



MONTHLY UPDATE ON FOOD SECURITY AND PRICE IN RURAL AND URBAN AREAS

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Monthly Update on Food Security and Price is produced by the Vulnerability Analysis and Mapping (VAM) Unit of the World Food Programme Country Office in the Kyrgyz Republic as a contribution to periodic food security monitoring in the country. This is the 18th issue of the update.

HIGHLIGHTS

- ◆ The retail price of wheat flour remained at the same level on a month-on-month basis in both rural and urban areas in November. The National Statistics Committee's (NSC) price monitoring data also showed no change in price in November. Locations of markets monitored by WFP and NSC are mapped in Annex 2.
- ◆ In November 2013, the price of export wheat in Kazakhstan - 'Free on Board' (FOB) rate - decreased sharply on a month-on-month basis by 17%. Export prices for Kazakh wheat were 35% lower on a year-on-year basis, and 36% lower than the record high in January 2013.
- ◆ Despite harvest period and sharply decreased export wheat price in Kazakhstan in November, wheat flour prices in domestic retail markets in the Kyrgyz Republic remained unchanged, likely due to the depreciated Kyrgyz Som. The Kyrgyz Som has depreciated by 4% against the US dollar over the last 12 months.

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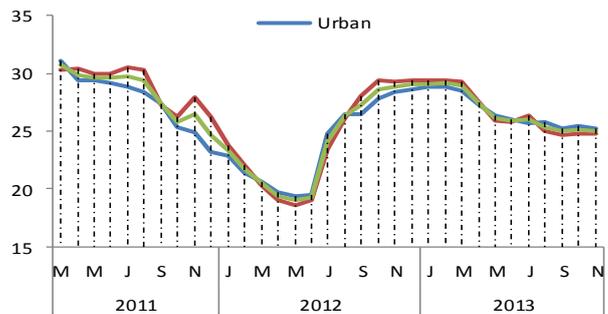
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- ◆ Daily wage rates of unskilled labourers increased by 5% on a month-on-month basis, according to WFP's monthly monitoring. Considering that wheat flour prices remained unchanged, wheat flour should have become more affordable for vulnerable populations.
- ◆ The national average price of milk increased by 3% in November, which reflects a seasonal pattern. The increase was more significant in rural areas (4%) compared to urban areas (2%). NCS's price monitoring in urban areas also suggests a 2% increase in milk prices.
- ◆ Prices of sugar and cooking oil remained almost unchanged, while fuel prices decreased 2% for petrol 92 and 1% for diesel, after growth for the three previous consecutive months. Fuel prices have been consistently higher in rural areas since WFP started monitoring in rural areas in April 2012. On annual basis, petrol 92 prices were at the same level, while diesel prices were 1% higher nation-wide. Close monitoring of prices in rural areas will be required as high fuel prices and transportation costs may continue to be transmitted to consumers.
- ◆ The price data reflects WFP's actual recording of prices in seven urban and thirteen rural markets around the country on a monthly basis, as well as 10 urban settlements monitored by the NSC.
- ◆ 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 (NOVEMBER 2013)

- ◆ The retail price of wheat flour remained at the same level on a month-on-month basis in both rural and urban areas in November. The National Statistics Committee's (NSC) price monitoring data also showed no change in price during the month. Locations of markets monitored by WFP and NSC are mapped in Annex 2.
- ◆ Despite the harvest period and sharply decreased export prices for Kazakh wheat in November, wheat flour prices in domestic retail markets in the Kyrgyz Republic remained unchanged, likely due to the depreciated Kyrgyz Som. The Kyrgyz Som has depreciated by 4% against US dollar over the last 12 months.

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

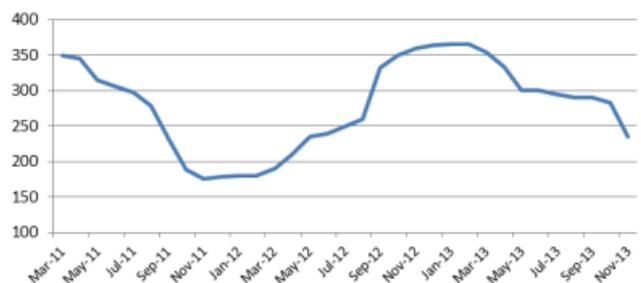


Source: WFP Monthly Market Monitoring

INTERNATIONAL PRICES (NOVEMBER 2013)

- ◆ In November 2013, the export prices of Kazakh wheat - FOB rate - decreased sharply on a month-on-month basis by 17%. Export prices for Kazakh wheat were 35% lower on a year-on-year basis, and 36% lower than the record high in January 2013 (Figure 2).

Figure 2. Wholesale price of wheat, USD/ton



Source: milling wheat export price, Kazakhstan, GIEWS Food Price Data

HOUSEHOLD PURCHASING POWER (NOVEMBER 2013)

- ◆ While the prices of wheat flour remained unchanged, daily wage rates of unskilled labourer increased by 5% on a month-on-month basis according to WFP's monthly monitoring (Figure 3). This indicates that wheat flour should have been more affordable for unskilled labourers with a day's wage.

Figure 3. Retail prices of wheat flour and daily wage rates of unskilled labour



Source: WFP Monthly Market Monitoring

INFLATION (NOVEMBER 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 (CPI) in Figure 4. The growth rate has been steadily high for non-food prices, but has fluctuated for food items. In November 2013, non-food CPI increased 1% while food CPI increased by 0.7%. Annually, non-food CPI increased 6%, while food CPI increased 2%.

Figure 4. Consumer Price Index (food and non-food)



Source: WFP elaboration based on NSC data

FUEL PRICES AND EXCHANGE RATE (NOVEMBER 2013)

- Fuel prices decreased 2% for petrol 92 (after growth for the three previous consecutive months) and 1% for diesel (Figure 5). On the annual basis, fuel prices (petrol 92) were at the same level, while diesel prices were 1% higher nation-wide. Close monitoring of prices in remote areas will be required as high fuel prices and transportation costs may continue to be transmitted to consumers in remote areas. The Kyrgyz Som has also depreciated by 4% against the US dollar over the last 12 months (Figure 6).

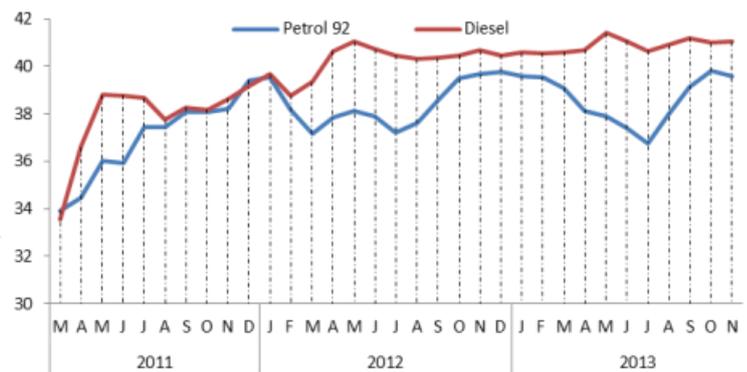
PRICES OF OTHER BASIC COMMODITIES (NOVEMBER 2013)

- The national average prices of beef and mutton showed minor fluctuations for the last three months (2% and -1% respectively). Compared with the same month in 2012, the prices of beef and mutton were higher by 6% and 5% respectively in November. NSC data also showed minor changes in the prices of beef and mutton for the last three months (2% and -3% respectively).
- The national average prices of milk increased 3% on month-on-month, which reflects a seasonal pattern. The increase was more significant in rural areas (4%) compared to urban areas (2%). NCS's price monitoring in urban areas also confirmed a 2% increase in milk prices.

OUTLOOK FOR THE NEXT FEW MONTHS

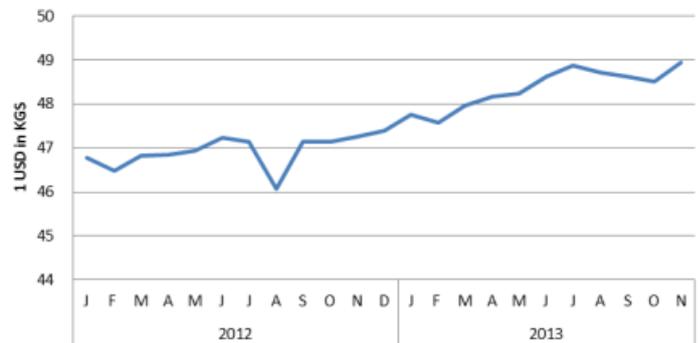
- Despite sharply decreased export prices of wheat from Kazakhstan and a higher cereal harvest this year in the Kyrgyz Republic, the retail price of wheat flour has yet to come down to pre-crisis levels of May-June 2012.
- A stabilization or reduction in wheat prices is also linked to other factors such as currency exchange rate and stable transportation costs. Close monitoring of all these factors will be required.
- The results of WFP's regular Household Food Security Assessments (HFSA) since 2010 have shown that household food consumption during early spring deteriorates due to depleted food stocks at the household level, higher food prices in markets, and, increased expenditures on heating and agricultural inputs. The next HFSA in spring 2014 will assess household level food consumption and access to food.
- In the months ahead, WFP will pay close attention to volatile and higher prices for fuel and basic food items in rural areas, particularly in winter and early spring, as natural disasters such as avalanches and landslides often complicate transportation of food to remote areas, thereby increasing both transport costs and food prices simultaneously.

Figure 5. Retail prices of fuel (Petrol 92 and diesel, KGS/liter)



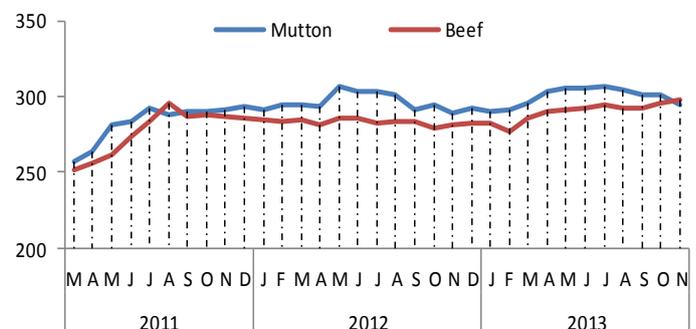
Source: WFP Monthly Market Monitoring

Figure 6. Exchange rate of Kyrgyz Som against the US Dollar



Source: National Bank of the Kyrgyz Republic

Figure 5. Retail prices of beef and mutton (national average, in Kyrgyz som per kg)



Source: WFP Monthly Market Monitoring

WFP IN THE KYRGYZ REPUBLIC

Food security analysis and monitoring: In July 2013, 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.

Community asset development for food security: In 2013 WFP expanded disaster mitigation and rural infrastructure rehabilitation projects with plans to reach 90,000 project beneficiaries by the end of the year. 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: WFP is providing 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 is assisting the government in developing a national school meals policy and implementation strategy. As a secondary component, WFP supports implementation of 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. So far, 59 schools have been included in the first stage of the project. In total, 250 schools are planned to be covered by the project over the coming year.

ANNEX 1—PRICES OF BASIC COMMODITIES IN RURAL AND URBAN MARKETS (NOVEMBER 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			
CHUY																
Urban								Rural								
	Wheat flour (1st quality)	27	2%	0%	-2%	▶	▶	▶	Wheat flour (1st quality)	26	3%	4%	-19%	▶	▶	▼
	Meat (mutton)	280	0%	4%	-3%	▶	▶	▶	Meat (mutton)	300	0%	0%	7%	▶	▶	▶
	Meat (beef)	300	0%	7%	7%	▶	▶	▶	Meat (beef)	300	0%	0%	7%	▶	▶	▶
	Milk	32	0%	7%	7%	▶	▶	▶	Milk	-	-	-	-	-	-	-
	Potato	20	-13%	0%	36%	▼	▶	▲	Potato	22	0%	10%	47%	▶	▶	▲
	Cooking oil	95	0%	2%	9%	▶	▶	▶	Cooking oil	94	0%	4%	-1%	▶	▶	▶
	Sugar	47	-2%	0%	-6%	▶	▶	▶	Sugar	53	0%	1%	5%	▶	▶	▶
	Petrol (Octane rating 92)	38	-3%	2%	-5%	▶	▶	▶	Petrol (Octane rating 92)	37	-3%	2%	-6%	▶	▶	▶
	Diesel	40	0%	0%	1%	▶	▶	▶	Diesel	40	0%	0%	1%	▶	▶	▶
TALAS																
Urban								Rural								
	Wheat flour (1st quality)	24	1%	6%	-10%	▶	▶	▶	Wheat flour (1st quality)	24	2%	3%	-10%	▶	▶	▶
	Meat (mutton)	268	0%	0%	-2%	▶	▶	▶	Meat (mutton)	280	0%	0%	-2%	▶	▶	▶
	Meat (beef)	272	0%	0%	-1%	▶	▶	▶	Meat (beef)	-	-	-	-	-	-	-
	Milk	23	13%	13%	13%	▲	▲	▶	Milk	20	0%	0%	0%	▶	▶	▶
	Potato	15	-13%	7%	10%	▼	▶	▶	Potato	17	0%	18%	18%	▶	▲	▲
	Cooking oil	90	-5%	-6%	-8%	▼	▶	▶	Cooking oil	95	0%	8%	-3%	▶	▶	▶
	Sugar	46	0%	1%	0%	▶	▶	▶	Sugar	48	0%	0%	0%	▶	▶	▶
	Petrol (Octane rating 92)	37	0%	2%	0%	▶	▶	▶	Petrol (Octane rating 92)	37	0%	2%	-4%	▶	▶	▶
	Diesel	38	0%	0%	4%	▶	▶	▶	Diesel	38	0%	0%	2%	▶	▶	▶
ISSYK-KUL																
Urban								Rural								
	Wheat flour (1st quality)	23	-8%	-15%	-23%	▼	▼	▼	Wheat flour (1st quality)	23	-8%	-15%	-23%	▼	▼	▼
	Meat (mutton)	270	-7%	-10%	6%	▼	▶	▶	Meat (mutton)	275	-5%	-8%	-	▼	▶	▶
	Meat (beef)	300	-6%	-6%	7%	▼	▶	▶	Meat (beef)	300	-6%	-6%	3%	▼	▶	▶
	Milk	20	0%	0%	-20%	▶	▶	▼	Milk	20	0%	0%	0%	▶	▶	▶
	Potato	13	30%	-35%	8%	▲	▼	▶	Potato	12	20%	-40%	6%	▲	▼	▶
	Cooking oil	100	-2%	-2%	-5%	▶	▶	▶	Cooking oil	105	0%	0%	-5%	▶	▶	▶
	Sugar	50	0%	0%	0%	▶	▶	▶	Sugar	54	1%	0%	-2%	▶	▶	▶
	Petrol (Octane rating 92)	38	0%	0%	3%	▶	▶	▶	Petrol (Octane rating 92)	-	-	-	-	-	-	-
	Diesel	40	0%	0%	1%	▶	▶	▶	Diesel	-	-	-	-	-	-	-
NARYN																
Urban								Rural								
	Wheat flour (1st quality)	27	3%	4%	-3%	▶	▶	▶	Wheat flour (1st quality)	27	8%	-4%	-	▲	▶	▶
	Meat (mutton)	280	6%	2%	14%	▲	▶	▶	Meat (mutton)	-	-	-	-	-	-	-
	Meat (beef)	300	0%	0%	0%	▶	▶	▶	Meat (beef)	-	-	-	-	-	-	-
	Milk	27	33%	78%	-11%	▲	▲	▶	Milk	-	-	-	-	-	-	-
	Potato	20	33%	0%	20%	▲	▶	▲	Potato	15	50%	-25%	0%	▲	▼	▶
	Cooking oil	85	-7%	-11%	-12%	▼	▶	▶	Cooking oil	120	0%	7%	7%	▶	▶	▶
	Sugar	45	-1%	1%	0%	▶	▶	▶	Sugar	55	0%	10%	17%	▶	▶	▲
	Petrol (Octane rating 92)	39	2%	8%	12%	▶	▶	▶	Petrol (Octane rating 92)	-	-	-	-	-	-	-
	Diesel	40	1%	3%	3%	▶	▶	▶	Diesel	-	-	-	-	-	-	-
OSH																
Urban								Rural								
	Wheat flour (1st quality)	27	0%	-2%	-10%	▶	▶	▶	Wheat flour (1st quality)	25	0%	-17%	-	▶	▶	▼
	Meat (mutton)	330	6%	1%	10%	▶	▶	▶	Meat (mutton)	327	2%	-1%	3%	▶	▶	▶
	Meat (beef)	307	2%	2%	10%	▶	▶	▶	Meat (beef)	307	2%	5%	6%	▶	▶	▶
	Milk	25	9%	0%	-12%	▶	▶	▶	Milk	27	33%	0%	-6%	▲	▶	▶
	Potato	22	10%	20%	29%	▶	▶	▶	Potato	22	12%	34%	31%	▶	▶	▶
	Cooking oil	99	5%	-1%	-1%	▶	▶	▶	Cooking oil	100	5%	0%	0%	▶	▶	▶
	Sugar	53	6%	2%	-1%	▶	▶	▶	Sugar	53	6%	6%	0%	▶	▶	▶
	Petrol (Octane rating 92)	39	-3%	2%	-7%	▶	▶	▶	Petrol (Octane rating 92)	42	0%	8%	-1%	▶	▶	▶
	Diesel	42	1%	0%	-2%	▶	▶	▶	Diesel	42	0%	0%	1%	▶	▶	▶
JALALABAD																
Urban								Rural								
	Wheat flour (1st quality)	25	-2%	-5%	-16%	▶	▶	▼	Wheat flour (1st quality)	24	-5%	-8%	-19%	▼	▶	▶
	Meat (mutton)	320	7%	7%	7%	▶	▶	▶	Meat (mutton)	300	0%	0%	7%	▶	▶	▶
	Meat (beef)	300	3%	3%	7%	▶	▶	▶	Meat (beef)	290	4%	7%	16%	▶	▶	▶
	Milk	30	0%	0%	0%	▶	▶	▶	Milk	30	0%	13%	0%	▶	▶	▶
	Potato	20	0%	-8%	15%	▶	▶	▶	Potato	20	0%	-8%	20%	▶	▶	▶
	Cooking oil	90	2%	2%	-7%	▶	▶	▶	Cooking oil	90	0%	0%	-10%	▶	▶	▶
	Sugar	49	-1%	5%	-3%	▶	▶	▶	Sugar	49	-1%	5%	-4%	▶	▶	▶
	Petrol (Octane rating 92)	41	0%	4%	-1%	▶	▶	▶	Petrol (Octane rating 92)	42	0%	14%	0%	▶	▶	▶
	Diesel	43	0%	2%	1%	▶	▶	▶	Diesel	43	0%	2%	1%	▶	▶	▶
BATKEN																
Urban								Rural								
	Wheat flour (1st quality)	25	0%	0%	-13%	▶	▶	▶	Wheat flour (1st quality)	25	0%	2%	-17%	▶	▶	▼
	Meat (mutton)	350	0%	0%	0%	▶	▶	▶	Meat (mutton)	350	0%	0%	0%	▶	▶	▶
	Meat (beef)	300	7%	7%	7%	▶	▶	▶	Meat (beef)	300	7%	7%	7%	▶	▶	▶
	Milk	33	0%	18%	-17%	▶	▶	▶	Milk	27	0%	0%	-30%	▶	▶	▼
	Potato	16	0%	-20%	-20%	▶	▶	▶	Potato	17	0%	-13%	-16%	▶	▶	▶
	Cooking oil	103	0%	0%	38%	▶	▶	▶	Cooking oil	102	0%	0%	42%	▶	▶	▶
	Sugar	52	0%	5%	-6%	▶	▶	▶	Sugar	53	0%	8%	-3%	▶	▶	▶
	Petrol (Octane rating 92)	43	0%	5%	2%	▶	▶	▶	Petrol (Octane rating 92)	42	0%	4%	0%	▶	▶	▶
	Diesel	44	0%	-1%	-1%	▶	▶	▶	Diesel	43	0%	-2%	-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 province and rayon capitals (coloured in red).
- ◆ 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

