



World Food Programme

ISSUE #15: MONTHLY UPDATE ON FOOD SECURITY AND PRICE IN RURAL AND URBAN AREAS, JULY 2013

HIGHLIGHTS

- ◆ In July 2013, the retail price of wheat flour remained unchanged month-on-month which was consistent with the National Statistics Committee (NSC) trend. However, prices in urban markets decreased 1.5% versus a 1% decline recorded by the NSC, while WFP monitoring in rural markets showed a 2% increase.
 - ◆ Despite near static prices in wheat flour, the national average price remained 8% higher than in July 2012. Year-on-year, prices in rural areas rose 13% compared to 4% in urban areas.
 - ◆ 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 remained higher in rural areas. Close monitoring of prices in remote areas will be required as high fuel prices and transportation costs may continue to be transmitted to prices in remote areas.
 - ◆ 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.

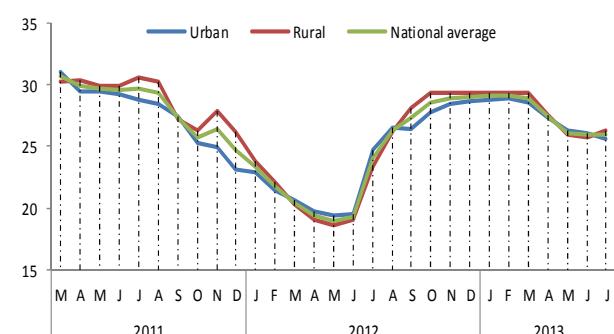
WHEAT FLOUR PRICES (July 2013)

- ◆ The retail price of wheat flour remained unchanged nationwide in July 2013 (Figure 1). However, a difference between urban and rural markets was observed – while the price decreased in urban markets by 1.5% (close to NSC's findings of a 1% decline), the price in rural markets increased 2%. **Market locations monitored by WFP and NSC are mapped in Annex 2.**
 - ◆ Positive forecasts for 2013 global wheat production and associated market forces were considered potential factors that contributed to stable prices. The Ministry of Agriculture forecast domestic wheat production in 2013 at 742,000 tons, which is 200,000 tons more than in 2012.
 - ◆ However, the national average price of wheat flour remained 8% higher than in July 2012. The price increase was 13% higher in rural areas compared with 4% higher in urban areas.

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Figure 1. Retail prices of wheat flour (KGS/kg)



Source: WFP Monthly Market Monitoring

- ♦ WFP's findings of wheat flour prices in urban areas were consistent with NSC's price monitoring, which covered main urban markets in the country. The NSC recorded a 1% decrease in the price of wheat flour compared to June 2013. WFP's data comes from the actual recording of prices in seven urban and 13 rural markets around the country on a monthly basis.

INFLATION (June 2013)

◆ Inflation in the Kyrgyz Republic has steadily increased since 2003, driven both by food and non-food items as indicated by the Consumer Price Index (**Figure 2**). The growth rate has been steady for non-food prices, but unsteady for food items. In June 2013, CPI increased 0.1% while food CPI decreased by -0.3%.

◆ PRICES OF OTHER BASIC COMMODITIES

- ◆ The average prices of beef and mutton remained almost unchanged on a month-on-month basis (mutton price was stable, while beef price increased 1%). Compared with the same month in 2012, the prices were higher by 1% and 4% respectively (**Figure 3**).
- ◆ The average prices of cooking oil and sugar also remained unchanged on a month-on-month basis.

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. A close monitoring is required as high fuel prices and transportation costs may be transmitted to food prices in remote areas.

Figure 4. Retail prices of cooking oil (Rural and urban) (in Kyrgyz som per kg)

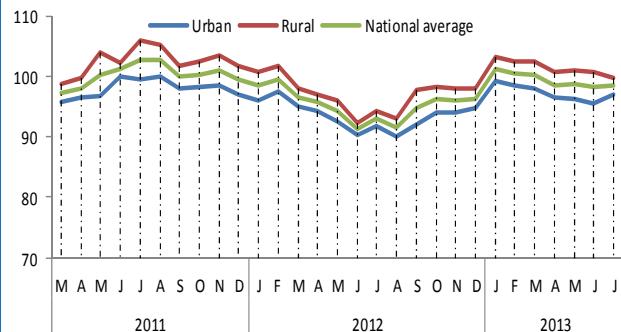


Figure 2. Consumer Price Index (food and non-food) (base year = 2003)

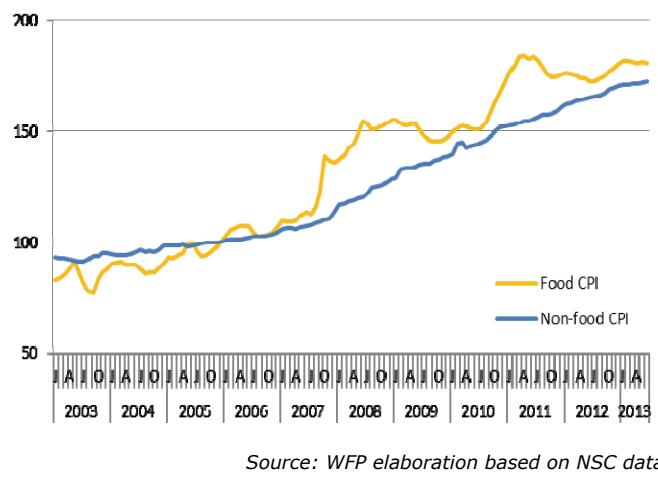


Figure 3. Retail prices of beef and mutton (national average, in Kyrgyz som per kg)

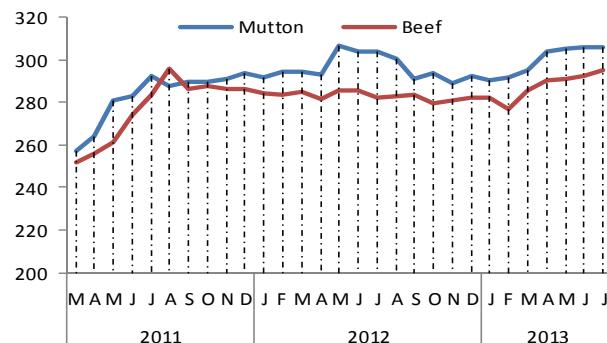
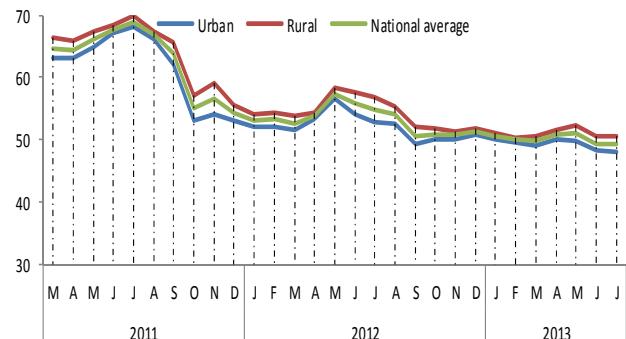


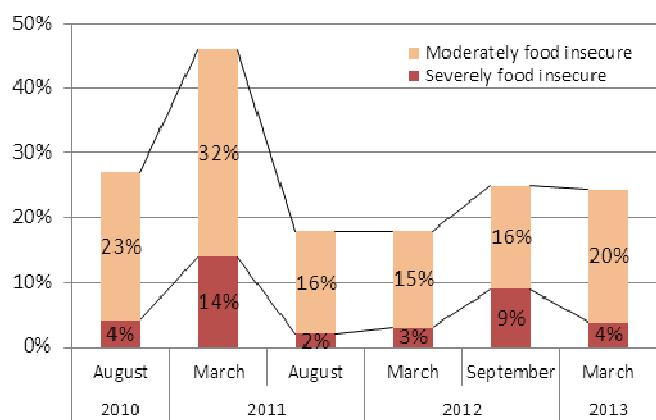
Figure 5. Retail prices of sugar (Rural and urban) (in Kyrgyz som per kg)



INSIGHTS ON EFFECTS AT HOUSEHOLD LEVEL

- ◆ Findings from WFP's Household Food Security Assessments 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 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 show 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 autumn as the production outlook for main crops (wheat, potatoes and vegetables) is good, generally as a result of favourable weather conditions.
- ◆ Higher fuel prices in rural areas, especially in the south of the country, will keep prices high for the main commodities. It is unlikely that basic foods prices will go down significantly to pre-2007/8 crisis levels during the next few months. Close attention should be paid to volatile wheat flour prices and higher prices for some basic food items in rural areas, as this could indicate deteriorating food security.

WFP IN THE KYRGYZ REPUBLIC

- ◆ **Food security analysis and monitoring:** In July, WFP completed an EU-funded project that aimed to strengthen the national food security monitoring system in order to better predict and respond to food insecurity in an efficient, and timely manner. WFP shared its expertise to strengthen food security analysis using a mobile data collection system, and provided new equipment for anthropometric measurements to improve government capacity to efficiently monitor food security for timely and appropriate responses. 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 provides qualitative information on the social impacts of rising food prices, and complements WFP's 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-May 2013, WFP supported 123,000 people in the most food-insecure rural areas with 1,395 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 2013, WFP expanded its Food-for-Assets/Training (FFA/T) projects aimed at disaster mitigation and rural infrastructure rehabilitation and is planning to reach 90,000 project beneficiaries who will receive food commodities from WFP. Project activities include rehabilitation of irrigation networks, riverbank reinforcement works, protection and expansion of existing forests and vegetable growing across the country. These activities have proved to be an effective instrument in building a foundation for lasting improvements in food security.
- ◆ **Optimising Primary School Meals Programme:** From 2013-2016, WFP will provide technical assistance to government to reform the country's national school meals programme by helping to sustainably improve the quality and efficiency of its existing programme while building government capacity. WFP will assist the government in developing a national school meals policy and implementation strategy. As a secondary component, WFP will implement pilots 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.

ANNEX 1—PRICES OF BASIC COMMODITIES IN RURAL AND URBAN MARKETS (JULY 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	
CHUY										Urban						Rural	
	Wheat flour (1st quality)	27	-4%	-4%	-4%	►	►	►	Wheat flour (1st quality)	25	0%	-11%	-11%	►	▼	►	
	Meat (mutton)	270	-4%	-8%	-10%	►	►	►	Meat (mutton)	300	0%	3%	3%	►	►	►	
	Meat (beef)	280	0%	-3%	4%	►	►	►	Meat (beef)	310	0%	7%	11%	►	►	►	
	Milk	30	0%	0%	0%	►	►	►	Milk	27	0%	0%	0%	►	►	►	
	Potato	18	0%	-22%	20%	►	▼	▲	Potato	23	-8%	-8%	53%	▼	►	▲	
	Cooking oil	93	1%	1%	9%	►	►	►	Cooking oil	95	0%	0%	19%	►	►	▲	
	Sugar	47	-2%	-6%	-6%	►	►	►	Sugar	52	-2%	13%	►	►	▲	►	
	Petrol (Octane rating 92)	35	-4%	-5%	-2%	►	►	►	Petrol (Octane rating 92)	34	-2%	-6%	-4%	►	►	►	
	Diesel	39	-2%	-2%	0%	►	►	►	Diesel	39	-1%	-2%	0%	►	►	►	
TALAS										Urban						Rural	
	Wheat flour (1st quality)	22	-6%	-11%	37%	▼	▼	▲	Wheat flour (1st quality)	23	-8%	-12%	35%	▼	▼	▲	
	Meat (mutton)	277	-1%	2%	-3%	►	►	►	Meat (mutton)	285	0%	0%	0%	►	►	►	
	Meat (beef)	285	0%	5%	2%	►	►	►	Meat (beef)	-	-	-	-	-	-	-	
	Milk	20	0%	-8%	0%	►	►	►	Milk	20	0%	0%	0%	►	►	►	
	Potato	18	-38%	10%	66%	▼	▲	▲	Potato	20	-33%	43%	100%	▼	▲	▲	
	Cooking oil	96	6%	-4%	1%	▲	►	►	Cooking oil	88	-7%	-12%	-9%	▼	▼	►	
	Sugar	46	-6%	-1%	-16%	▼	►	▼	Sugar	48	0%	0%	-14%	►	►	►	
	Petrol (Octane rating 92)	35	1%	0%	-1%	►	►	►	Petrol (Octane rating 92)	36	2%	-2%	-1%	►	►	►	
	Diesel	38	0%	-1%	2%	►	►	►	Diesel	38	-2%	0%	2%	►	►	►	
ISSYK-KUL										Urban						Rural	
	Wheat flour (1st quality)	27	0%	-10%	8%	►	►	►	Wheat flour (1st quality)	27	0%	-10%	8%	►	►	►	
	Meat (mutton)	297	0%	12%	6%	►	▲	►	Meat (mutton)	300	0%	13%	3%	►	▲	►	
	Meat (beef)	320	0%	12%	14%	►	▲	►	Meat (beef)	320	0%	10%	10%	►	▲	►	
	Milk	20	0%	0%	33%	►	►	▲	Milk	20	0%	0%	33%	►	►	▲	
	Potato	25	-29%	108%	25%	▼	▲	▲	Potato	20	-43%	71%	▼	▲	►	►	
	Cooking oil	102	0%	-3%	-3%	►	►	►	Cooking oil	105	0%	-5%	-5%	►	►	►	
	Sugar	50	0%	0%	-6%	►	►	►	Sugar	54	-2%	-2%	-2%	►	►	►	
	Petrol (Octane rating 92)	38	0%	3%	5%	►	►	►	Petrol (Octane rating 92)	-	-	-	-	-	-	-	
	Diesel	41	0%	3%	4%	►	►	►	Diesel	-	-	-	-	-	-	-	
NARYN										Urban						Rural	
	Wheat flour (1st quality)	26	-7%	-10%	-4%	▼	▼	►	Wheat flour (1st quality)	34	13%	17%	31%	▲	▲	▲	
	Meat (mutton)	290	-3%	-17%	4%	►	▼	►	Meat (mutton)	-	-	-	-	-	-	-	
	Meat (beef)	313	-2%	-8%	4%	►	►	►	Meat (beef)	-	-	-	-	-	-	-	
	Milk	20	-20%	-20%	0%	▼	▼	►	Milk	25	0%	0%	0%	►	►	►	
	Potato	23	-31%	-8%	53%	▼	►	▲	Potato	24	-33%	-4%	100%	▼	►	▲	
	Cooking oil	95	-2%	6%	12%	►	►	►	Cooking oil	120	0%	9%	20%	►	►	▲	
	Sugar	46	1%	-8%	-12%	►	►	►	Sugar	52	0%	-3%	-21%	►	►	▼	
	Petrol (Octane rating 92)	35	-4%	-5%	-3%	►	►	►	Petrol (Octane rating 92)	-	-	-	-	-	-	-	
	Diesel	39	0%	1%	1%	►	►	►	Diesel	40	0%	3%	►	►	►	►	
OSH										Urban						Rural	
	Wheat flour (1st quality)	28	-1%	4%	-1%	►	►	►	Wheat flour (1st quality)	25	0%	-5%	-1%	►	►	►	
	Meat (mutton)	327	9%	9%	99%	▲	►	►	Meat (mutton)	330	0%	10%	3%	►	►	►	
	Meat (beef)	300	7%	7%	7%	▲	►	►	Meat (beef)	290	0%	0%	0%	►	►	►	
	Milk	23	-7%	-7%	8%	▼	►	►	Milk	25	0%	0%	25%	►	►	▲	
	Potato	18	-35%	-21%	8%	▼	▼	►	Potato	15	-50%	-33%	-12%	▼	▼	►	
	Cooking oil	100	0%	5%	3%	►	►	►	Cooking oil	100	0%	7%	0%	►	►	►	
	Sugar	53	6%	6%	2%	▲	►	►	Sugar	52	4%	-3%	-5%	►	►	►	
	Petrol (Octane rating 92)	38	0%	-3%	0%	►	►	►	Petrol (Octane rating 92)	38	0%	-4%	0%	►	►	►	
	Diesel	42	0%	0%	1%	►	►	►	Diesel	42	0%	-1%	2%	►	►	►	
JALALABAD										Urban						Rural	
	Wheat flour (1st quality)	26	8%	-1%	-1%	▲	►	►	Wheat flour (1st quality)	26	8%	-1%	44%	▲	►	▲	
	Meat (mutton)	300	0%	0%	0%	►	►	►	Meat (mutton)	300	0%	0%	7%	►	►	►	
	Meat (beef)	290	0%	0%	4%	►	►	►	Meat (beef)	270	0%	0%	4%	►	►	►	
	Milk	30	0%	0%	20%	►	►	▲	Milk	27	0%	7%	23%	►	►	▲	
	Potato	20	-25%	-33%	20%	▼	▼	▲	Potato	20	-20%	-29%	20%	▼	▼	▲	
	Cooking oil	90	0%	0%	-10%	►	►	►	Cooking oil	93	0%	0%	-7%	►	►	►	
	Sugar	47	4%	-5%	-8%	►	►	►	Sugar	47	3%	-7%	-11%	►	►	►	
	Petrol (Octane rating 92)	37	-3%	-6%	-2%	►	►	►	Petrol (Octane rating 92)	37	-3%	-6%	-2%	►	►	►	
	Diesel	42	0%	1%	0%	►	►	►	Diesel	42	0%	1%	0%	►	►	►	
BATKEN										Urban						Rural	
	Wheat flour (1st quality)	24	0%	-10%	3%	►	►	►	Wheat flour (1st quality)	24	0%	-9%	0%	►	►	►	
	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	-	-	-	-	-	-	-	Milk	-	-	-	-	-	-	-	
	Potato	23	-10%	-7%	37%	▼	►	▲	Potato	25	-4%	4%	79%	►	►	▲	
	Cooking oil	103	5%	0%	38%	▲	►	▲	Cooking oil	97	0%	-6%	35%	►	►	▲	
	Sugar	48	-1%	-13%	-17%	►	▼	▼	Sugar	49	-1%	-10%	-15%	►	▼	▼	
	Petrol (Octane rating 92)	39	0%	-5%	-2%	►	►	►	Petrol (Octane rating 92)	40	-7%	-6%	-6%	►	►	►	
	Diesel	44	0%	0%	0%	►	►	►	Diesel	43	-5%	-4%	-4%	▼	►	►	

▲ 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 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 people classified as 'poor' 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

