

## AFGHANISTAN Food Security Update

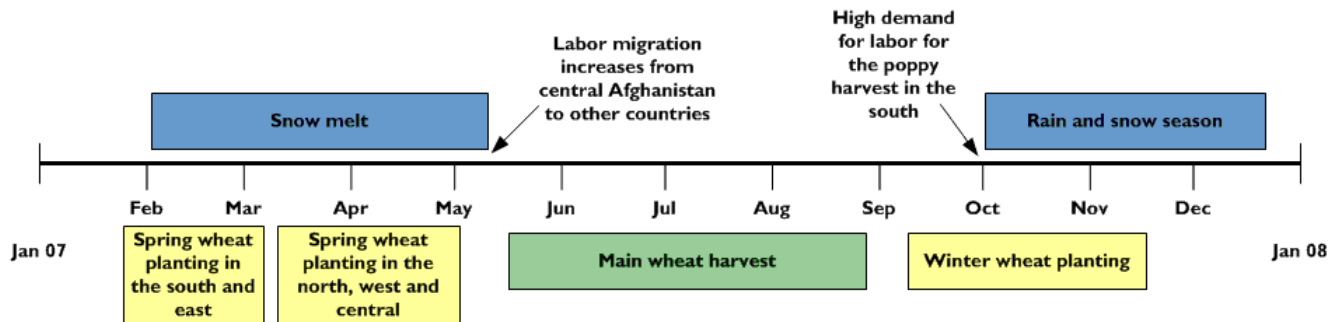
May/June 2007

Food availability is currently good in Afghanistan, prior to the main wheat harvest that will begin in June. Imported wheat is widely available as is normal for this time of year, although prices are higher than normal in areas of the northwest and northeast that were impacted by drought during 2006. Chronic food insecurity persists, especially in the central highlands of the country.

Iran, home to more than two million Afghan refugees and illegal immigrants, began deporting Afghans living illegally in Iran back to Afghanistan. Most of the repatriated immigrants work in construction or in factories, and they will increase competition for jobs in the already saturated Afghan labor market. This increase in labor availability will likely decrease wages and purchasing power, which will restrict access to food for the repatriated and for households in communities to which the workers return.

A normal to above-normal harvest is expected in June, following good seasonal precipitation since October 2006. The harvest will increase food availability, which will improve food access for households that rely on the market to purchase their food. If prices decrease substantially, however, it may be difficult for producers to recuperate their costs, which could be a disincentive to production in the future.

### Critical events timeline



### Food availability and food security

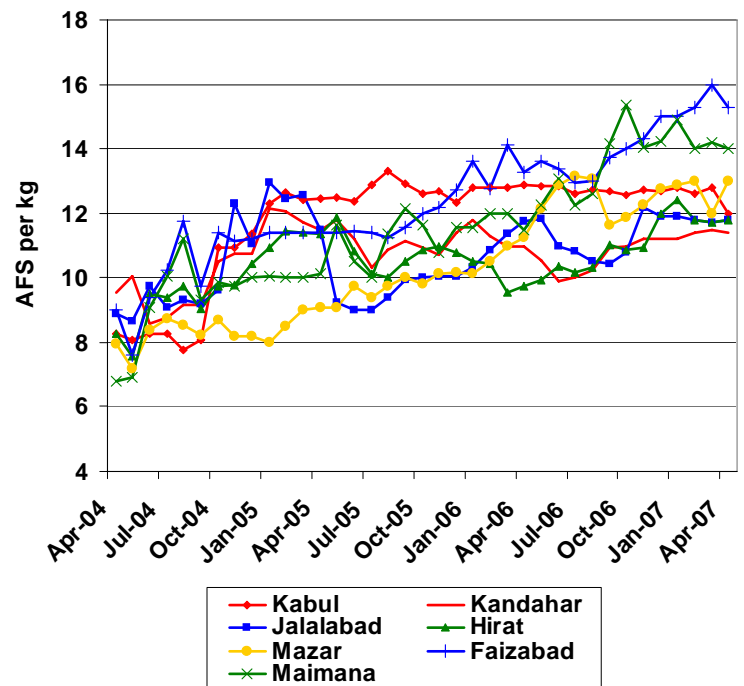
Food availability is currently good in most of Afghanistan. Imported cereals are widely available in most markets, although prices are higher than normal for this time of year in areas of the northeast and northwest that were impacted by drought in 2006. However, the demand for manual labor is relatively low compared to labor availability, which decreases the purchasing power of households that rely on the sale of labor for income.

Wheat prices in the Maimana, Faizabad, Hirat and Mazar markets were higher in April 2007 than prices in April 2006 (Figure 1). Wheat production in 2006 was below normal in these areas as a result of the drought, which reduced food availability and has increased food prices. Transportation costs have also increased wheat prices in these markets; most wheat available in these areas is imported from Kazakhstan via Turkmenistan and Uzbekistan, and the global increase in oil prices has caused the cost of transporting wheat to rise, which has increased the cost of wheat.

Elsewhere, wheat prices are normal for this time of year. In Kabul, Jalalabad and Kandahar, the price of wheat in April 2007 was the same or slightly lower than the price in April 2006. The main source of wheat in these areas is Pakistan, and the proximity between production areas in Pakistan and markets in Afghanistan keeps prices relatively low. The wheat policy of the Government of Pakistan also generally keeps wheat prices low. However, the recent restriction on wheat exports to Afghanistan by the Pakistani government will likely cause wheat prices to increase again.

A normal to above-normal harvest is expected to begin in June, following good seasonal precipitation from October through April. The harvest will increase food availability and cause wheat prices to decrease, including in the northeast and northwest, where drought limited production in 2006. This increase in availability will likely improve food access for households that rely on the market to purchase their food. However, if prices drop significantly, it may be difficult for producers to recover their costs, which will depend on the amount of competition from Pakistani production, which is subsidized by the government. A decrease in income from the sale of wheat would provide a disincentive to production in future agricultural cycles.

Figure 1. Wheat prices in select reference markets



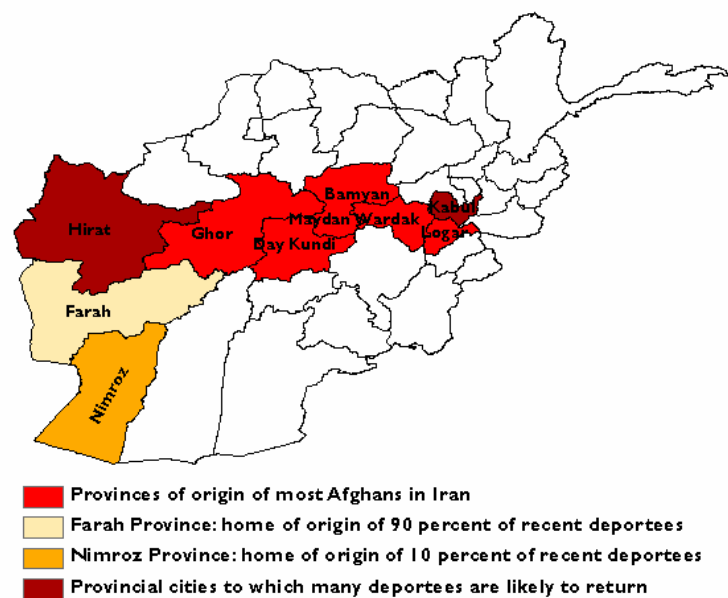
Source: VAM Unit, WFP/Afghanistan

### Forced repatriation of Afghans from Iran

More than two million Afghans currently live in Iran as refugees or illegal immigrants. In late April 2007, the Government of Iran began to deport illegal Afghan workers from Iran, and since April 21, 2007 more than 52,000 Afghans have been deported. Food security is likely to decline as a result for people that have been deported, households in Iran whose family members have been deported and host communities in Afghanistan that receive the repatriated.

Most people deported so far have been male heads of households, many of whom work in construction and factories. The Afghan labor market is already saturated, and does not have the capacity to absorb the repatriated labor force. The increased availability of labor will likely decrease worker incomes and purchasing power, which will cause access to food to deteriorate, both for the returnees and for members of the host communities to which they return. Additionally, the wages of many

Figure 2. Homes of origin and likely return destinations of Afghans deported from Iran



Source: FEWS NET/Afghanistan

deported Afghan laborers have been confiscated by their previous employers. Most Afghan laborers work on credit in Iran and only cash their wages when they return to Afghanistan, but deportation does not allow time for the workers to claim or secure their wages from their Iranian employers. The families of many repatriated workers remain in Iran, and they will also face tremendous challenges accessing food, as the main income earner of the household has been deported.

The majority of Afghan workers living in Iran are from the central highlands of Afghanistan (Figure 2), which is already the most chronically food insecure area of the country. However, the current deportees are primarily from Farah Province (90 percent) and Nimroz Province (10 percent). Many Afghan refugees living in Iran over the past three decades have become accustomed to urban life, though, and may choose to return to cities such as Hirat and Kabul instead of their place of origin. Interventions, such as providing transportation and shelter and cash-for-work projects in areas receiving significant numbers of returnees, are needed to mitigate the negative impact of the forced deportation on food security in Afghanistan.