WFP monitors weekly food and fuel prices in the five main markets of Tajikistan: Dushanbe, Kurgan-Tyube, Khujand, Garm and Khorog. This report presents an overview of June 2013 prices, consumer trends and outlook for the future.

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Wheat flour prices dropped in June by 3 percent and wheat grain by 3.5 percent due to imports from Kazakhstan and the ongoing domestic harvest. Wheat was down 6 percent in Gharm and 5 percent in Kurgan-Tyube markets thanks to on-going harvesting season in these areas. Locally produced wheat grain decreased by 3 percent month-on-month. Country-wide, prices for wheat flour are 29 percent higher than the same period last year and prices for wheat grain increased by 10 percent since June 2012. The highest prices for wheat flour (first grade) were seen in Khujand, where prices rose by 55 percent year on year.

Meat prices remained stable throughout June in Khujand, Kurgan-Tyube and Gharm markets due to supply meeting demand. Beef dropped in Dushanbe by 3 percent thanks to increased supplies from other regions. Meat (both beef and mutton) rose in Khorog by 8 percent because of limited supplies from Murgab and other surrounding districts, including Roshtkala and Shughnon.

Country-wide, the year on year increase for mutton was 6 percent and for beef 3 percent. The highest increase was observed in Khorog, where meat prices rose by 22 percent since June 2012.

Vegetable oil increased by 9 percent in Kurgan-Tyube due to limited supplies from the capital, due to the fact that the commodity was loosing the quality in the severe heat of the region. Oil dropped by 1 percent in Dushanbe and by 2 percent in Khorog thanks to sufficient supplies. Country-wide, the price of vegetable oil was the same as in June 2012 mainly thanks to adequate availability of the imported stocks. Oil prices dropped by 5 percent year on year in Khujand due to adequate availability of vegetable and cotton oil stocks.

Potato prices continued to increase in Gharm (by 14 percent), Khujand (by 13 percent) and Khorog (by 5 percent) due to limited stocks from previous harvest and high transportation costs for delivery from other regions and the capital.

Potato prices dropped by 29 percent on month-on-month basis in Kurgan-Tyube and 17 percent in Dushanbe after the new domestic crop and more supplies from Pakistan entered markets and supply exceeded demand. The significant monthly decrease of prices for potato resulted in the prices going down by 18 percent and 33 percent in Dushanbe and Kurgan-Tyube respectively compared to June last year.

Rice prices dropped by 6 percent on month-on-month in Kurgan-Tyube and 2 percent in Dushanbe due to increased domestic and imported supplies.

Average national prices for rice in June was 5 percent lower than same month last year. Prices for rice remained below the levels of June 2012 by 18 percent in Kurgan-Tyube markets.
Current prices and trends

A good wheat harvest which is forecasted in Kazakhstan this year may contribute to stable and adequate supplies of wheat flour to Tajikistan. Due to on-going harvest, prices for wheat grain and locally produced flour should remain stable or slightly decrease in coming months.

The Government small scale and temporary interventions, including organising fairs, opening additional selling points in the markets and subsidized sales may contribute in stabilizing food prices during Ramadan celebrations, when food prices in general rise, however, the scale of these interventions is too small and only in urban markets to significantly influence price trends.

Following Russia’s increase of export tariffs for fuel, including petrol, by 3 percent as of 1 July (from US$237.2 per ton in June to US$243.6 per ton in July for fuel and from US$323.3 to US$332.2 for petrol), it is expected that fuel prices will remain stable in the next quarter or slightly increase. However, this will happen only if Kyrgyzstan which for the past months significantly increased fuel exports to Tajikistan (40.8 percent of all imports from January to June 2013 against 40.0 percent for Russian imports), puts limitations on fuel exports as per the latest decree by the country’s Parliament.

Fuel prices may also decline if the agreement between Tajikistan and Russia on the provision of one million tons of duty free fuel will finally be validated and take effect.

Outlook for the next three months

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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. It is based on 11 food groups (meat, fish, milk, eggs/cheese, butter/oil/fats, fruits/vegetables, potato, sugar/honey, spices, coffee/tea, mineral water/soft drinks/ juices).

The cost of the Minimum Food Basket in June was TJS132.93/US$27.34, lower than in May (TJS142.68/US$29.30). The difference was mainly due to changes in prices for wheat flour, potato and cabbage in Dushanbe markets, where prices are used for the calculation of the Minimum Food Basket.