The purpose of this monthly update is to provide near to real time insights into the rapidly changing food security environment, particularly food price and its impact at the household level.

**HEADS-UP NOTES**

- The Consumer Price Index (CPI) increased for the first time in 2012 (see below chart).
- Wheat price increased by 5% in June 2012 but it was still 17% lower than a year ago.
- Vegetable prices are expected to decrease after the main harvest as it was observed in 2010 and 2011.
- Food-and-mouth disease killed about 4,000 cattle (0.3% of the total cattle herd nationwide) in 2012. The government will accelerate vaccination. Close monitoring is required.
- According to the results of the WFP Emergency Food Security Assessment (EFSA) conducted in March 2012, an estimated 18% of households, or about 1 million people, were food insecure.
- Average household expenditures for electricity and gas increased significantly from 6% in August 2011 to 31% in March 2012, according to the EFSA.

**MAIN PRICE TRENDS**

- **General inflation:** Official year-on-year inflation rate was 0.5% in May 2012. The Consumer Price Index (CPI) increased for the first time in 2012 (see below chart).
- **Food inflation:** Official year-on-year food inflation was -8.6% in May 2012. The Food Price Index increased by 0.1% in in May compared to April, after continuous decrease since January 2012.
- **Potential negative impacts:** Low cereal price is not necessarily good news as it may negatively affect suppliers, especially small ones. Further examination and analysis of selling prices of crops is required and will take place during the next assessment conducted by WFP.
Fighting Hunger Worldwide

- **Wheat flour**: According to WFP’s monthly price monitoring, the price of wheat flour in June 2012 was 1% higher than in May 2012, but it is still 35% lower than a year ago.

- **Meat**: The prices of both mutton and beef did not decrease and remained 9% and 5% higher than a year ago.

- **Milk**: After a continuous increase from August 2011 to February 2012, the price of milk started to decrease in spring months and went down 3% in June 2012, but was still 30% higher than in June 2011.

- **Animal disease**: Food-and-mouth disease killed about 4,000 cattle (0.3% of total cattle herd nationwide) in 2012. The government will accelerate vaccination. Close monitoring is required.

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**Prices of wheat flour, meat and milk in Kyrgyz Republic (2009-2012, in Kyrgyz som)**

- *Wheat, milk*
- *Meat (mutton)*
- *Meat (beef)*
- *Wheat flour (1st grade)*
- *Milk*

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Data Source: National Statistics Committee

Data Source: WFP monthly monitoring
**Vegetable:** The prices of onion, carrot and potatoes have increased for 2-3 consecutive months but the prices are still lower than in June 2011 by 18%, 23% and 35% respectively, reflecting a good harvest in 2011. Increased prices for vegetables are mainly due to a seasonal factor, as new harvests are still limited especially in the northern parts of the country. The prices are expected to decrease after the main harvest as it was observed in 2010 and 2011.

![Evolution of vegetable prices in Kyrgyzstan 2009-2012](image)

*Data Source: WFP monthly monitoring*

**Fuel prices:** The price of fuel (Petrol 92 and Diesel) sharply increased in mid-2010 and remains very high. In June 2012, the prices remained almost unchanged but they were still 6% higher than a year ago.

![Evolution of fuel prices in Kyrgyzstan 2009-2012](image)

*Data Source: WFP monthly monitoring*
PRELIMINARY INSIGHTS ON EFFECTS AT THE HOUSEHOLD LEVEL

- **Purchasing power:** Official data show real wages (purchasing power) increased in the winter of 2011-2012 thanks to stabilizing/declining prices of some staple foods, increased volume of remittances during the whole of 2011, and increased pensions and social transfers. However, the results of the Emergency Food Security Assessment (EFSA) indicate deteriorated food consumption, particularly food diversity, in some areas. Overall, 12% of households consumed an inadequate diet, which was higher than in August 2011 by 5%. This is presumably because of increased prices of meat and milk, limited variety of food available in markets and restricted physical access to diversified food available in markets.

- **Dietary diversity:** The diet of households with poor food consumption was exclusively based on staples and oils (consumed 6-7 days a week) with some sugar (4-5 days a week). Consumption of animal and vegetable proteins was essentially absent. This entails serious risks of malnutrition and diseases if continued in the medium and longer term, especially for young children, pregnant and nursing women, and the elderly.

- **Coping strategy:** A high proportion (21%) of households continued to use negative coping strategies such as eating less preferred food to ensure the health and nutritional status of vulnerable members.

- **Impact of WFP Programme:** Results of the Post-Distribution Monitoring of beneficiaries of the Vulnerable Groups Feeding (VGF) programme in autumn 2011 indicated improved consumption of basic food items and decreased share of food expenditure in total household budget from 63% to 55%. However, the vast majority (99%) of monitored households were unable to reach the Government-set minimum per capita monthly food expenditure of 2,854 KGS (US $61). Most households rely mainly on irregular and low-paying sources of cash such as sales of crops and unskilled labour. The VGF programme is continuing to support these groups in 2012 and WFP will closely monitor its impact.