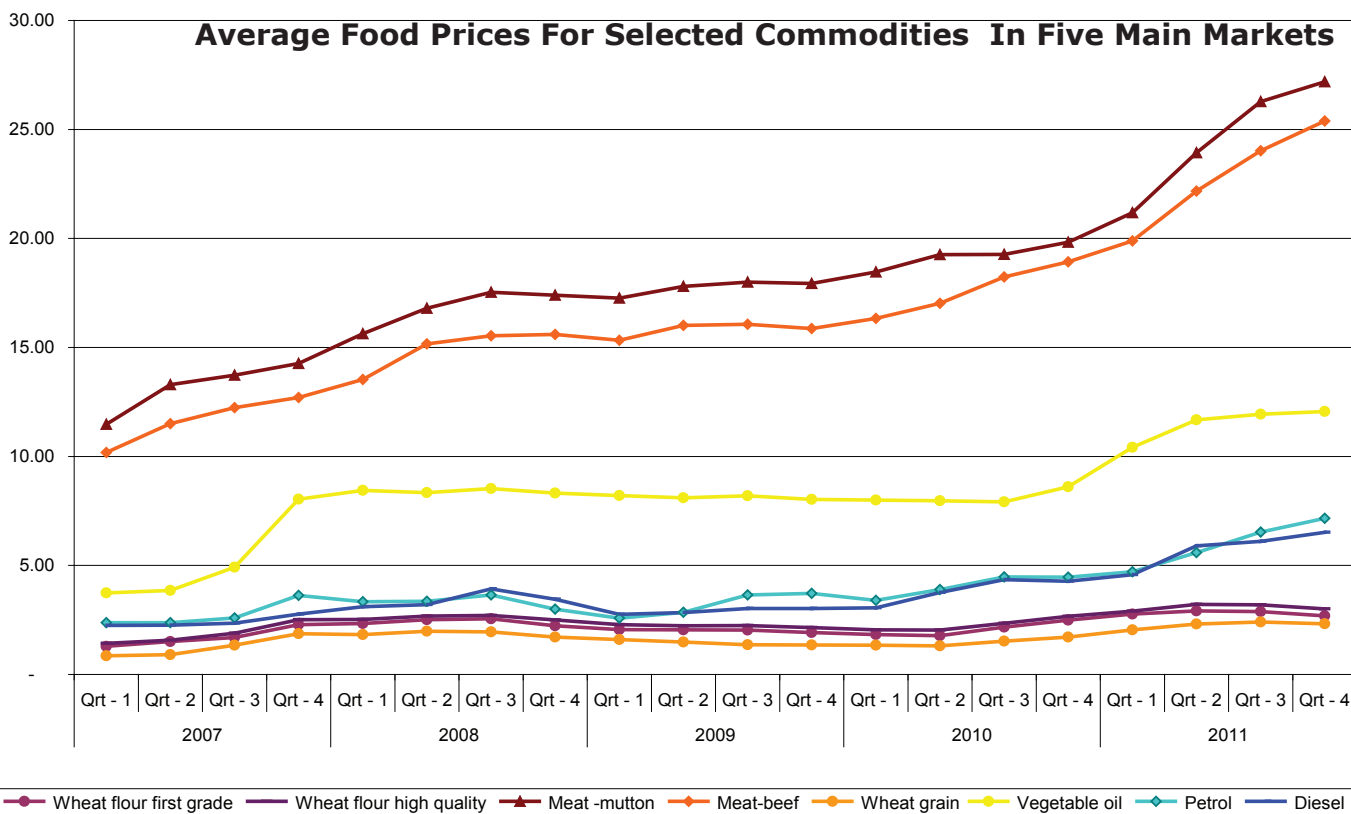


Tajikistan Market Price Report December 2011



Highlights

- More than 300 freight cars bound for southern Khatlon Region have been stranded in Uzbekistan territory since November 16, including 23 wagons with WFP humanitarian assistance. If railings do not resume, a spike in the prices of food and other goods can be anticipated in the region.
- Prices for wheat flour continued to decline, falling by 4% country-wide. However, petrol prices increased by 8% in the capital.
- The inflation rate has risen 9% since January 2011, according to the National Bank of Tajikistan



World Food Programme

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 November 2011 prices, consumer trends and outlook for the future. For more information, contact Saidamon.Bodamaev@wfp.org

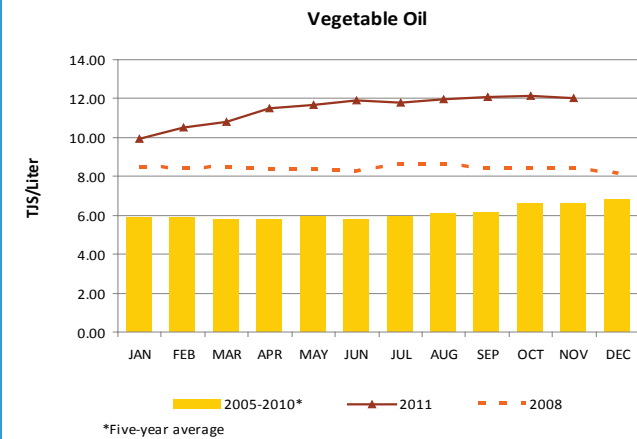


Current prices and trends

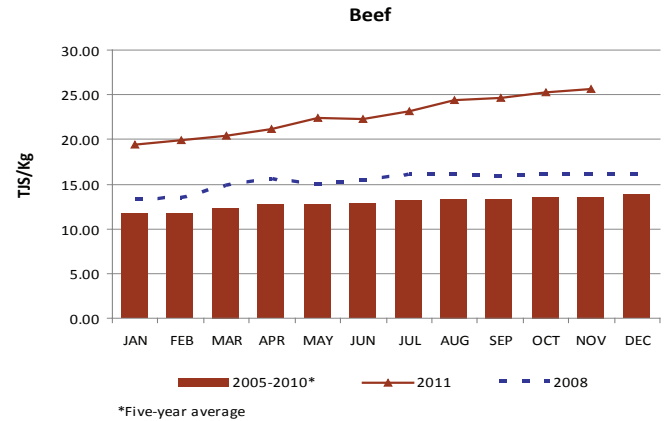
Wheat flour prices declined during November due to adequate supply from Kazakhstan and the country's own harvest. The greatest decrease in prices for wheat flour was in Kurgan-Tyube and Khujand, where they went down by 11% and 8% respectively compared to the previous month. The rise year on year for wheat flour was 5%.

Wheat grain decreased by 10% in Khujand due to availability in the markets. However, prices rose in Dushanbe and Kurgan-Tyube by around 3%, because of demand overweighing supply. Country-wide, wheat grain was up 29% over November 2010.

Vegetable oil prices were unchanged in Khujand, Khorog and Gharm markets. The depreciation of the Tajik Somoni against the US Dollar was the main reason pushing up the prices for imported vegetable oil in Dushanbe by 2%. In Kurgan-Tyube prices decreased by around 8% due to availability and increased supplies. Vegetable oil has increased by 40% since November 2010.



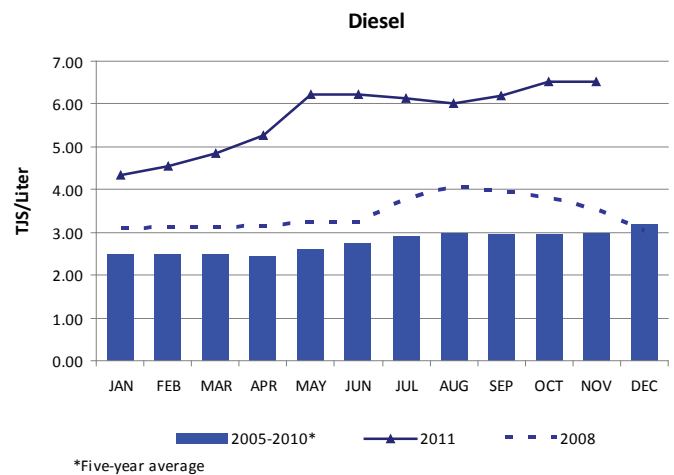
Meat prices were highest in Dushanbe and Gharm because of higher demand due to Eid al-Zuhr celebrations, high transportation costs and increased prices for fodder. Meat (beef and mutton) rose 4% and 3% respectively over the previous month. The rise year on year on average for the country was 38% for beef and 36% for mutton.

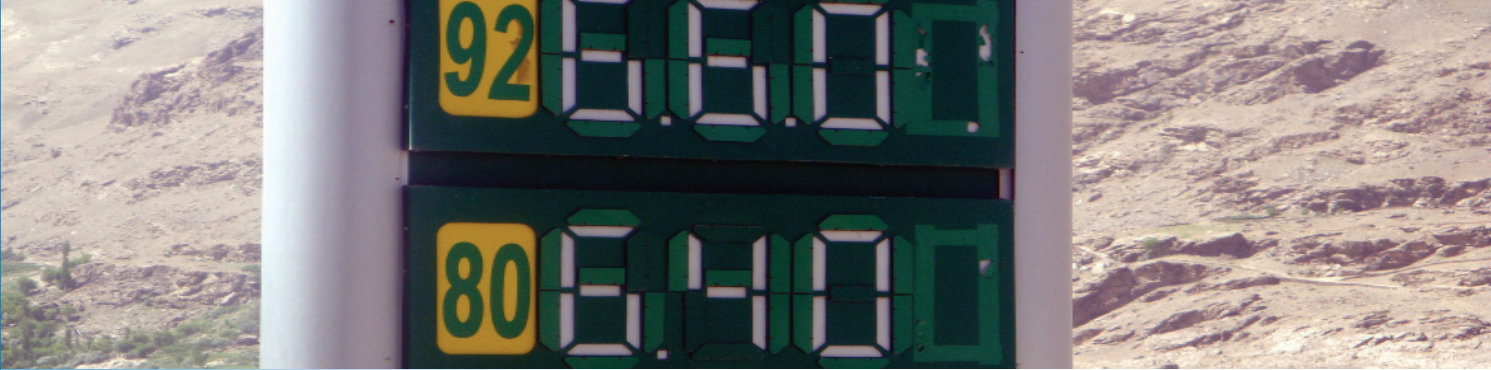


To meet the increased demand for meat in Dushanbe and for the purpose of reducing the high prices additional temporary selling points were opened by the City Government in the markets.

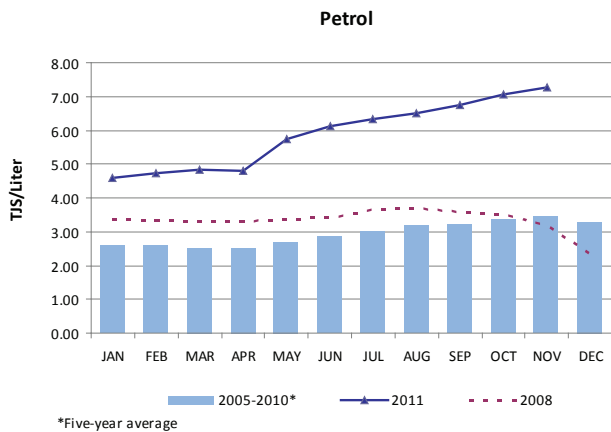
Potato prices rose by 3% over the month and by 17% since November 2010. Additional expenses for transportation and high demand pushed up prices in Dushanbe and Khorog by around 7% and 6% respectively compared to October. The prices decreased by 2% in Gharm due to sufficient supply from the region's own harvest.

Prices for **diesel** were unchanged in all markets. However, diesel prices still remain in their highest levels, with an increase of 53% since November 2010.





Petrol prices rose by 3% country-wide, and 8% in Dushanbe and 3.5% in Khujand. The main reason was demand for fuel overweighing supply after fewer exports from Russia into the market. During the month Petrol reached TJS7.32 (US\$1.51) per litre, a 64% increase over the year before.



Outlook for the next three months

Reports from international Organizations confirm that unexpected and unseasonably cold weather including frost, heavy rains and snow in Tajikistan's southern Khatlon Region November 7-11, 2011 caused widespread post-harvest losses to farmers and rural households. This could have a significantly negative impact on

food security situation of households relying mainly on home production and push up the prices for these particular food commodities.

Information on prices from WFP for first half of December indicates that following the cold weather in the beginning of November the prices for rice have increased considerably (by 30%) in the northern part of the country, adversely affecting prices for the commodity in other markets as well.

The demand for wheat grain and wheat flour, the main staple of the Tajik diet, may rise in winter, when more people depend on the market, and put upward pressure on prices. However, this trend may somehow be eased thanks to a record wheat harvest in Kazakhstan (the estimate from USDA is for Kazakhstan's wheat production to be over 90% larger than last year's harvest), which will contribute to stable and adequate supplies of wheat flour to Tajikistan.

Prices for fuel will remain at their highest during the winter and lean period because of adequate demand for regular use and for the increased domestic heating requirements, following the limitations in provision of electricity power in rural areas.

Increased fuel prices and transportation costs will affect food prices in remote areas, especially during the winter and the "lean season" when access to these areas remains difficult.

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/fats, fruits/vegetables, potato, sugar/honey, spices, coffee/tea, mineral water/soft drinks/juices).

The cost of the minimum food basket this month was about the same level as October and was equal to TJS131.78/\$27.31.

