

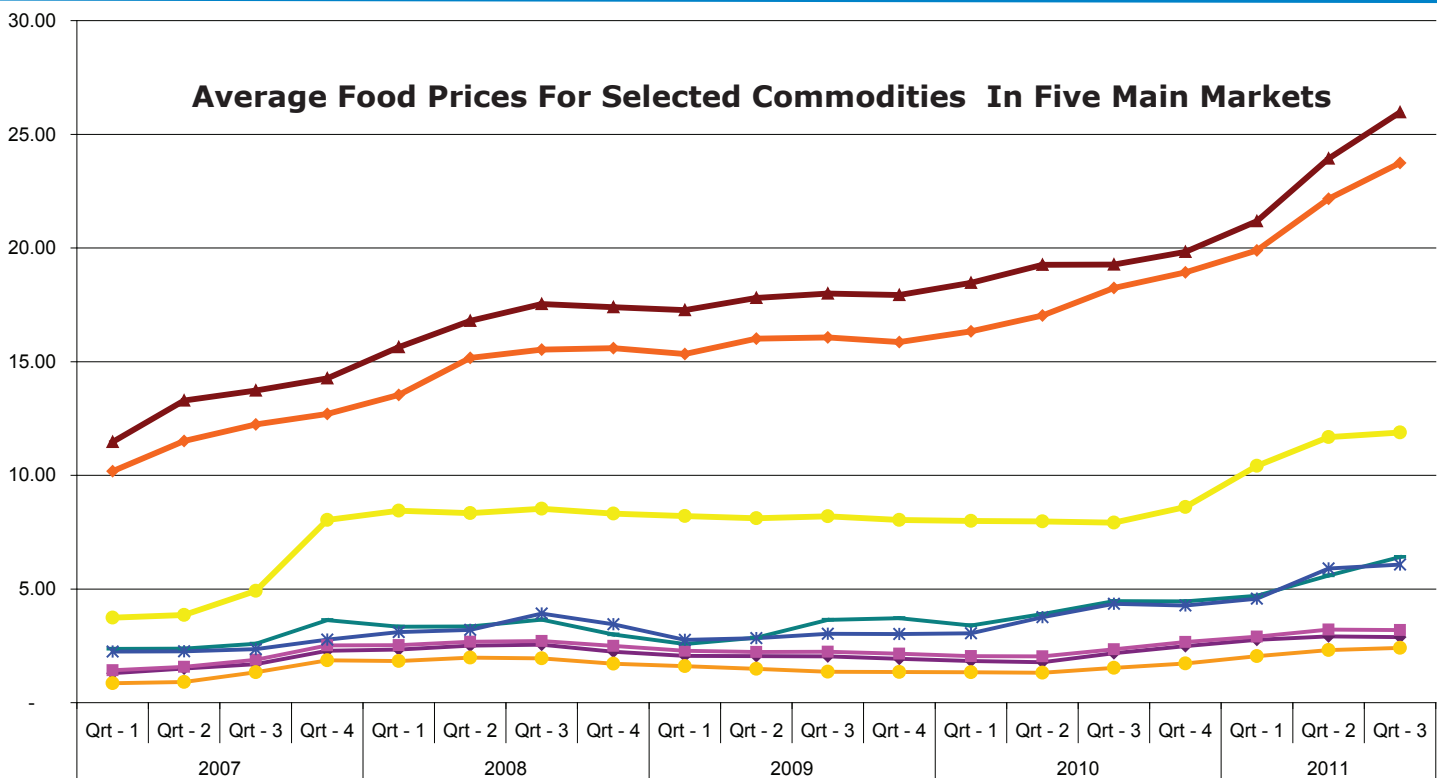
Tajikistan Market Price Report September 2011



Highlights

- Retail food prices have stabilized but remain at their highest levels.
- Export duties for Russian fuel for Tajikistan continue to fluctuate having reduced 1.6% in August but again increased for petrol 1.3% in September.
- The inflation rate has risen 7.7% since January 2011, according to the National Bank of Tajikistan (NBT).

Average Food Prices For Selected Commodities In Five Main Markets



◆ Wheat flour first grade
 ◆ Wheat flour high quality
 ◆ Meat-mutton
 ◆ Meat-beef
 ◆ Wheat grain
 ◆ Vegetable oil
 ◆ Petrol
 ◆ Diesel



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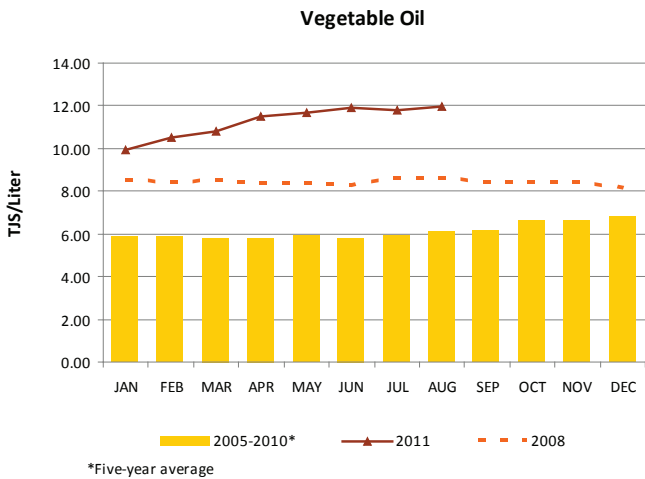
WFP monitors weekly food and fuel prices in the five main markets of Tajikistan: Dushanbe, Kurgan-Tyube, Khujand, Gharm and Khorog. This report presents an overview of August 2011 prices, consumer trends and outlook for the future. For more information, contact Saidamon.Bodamaev@wfp.org



Current prices and trends

Wheat flour and wheat grain prices remained stable during August due to sufficient supply and availability in the markets. In the wake of the harvest prices for locally produced flour slightly decreased, which is in line with expected seasonal trends. However, prices remain high compared to last year. Wheat grain price has increased by 53% and wheat flour (first grade) by 29 % since August 2010.

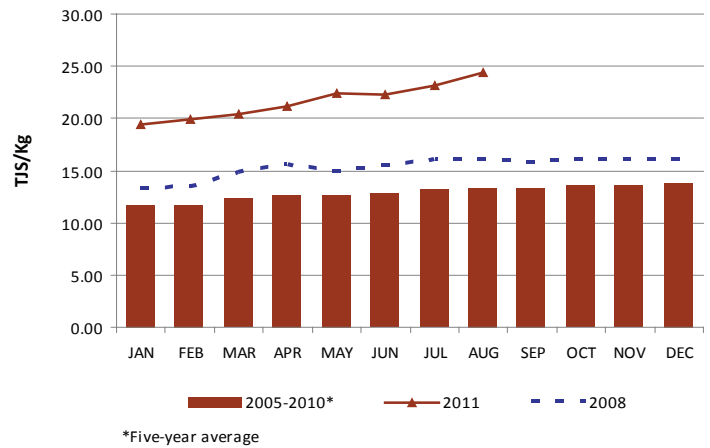
Vegetable oil continued to increase in price in Dushanbe and Kurgan-Tyube markets. The depreciation of the Tajik Somoni against the US dollar and high transportation costs have been one of factors pushing up the prices for imported vegetable oil. In other regions prices were unchanged due to sufficient supply.



Meat prices were highest in Dushanbe and Kurgan-Tyube because of higher demand due to Eid al-Fitr month celebrations and low supply of meat in the markets. Meat (beef and mutton) rose 7% and 12% respectively over the previous month.

During the month, to prevent the increase on prices for meat the city authorities urged butchers in Dushanbe to sell lamb and beef meet in fixed prices (15% lower than existing prices) compared to existing prices). However, the quality of meat sold in the markets at reduced prices was very poor.

Beef

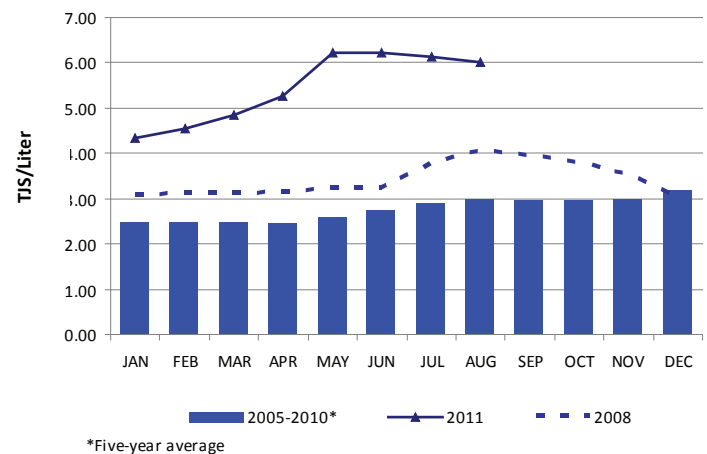


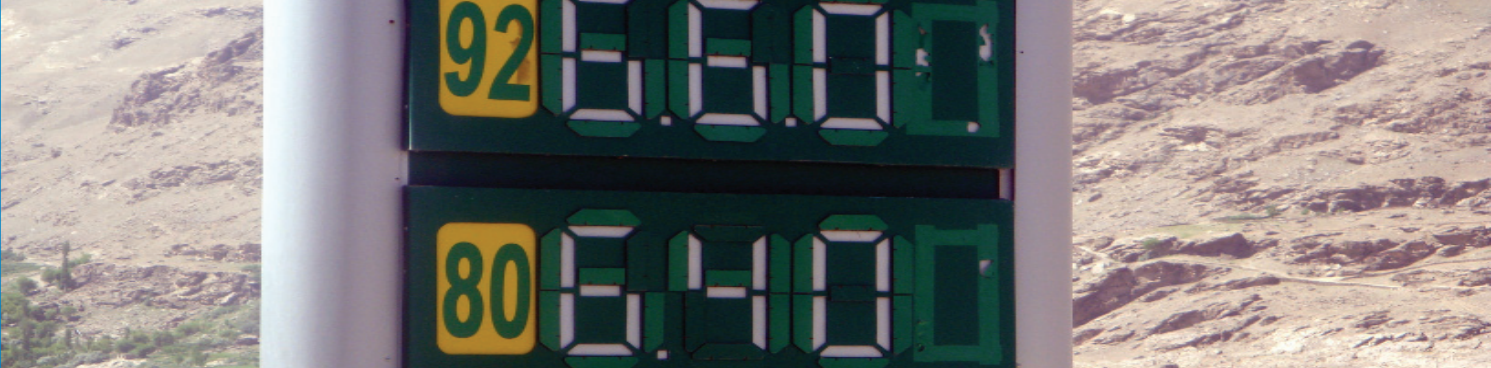
Maize rose by 20% in Kurgan-Tyube because of high demand for seeds following the start of the cultivation season. The fall harvest will be used mainly as livestock fodder.

Potato prices dropped by 23% in Gharm and 13% in Khujand and Khorog because of the new harvest entering the market and supply outweighing demand. However, additional expenses for transportation and high demand pushed up prices in Kurgan-Tyube and Dushanbe by around 18% and 3% respectively compared to July.

After a increase in July, prices for **diesel** have slightly decreased in Dushanbe and Khujand markets due to availability in the markets and because supply exceeded the demand. In other areas the prices remained unchanged.

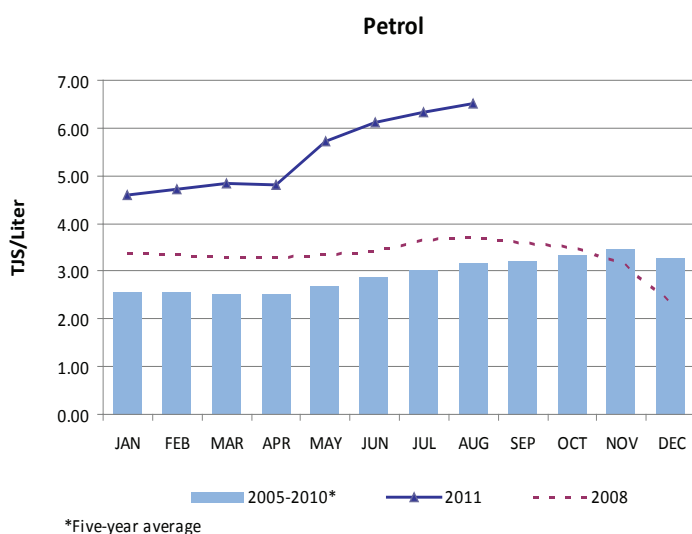
Diesel





Petrol prices rose by 3%. This represents an increase of 47% in comparison to August 2010. The new supplies with lower duties arriving in the country during the month did not have much impact on prices for petrol.

Russia increased once again the export duties for petrol in September 2011. The levy for petrol is now \$399.70 per ton compared to \$284 before March this year.



Outlook for the next three months

Preliminary data information from a new nation-wide crop and food security assessment by FAO, the Ministry of Agriculture and WFP shows wheat production for 2011/12 is an estimated 25% below last year and 8 percent below the average of the past 4 years. This could have a negative impact on overall prices for the wheat and for food security of the households depending mainly on home production. However, a good wheat harvest in Kazakhstan this year may contribute to stable, sufficient supplies of wheat flour to Tajikistan.

Fuel prices will rise in October when the fall cultivation starts in the country and the demand for fuel, specially for diesel, normally increases.

Before the winter, households demand for wheat and wheat flour may increase as families stock up, thus, pushing the prices for these commodities upward.

The rise in fuel and food prices is expected to increase the demand for foreign exchange to finance imports, which leads to the local currency's depreciation. However, the depreciation could nonetheless help mitigate high food costs as many families in Tajikistan depend on remittances as a main income. Foreign currency will increase their purchasing power.

The Cost of the Minimum Food Basket

The **minimum food basket** is calculated using the average food needs for an individual per month to reach the daily requirement of 2,100 kcal.

It is based on 11 food groups (meat, fish, milk, eggs, cheese, butter, oil and fats, fruits, vegetables, sugar, jam, honey, spices, coffee, tea, mineral water, soft drinks, juices).

The cost of the minimum food basket this month increased by around 6% compared to July and was equal to TJS135.63/\$28.08.

The difference was due to the increase of of main food prices: wheat flour, meat, sugar, etc. in Dushanbe markets.

Cost of minimum food basket (per person per month)

