



# World Food Programme

## Monthly Price and Food Security Update Kyrgyz Republic, November 2012

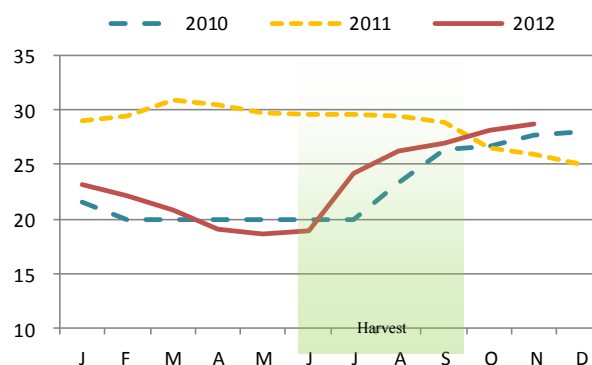
### HIGHLIGHTS

- ◆ In November 2012, the retail price of wheat flour increased by 2% in rural and urban areas on a month-on-month basis. This means that since June 2012, the price has increased by 56% in rural and 45% in urban areas, and an average of 50% across the country.
- ◆ The domestic retail price of wheat flour in November was only 5% lower than the peak level of early 2011.
- ◆ Milk prices continued to increase for a third month and are 22% up in rural and 12% up in urban areas on a month-on-month basis. The highest increase was observed in rural and urban Batken (53% and 52% respectively), rural and urban Osh (42% and 13% respectively) and urban Naryn (20%). The average nation-wide price is 33% higher than in November 2011.
- ◆ The average retail price of potatoes increased by 16% in rural and 9% in urban areas on a month-on-month basis. The average nation-wide price is 21% higher than in November 2011.
- ◆ Increasing expenditures on gas, coal and firewood during winter will put further pressure on the strained economic capacity of food-insecure and vulnerable households who already spend up to 61% of their household budgets on food.
- ◆ Although it is difficult to predict a short-term change in food prices, it is unlikely that the cost of the average food basket will go down significantly during the next lean season, considering the observed trend of increasing prices during the same periods in previous years.

### WHEAT FLOUR PRICES (NOVEMBER 2012)

- ◆ After a five-month consecutive increase, the price of wheat flour rose an additional 2% in November 2012 in rural areas and urban areas. Since June 2012, the price has increased by 56% in rural and 45% in urban areas.
- ◆ The domestic retail price of wheat flour in November was only 5% lower than the peak level of early 2011. This reflects the impact of increased import prices from Kazakhstan where wheat production was reduced by 50%, as well as an estimated 31% reduction in domestic production compared to the previous year.
- ◆ The price of second grade wheat flour increased by an average of 6% in urban and 2% in rural areas.

Figure 1: Retail price of wheat flour by area (nation-wide average, in Kyrgyz som per kg)



Source: WFP Monthly Market Monitoring

## INFLATION (OCTOBER 2012)

- On a month-on-month basis, the Consumer Price Index increased 1.9% (Figure 2). The Food Price Index continued to increase for a fourth month and rose 2.6%. On a year-on-year basis, foodstuff prices increased 2.7% in October 2012. Both indices are provided by the National Statistics Committee of the Kyrgyz Republic on a monthly basis.

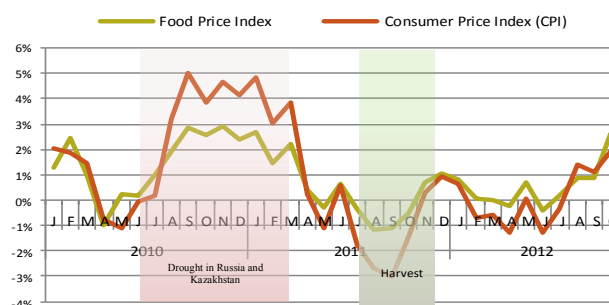
## PRICES OF OTHER BASIC COMMODITIES

- Milk prices continued to increase for a third month and are 22% up in rural and 12% up in urban areas on a month-on-month basis. The highest increase was observed in rural and urban Batken (53% and 52% respectively), rural and urban Osh (42% and 13% respectively) and urban Naryn (20%). The milk price increase reflects a seasonal pattern (Figure 3), however, the average nation-wide price is still 33% higher than in November last year. The price did not increase in Talas, Issyk-Kul and Chuy likely due to the abundance of milk in these areas as a result of a ban on milk imports introduced by Kazakhstan in early October.
- The average retail price of potatoes increased by 16% in rural and 9% in urban areas on a month-on-month basis. The average nation-wide price is 21% higher than in November 2011 (Figure 4).
- Fuel prices did not change nation-wide, but remained higher in southern oblasts, which will continue to keep the prices of some basic commodities higher, because of delivery cost.

## INSIGHTS ON EFFECTS AT HOUSEHOLD LEVEL

- An estimated 25% of households, or about 1.3 million people, were found to be food-insecure during the September 2012 Emergency Food Security Assessment. This is a significant deterioration on a year-on-year basis. The highest levels of food insecurity were found in Jalalabad (48%), Osh (38%) and Batken (38%) oblasts (Figure 4).
- The food price increase, as well as reduced remittances, limited land available for crop production. Dependency on irregular cash was identified as a potential reason for deterioration food security in the southern provinces of the country.
- Irregular and low income, and few productive assets (land, animals, skills, credit), in addition to increased food prices, did not enable households to maintain an adequate frequency and diversity of food intake.
- Food insecure households consumed less vegetables, meat, eggs and dairy products compared to March 2012 and August 2011 (Figure 6).

Figure 2: Month-on-month change in Consumer Price Index and Food Price Index



Source: National Statistics Committee of the Kyrgyz Republic

Figure 3: Nation-wide retail price of milk (in Kyrgyz som per liter)

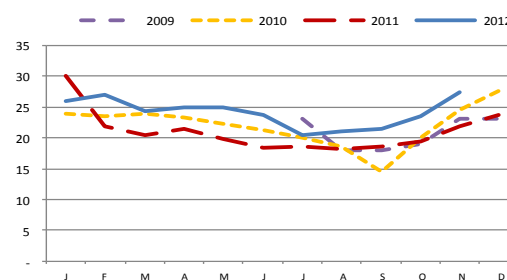
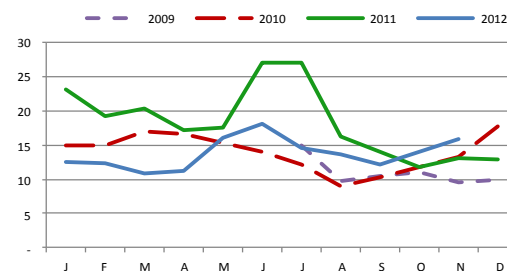


Figure 4: Nation-wide retail price of potatoes (in Kyrgyz som per kg)



Source: WFP Market Monitoring

Figure 5: Estimated proportion of food insecure households by oblast (September 2012)

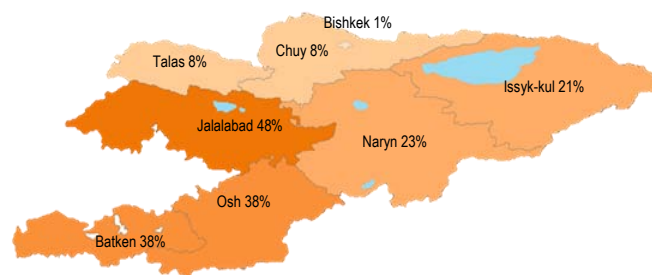
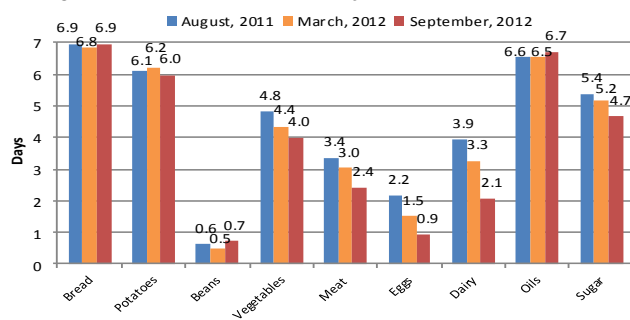


Figure 6: Frequency of consumption of main food items among food insecure households (days)

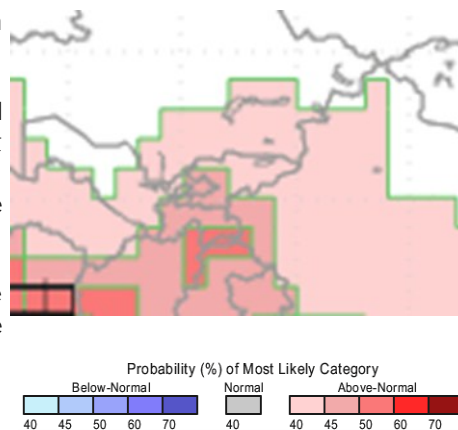


Source: Household Food Security Assessment, WFP September 2012

## OUTLOOK FOR THE NEXT FEW MONTHS

- ◆ The situation of currently food-insecure and vulnerable households is likely to further deteriorate during winter and early spring when stocks of food are depleted and additional inputs are required for the spring planting campaign.
- ◆ Increasing expenditures on gas, coal and firewood during winter will put further pressure on the economic capacity of the food insecure and vulnerable, who spent 17% of their monthly budget on coal and firewood (WFP Post Distribution Monitoring December 2011 - January 2012).
- ◆ Although it is difficult to predict a short-term change in food prices, it is unlikely that the cost of the average food basket will go down significantly during the next lean season, considering the observed trend of increasing prices during the same periods in previous years.
- ◆ The forecast provided by the International Research Institute for Climate and Society (IRI) in Figure 7 shows that the temperatures in Kyrgyzstan in the December-February period will be above normal with a probability of 40-50%. The Agency for Hydrometeorology of the Kyrgyz Republic forecasts temperatures for December 2012 at a normal level with a higher than normal precipitation level. Although this is unlikely to have a significant impact on food security, close monitoring is required.

Figure 7. Multi-Model Probability Forecast for Temperature for Dec-Jan-Feb







Source: *The International Research Institute for Climate and Society (IRI), issued in Nov 2012*

## WFP IN THE KYRGYZ REPUBLIC




- ◆ In September 2012, WFP conducted its fifth food security assessment to assess the impact of increased food prices on household food security, particularly the price of wheat flour, a staple for most of the population. The assessment showed that household food insecurity levels in the country deteriorated, with an estimated 25% of households, or about 1.3 million people, deemed food-insecure, compared with 18% of households in March 2012. An additional 547,000 people were facing the risk of food insecurity in the event of further shocks (e.g. further price increases, upsurge of conflict, natural disasters). This can be attributed to the increased price of wheat flour, from which Kyrgyz households get 40% of their calorific intake.
- ◆ WFP's VGF programme is supporting the most vulnerable people in the country by providing fortified staple foods to fill calorific needs as well as help ease the burden of increasing expenditures for basic foods. In December 2012, WFP will start distributing winter food assistance to more than 230,000 people identified as the most food-insecure based on vulnerability criteria agreed with the Ministry of Social Development. Selection criteria included being a low income households - earning less than 450 soms (US\$10) per person per month, with three or more children below the age of 14, no productive assets and livestock, and limited land plots. Nearly 4,000 metric tons of fortified wheat flour and vitamin-enriched cooking oil have been pre-stocked in WFP warehouses in Osh and Bishkek for distributions in the coming weeks.
- ◆ The Food for Assets Programme helps communities to rehabilitate rural infrastructure such as irrigation canals, run-off ponds and roads to achieve sustainable agricultural production and improve communities' resilience to natural disasters and high food prices. By the end of 2012, about 80,000 people will benefit from taking part in FFA schemes by receiving food rations in remuneration for their labour totalling about 2,300 metric tons.
- ◆ WFP also supports the country in strengthening the domestic system for monitoring food security in order to better predict and respond to food insecurity in an efficient, timely manner.

## PRICES OF BASIC COMMODITIES IN RURAL AND URBAN MARKETS (NOVEMBER 2012)

Retail prices of basic commodities are monitored on a monthly basis in selected urban and rural markets in all oblasts (provinces) in the country. The latest retail prices are compared against prices in the previous month, three months ago, and one year ago.

Area	Commodity	Current Price (KGS)	Change in Price (%)			Level of Fluctuation			Commodity	Current Price (KGS)	Change in Price (%)			Level of Fluctuation		
			1 m	3 m	1 yr	1 m	3 m	1 yr			1 m	3 m	1 yr	1 m	3 m	1 yr
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	28	-2%	-2%	16%	▶	▶	▲	Wheat flour (1st quality)	32	-9%	14%		▼	▲	
	Meat (mutton)	290	-3%	-3%	16%	▶	▶	▲	Meat (mutton)	280	0%	0%		▶	▶	
	Meat (beef)	280	0%	4%	-10%	▶	▶	▶	Meat (beef)	280	0%	0%		▶		
	Milk	30	0%	0%	0%	▶	▶	▶	Milk	25						
	Potato	15	5%	18%	-27%	▶	▲	▼	Potato	15	0%	0%		▶	▶	
	Cooking oil	87	0%	2%	-10%	▶	▶	▶	Cooking oil	95	-5%	19%		▶	▲	
	Sugar	50	0%	0%	4%	▶	▶	▶	Sugar	50	-9%	0%		▼	▶	
	Petrol (Octane rating 92)	40	1%	12%	10%	▶	▲	▶	Petrol (Octane rating 92)	40	1%	10%		▶	▶	
	Diesel	40	0%	2%	8%	▶	▶	▶	Diesel	40	0%	2%		▶	▶	
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	26	1%	11%	13%	▶	▲	▶	Wheat flour (1st quality)	26	3%	18%	10%	▶	▲	▶
	Meat (mutton)	273	0%	-7%	-6%	▶	▶	▶	Meat (mutton)	285	0%		10%	▶	▶	▶
	Meat (beef)	275	0%	-6%	-4%	▶	▶	▶	Meat (beef)	-						
	Milk	20	0%	0%	33%	▶	▶	▲	Milk	20	0%	0%	33%	▶	▶	▲
	Potato	14	8%	50%	68%	▲	▲	▲	Potato	14	0%	40%	56%	▶	▲	▲
	Cooking oil	98	0%	4%	-3%	▶	▶	▶	Cooking oil	98	0%	1%	-2%	▶	▶	▶
	Sugar	46	-1%	-17%	-11%	▶	▼	▶	Sugar	48	0%	-14%	-10%	▶	▼	▶
	Petrol (Octane rating 92)	36	2%	2%	4%	▶	▶	▶	Petrol (Octane rating 92)	38	3%	5%	8%	▶	▶	▶
	Diesel	37	0%	1%	4%	▶	▶	▶	Diesel	38	0%	1%	6%	▶	▶	▶
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	30	0%	0%	50%	▶	▶	▲	Wheat flour (1st quality)	30	0%	0%	0%	▶	▶	▶
	Meat (mutton)	255	-9%	-8%	-8%	▼	▶	▶	Meat (mutton)	-						
	Meat (beef)	282	0%	1%	-3%	▶	▶	▶	Meat (beef)	290	0%	-3%	-3%	▶	▶	▶
	Milk	25	0%	67%	0%	▶	▲	▶	Milk	20	0%	33%	0%	▶	▲	▶
	Potato	12	71%	0%	100%	▲	▶	▲	Potato	11	79%	0%	127%	▲	▶	▲
	Cooking oil	105	0%	0%	5%	▶	▶	▶	Cooking oil	110	0%	0%	0%	▶	▶	▶
	Sugar	50	0%	-7%	0%	▶	▶	▶	Sugar	55	0%	0%	10%	▶	▶	▶
	Petrol (Octane rating 92)	37	0%	3%	2%	▶	▶	▶	Petrol (Octane rating 92)	-						
	Diesel	40	0%	2%		▶	▶		Diesel	40	0%	0%		▶	▶	
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	27	10%	0%	-12%	▲	▶	▶	Wheat flour (1st quality)	30	0%	15%	-17%	▶	▲	▼
	Meat (mutton)	247	-5%	-12%	-9%	▼	▼	▶	Meat (mutton)	247	-5%	-12%	0%	▼	▼	▶
	Meat (beef)	300	5%	0%	1%	▶	▶	▶	Meat (beef)	300	7%	0%	0%	▲	▶	▶
	Milk	30	20%	50%	45%	▲	▲	▲	Milk	22	8%	0%	44%	▶	▶	▲
	Potato	17	11%	11%	32%	▲	▲	▲	Potato	15	12%	28%	53%	▲	▲	▲
	Cooking oil	97	0%	14%	0%	▶	▲	▶	Cooking oil	97	-13%	-3%	-16%	▼	▶	▼
	Sugar	45	-4%	-9%	-12%	▶	▶	▶	Sugar	45	-6%	-31%	-27%	▼	▼	▼
	Petrol (Octane rating 92)	35	-7%	-4%	-3%	▼	▶	▶	Petrol (Octane rating 92)	35	-5%	0%	-12%	▶	▶	▶
	Diesel	39	1%	0%	5%	▶	▶	▶	Diesel	39	0%			▶		



Area	Commodity	Current Price (KGS/unit)	Change in Price (%)			Level of Fluctuation			Commodity	Current Price (KGS/unit)	Change in Price (%)			Level of Fluctuation		
			1 m	3 m	1 yr	1 m	3 m	1 yr			1 m	3 m	1 yr	1 m	3 m	1 yr
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	30	1%	12%	20%	▶	▲	▲	Wheat flour (1st quality)	30	0%	13%	13%	▶	▲	▶
	Meat (mutton)	300	2%	0%	0%	▶	▶	▶	Meat (mutton)	317	3%	0%	6%	▶	▶	▶
	Meat (beef)	280	0%	2%	0%	▶	▶	▶	Meat (beef)	290	0%	0%	0%	▶	▶	▶
	Milk	28	13%	26%	-6%	▲	▲	▶	Milk	28	42%	13%	74%	▲	▲	▲
	Potato	17	-4%	6%	13%	▶	▶	▶	Potato	17	11%	-12%	-32%	▲	▼	▼
	Cooking oil	100	0%	6%	0%	▶	▶	▶	Cooking oil	100	0%	3%	0%	▶	▶	▶
	Sugar	53	7%	7%	7%	▲	▶	▶	Sugar	53	6%	2%	-4%	▲	▶	▶
	Petrol (Octane rating 92)	42	1%	11%	0%	▶	▲	▶	Petrol (Octane rating 92)	42	1%	10%		▶	▲	
Diesel	43	2%	3%	9%	▶	▶	▶	Diesel	42	1%	2%	7%	▶	▶	▶	
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	29	0%	12%	21%	▶	▲	▲	Wheat flour (1st quality)	30	0%	14%	18%	▶	▲	▲
	Meat (mutton)	300	-1%	0%	0%	▶	▶	▶	Meat (mutton)	280	0%	0%	-7%	▶	▶	▶
	Meat (beef)	280	0%	0%	-5%	▶	▶	▶	Meat (beef)	250	0%	-4%	-14%	▶	▶	▶
	Milk	30	0%	20%	0%	▶	▲	▶	Milk	30	0%	38%	0%	▶	▲	▶
	Potato	17	4%	4%	-10%	▶	▶	▶	Potato	17	0%	0%	-17%	▶	▶	▼
	Cooking oil	97	0%	-3%	-11%	▶	▶	▶	Cooking oil	100	3%	0%	-9%	▶	▶	▶
	Sugar	51	0%	-1%	-13%	▶	▶	▶	Sugar	51	0%	-3%	-21%	▶	▶	▼
	Petrol (Octane rating 92)	42	1%	11%		▶	▲		Petrol (Octane rating 92)	42	1%	11%		▶	▲	
Diesel	42	0%	1%	7%	▶	▶	▶	Diesel	42	0%	0%	7%	▶	▶	▶	
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	28	2%	18%	2%	▶	▲	▶	Wheat flour (1st quality)	30	7%	22%	5%	▲	▲	▶
	Meat (mutton)	350	0%	0%	17%	▶	▶	▲	Meat (mutton)	350	0%	0%	17%	▶	▶	▲
	Meat (beef)	280	0%	0%	8%	▶	▶	▶	Meat (beef)	280	0%	0%	8%	▶	▶	▶
	Milk	40	52%	85%	85%	▲	▲	▲	Milk	38	53%	92%		▲	▲	
	Potato	20	5%	50%	40%	▲	▲	▲	Potato	21	13%	59%	55%	▲	▲	▲
	Cooking oil	75	0%	13%	-12%	▶	▲	▶	Cooking oil	72	0%	8%	-16%	▶	▶	▼
	Sugar	55	0%	-5%	-20%	▶	▶	▼	Sugar	55	0%	-6%	-21%	▶	▶	▼
	Petrol (Octane rating 92)	41	0%	3%	-3%	▶	▶	▶	Petrol (Octane rating 92)	42	0%	0%	0%	▶	▶	▶
Diesel	44	0%	0%	2%	▶	▶	▶	Diesel	45	0%	0%	5%	▶	▶	▶	

- ▲ Price increase above normal price fluctuation
- ▶ Normal price fluctuation
- ▼ Price decrease below normal fluctuation

Price fluctuation is considered normal if change within:  
5% for 1 month, 10% for 3 months, 15% for 1 year