

Reduced access to labor opportunities and significantly increased food prices in urban areas are significantly restricting access to food and income in urban areas of the country. Worst-affected households are those dependent on small business/petty trade, remittances, non-agriculture wage labor, and low salary workers in Kabul, Herat, Jalal Abad, Mazar, Kandahar, and other main cities. Given significantly reduced purchasing power and lack of savings, most of these households are expected to be facing food consumption gaps and Crisis (IPC Phase 3) or worse outcomes. Similarly, the majority of undocumented returnees are expected to be experiencing Crisis (IPC Phase 3) or worse outcomes due to limited labor opportunities in main urban markets and loss of their typical livelihood activities in areas of origin.

UPDATED ASSUMPTIONS

The assumptions used to develop FEWS NET's most likely scenario discussed in the February to September 2020 Food Security Outlook Report remain unchanged, except for the following:

- The main harvest of wheat is expected to begin in mid-May in most parts of the country. Near average production currently anticipated at the national level. However, localized below-average production is expected in northern areas where area planting was below average and in eastern and southern areas where wheat rust and loose smut diseases caused crop damage to most of local varieties of irrigated wheat.
- Based on global trends and available information from leading health experts including WHO, the COVID-19 pandemic is likely to continue in the near to medium term, and an increasing number of cases are likely. While it is difficult to predict the length and severity of the outbreak in the country given that it will depend heavily on global and country government actions and capacity, it is anticipated that the effects on food and income sources will persist through at least September.
- Given the high caseload and increasing incidence rate of COVID-19 in Afghanistan, some currently enacted control measures – particularly at borders – are expected to remain in place in the near term (1-3 months). However, due to limited enforcement ability and people's need to move to access food, some internal movement restrictions are expected to be eased in the coming months. Through September, some additional control measures are likely during this time, particularly in areas where a higher number of cases are being reported.
- Based on global trends and some political efforts to ensure consistent wheat supply from Kazakistan, overall imports of wheat from Kazakhstan and minimal imports from Pakistan are expected to continue to fulfill Afghanistan's supply needs, which will decrease in May with the harvest. However, given cross-border and internal movement restrictions, some trade and supply chain disruptions are anticipated throughout the scenario period. This will likely lead to some localized and temporarily reduced supply of some commodities which are imported and/or transported from surplus producing to deficit areas in both urban and rural areas.
- Given patterns observed in other countries, the sharp price increases observed in urban areas are likely to be temporary, with downward pressure on prices likely after the initial wave of panic-buying due to reduced purchasing power and demand in urban areas. In areas where control measures increase, some panic-buying particularly in urban areas is likely to result in temporary shortages and price increases of some commodities – particularly imported foods such as cooking oil. Furthermore, given near average wheat production anticipated this year, COVID-19 related trade disruptions are not expected to meaningfully impact staple wheat prices in rural areas during the scenario period, as most rural households are expected to be consuming own-produced food during this time.
- Availability of non-agricultural labor opportunities is expected to be below-average due to COVID-19 movement restrictions, particularly impacting urban areas. The availability of agriculture labor opportunities is expected to be near normal. However, given an atypical number of returnees from Iran, the number of people seeking labor opportunities is expected to be above average. Higher than usual competition for limited agricultural and non-agricultural labor

opportunities is expected to result in below average income earned from these opportunities. Additionally, due to the increased supply, wages will likely be below normal in some areas while lockdown measures are in place.

- The rate of returnees from Iran – currently significantly above average – is expected to reduce throughout the scenario period due to COVID-19 control measures and declining job opportunities in Afghanistan.
- As a result of the poor Iranian economy and recent COVID-19 impacts, remittances from Iran are expected to be significantly below average during the scenario period. Due to COVID-19 control measures and reduced opportunities for income earning, remittances from Persian Gulf countries are also expected to be below average. As a result, household incomes from remittances will most likely be below average.
- Income from poppy sales is anticipated to be 20 to 25 percent higher than last year. Because poppy is smuggled to international markets, lockdown measures are expected to impact trade. However, as is typical, most farmers are expected to wait until prices are high before selling. As a result, income from poppy sales is not anticipated to be impacted.
- Based on the political situation – including an indication from the Taliban that they will not decrease frequency of attacks – levels of conflict are expected to remain similar to levels seen during 2018 and 2019. This is expected to continue disrupting agriculture activities, especially where conflict is more frequent, and farmers are expected to have difficulty accessing their land. New displacements are expected to continue at average levels through September. However, IDPs are expected to remain displaced and slowly return to their places of origin where there are no new conflict events.

PROJECTED OUTLOOK THROUGH SEPTEMBER 2020

Due to COVID-19 control measures, poor households in both urban and rural areas are likely to be impacted by high food prices and declining access to income given reduced remittance levels and increased competition for limited labor opportunities. However, beginning in mid-May, access to wheat from the main harvest and favorable livestock productivity are expected to improve access to food in rural areas, with widespread improvement to Stressed (IPC Phase 2) outcomes and an improvement in the nutrition situation anticipated. Overall, Crisis (IPC Phase 3) outcomes are most likely to continue in areas of Badakhshan bordering with Tajikistan due to impacts of the lockdown including significantly reduced remittance levels, and due to high numbers of households newly displaced by conflict as well as returnees from Iran.

In urban areas, poor households will likely continue to face severely reduced access to income due to COVID-19 movement restrictions in most main cities, as well as significantly reduced levels of remittances from abroad. Many of these households have no savings and are expected to face difficulty accessing food from market purchases without any source of income. Households are expected to rely on less preferred/less expensive foods, rely on charity, or sell income-generating equipment. Due to prolonged impacts of the economic slowdown that will restrict access to income even when control measures are eased, many urban households are expected to face Crisis (IPC Phase 3) outcomes through September. These households are likely to experience reduced access to food, with the nutrition situation of under-five children and pregnant and lactating women expected to worsen among the wealth group in the coming months.

In conflict-affected areas and areas that experience natural disasters such as floods, displaced households are separated from assets and livelihoods. Crisis (IPC Phase 3) outcomes are expected in newly displaced households and those who have recently returned from Iran and Pakistan as these populations have difficulty accessing livelihood opportunities or finding income sources.

Events that Might Change the Outlook

Possible events over the next six months that could change the most-likely scenario:

Area	Event	Impact on food security outcomes
Nationwide	Significant reduction in conflict	This would improve access to food and income in conflict-affected areas, as farmers would be able to harvest crops and deliver them to the market. Many rural households in these areas would likely face Stressed (IPC Phase 2) outcomes.
Nationwide	Significant disruption to regional and local supply chains such that markets experience prolonged shortages and/or price spikes	Dependency on domestic production will be increased. Food availability would be a concern, as domestically produced staple foods would not be enough to feed the nation. Purchasing power would further reduce as food prices rise. Poor households in urban areas would be worst-affected due to dependence on markets for food, and an increase in the Crisis (IPC Phase 3) population would be expected.
Rural areas	Movement restrictions are extended and enforced in rural areas	Rural households would face difficulty accessing markets, reducing access to income from crop sales. Worst-affected households would quickly exhaust savings and consume seeds that should have been stocked for the next agriculture season. Stressed (IPC Phase 2) and Crisis (IPC Phase 3) outcomes would emerge among an increasing number of households.

ABOUT THIS UPDATE

This report covers current conditions as well as changes to the projected outlook for food insecurity in this country. It updates the FEWS NET's Food Security Outlook, which is published three times per year. Learn more about our work here.