Highlights

- The national average price of wheat flour continued to drop due to adequate supplies from Kazakhstan and the country’s domestic harvest. Prices of wheat flour are 18% lower than June 2011.
- Russia reduced the export duties for fuel by around 12% as of 1 July 2012. Russia decreased export duties in May (3%) and June (5%) as well.
- Meat prices show a steep increase due to high prices for animal feed and transportation costs. The rise year on year for meat in the capital was 23%.
- The inflation rate since the beginning of the year was 2.5%, according to the Statistics Agency of Tajikistan. The Eurasian Development Bank (EDB) predicts inflation for 2012 to be at 10%.

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 June 2012 prices, consumer trends and outlook for the future.

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Wheat flour prices dropped in June by 1.5% and wheat grain by 6% due to imports from Kazakhstan and the ongoing domestic harvest. Wheat was down 7% in Gharm and 14% in Kurgan-Tyube markets.

Country-wide, prices for wheat flour are 18% lower compared to June 2011. Locally produced wheat grain decreased by 11%. The lowest prices for wheat flour (first grade) were seen in Khujand (31%) and wheat grain in Kurgan-Tyube (16%) year on year.

Wheat Flour First Grade

Vegetable oil decreased by 2% in Dushanbe due to adequate supplies, including locally produced cotton oil in regional markets. Prices dropped by 8% in Khorog due to lower transportation rates after roads to China via GBAO became accessible and truckers carried more supplies to the east.

Vegetable oil was 5% lower than June 2011. The price in Gharm was 13% higher due to additional transportation expenses from Dushanbe.

Meat prices rose 4% country-wide because of demand exceeding supply. Higher prices for animal feed and transportation reduced the availability of meat.

Country-wide, the rise year on year for meat was 23%. The greatest increase in meat prices was in Dushanbe, where mutton prices rose 33% and beef 42%.

Potato prices fell when the new crop entered markets in Dushanbe, Kurgan-Tyube and Khujand. But limited supplies from the domestic crop pushed up prices in Gharm by 7%.

Prices country-wide were 3% lower compared to June 2011 except in Dushanbe, where a 13% increase was seen due to high transportation costs from other regions, particularly Sughd.

Rice prices remained stable in all markets, except Dushanbe, where prices dropped by 11% due to supply outweighing demand.

However, prices are 19% higher in the capital compared to the same period of last year. Prices were up 17% country-wide and 45% in Kurgan-Tyube because of the extreme cold weather in the fall of 2011.
Fuel (diesel and petrol) prices dropped by 1.5% country-wide following a 5% decrease of export duties by Russia. Prices for petrol decreased by 4% throughout June in Dushanbe due to adequate supplies entering the market.

Prices for diesel and petrol are up by 3% and 4% respectively in comparison to the same period of last year.

The cost of the Minimum Food Basket this month was TJS134.97/US$27.62, lower than in May (TJS149.09/US$30.80). The difference was due to lower prices for wheat flour, vegetable oil and vegetables (particularly cabbage) in Dushanbe markets, where prices are used for the calculation of the Minimum Food Basket.