



# World Food Programme

## Monthly Price and Food Security Update Kyrgyz Republic, April 2013

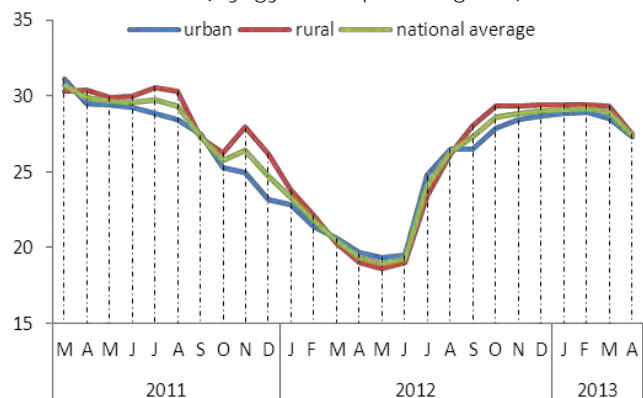
### HIGHLIGHTS

- ◆ For the first time in ten months, the retail price of wheat flour decreased by 5% on a month-to-month basis in April. However, the national average price remained 42% higher than in April 2012. The increase in price remained higher in rural area (45%) compared to urban area (39%).
- ◆ While the price of milk decreased in Osh, Jalalabad and Batken in April 2013, it remained higher than in northern oblasts.
- ◆ Findings of the most recent Household Food Security Assessment (HFSA) conducted by WFP in March 2013 showed an estimated 24% of households were food insecure. The proportion has remained high since September 2012 (25%) and remains a deterioration compared to the same month in the previous year (18%, March 2012).
- ◆ More in-depth analyses of food prices in the Kyrgyz Republic are available in the final report of a recent market assessment conducted by WFP (Market Assessment - Secondary Data Analysis April 2013, available at <http://www.wfp.org/content/kyrgyzstan-market-assessment-secondary-data-analysis-april-2013>)

### WHEAT FLOUR PRICES (April 2013)

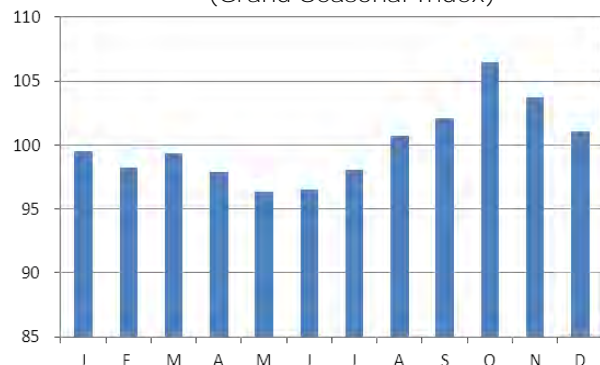
- ◆ In April 2013, the retail price of wheat flour decreased by 5% on a month-to-month basis (Figure 1). This is a normal seasonal change as historical analysis shows lower prices between April and July than during September and December (Figure 2). A positive forecast for 2013 global wheat production, imports of wheat from the Russian Federation, and associated market forces are considered potential factors that contributed to decreased prices.
- ◆ However, the national average price remains 42% higher than in the April 2012. The price increase was higher in rural areas (45%) compared to urban areas (39%).
- ◆ The average price of second grade wheat flour also decreased by 7% on a month-to-month basis. The latest WFP regular food security monitoring revealed that mixing lower quality wheat flour with first grade wheat flour was one of the strategies used by vulnerable households to cope with increasing food prices.

Figure 1. Retail prices of wheat flour (Kyrgyz som per kilogram)



Source: WFP Monthly Market Monitoring

Figure 2. Seasonal pattern of wheat flour prices (Grand Seasonal Index)



Source: WFP Market Assessment based on the NSC data

## INFLATION

◆ Inflation in the Kyrgyz Republic has steadily increased since 2007, driven both by food and non-food items as indicated by the Consumer Price Index (Figure 3). The growth pace has been smooth for non-food prices, while it has been unrulier for food items. In March 2013, the non-food CPI and food CPI increased by 0.1% and 0.5%.

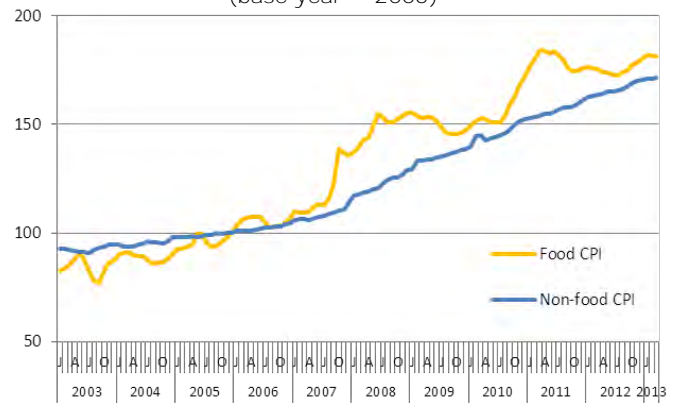
## PRICES OF OTHER BASIC COMMODITIES

- ◆ The retail prices of potatoes decreased by 1% in rural areas and 4% in urban areas on a month-to-month basis.
- ◆ Milk prices decreased in rural and urban areas by 3% and 8% on a month-to-month basis. As Figure 5 shows, this is a normal seasonal change resulting from increase in production. However, milk was 3% higher than the same month of last year. Prices in rural (38%) and urban areas (26%) in Batken province were higher than the national average.
- ◆ The prices of carrot and onion increased nationwide by 11% and 10% respectively on a month-to-month basis, reflecting higher prices of newly harvested crops.
- ◆ Fuel prices remained higher in southern oblasts, particularly Batken. The price in rural Batken was 22% higher than the national average.

## INSIGHTS ON EFFECTS AT HOUSEHOLD LEVEL

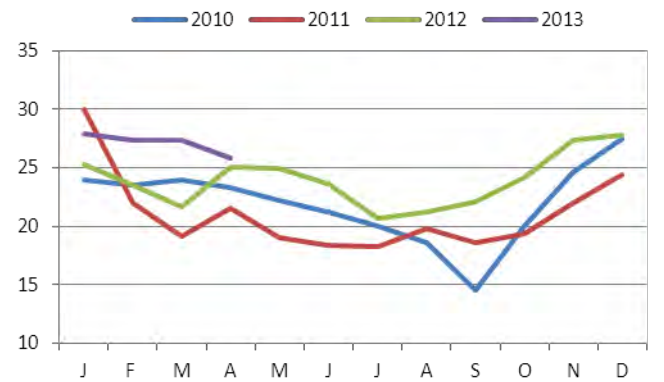
- ◆ Findings of the most recent Household Food Security Assessment conducted by WFP in March 2013 showed an estimated 24% of households were food insecure. The prevalence has remained high since September 2012 (25%), and still represents a deterioration compared to 18% in March 2012. More detailed analysis on regional disparities, contributing factors and household coping strategies will be provided in the final report.
- ◆ Figure 6 shows the changes in the cost of the basic food basket (wheat flour, milk and potatoes in the Kyrgyz Republic) during the fourth quarter of 2012 compared to the third quarter of 2012 in 69 countries. The Kyrgyz Republic was among the 7 countries where the increase was high (more than 5%) along with South Sudan, Syria, Honduras, Zimbabwe, Democratic Republic of Congo and Sudan.

Figure 3: Consumer Price Index (base year = 2005)



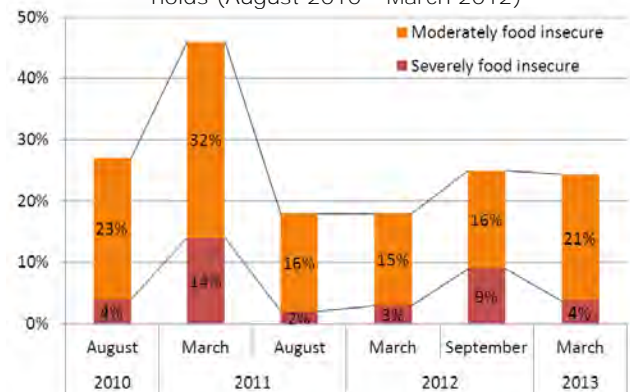
Source: WFP Market Assessment based on the NSC data

Figure 4: Nation-wide retail price of Milk (in Kyrgyz som per kilogram)



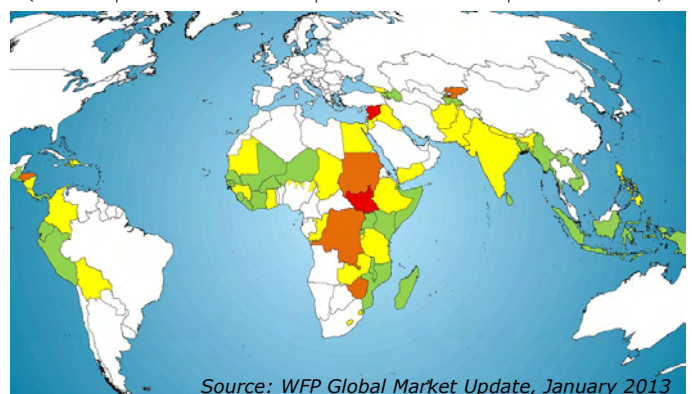
Source: WFP Market Monitoring

Figure 5: Estimated proportion of food insecure households (August 2010 - March 2012)



Source: WFP Household Food Security Assessment

Figure 6: Changes in the cost of the basic food baskets (Fourth quarter of 2012 compared to the third quarter of 2012)



Source: WFP Global Market Update, January 2013

## OUTLOOK FOR THE NEXT FEW MONTHS





- ◆ The results of WFP's regular food security assessments show household food consumption and purchasing power tend to deteriorate during the winter and spring and improve during the summer and autumn. In 2013, the situation is expected to improve towards summer as the production outlook for winter crops is good, generally as a result of favourable weather in March and April. Sowing of summer crops started earlier than an average year, and a positive forecast has been made for domestic wheat harvests.
- ◆ However, the high prices of wheat flour remains a risk to food insecurity. The export price of wheat flour in Kazakhstan showed a downward trend in April, but remained at near-record levels. This will keep domestic prices of wheat flour high. It is unlikely that the prices of basic foods will go down significantly to pre-2007/8 crisis level over the next few months.




## WFP IN THE KYRGYZ REPUBLIC

- ◆ WFP supports the country in strengthening the national system for monitoring food security in order to better predict and respond to food insecurity in an efficient, and timely manner. WFP is also executing "Real-Time Monitoring of Social Impacts of Food Crisis" in the Kyrgyz Republic and Tajikistan, a qualitative monitoring project funded by the World Bank. This project will provide qualitative information on the social impacts of rising food prices, and complement current food security assessments and monitoring activities.
- ◆ WFP's Vulnerable Group Feeding (VGF) programme supports the most vulnerable people in the country by providing fortified staple foods to meet calorific needs and by helping ease the burden of increasing expenditures for basic foods. In April-June 2013, WFP will support 123,000 people in the most food-insecure rural areas with food assistance. Selection criteria includes being a low income household (earning less than 450 soms (US\$10) per person per month) with three or more children below the age of 14, having no productive assets and livestock, and limited land plots.
- ◆ In 2012, 17,484 people participated (94,345 project beneficiaries) in Food-for-Assets/Training (FFA/T) projects. Activities included rehabilitation of more than 326km of irrigation networks that now deliver water to more than 42,000 hectares of crop land. That brings the total length of restored irrigation canals in the country under FFA/T since 2010 to more than 1,133km and the total land area put back to cultivation to more than 95,124 hectares. WFP in partnership with the Ministry of Emergency Situations also supported riverbank reinforcement works across the country to prevent losses and damages as a result of recurring flooding and mudslides. Approximately **2,000 gabions were installed in 2012 which now protect 800 houses. WFP's green initiatives** implemented jointly with the State Agency for Environment Protection and Forestry created tree nurseries and protected and expanded existing forests across the country. In 2012, more than 2.4 million trees and seedlings were planted over a combined area of 1,432 hectares. This brings the **total area reforested under FFA/T schemes since 2010 to nearly 7,800 hectares. As WFP's FFA/T** activities have proved to be an effective instrument in building a foundation for lasting improvements in food security, WFP plans to further expand its FFA/T activities in 2013 with a particular focus on initiatives to empower rural women, disaster mitigation projects and rural infrastructure rehabilitation.
- ◆ In 2013, WFP will also focus on Optimising Primary School Meals Programme in the Kyrgyz Republic aimed at providing technical assistance to the government to improve the quality, efficiency and sustainability of the existing school meals programme while building government capacity. WFP will assist the government to develop a national school meals policy and implementation strategy, and, as a secondary component, implement a pilot to improve meals in selected schools, renovate school canteens and water and sanitation facilities, and introduce more nutritious meals in selected food-insecure areas of the country. The pilot will be used to demonstrate optimised implementation modalities that are effective, accountable, sustainable and cost-efficient.

## PRICES OF BASIC COMMODITIES IN RURAL AND URBAN MARKETS (APRIL 2013)

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	-1%	0%	22%	▶	▶	▲	Wheat flour (1st quality)	28	-10%	-10%	12%	▼	▶	▶
	Meat (mutton)	295	-2%	-2%	18%	▶	▶	▲	Meat (mutton)	290	4%	4%	-3%	▶	▶	▶
	Meat (beef)	290	0%	2%	7%	▶	▶	▶	Meat (beef)	290	4%	4%	-3%	▶	▶	▶
	Milk	30	0%	0%	0%	▶	▶	▶	Milk	27	8%			▲		
	Potato	23	-8%	15%	77%	▼	▲	▲	Potato	25	14%	0%	257%	▲	▶	▲
	Cooking oil	92	0%	2%	2%	▶	▶	▶	Cooking oil	95	2%	0%	6%	▶	▶	▶
	Sugar	50	0%	0%	0%	▶	▶	▶	Sugar	46	-2%	-2%	-8%	▶	▶	▶
	Petrol (Octane rating 92)	37	-3%	-5%	2%	▶	▶	▶	Petrol (Octane rating 92)	36	-2%	-6%	5%	▶	▶	▶
Diesel	40	1%	1%	2%	▶	▶	▶	Diesel	40	1%	1%	3%	▶	▶	▶	
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	25	-6%	-6%	63%	▼	▶	▲	Wheat flour (1st quality)	26		-1%	64%		▶	▲
	Meat (mutton)	270	-2%	4%	-4%	▶	▶	▶	Meat (mutton)	285	0%	6%	-2%	▶	▶	▶
	Meat (beef)	272	-1%	3%	-5%	▶	▶	▶	Meat (beef)							
	Milk	22	8%	8%	8%	▲	▶	▶	Milk	20	0%	0%	0%	▶	▶	▶
	Potato	16	14%	7%	300%	▲	▶	▲	Potato	14	0%	-7%	56%	▶	▶	▲
	Cooking oil	100	2%	2%	-2%	▶	▶	▶	Cooking oil	100	2%	2%	-2%	▶	▶	▶
	Sugar	46	0%	0%	-5%	▶	▶	▶	Sugar	48	0%	0%	-5%	▶	▶	▶
	Petrol (Octane rating 92)	36	-2%	-8%	2%	▶	▶	▶	Petrol (Octane rating 92)	36	-3%	-2%	2%	▶	▶	▶
Diesel	38	4%	4%	-1%	▶	▶	▶	Diesel	38	1%	6%	-2%	▶	▶	▶	
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	30	0%	0%	50%	▶	▶	▲	Wheat flour (1st quality)	30	0%	0%	50%	▶	▶	▲
	Meat (mutton)	265	4%	4%	-7%	▶	▶	▶	Meat (mutton)	265	2%	2%		▶	▶	
	Meat (beef)	285	0%	0%	-2%	▶	▶	▶	Meat (beef)	290	0%	0%		▶	▶	
	Milk	20	0%	-20%	33%	▶	▼	▲	Milk	20	0%	0%	33%	▶	▶	▲
	Potato	12	0%	0%	140%	▶	▶	▲	Potato	12	0%	3%	192%	▶	▶	▲
	Cooking oil	105	0%	0%	0%	▶	▶	▶	Cooking oil	110	0%	0%	0%	▶	▶	▶
	Sugar	50	0%	0%	-11%	▶	▶	▶	Sugar	55	0%	0%	-5%	▶	▶	▶
	Petrol (Octane rating 92)	37	0%	0%	-1%	▶	▶	▶	Petrol (Octane rating 92)							
Diesel	40	0%	0%	1%	▶	▶	▶	Diesel	40	0%	0%	0%	▶	▶	▶	
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	29	-4%	-3%	45%	▶	▶	▲	Wheat flour (1st quality)	29	-11%	-5%	93%	▼	▶	▲
	Meat (mutton)	350	22%	30%	9%	▲	▲	▶	Meat (mutton)	330	10%	19%	10%	▲	▲	▶
	Meat (beef)	340	11%	13%	6%	▲	▲	▶	Meat (beef)	320	1%	0%		▶	▶	
	Milk	25	0%	-17%	25%	▶	▼	▲	Milk	25	0%	-3%		▶	▶	
	Potato	25	25%	3%	213%	▲	▶	▲	Potato	25	7%	3%		▲	▶	
	Cooking oil	90	0%	-11%	3%	▶	▼	▶	Cooking oil	110	-3%	-1%		▶	▶	
	Sugar	50	13%	9%	0%	▲	▶	▶	Sugar	53	6%	13%		▲	▲	
	Petrol (Octane rating 92)	37	-2%	-5%	1%	▶	▶	▶	Petrol (Octane rating 92)	37	-4%	-5%		▶	▶	
Diesel	39	-1%	-2%	-2%	▶	▶	▶	Diesel	39	-3%	-4%		▶	▶		

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)	26	-4%	-10%	18%	▶	▼	▲	Wheat flour (1st quality)	26	-3%	-11%	34%	▶	▼	▲
	Meat (mutton)	300	0%	0%	0%	▶	▶	▶	Meat (mutton)	300	0%	-3%	0%	▶	▶	▶
	Meat (beef)	280	0%	0%	0%	▶	▶	▶	Meat (beef)	290	4%	0%	0%	▶	▶	▶
	Milk	25	-38%	-25%	-17%	▼	▼	▼	Milk	25	-6%	-17%	67%	▼	▼	▲
	Potato	23	-18%	-20%	56%	▼	▼	▲	Potato	22	-30%	-20%	-26%	▼	▼	▼
	Cooking oil	95	-5%	-5%	-5%	▶	▶	▶	Cooking oil	93	-7%	-7%	-7%	▼	▶	▶
	Sugar	50	0%	-5%	-9%	▶	▶	▶	Sugar	53	7%	-1%	-3%	▲	▶	▶
Petrol (Octane rating 92)	39	-4%	-5%	2%	▶	▶	▶	Petrol (Octane rating 92)	39	-2%	-4%	3%	▶	▶	▶	
Diesel	42	-1%	-1%	0%	▶	▶	▶	Diesel	42	1%	0%	1%	▶	▶	▶	
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	26	-6%	-10%	47%	▼	▶	▲	Wheat flour (1st quality)	26	-6%	-9%	49%	▼	▶	▲
	Meat (mutton)	300	0%	0%	0%	▶	▶	▶	Meat (mutton)	300	3%	7%	7%	▶	▶	▶
	Meat (beef)	290	4%	4%	0%	▶	▶	▶	Meat (beef)	270	0%	8%	4%	▶	▶	▶
	Milk	30	0%	0%	-5%	▶	▶	▶	Milk	25	-17%	-17%	-17%	▼	▼	▼
	Potato	30	7%	15%	137%	▲	▲	▲	Potato	28	6%	13%	143%	▲	▲	▲
	Cooking oil	90	-7%	-7%	-10%	▼	▶	▶	Cooking oil	93	-7%	-7%	-7%	▼	▶	▶
	Sugar	50	-1%	-1%	-4%	▶	▶	▶	Sugar	50	0%	-3%	-3%	▶	▶	▶
Petrol (Octane rating 92)	39	-3%	-4%	2%	▶	▶	▶	Petrol (Octane rating 92)	39	-3%	-4%	2%	▶	▶	▶	
Diesel	42	-1%	-1%	-2%	▶	▶	▶	Diesel	42	-1%	-1%	-2%	▶	▶	▶	
	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	27	-10%	-8%	38%	▼	▶	▲	Wheat flour (1st quality)	27	-11%	-10%	36%	▼	▶	▲
	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	33	-9%	-5%	-17%	▼	▶	▼	Milk	35	0%	0%	-5%	▶	▶	▶
	Potato	25	19%	-6%	97%	▲	▶	▲	Potato	24	9%	4%	100%	▲	▶	▲
	Cooking oil	103	0%	0%	38%	▶	▶	▲	Cooking oil	103	0%	-3%	35%	▶	▶	▲
	Sugar	55	3%	0%	-11%	▶	▶	▶	Sugar	55	3%	0%	-8%	▶	▶	▶
Petrol (Octane rating 92)	41	-3%	0%	1%	▶	▶	▶	Petrol (Octane rating 92)	42	0%	0%	-6%	▶	▶	▶	
Diesel	44	0%	0%	7%	▶	▶	▶	Diesel	45	1%	1%	0%	▶	▶	▶	