

Price Monitoring for Food Security in the Kyrgyz Republic

Monthly monitoring and outlook of basic food prices in the Kyrgyz Republic

Highlights



- ♦ The price of first grade wheat flour was stable, but remained at near-record levels being only 2% lower than the record high in December 2014. The price of potatoes continued to decrease, contrary to the seasonal trend of the last decade. The national average price of sunflower oil and sugar has increased for six consecutive months since June 2015, and the national average price of milk has also increased for four consecutive months since September 2015. However, the deviation from estimated seasonal prices was not significant for all monitored commodities indicating that markets were not experiencing abnormal price hikes.
- ♦ After three consecutive months of decrease since August 2015, the export price of wheat in Kazakhstan increased by 2% on a month-on-month basis in November 2015 and remained at the same level in December 2015. However, the price was still 26% lower on a year-on-year basis.
- ♦ The international price of sugar increased by 26% between August and December 2015, largely due to adverse weather conditions in the world's main producing countries such as Brazil and India. The national average retail price of sugar also increased by 6% during the same period.
- ♦ An El Nino event which has been active since March 2015 is likely to extend into early 2016. Based on 30 years of global historical data, during a strong El Nino event, the Central Asia region usually receives above-normal precipitation.
- ♦ Higher precipitation during winter will increase snowpack over the next irrigation season, which is a positive factor for agriculture and market prices. However, a higher level of snowfall is also likely to lead to a higher risk of floods, mudflows and landslides during spring as a result of increased snow melt.
- ♦ The net inflow of remittances for the period of January to November 2015 decreased by 28% in US dollar terms compared to the same period last year according to data provided by the National Bank of the Kyrgyz Republic.

Retail price trends of main food security commodities¹

| | Nov 2015 | Sep 2015 | Dec 2014 | | Nov 2015 | Sep 2015 | Dec 2014 |
|-------------------------|----------|----------|----------|---------------------|----------|----------|----------|
| Wheat flour (1st grade) | -1% | -1% | -2% | Vegetable (carrot) | 11% | -18% | -14% |
| Rice | 1% | -3% | 2% | Vegetable (potato) | -1% | -7% | -45% |
| Meat (beef) | -3% | -5% | -8% | Vegetable (cabbage) | 15% | 21% | -16% |
| Meat (mutton) | -3% | -7% | -10% | Fruit (apple) | 7% | -27% | -20% |
| Milk | 12% | 16% | -10% | Sugar | 2% | 5% | 7% |
| Egg | 5% | 8% | -6% | Sunflower oil | 2% | 10% | 9% |

Outlook for the next few months

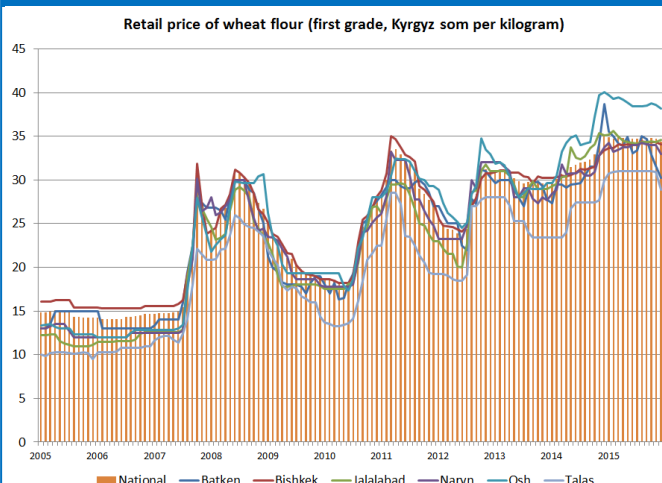
- ♦ Seasonal precipitation between October and December 2015 was above the historical average in most areas of the country. Whilst high precipitation during winter due to an El Nino event will build up snowpack for the next irrigation season, it could also increase the frequency and severity of floods, mudflows and avalanches. This could have a localized impact on crop production next year particularly in disaster prone southern and western parts of the country.
- ♦ The price of potatoes continued to decrease in November and December 2015 contrary to the seasonal trend of the last decade. This is likely due to a higher domestic supply from the 2015 harvest which recorded its highest level in the last decade. Whilst a decrease in the price of potatoes will benefit poor consumers, it could reduce producers' income.
- ♦ Close monitoring of sugar prices are required since they are prone to international market volatility. Historical data indicates a correlation between domestic and international prices.
- ♦ Close monitoring of the currency exchange rate and its impact on food prices are required, as continued depreciation of the national currency will impact the prices of imported basic commodities, including wheat, sugar and sunflower oil.

Wheat flour

Domestic prices (December 2015)

Domestic prices of wheat flour have been stable throughout 2015 with no significant fluctuations. The national average price remains at a near-record level being only 2% lower than the record high in December 2014. The national average price of first grade wheat flour decreased by 1% on a month-on-month basis in December 2015. The prices tend to be higher in Osh.

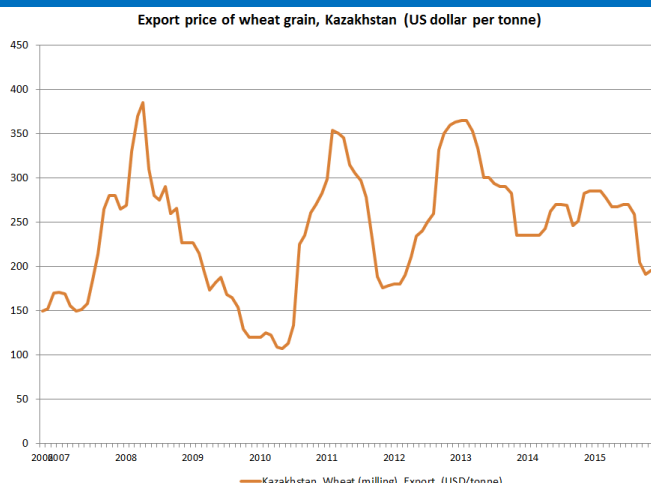
Domestic and international prices of wheat flour



| | |
|----------------|-----|
| November 2015 | -1% |
| September 2015 | -1% |
| December 2014 | -2% |

International prices (November 2015)

After three consecutive months of decrease since August 2015, the export price of wheat in Kazakhstan (Free on Board [FOB] rate)² increased by 2% on a month-on-month basis in November 2015 and remained at the same level in December 2015. However, the price was still 32% lower on a year-on-year basis. Similarly, the export price of wheat in the Russian Federation (FOB rate) was 26% lower on a year on year basis.

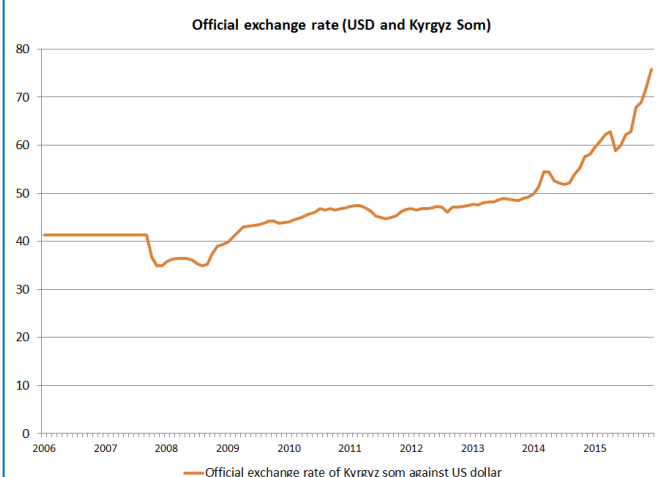


| | |
|----------------|------|
| November 2015 | 0% |
| September 2015 | -5% |
| December 2014 | -32% |

Currency exchange rate (December 2015)

The Kyrgyz Som depreciated further against the US dollar by 5% in December 2015 and by 31% when compared to the same month last year³. Currency movements are among the main driving forces of retail prices of imported food commodities including wheat.

Currency exchange rate

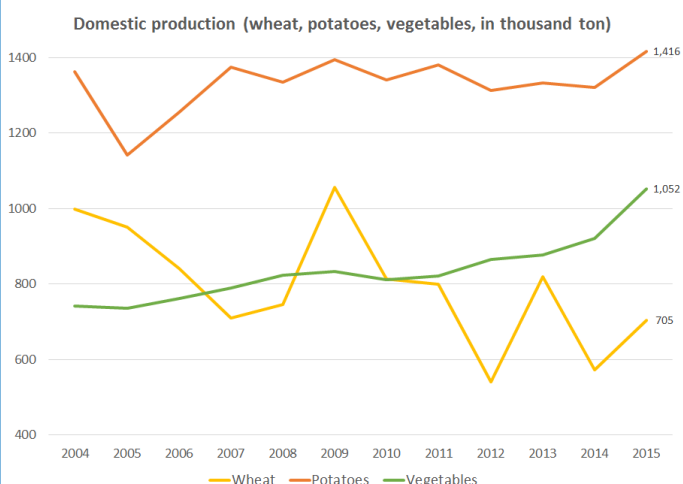


| | |
|----------------|-----|
| November 2015 | 5% |
| September 2015 | 12% |
| December 2014 | 31% |

Domestic production (2015)

The estimated aggregate output of wheat was 704,601 tons, 23% higher than in 2014 but 10% below the ten-year average⁴. Production of potatoes and vegetables reached their highest levels in the last decade.

Domestic production



| | |
|--|------|
| Wheat: 2014 | 23% |
| Wheat: Average of 2010-2014 (5 years) | 0% |
| Wheat: Average of 2005-2014 (10 years) | -10% |

Other basic food commodities

Meat (beef and mutton)

After a sharp increase in prices in early to mid-2014, the national average prices of both beef and mutton remain at near-record levels. The data for the last 10 years presents a seasonal price pattern, with prices being at a lower level during winter and higher in spring and summer, especially for mutton.

Cooking oil

The national average price of cooking oil (sunflower oil) increased over a period of six consecutive months since June 2015. The price in December 2015 was 9% higher compared to the same month in 2014. The prices tend to be higher in Batken and Naryn likely due to the high transportation cost.

Vegetables (potatoes)

Historical data shows seasonal price increase in potatoes during winter and early spring. In 2015, however, the prices of potatoes continued to decrease in November and December 2015 in most areas, probably due to a higher supply from the 2015 harvest. The national average price in December 2015 was 45% lower compared to the same month in 2014.

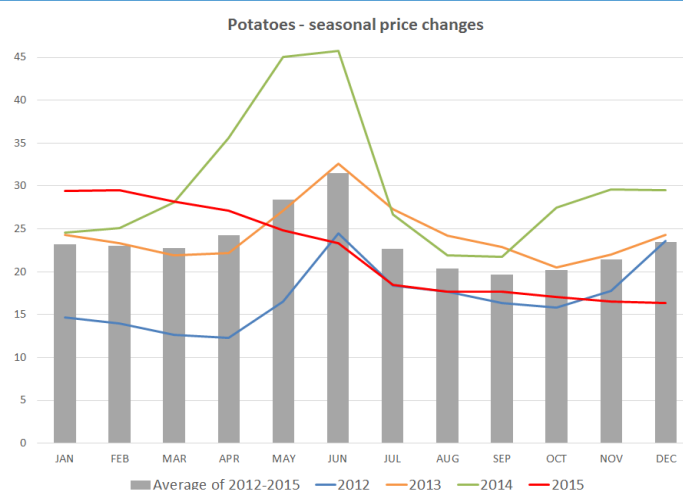
Sugar

The price of sugar also increased for six consecutive months since June 2015 in most areas, in conjunction with increased international prices⁵. The national average price in December 2015 was 7% higher compared to the same month in 2014.

Potatoes - seasonal price changes

Potatoes are one of the important items in the average Kyrgyz diet, providing around 7% of total energy intake of household food expenditure in the Kyrgyz Republic. Market prices of potatoes present marked seasonal changes, with prices being at a lower level during summer and autumn and higher in winter and spring.

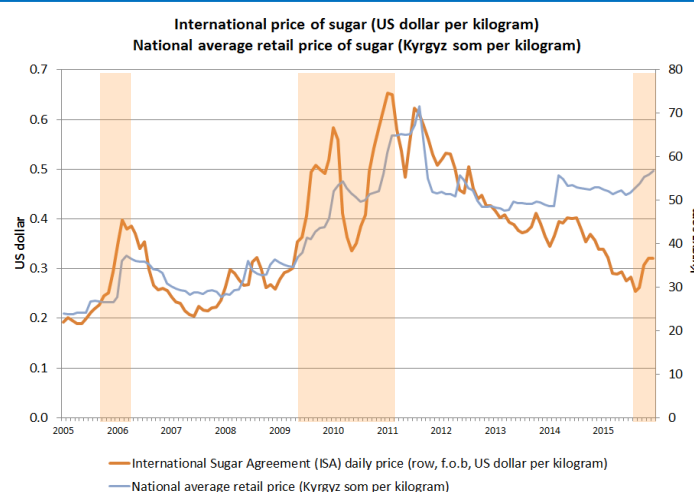
Historical data shows that prices start to increase in October and November in normal years (see 'Average of 2005-2015' in the chart). On average, the prices increased by 14% in October-December during 2005-2015. In 2015, however, the price decreased by 4% during the same period. This is likely due to a higher supply from the 2015 harvest. Domestic production of potatoes reached 1.4 million ton, the highest level in the last decade.



Sugar - domestic and international prices

Sugar is one of the important items for household food expenditure in the Kyrgyz Republic. An average household spent around 9% of total food expenditure on sugar⁶. The domestic supply of sugar is insufficient to meet local demand, hence imports play a key role to meeting domestic consumption. The import dependency makes domestic sugar prices prone to international market volatility.

The international price of sugar increased by 26% during August-December 2015, largely due to adverse weather conditions in the world's main producing countries, including excessive rainfall in Brazil and a dry spell in India. These weather conditions are likely to be associated with the El Nino phenomenon (see next page). The national average price of sugar also increased by 6% during the same period.



Milk

The national average price of milk increased for four consecutive months since September 2015. However, the deviation from estimated seasonal prices was not significant⁷ in all monitored markets, indicating that markets were not experiencing abnormal price levels. The price in December 2015 was still 10% lower when compared to the same month in 2014. The prices were higher in Jalalabad, Naryn and Kara Balta.

Agro-climatic context

Precipitation

Major national meteorological agencies declared El Nino conditions in early 2015. Global historical data shows that in a strong El Nino⁹ year the Central Asia region usually receives above-normal precipitation (see box below). From October to December 2015, seasonal precipitation was above the historical average in most areas of the country. Multiple international forecasts indicate that an El Nino event is expected to weaken through the first months of 2016.

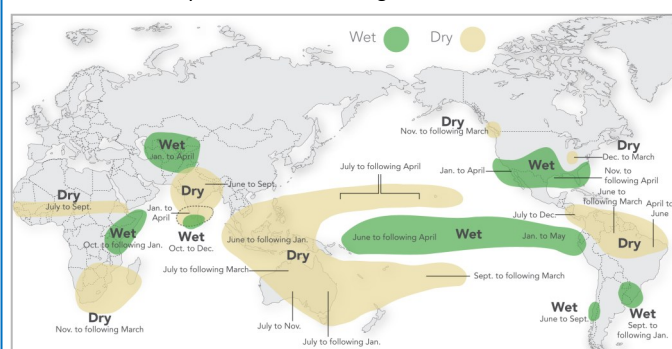
Impact of El Nino in the Kyrgyz Republic

A higher snowfall during autumn and winter will increase snowpack for next irrigation season, which is a positive factor for agriculture and food security. However, a higher level of snowfall is also likely to lead to a higher risk of floods, mudflows and landslides during the spring due to snow melting. National historical data shows that districts in the southern and western parts of the country experienced a higher frequency of floods and mudflows (see box below).

Rain/snowfall during El Nino

Typical changes in rainfall during El Niño

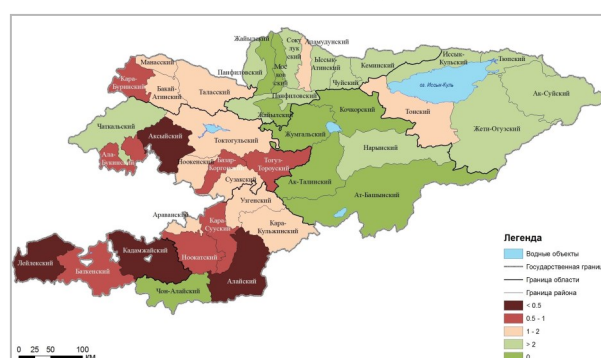
During an El Nino episode, areas in green or yellow are likely to become wetter or dryer than normal during the indicated months¹⁰



Source: International Research Institute for Climate and Society

Recurrence of floods and mudflows

(1999–2009, based on records provided by the Ministry of Emergency Situations of the Kyrgyz Republic)



Source: National Food Security Atlas¹¹
(Ministry of Agriculture and Melioration and WFP, 2015)

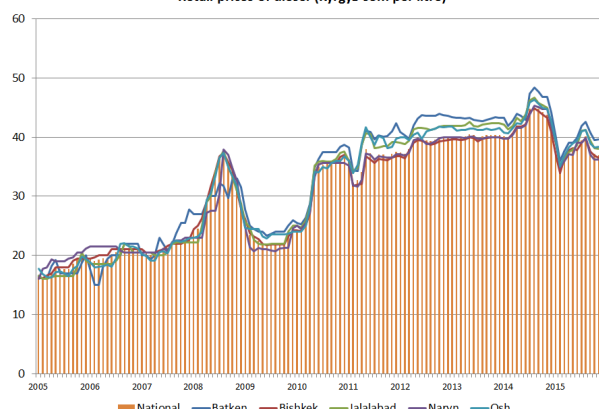
Fuel prices

Domestic prices

The national average price of diesel¹² decreased for four consecutive months since September 2015. In December 2015, the national average price was 13% lower than in the same month in 2014. However, prices were consistently higher in Batken. Similarly, the national average price of gasoline (92 octane) decreased since September 2015.

Fuel prices (diesel)

Retail prices of diesel (Kyrgyz som per litre)



| | |
|----------------|------|
| November 2015 | -2% |
| September 2015 | -5% |
| December 2014 | -13% |

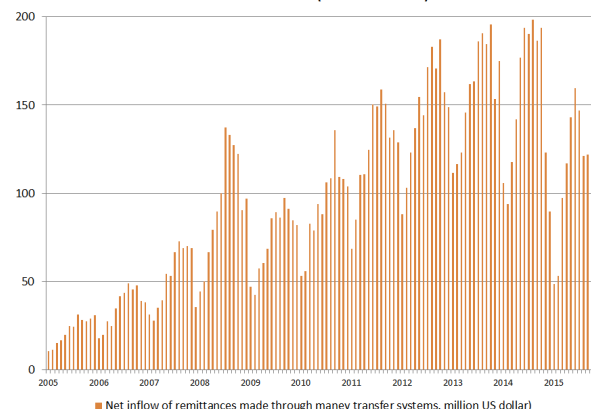
Remittances

Remittance inflows

The net inflow of remittances for the period January to November 2015 decreased by 28% in US dollar terms compared to the same period last year according to data provided by the National Bank of the Kyrgyz Republic¹³. However, it increased by 15% in Russian ruble terms¹⁴.

Remittance inflows

Remittance inflow (million US dollar)



| | |
|------------------------|------|
| October 2015 | -12% |
| November 2015 | -14% |
| January -November 2014 | -28% |

Annex: Prices of 9 food security commodities

The latest retail prices are compared against prices in the previous month, three months ago, and one year ago.

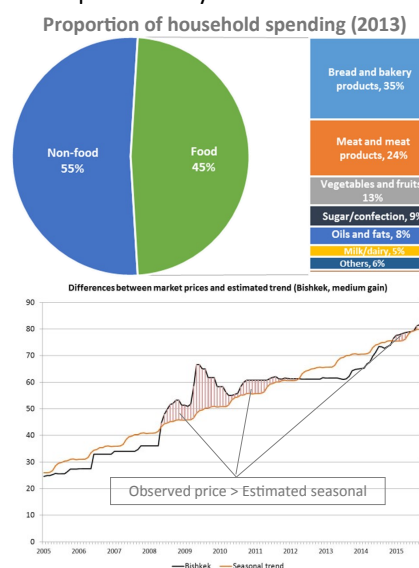
| Area | Commodity | Current Price (KGS) | Change in Price (%) | | | Level of Fluctuation | | | Commodity | Current Price (KGS) | Change in Price (%) | | | Level of Fluctuation | | |
|--|---------------------------|---------------------|---------------------|------|------|----------------------|-----|------|---------------------|---------------------|---------------------|------|------|----------------------|---|---|
| | | | 1 m | 3 m | 1 yr | 1 m | 3 m | 1 yr | | | 1 m | 3 m | 1 yr | | | |
| BISHKEK | | | | | | | | | | | | | | | | |
| | Wheat flour (1st quality) | 34 | -1% | -1% | 2% | ► | ► | ► | Rice (medium grain) | 80 | -2% | -2% | 4% | ► | ► | ► |
| | Meat (mutton) | 296 | -1% | -7% | -8% | ► | ▼ | ▼ | Egg | 71 | 5% | 9% | -2% | ▲ | ▲ | ► |
| | Meat (beef) | 339 | -2% | -4% | -5% | ► | ► | ► | Vegetable (carrot) | 27 | 15% | -22% | -1% | ▲ | ▼ | ► |
| | Milk (unpasteurized) | 39 | 9% | 14% | -9% | ▲ | ▲ | ▼ | Vegetable (cabbage) | 20 | 12% | 5% | -24% | ► | ► | ▼ |
| | Potato | 16 | 1% | -14% | -44% | ► | ▼ | ▼ | Fruit (apple) | 56 | 3% | -40% | -31% | ► | ▼ | ▼ |
| | Sunflower oil | 112 | 2% | 12% | 13% | ► | ► | ▲ | Fruit (apricot) | - | - | - | - | - | - | - |
| | Sugar | 56 | 2% | 5% | 9% | ► | ► | ▲ | Diesel | 36 | -3% | -5% | -13% | ► | ► | ► |
| | Petrol (Octane rating 92) | 40 | -4% | -6% | -17% | ► | ▼ | ▼ | | | | | | | | |
| TOKMOK | | | | | | | | | | | | | | | | |
| | Wheat flour (1st quality) | 36 | -2% | -3% | 3% | ► | ► | ► | Rice | 74 | 0% | 0% | -1% | ► | ► | ► |
| | Meat (mutton) | 234 | -6% | -11% | -13% | ▼ | ▼ | ▼ | Egg | 77 | 2% | 7% | 4% | ► | ► | ► |
| | Meat (beef) | 291 | -6% | -8% | -10% | ► | ▼ | ▼ | Vegetable (carrot) | 21 | -5% | -17% | -22% | ► | ▼ | ▼ |
| | Milk | 25 | 0% | 0% | -17% | ► | ► | ▼ | Vegetable (cabbage) | 19 | 24% | 21% | -10% | ▲ | ▲ | ► |
| | Potato | 13 | -7% | -6% | -49% | ▼ | ▼ | ▼ | Fruit (apple) | 60 | 15% | 1% | 10% | ▲ | ► | ► |
| | Cooking oil | 111 | 3% | 9% | 13% | ► | ► | ▲ | Fruit (apricot) | - | - | - | - | - | - | - |
| | Sugar | 56 | 2% | 4% | 8% | ► | ► | ▲ | Diesel | 36 | -2% | -4% | -13% | ► | ► | ► |
| | Petrol (Octane rating 92) | 39 | -3% | -4% | -17% | ► | ► | ▼ | | | | | | | | |
| KARA-BALTA | | | | | | | | | | | | | | | | |
| | Wheat flour (1st quality) | 32 | -1% | -2% | -17% | ► | ► | ▼ | Rice | 86 | 3% | -1% | 8% | ► | ► | ► |
| | Meat (mutton) | 316 | -6% | -9% | -5% | ▼ | ▼ | ► | Egg | 78 | 0% | 5% | 0% | ► | ► | ► |
| | Meat (beef) | 318 | -4% | -9% | -4% | ► | ▼ | ► | Vegetable (carrot) | 21 | 4% | 6% | -27% | ► | ► | ▼ |
| | Milk | 37 | 4% | 0% | -13% | ► | ► | ▼ | Vegetable (cabbage) | 20 | 0% | 29% | -20% | ► | ▲ | ▼ |
| | Potato | 21 | -9% | 8% | -37% | ▼ | ▲ | ▼ | Fruit (apple) | 70 | 0% | 10% | 8% | ► | ▲ | ► |
| | Cooking oil | 109 | 0% | 6% | 7% | ► | ► | ▲ | Fruit (apricot) | - | - | - | - | - | - | - |
| | Sugar | 53 | -3% | 0% | 7% | ► | ► | ▲ | Diesel | 35 | -1% | -3% | -13% | ► | ► | ► |
| | Petrol (Octane rating 92) | 40 | -3% | -4% | -17% | ► | ► | ▼ | | | | | | | | |
| TALAS | | | | | | | | | | | | | | | | |
| | Wheat flour (1st quality) | 29 | -7% | -7% | -4% | ▼ | ► | ► | Rice | 78 | 0% | 1% | 10% | ► | ► | ► |
| | Meat (mutton) | 281 | -1% | -6% | -10% | ► | ► | ► | Egg | 88 | 2% | 5% | -2% | ► | ► | ► |
| | Meat (beef) | 284 | -3% | -6% | -15% | ► | ► | ▼ | Vegetable (carrot) | 16 | -16% | -26% | -40% | ▼ | ▼ | ▼ |
| | Milk | 30 | 2% | 26% | -15% | ► | ► | ► | Vegetable (cabbage) | 20 | 21% | 12% | -19% | ► | ▲ | ▼ |
| | Potato | 14 | -3% | -7% | -46% | ► | ► | ▼ | Fruit (apple) | 44 | 6% | 13% | -23% | ▲ | ▲ | ▼ |
| | Cooking oil | 106 | 2% | 6% | 4% | ► | ► | ► | Fruit (apricot) | - | - | - | - | - | - | - |
| | Sugar | 56 | 0% | 2% | 2% | ► | ► | ► | Diesel | 34 | -3% | -4% | -16% | ► | ► | ▼ |
| | Petrol (Octane rating 92) | 39 | -4% | -2% | -15% | ► | ► | ► | | | | | | | | |
| KARAKOL | | | | | | | | | | | | | | | | |
| | Wheat flour (1st quality) | 33 | 0% | 2% | -4% | ► | ► | ► | Rice | 79 | 0% | 0% | 2% | ► | ► | ► |
| | Meat (mutton) | 263 | 0% | -12% | -9% | ► | ▼ | ► | Egg | 69 | 2% | 3% | -25% | ► | ► | ▼ |
| | Meat (beef) | 275 | -4% | -14% | -13% | ► | ▼ | ► | Vegetable (carrot) | 13 | -2% | -32% | -44% | ► | ▼ | ▼ |
| | Milk | 29 | 5% | 6% | -18% | ► | ► | ▼ | Vegetable (cabbage) | 15 | 12% | 0% | -33% | ► | ▲ | ▼ |
| | Potato | 10 | -19% | -6% | -55% | ▼ | ► | ▼ | Fruit (apple) | 65 | 4% | -4% | -21% | ► | ► | ▼ |
| | Cooking oil | 104 | 1% | 6% | 5% | ► | ► | ► | Fruit (apricot) | - | - | - | - | - | - | - |
| | Sugar | 55 | 0% | 1% | 5% | ► | ► | ► | Diesel | 36 | -1% | -4% | -12% | ► | ► | ► |
| | Petrol (Octane rating 92) | 40 | -4% | -5% | -17% | ► | ► | ▼ | | | | | | | | |
| NARYN | | | | | | | | | | | | | | | | |
| | Wheat flour (1st quality) | 33 | -3% | -3% | -2% | ► | ► | ► | Rice | 79 | -2% | 0% | 12% | ► | ► | ► |
| | Meat (mutton) | 309 | 9% | 6% | 3% | ▲ | ► | ► | Egg | 90 | 0% | 15% | 6% | ► | ▲ | ► |
| | Meat (beef) | 300 | -1% | -3% | -5% | ► | ► | ► | Vegetable (carrot) | 24 | 9% | -3% | -15% | ▲ | ► | ▼ |
| | Milk | 38 | 27% | 62% | -2% | ► | ▲ | ► | Vegetable (cabbage) | 20 | 4% | -7% | -20% | ► | ► | ▼ |
| | Potato | 11 | -14% | -34% | -58% | ▼ | ► | ▼ | Fruit (apple) | 57 | 17% | 2% | 12% | ► | ► | ► |
| | Cooking oil | 118 | 2% | 12% | 10% | ► | ▲ | ► | Fruit (apricot) | - | - | - | - | - | - | - |
| | Sugar | 55 | 0% | 3% | 7% | ► | ► | ► | Diesel | 36 | -1% | -3% | -14% | ► | ► | ► |
| | Petrol (Octane rating 92) | 40 | -2% | -4% | -17% | ► | ► | ▼ | | | | | | | | |
| OSH | | | | | | | | | | | | | | | | |
| | Wheat flour (1st quality) | 39 | 0% | 0% | -4% | ► | ► | ► | Rice | 110 | -1% | 2% | 2% | ► | ► | ► |
| | Meat (mutton) | 318 | -6% | -6% | -13% | ▼ | ► | ► | Egg | 80 | 7% | 12% | -13% | ▲ | ▲ | ► |
| | Meat (beef) | 317 | -6% | -7% | -14% | ► | ► | ► | Vegetable (carrot) | 17 | 22% | 13% | -38% | ► | ► | ► |
| | Milk | 35 | 35% | 44% | -12% | ▲ | ▲ | ► | Vegetable (cabbage) | 32 | 23% | 96% | 24% | ▲ | ▲ | ► |
| | Potato | 20 | 3% | 21% | -38% | ► | ▲ | ▼ | Fruit (apple) | 53 | 40% | 13% | 12% | ► | - | ► |
| | Cooking oil | 111 | 1% | 4% | -1% | ► | ► | ► | Fruit (apricot) | - | - | - | - | - | - | - |
| | Sugar | 62 | 3% | 11% | 6% | ► | ▲ | ► | Diesel | 37 | -3% | -4% | -12% | ► | ► | ► |
| | Petrol (Octane rating 92) | 41 | -3% | -3% | -18% | ► | ► | ▼ | | | | | | | | |
| JALALABAD | | | | | | | | | | | | | | | | |
| | Wheat flour (1st quality) | 35 | 1% | 1% | -2% | ► | ► | ► | Rice | 75 | -1% | -14% | 1% | ► | ▼ | ► |
| | Meat (mutton) | 296 | -5% | -9% | -17% | ▼ | ▼ | ▼ | Egg | 90 | 6% | 16% | -7% | ▲ | ▲ | ► |
| | Meat (beef) | 310 | 0% | -1% | -15% | ► | ► | ► | Vegetable (carrot) | 16 | -7% | -14% | -35% | ▼ | ▼ | ▼ |
| | Milk | 39 | 18% | 19% | -8% | ▲ | ▲ | ► | Vegetable (cabbage) | 20 | 28% | 11% | -13% | ► | ▲ | ► |
| | Potato | 17 | 2% | -6% | -52% | ► | ► | ▼ | Fruit (apple) | 48 | 1% | -5% | -6% | ► | ► | ► |
| | Cooking oil | 107 | 3% | 8% | 11% | ► | ► | ► | Fruit (apricot) | - | - | - | - | - | - | - |
| | Sugar | 58 | 5% | 6% | 5% | ► | ► | ► | Diesel | 37 | -2% | -6% | -12% | ► | ► | ► |
| | Petrol (Octane rating 92) | 41 | -4% | -5% | -19% | ► | ► | ▼ | | | | | | | | |
| BATKEN | | | | | | | | | | | | | | | | |
| | Wheat flour (1st quality) | 30 | -4% | -13% | -22% | ► | ▼ | ▼ | Rice | 79 | 2% | -5% | 5% | ► | ► | ► |
| | Meat (mutton) | 315 | -10% | -10% | -10% | ▼ | ▼ | ► | Egg | 90 | 0% | -15% | -7% | ► | ► | ► |
| | Meat (beef) | 328 | -6% | -6% | -6% | ► | ► | ► | Vegetable (carrot) | 17 | 4% | 19% | -23% | ► | ▼ | ▼ |
| | Milk | 36 | 8% | 0% | -11% | ▲ | ► | ► | Vegetable (cabbage) | 32 | 23% | 107% | -5% | ► | ► | ► |
| | Potato | 16 | 1% | -1% | -38% | ► | ► | ▼ | Fruit (apple) | 37 | 16% | 29% | 14% | ► | ▲ | ► |
| | Cooking oil | 115 | 3% | 5% | 2% | ► | ► | ► | Fruit (apricot) | - | - | - | - | - | - | - |
| | Sugar | 59 | 0% | 6% | 0% | ► | ► | ► | Diesel | 39 | -2% | -5% | -12% | ► | ► | ► |
| | Petrol (Octane rating 92) | 42 | -4% | -5% | -18% | ► | ► | ▼ | | | | | | | | |
| NATIONAL | | | | | | | | | | | | | | | | |
| | Wheat flour (1st quality) | 34 | -1% | -1% | -2% | ► | ► | ► | Rice | 83 | -1% | -3% | 2% | ► | ► | ► |
| | Meat (mutton) | 296 | -3% | -7% | -10% | ► | ► | ► | Egg | 75 | 5% | 8% | -6% | ► | ► | ► |
| | Meat (beef) | 325 | -3% | -5% | -8% | ► | ► | ► | Vegetable (carrot) | 23 | 11% | -18% | -14% | ► | ▼ | ► |
| | Milk | 37 | 12% | 16% | -10% | ▲ | ▲ | ► | Vegetable (cabbage) | 22 | 15% | 21% | -16% | ▲ | ▲ | ▼ |
| | Potato | 16 | -1% | -7% | -45% | ► | ► | ▼ | Fruit (apple) | 56 | 7% | -27% | -20% | ▼ | ▼ | ▼ |
| | Cooking oil | 111 | 2% | 10% | 9% | ► | ► | ► | Fruit (apricot) | - | - | - | - | - | - | - |
| | Sugar | 57 | 2% | 5% | 7% | ► | ► | ► | Diesel | 36 | -2% | -5% | -13% | ► | ► | ► |
| | Petrol (Octane rating 92) | 40 | -4% | -5% | -17% | ► | ► | ▼ | | | | | | | | |
| <div>▲ Price increase above normal price fluctuation</div> <div>► Normal price fluctuation</div> <div>▼ Price decrease below normal fluctuation</div> <div>Price fluctuation is considered normal if change within: 5% for 1 month, 10% for 3 months, 15% for 1 year</div> | | | | | | | | | | | | | | | | |

▲ 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

Data sources and methodologies

- ¹ **Data for retail prices of 9 food security commodities** are collected by the National Statistics Committee on a daily basis from 10 markets across the country (Bsihek, Osh, Tokmok, Kara-balta, Talas, Karakol, Naryn, Kara-su, Kyzyl-kiya and Batken).
- ² **Data for export price of wheat in Kazakhstan** is Free on Board [FOB] price for milled wheat at Aktau port. The FAO Global Information and Early Warning System (GIEWS) updates this data on a monthly basis. Methodological details are available online at <http://www.fao.org/giews/pricetool/>
- ³ **Currency exchange rate** used is the official daily exchange rate provided by the National Bank of Kyrgyz Republic. The monthly average rate was calculated for the bulletin.
- ⁴ **Domestic production of wheat for 2005 - 2014** is provided by the National Statistics Committee. The figure for 2015 is provided by the Ministry of Agriculture and Melioration and is subject to change.
- ⁵ **International price of sugar** refers to the International Sugar Agreement (ISA) daily price for raw sugar, obtained from the International Sugar Organization. The price data is widely used by global market monitoring publications such as the World Bank's Commodity Markets Outlook (<http://www.worldbank.org/en/research/commodity-markets>).
- ⁶ **Proportion of household spending on sugar and confectionary** is calculated based on the data provided by the National Statistics Committee's publication in 2013 (*The Standard of Living of the Population of the Kyrgyz Republic*).
- ⁷ **The deviation of the observed prices and estimated seasonal prices** are provided by WFP's Alert for Price Spikes (ALPS) in units of standard deviations. In July 2015, for example, the standard deviation of observed prices of wheat flour price and estimated seasonal prices was 0.74 in Osh, indicating that the market experienced unusually high price levels. Seasonal prices were estimated using the price data for the last 10 years. Methodological guidance is available online at http://documents.wfp.org/stellent/groups/public/documents/manual_guide_proced/wfp264186.pdf
- ⁸ **Food inflation** is measured by monthly changes in the food component of CPI. The food component of CPI is provided by the National Statistics Committee on a monthly basis.
- ⁹ **El Nino** refers to the large-scale ocean-atmosphere climate phenomenon linked to a periodic warming in sea-surface temperatures across the central and east-central equatorial Pacific. Typical effects of El Nino include dry weather in Australasia and heavy rain in South America.
- ¹⁰ **Typical rainfall patterns during El Nino events.** Such patterns are likely during El Nino events, but not certain. Sources: Ropelewski, C. F., and M. S. Halpert, 1987: Global and regional scale precipitation patterns associated with the El Nino Southern Oscillation. Mon. Wea. Rev., 115, 1606-1626; Mason and Goddard, 2001. Probabilistic precipitation anomalies associated with ENSO. Bull. Am. Meteorol. Soc. 82. 619-638
- ¹¹ **Food Security Atlas of the Kyrgyz Republic** was developed by the Ministry of Agriculture and WFP in 2015. The publication is available at <https://www.wfp.org/content/food-security-atlas-kyrgyz-republic>
- ¹² **Data for fuel prices** are provided by the National Statistics Committee on a monthly basis for 95-octane petrol, 92-octane petrol, 80-octane petrol and diesel. This bulletin reports the prices of 92-octane petrol and diesel which are the most commonly used for food transportation and agricultural machinery.
- ¹³ **Data for remittance inflow** is provided by the National Bank of the Kyrgyz Republic. The amount includes remittances received from the Russian Federation, Kazakhstan, the United States, Germany and other countries, using money transfer systems.
- ¹⁴ **Remittances in Russian Ruble terms** is calculated using the monthly average official exchange rate (Ruble per US Dollar) of the Central Bank of the Russian Federation.



This bulletin is prepared by the Technical Working Group on Price Monitoring for Food Security (TWG-PMFS) which is chaired by the Ministry of Economy and attended by the Ministry of Agriculture and Melioration, the National Bank, the National Statistics Committee and the National Institute for Strategic Study, with the technical support of the United Nations World Food Programme (WFP) and Food and Agriculture Organization of the United Nations (FAO). The bulletin aims to provide timely information and analysis on the domestic prices of basic food and non-food items, complemented by analysis of international markets. It also provides early warning on high food prices. This is the third issue of the bulletin for November 2015.

Should any recipient of this bulletin require information from previous bulletins, please contact office@nisi.kg or WFP.Bishkek@wfp.org. The bulletins are available at:

<http://www.nisi.kg/ru-p122> and <https://www.wfp.org/content/kyrgyz-republic-monthly-price-and-food-security-update-2015>