Highlights

• The national average price of wheat flour continued to drop in July due to adequate supplies, but still remained at high level: 22 percent higher compared to July 2012.
• Russia increased the export duties for fuel by 3 percent as of 1 August 2013. Russia rose the tariffs in July (3 percent) as well.
• The City Mayor’s Office in Dushanbe closely monitored and regulated staples prices during Ramadan through various interventions (see special focus on page 3).
• The inflation rate was 0.1 percent in June and 5.5 percent over 12 months, according to the National Bank of Tajikistan (NBT). The IMF predicts that in 2013 inflation pressure is expected to remain low.

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 July 2013 prices, consumer trends and outlook for the future.

For more information, contact Saidamon.Bodamaev@wfp.org
Wheat flour prices dropped in July by 4 percent and wheat grain by 2 percent due to sufficient imports from Kazakhstan and the on-going domestic harvest.

To prevent the increase of prices during the Holy Month of Ramadan, the Government, as in 2011 and 2012, monitored and controlled prices in Dushanbe for main staples, including wheat flour and wheat grain, through regular monitoring and organising subsidized sales from national reserves. This led to decrease of prices for flour by 7 percent and wheat by 3 percent on month on month in the capital.

Country-wide, prices for wheat flour are up by 22 percent and wheat grain by 14 percent compared to July 2012. Locally produced wheat grain increased by 26 percent.

Although, in July prices for wheat flour (first grade) remained stable in Khujand, the highest year on year rise was seen there: 42 percent. Wheat grain has increased by 20 percent in Kurgan-Tyube since July 2012.

Vegetable oil prices remained unchanged due to adequate supplies of imported and locally produced cotton seed oil in regional markets. Country-wide, prices for vegetable oil rose 2 percent in comparison with the same period last year.

Prices increased in Kurgan-Tyube by 9 percent year on year due to the fact that demand for cotton seed oil is greater than higher valued imported vegetable oil. The lowest prices for cotton oil were observed in the region, the largest cotton producing area -- 22 percent less than July 2012.

Meat prices dropped by 1 percent country-wide because of supply exceeding demand. Prices for meat decreased in Dushanbe by 4 percent after the City Mayor’s office issued a decree on price controls in the capital during Ramadan and prices of TJS29.00/US$5.94 and TJS30.00/$6.15 were fixed for beef and mutton respectively. The butchers were instructed to sell meat at reduced prices.

Country-wide, the rise year on year for meat was 3 percent. The greatest increase in meat prices was in Khorog, where mutton prices rose 11 percent (TJS25.60/USD5.29) per 1 kg) and beef (mainly yak meat) 15 percent (TJS24.60/USD5.08), although remaining lower than in other regions.

Potato prices fell in Dushanbe (by 20 percent) and Khujand (by 11 percent) when more supplies from the new crop entered markets. But after two months drop in prices for potato in Kurgan-Tyube, limited supplies in July pushed up the prices by around 30 percent, from TJS1.50/US$0.31 per 1 kg to TJS2.00/US$0.41 per 1 kg.
Average prices for petrol decreased by 1 percent on month-on-month basis due to adequate supplies. In Khorog and Khujand fuel stations the drop was equivalent to 2 percent and 3 percent respectively. Country-wide, petrol prices were down by 5 percent year on year. Prices for petrol dropped by 6 percent in Khujand and 7 percent in Dushanbe since July last year thanks to additional deliveries from Kyrgyzstan and Turkmenistan, bringing the Russia’s share in fuel market from 92 percent in 2010 down to 40 percent in July 2013.

Diesel prices dropped throughout July by 2 percent due to supplies outweighing demand. In Dushanbe the decrease was equal to 5 percent. Country-wide, prices or diesel were down by 3.5 percent compared to the same period last year.

The cost of the Minimum Food Basket this month was TJS124.98/US$25.62, lower than in June (TJS132.93/US$27.34). The difference was due to lower prices for wheat flour, meat, vegetable oil, sugar and potato in Dushanbe markets, where prices are used for the calculation of the Minimum Food Basket.

As previous years, fixed prices were set by the Dushanbe authorities for 12 types of essential food products sold in city markets, including wheat flour, meat, vegetable oil, rice, sugar, milk, eggs and vegetables (potato, onion and carrot) on the first day of Ramadan. Inspectors visit the markets regularly and check whether product prices, which had been fixed by the authorities, were displayed by the traders and limits are adhered to. To control prices the Government also uses subsidised sales from national reserves, mainly wheat flour milled in the country from imported wheat from Kazakhstan as well as rice, sugar and oil.

Pending agreement with Russia on the provision of 1 million tons of duty free fuel, the latter increased export tariffs by around 3 percent as of 1 August 2013 (from US$243.6 per ton in July to US$250.6 per ton in July for fuel and from US$332.2 to US$341.8 for petrol). Prices for Russian fuel are expected to remain stable or slightly increase in the next quarter. The overall change in prices for fuel also depends on quantity imported from Kyrgyzstan, where for the past months fuel deliveries considerably increased.