



# World Food Programme

## ISSUE #14: MONTHLY UPDATE ON FOOD SECURITY AND PRICE IN RURAL AND URBAN AREAS, JUNE 2013

### HIGHLIGHTS

- ◆ In June 2013, the retail price of wheat flour decreased 1% on a month-on-month basis in both rural and urban areas. This was consistent with the trend observed by the National Statistics Committee's (NSC) price monitoring which also showed a 1% decrease. Locations of markets monitored by WFP and NSC are mapped in **Annex 2**.
- ◆ The national average price of wheat flour remained 33% higher than the same month of last year. The increase in price was higher in rural areas (35%) compared to urban areas (31%).
- ◆ The national average prices of beef and mutton remained almost unchanged on a month-on-month basis.
- ◆ In addition to wheat flour, cooking oil and sugar prices also continued to be higher in rural areas than in urban. Close monitoring of prices in remote areas will be required as high fuel prices and transportation costs may be transmitted to consumers.
- ◆ More in-depth analyses of food prices in the Kyrgyz Republic are available (Market Assessment - Secondary Data Analysis April 2013, <http://www.wfp.org/content/kyrgyzstan-market-assessment-secondary-data-analysis-april-2013>).
- ◆ Should any recipient of this bulletin require information from previous monitoring conducted by WFP since June 2009, please contact WFP Country Office in the Kyrgyz Republic at [WFP.Bishkek@wfp.org](mailto:WFP.Bishkek@wfp.org).

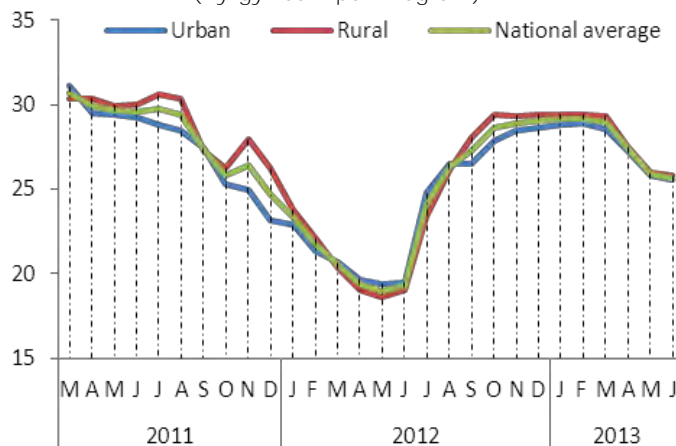
### WHEAT FLOUR PRICES (June 2013)

- ◆ The retail price of wheat flour further decreased by 1% in both rural and urban areas in June 2013 (**Figure 1**), confirming a decreasing price trend over the last four months. This was consistent with the trend observed by the National Statistics Committee (NSC)'s price monitoring which also showed 1% decrease. Locations of the markets monitored by WFP and NSC are mapped in **Annex 2**.
- ◆ A positive forecast for global wheat production in 2013 and improved associated market forces are considered potential factors that have contributed to decreased prices.
- ◆ However, the national average price of wheat flour remained 33% higher than June 2012.
- ◆ These findings were consistent with the NSC's price monitoring, which covers main urban markets in the country. The NSC recorded a 1% decrease in the price of wheat flour compared to May 2013, and a 28% increase compared to June 2012. WFP's data comes from the actual recording of prices in urban and rural markets around the country on a monthly basis, and is working with the NSC to enhance its capacity in food security monitoring.

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



Source: WFP Monthly Market Monitoring

## INFLATION (May 2013)

◆ 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 2**). The pace of growth has been steady for non-food prices, while it has been more variable for food items. In May 2013, both CPI and food CPI increased by 0.3%.

## PRICES OF OTHER BASIC COMMODITIES

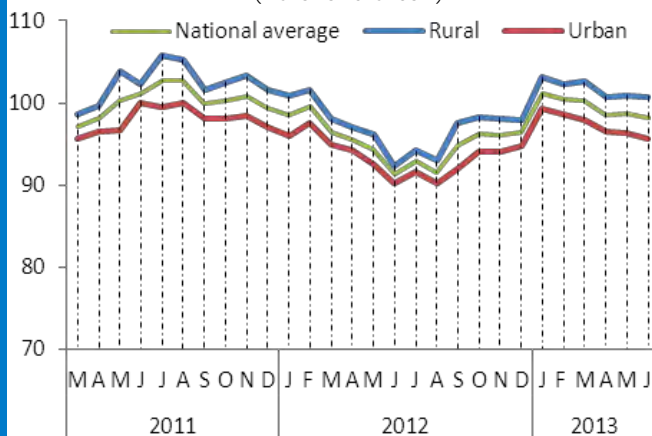
◆ The average prices of beef and mutton remained almost unchanged on a month-on-month basis (increased by 0.3% and 0.6% respectively). Compared with the same month in 2012, the prices were higher by 1% and 2% respectively (**Figure 3**).

◆ The average price of cooking oil also remained almost unchanged on a month-on-month basis (decreased by 0.5%).

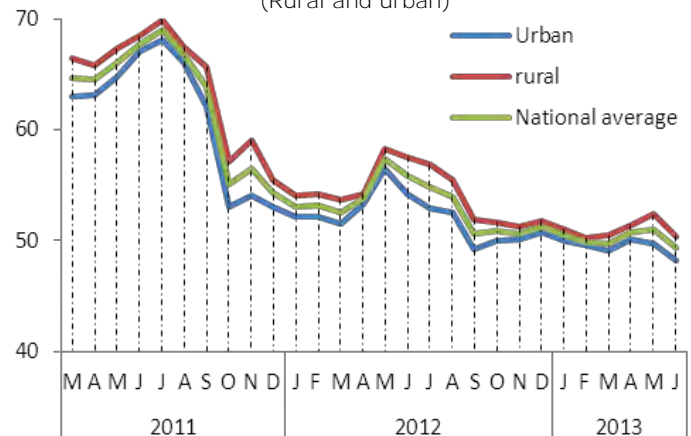
### BOX: Higher prices in rural areas

The prices of wheat flour (**Figure 1**), cooking oil (**Figure 4**), sugar (**Figure 5**) and fuel continued to be higher in rural areas than in urban areas. Close monitoring of prices in remote areas is required as high fuel price and transportation cost may be transmitted to consumers.

**Figure 4.** Retail prices of cooking oil (Rural and urban)



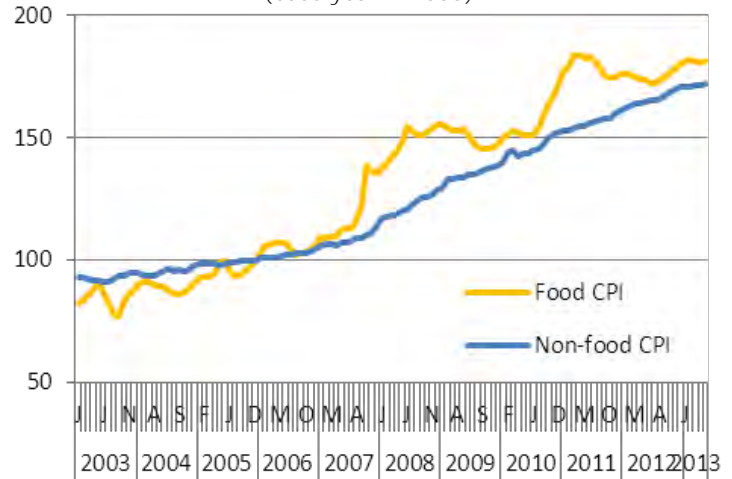
**Figure 5.** Retail prices of sugar (Rural and urban)



## INSIGHTS ON EFFECTS AT HOUSEHOLD LEVEL

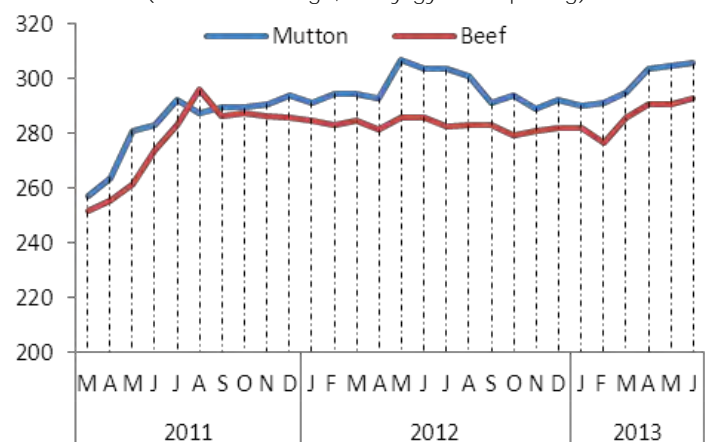
◆ Findings of the bi-annual Household Food Security Assessment conducted by WFP in September 2012 and March 2013 showed a steady increase in the proportion of households unable to acquire adequate quantities and quality of food, after significant improvements during the harvest season in 2011 (**Figure 6**).

**Figure 2.** Consumer Price Index (food and non-food) (base year = 2005)

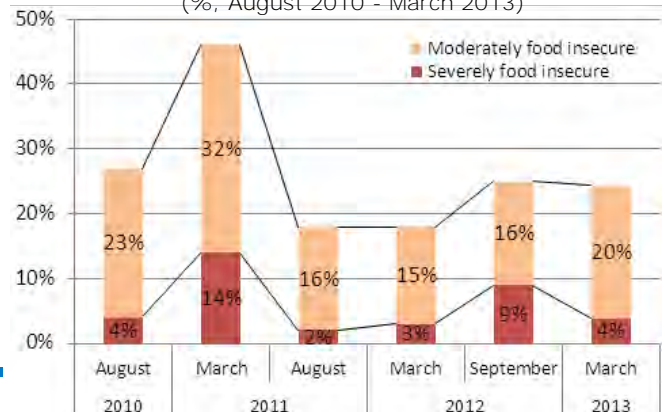


Source: WFP elaboration based on NSC data

**Figure 3.** Retail prices of beef and mutton (national average, in Kyrgyz som per kg)



**Figure 6.** Estimated proportion of food insecure households (% , August 2010 - March 2013)



Source: WFP Household Food Security Assessment

## OUTLOOK FOR THE NEXT FEW MONTHS








- ◆ The results of WFP's regular food security assessments since 2010 showed household food consumption and purchasing power tend to improve during the summer and autumn and deteriorate during the winter and spring. In 2013, the situation is expected to improve towards the summer and autumn as the production outlook for winter crops is good, 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 harvest of wheat.
- ◆ However, the high prices of wheat flour remain a risk to food insecurity. The export price of wheat flour in Kazakhstan showed a downward trend since March 2013, but remained at a near-record level. This will keep domestic prices of wheat flour high. It is unlikely that basic foods prices will go down significantly to pre-2007/8 crisis level during the next few months.

## WFP IN THE KYRGYZ REPUBLIC

- ◆ **Food security analysis and monitoring:** 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.
- ◆ **Vulnerable Group Feeding (VGF):** WFP's VGF programme is supporting 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 supported 131,440 people in the most food-insecure rural areas with 1,515 tons of food commodities. Selection criteria included 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.
- ◆ **Community asset development for food security:** 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.
- ◆ **Green initiatives for food security:** 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 reached more than 3,100 participants (over 15,558 beneficiaries) with FFA schemes
- ◆ **Optimising Primary School Meals Programme:** 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.

# ANNEX 1—PRICES OF BASIC COMMODITIES IN RURAL AND URBAN MARKETS (JUNE 2013)

Retail prices of basic commodities are monitored on a monthly basis in selected rural and urban 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>CHUY</b>	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	28	0%	-1%	27%	▶	▶	▲	Wheat flour (1st quality)	25	-2%	-19%	14%	▶	▼	▶
	Meat (mutton)	280	-6%	-7%	-3%	▼	▶	▶	Meat (mutton)	300	3%	7%	0%	▶	▶	▶
	Meat (beef)	280	-2%	-3%	0%	▶	▶	▶	Meat (beef)	310	7%	11%	7%	▲	▲	▶
	Milk	30	0%	0%	0%	▶	▶	▶	Milk	27	0%	8%	17%	▶	▶	▲
	Potato	18	0%	-28%	-28%	▶	▼	▶	Potato	25	0%	14%	25%	▶	▲	▲
	Cooking oil	92	0%	0%	8%	▶	▶	▶	Cooking oil	95	0%	2%	19%	▶	▶	▲
	Sugar	48	0%	-4%	-8%	▶	▶	▶	Sugar	53	15%	13%	-4%	▲	▲	▶
	Petrol (Octane rating 92)	36	0%	-4%	2%	▶	▶	▶	Petrol (Octane rating 92)	35	-3%	-6%	-4%	▶	▶	▶
	Diesel	40	0%	1%	2%	▶	▶	▶	Diesel	40	-1%	0%	2%	▶	▶	▶
 <b>TALAS</b>	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	24	-3%	-10%	55%	▶	▼	▲	Wheat flour (1st quality)	25	-2%	-6%	56%	▶	▶	▲
	Meat (mutton)	278	5%	1%	-3%	▲	▶	▶	Meat (mutton)	285	0%	0%	-2%	▶	▶	▶
	Meat (beef)	285	4%	4%	-4%	▶	▶	▶	Meat (beef)	280			-5%			▶
	Milk	20	0%	0%	0%	▶	▶	▶	Milk	20	0%	0%	0%	▶	▶	▶
	Potato	28	13%	102%	98%	▲	▲	▲	Potato	30	20%	114%	71%	▲	▲	▲
	Cooking oil	90	-7%	-8%	-8%	▼	▶	▶	Cooking oil	95	-5%	-3%	-3%	▶	▶	▶
	Sugar	48	2%	4%	-9%	▶	▶	▶	Sugar	48	0%	0%	-14%	▶	▶	▶
	Petrol (Octane rating 92)	35	-1%	-3%	0%	▶	▶	▶	Petrol (Octane rating 92)	35	-1%	-7%	-1%	▶	▶	▶
	Diesel	38	-1%	3%	1%	▶	▶	▶	Diesel	39	1%	3%	4%	▶	▶	▶
 <b>ISSYK-KUL</b>	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	27	0%	-10%	35%	▶	▶	▲	Wheat flour (1st quality)	27	0%	-10%	35%	▶	▶	▲
	Meat (mutton)	297	0%	16%	6%	▶	▲	▶	Meat (mutton)	300	0%	15%		▶	▲	
	Meat (beef)	320	2%	12%	14%	▶	▲	▶	Meat (beef)	320	0%	10%		▶	▲	
	Milk	20	0%	0%	33%	▶	▶	▲	Milk	20	0%	0%	33%	▶	▶	▲
	Potato	35	62%	192%	209%	▲	▲	▲	Potato	35	75%	199%		▲	▲	
	Cooking oil	102	0%	-3%	-3%	▶	▶	▶	Cooking oil	105	0%	-5%	-5%	▶	▶	▶
	Sugar	50	0%	0%	-9%	▶	▶	▶	Sugar	55	0%	0%	-5%	▶	▶	▶
	Petrol (Octane rating 92)	38	0%	3%	4%	▶	▶	▶	Petrol (Octane rating 92)	-						
	Diesel	41	0%	4%	5%	▶	▶	▶	Diesel	-						
 <b>NARYN</b>	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	28	0%	-8%	40%	▶	▶	▲	Wheat flour (1st quality)	30	2%	-8%	67%	▶	▶	▲
	Meat (mutton)	300	-7%	5%	0%	▼	▶	▶	Meat (mutton)	-						
	Meat (beef)	320	1%	4%	0%	▶	▶	▶	Meat (beef)	-						
	Milk	25	0%	0%	25%	▶	▶	▲	Milk	25	25%	0%		▶	▶	
	Potato	33	11%	67%	90%	▲	▲	▲	Potato	36	20%	54%	260%	▲	▲	▲
	Cooking oil	97	2%	7%	14%	▶	▶	▶	Cooking oil	120	1%	6%	20%	▶	▶	▲
	Sugar	46	1%	3%	-12%	▶	▶	▶	Sugar	52	-14%	3%	-21%	▼	▶	▼
	Petrol (Octane rating 92)	36	1%	-3%	2%	▶	▶	▶	Petrol (Octane rating 92)	-						
	Diesel	39	-1%	0%	1%	▶	▶	▶	Diesel	40		0%				▶
 <b>OSH</b>	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	28	0%	1%	26%	▶	▶	▲	Wheat flour (1st quality)	25	0%	-8%	25%	▶	▶	▲
	Meat (mutton)	300	0%	0%	-1%	▶	▶	▶	Meat (mutton)	330	8%	10%	4%	▲	▶	▶
	Meat (beef)	280	0%	0%	0%	▶	▶	▶	Meat (beef)	290	0%	4%	0%	▶	▶	▶
	Milk	25	7%	-38%	7%	▲	▼	▶	Milk	25	50%	-6%	50%	▲	▶	▲
	Potato	28	-1%	-1%	62%	▶	▶	▲	Potato	30	2%	-5%	29%	▶	▶	▲
	Cooking oil	100	0%	0%	3%	▶	▶	▶	Cooking oil	100	2%	0%	3%	▶	▶	▶
	Sugar	50	-6%	0%	-6%	▼	▶	▶	Sugar	50	0%	0%	-14%	▶	▶	▶
	Petrol (Octane rating 92)	38	-4%	-7%	-2%	▶	▶	▶	Petrol (Octane rating 92)	38	-2%	-6%	-1%	▶	▶	▶
	Diesel	42	-1%	-1%	0%	▶	▶	▶	Diesel	42	-1%	0%	1%	▶	▶	▶
 <b>JALALABAD</b>	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	24	-4%	-14%	36%	▶	▼	▲	Wheat flour (1st quality)	24	-4%	-14%	36%	▶	▼	▲
	Meat (mutton)	300	0%	0%	0%	▶	▶	▶	Meat (mutton)	300	0%	3%	7%	▶	▶	▶
	Meat (beef)	290	0%	4%	4%	▶	▶	▶	Meat (beef)	270	0%	0%	4%	▶	▶	▶
	Milk	30	0%	0%	20%	▶	▶	▲	Milk	27	7%	-11%	7%	▲	▼	▶
	Potato	27	-11%	-5%	78%	▼	▶	▲	Potato	25	-17%	-6%	67%	▼	▶	▲
	Cooking oil	90	0%	-7%	4%	▶	▶	▶	Cooking oil	93	0%	-7%	10%	▶	▶	▶
	Sugar	45	-7%	-9%	-12%	▼	▶	▶	Sugar	46	-8%	-9%	-12%	▼	▶	▶
	Petrol (Octane rating 92)	38	-3%	-6%	0%	▶	▶	▶	Petrol (Octane rating 92)	38	-3%	-6%	0%	▶	▶	▶
	Diesel	42	-1%	0%	0%	▶	▶	▶	Diesel	42	-1%	0%	0%	▶	▶	▶
 <b>BATKEN</b>	<b>Urban</b>						<b>Rural</b>									
	Wheat flour (1st quality)	20	0%	-31%	5%	▶	▼	▶	Wheat flour (1st quality)	24	0%	-19%	24%	▶	▼	▲
	Meat (mutton)	350	0%	0%	0%	▶	▶	▶	Meat (mutton)	350	0%	0%	0%	▶	▶	▶
	Meat (beef)	280	0%	0%	0%	▶	▶	▶	Meat (beef)	280	0%	0%	0%	▶	▶	▶
	Milk	33	0%	-9%	-13%	▶	▶	▶	Milk	-						
	Potato	26	-8%	24%	4%	▼	▲	▶	Potato	26	-8%	18%	11%	▼	▲	▶
	Cooking oil	98	0%	-5%	31%	▶	▶	▲	Cooking oil	97	0%	-6%	26%	▶	▶	▲
	Sugar	50	-9%	-6%	-19%	▼	▶	▼	Sugar	50	-14%	-6%	-17%	▼	▶	▼
	Petrol (Octane rating 92)	39	0%	-8%	-8%	▶	▶	▶	Petrol (Octane rating 92)	43	0%	1%	-4%	▶	▶	▶
	Diesel	44	0%	0%	0%	▶	▶	▶	Diesel	45	0%	1%	-2%	▶	▶	▶

▲ 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

## ANNEX 2 - LOCATION OF THE MARKETS MONITORED BY WFP AND NSC

- ◆ Retail prices of basic food commodities are monitored and reported by the National Statistics Committee (NSC) in selected rayon capitals (coloured in red) and Kyzyl-Kiya (major market in Kadamjai rayon in Batken Oblast).
- ◆ WFP monitors prices of basic food commodities in seven markets in urban areas and thirteen markets in rural areas, where about 76% of the poor people live.
- ◆ Increased and volatile food prices will affect food insecure and vulnerable families the most because they spend the largest proportion of their household budgets on food.



Administrative boundaries Monitored markets

