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Wheat Flour Price Shocks and Household Food Security in Afghanistan

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What Is the Issue?

With a long history of political instability and conflict, as well as weak infrastructure and mountainous terrain, Afghanistan is particularly vulnerable to economic and natural shocks. During the 2007-08 period of high global food prices, the country experienced rapid increases in the prices of staple foods and other commodities due to a confluence of international and domestic factors. For households that spend the majority of their budgets on food, the high prices led to a severe erosion of purchasing power, disproportionately affecting poor households. In this study, we investigate how increases in wheat flour prices affect measures of household well-being associated with food security in Afghanistan. Identifying food-insecure populations and their coping mechanisms can help national and local governments and aid agencies working in Afghanistan in designing interventions and responding to local needs during future periods of high food prices.

What Are the Study Findings?

- Afghan households coped with the sudden rise in food prices by cutting back on overall food consumption and, to a lesser extent, on calories consumed.
- Households were able to buffer the effects of the wheat flour price shocks on calories consumed by changing the composition of their diets, moving away from micronutrient-rich foods, such as meat, fruits, and vegetables, toward grains.
- The decline in household food security was felt across both rural and urban areas. Urban households made changes that led to large declines in food consumption, but were able to maintain calories by greatly reducing the diversity of their diets and buying cheaper foods. Rural households made changes that led to smaller declines in their food consumption and in the variety of foods they consumed, but relatively larger declines in calories.
- As the price of wheat flour increased, demand for wheat products was relatively steady in rural areas, but rose in urban areas.

The results of this study may be used to inform current policy discussions on food security within Afghanistan and, more generally, within the international development community. The dearth of data and analysis available on consumption patterns and nutrition in Afghanistan poses challenges to political leaders, lawmakers, and humanitarian organizations interested in creating programs and policies to alleviate poverty and food insecurity. Such analysis is particularly crucial in areas of ongoing conflict, which are susceptible to shocks but for which high-quality quantitative data are rare.

ERS is a primary source of economic research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.

How Was the Study Conducted?

We used a unique cross-sectional, nationally representative survey collected by the Government of Afghanistan prior to and during the 2007-08 period of high food and commodity price inflation. The 2007-08 National Risk and Vulnerability Assessment (NRVA) is a sample of over 20,000 households from all 34 provinces of Afghanistan. It was the first nationally representative household survey in Afghanistan conducted across a 13-month time period and designed to account for seasonal variations in consumption.

The most important implication of the design is that the NRVA provides a comprehensive and representative portrayal of consumption patterns prior to and after the onset of the food price shock, allowing us to calculate measures related to household food security and providing substantial variation in prices for the analysis. Using the household and price data, an ordinary least squares model was used to estimate changes in household well-being related to food security that result from increases in the price of wheat flour, controlling for household and environmental factors.