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 January 2012 prices, consumer trends and outlook for the future.
For more information, contact Saidamon.Bodamaev@wfp.org
Wheat flour prices remained stable throughout January due to sufficient supply, falling to the levels of January 2011. Prices for wheat flour first grade decreased by around 3% in Dushanbe and Khujand compared to December 2011. However, they were up by around 2% in Khorog markets due to additional expenses for transportation.

The prices for wheat grain also remained unchanged compared to the previous month, but still high in comparison with the previous year. Wheat increased by 28% since January 2011. The highest increase in price for wheat grain was seen in Gharm, where it rose by 46% year on year.

Vegetable oil prices remained unchanged in January in all markets due to availability. However, prices still remain high compared to the previous year. Vegetable oil has increased by 24% since January 2011. The highest increase was observed in Gharm, 68% over the 1 year period due to an additional expenses for transportation of the stocks from Dushanbe.

Meat prices rose in Garm and Dushanbe by 2% and 4% respectively because of demand outweighing supply. Increased transportation costs and higher prices for fodder reduced availability, thus driving up the prices for meat.

The rise year on year was 37% for mutton and 32% for beef. The highest increase was seen in Kurgan-Tyube, where meat prices increased by 46% since January last year.

Potato prices increased in average by 7% due to limited supplies. The highest increase in the prices for potato was observed in Garm and Khorog markets, where, compared to the previous month, prices rose by 12% and 20% respectively.

High fuel and transportation costs drove prices up by 17% in Dushanbe and 25% in Kurgan-Tyube over January 2011. However, prices are lower in Khujand markets by around 9% because of own harvest entering the markets.

Rice rose by 6% country-wide, following the loss of the rice harvest in the northern part of the country and DRD districts (particularly Tursunzoda) because of cold weather and frost in November. Prices increased in Dushanbe by 3%, Khorog by 13% and Kurgan-Tyube by 33% due to high demand but limited supplies of the rice entering the markets.

Rice prices increased by 27% over January 2011.
Diesel prices remained stable in all markets with a very slight decrease in Dushanbe (1.3%) because of adequate availability. Diesel prices have increased by 48% country-wide and by 52% in Garm and Dushanbe fuel stations since January 2011.

Petrol prices dropped by about 6% country-wide, and 8% in Kurgan-Tyube after the Tajik Anti-Monopoly Agency regulated prices for petrol provided by Gazpromneft-Tajikistan, the main supplier of fuel, and sold through its fuel stations in the country. However, prices still remain 50% higher than in January of the previous year.

In the coming months, prices for wheat grain, wheat flour and other main staple food will remain high, due to fewer food stocks of households and more people depending on the market. Consequently, the demand for wheat flour, the main staple food (accounting for nearly three-fifths of the total calorie intake in Tajikistan), will increase, pushing prices upward. Kazakhstan’s abundant wheat harvest of 2011 will further contribute to stable and adequate supplies of wheat flour to Tajikistan.

Additional transportation costs will affect food prices in remote areas, particularly during the cold season when access to these areas remains difficult.

Some major interventions by the Government to keep the prices from rising, including the use of strategic reserves, subsidized sales of food commodities, opening of additional selling points for staple food, etc. will contribute to stabilizing prices. However, they will take place mainly in major urban centres rather than rural areas and the scale of these interventions may be too small and duration too short to significantly influence price trends country-wide.

A new Russian decision to provide Tajikistan with 170,000 tons of tax-exempted petrol in 2012 (82% of all petrol imported in 2011) under the provisions of the Eurasian Economic Cooperation (“Asia Plus” newspaper, 25 January 2012) may guarantee stable prices for petrol during the year. This will be welcome relief for a population facing sharp spikes in fuel prices.

Special focus on: Markets. In addition to regularly monitoring the markets in Dushanbe, in order to ensure availability of the main staple food and reduce high prices, the City Municipality started to also intervene in the process of providing the markets with the main food commodities, fruits and vegetables. Additional temporary selling points opened by the Dushanbe City Government and “Tojikmatlubot” (consumers union) in January brought on stream more food products, oil and vegetables, easing market pressure.

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 and based on 11 food groups. The cost of the Minimum Food Basket in January was TJS129.97/US$26.85 slightly lower than in December 2011 (TJS131.78/US$27.15).