

Price Monitoring for Food Security in the Kyrgyz Republic

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



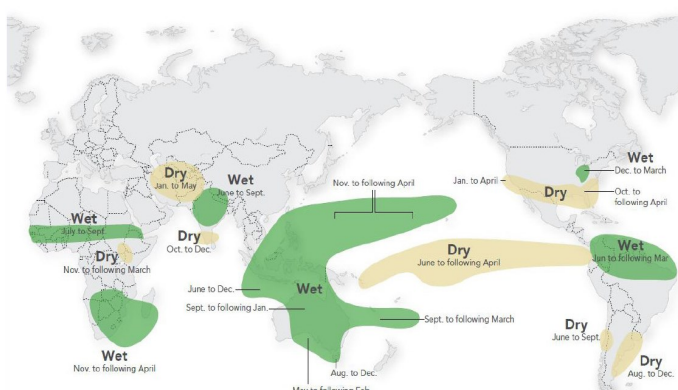
Highlights

- In 2016 international wheat prices have fallen by more than 60 percent since their peaks in early 2008. In relation to this the export price of wheat flour from Kazakhstan and Russia continues to decrease by 11% and 6% compared to the same month of the last year. The national average price of the wheat flour has been decreasing during January-September, 2016. It has decreased for 1% month-on-month basis, and drifted by 14% compared to the same month of the last year.
- International price of sugar has increased by 9% on month-on-month basis and by 80% compared to the same month of the last year. However the national average price of sugar stayed stable on-month-on-month basis in September 2016.
- The national average price of potatoes decreased by 11% in September on month-on-month basis and by 1% compared to the same month of the last year. The potato prices are characterized by seasonal price change, usually increasing during may-june and decreasing from July onwards in correlation with the harvest season.
- Russian rouble continues stabilizing against the Kyrgyz som, it has appreciated to 1% compared to the last month and it was lower for 1% compare to the same month of the last year in 2015. US dollar continues to depreciate against the Kyrgyz som starting from the beginning of 2016.
- By July 2016 the aggregate volume of remittances during January-July 2016 is higher for 11% in 2015, but lower than during 2012-2014.

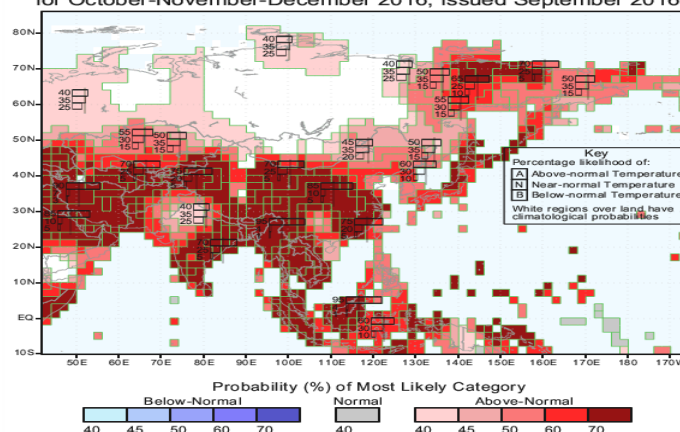
Trends of retail prices of main food security commodities¹

	July 2016	May 2016	Aug 2015		July 2016	May 2016	Aug 2015
Wheat flour (1st grade)	-1%	-5%	-14%	Vegetables(Carrot)	-10%	-19%	-30%
Rice	1%	0%	-10%	Vegetables(potatoe)	-11%	-37%	-1%
Meat(Beef)	-1%	-1%	-13%	Vegetables(cabbage)	8%	6%	3%
Meat(Mutton)	-1%	-2%	-11%	Fruits (apple)	-11%	-7%	-13%
Milk	4%	0%	-2%	Sugar	0%	4%	5%
Eggs	1%	-2%	-4%	Vegetable oil	1%	0%	4%

Current forecasts indicate that the onset of a La Nina episode may start between August and October 2016 and there is 55/60% chance that it would persist until the beginning of 2017. The timing of a La Nina onset is key to determine how its consequences will impact on agriculture. A La Nina phenomena generally affects the same regions that are impacted by El Nino, with opposite climatic events. Across various countries of Central Asia, La Nina would bring drier-than-average conditions from January to May 2017. According to the IRI climate outlook during October 2016 and March 2017 there is moderately enhanced probability (45-50%) for above normal temperature in the Kyrgyz Republic.



IRI Multi-Model Probability Forecast for Temperature for October-November-December 2016, Issued September 2016



Wheat flour

International prices

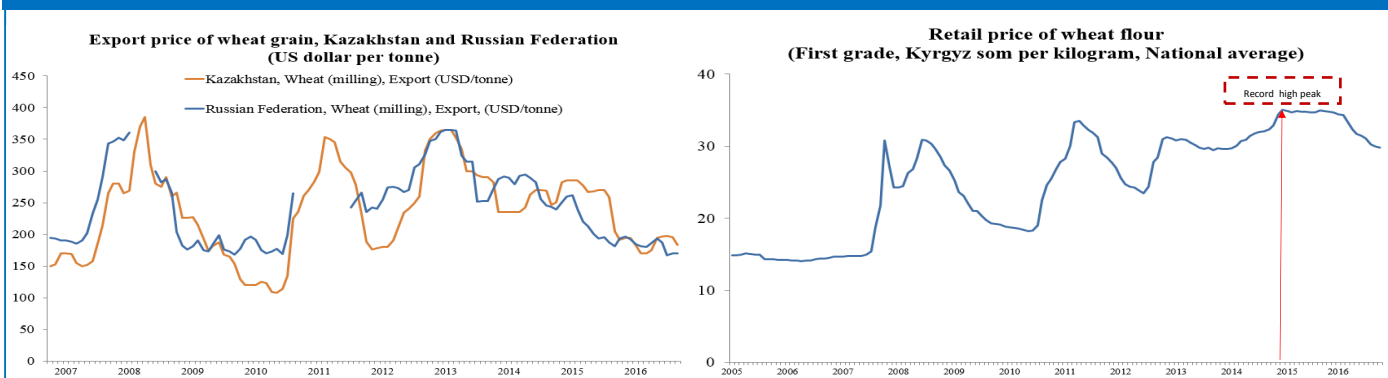
International wheat prices have fallen by more than 60 percent since their peaks in early 2008. The current forecast for global wheat production in 2016 for 1.2 percent above the 2015 estimates, with particularly large increases in Russia, India and US. Wheat exports by the Russia are set to increase by at least 21 percent, making the country the world's largest wheat exporter in 2016/17. The Kazakhstan's wheat exports are set to reach 7 million tons, up slightly from 2015/16 due to this year's increase in production. In relation to this the export price of wheat flour from Kazakhstan continues to decrease, it drifted to 11% compared to the same month of the last year and 6% on month-on-month

basis. The export price from Russia decreased by 6% compared to the same month of the last year, and stable on-month-on-month basis.

Domestic prices

The national average price of the wheat flour continues decreasing during January-September, 2016. It has decreased for 1% month-on-month basis, and drifted by 14% compared to the same month of the last year. The prices are lowest in Talas oblast and the highest in Osh oblast. The current wheat flour price is to 15% lower compared to the record high price in December 2014.

Domestic and international prices of wheat flour

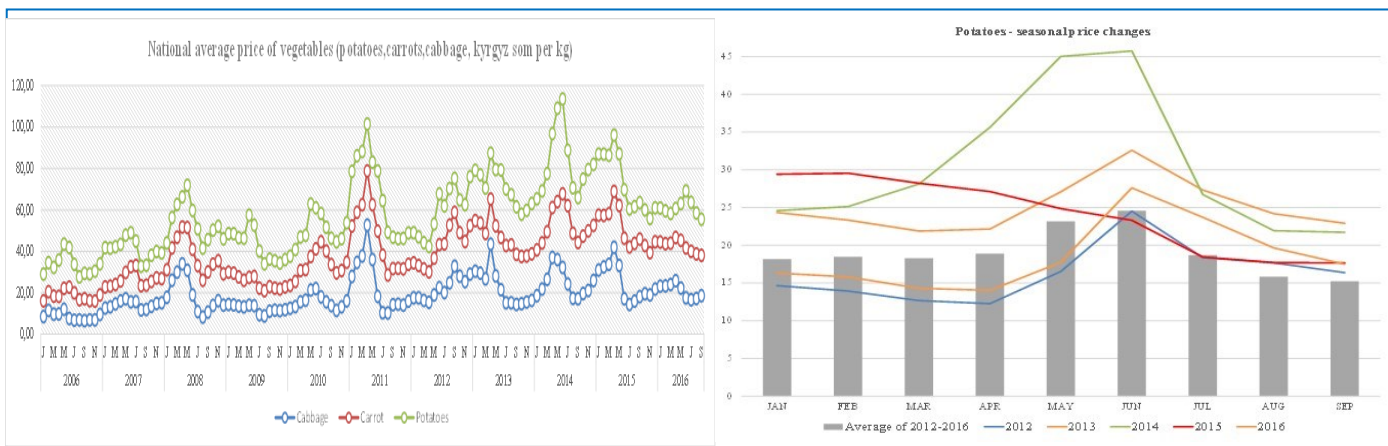


	Kazakhstan	Russia	Кыргызстан
Июль 2016	-6%	0%	-1%
Май 2016	-7%	-9%	-4%
Август 2015	-11%	-6%	-14%

Domestic prices of vegetables

Vegetables (potatoes, carrot, cabbage)

The potato prices are characterized by seasonal price change, usually increasing during May-June and decreasing from July onwards in correlation with the harvest season. The national average price of potatoes decreased by 11% in September on month-on-month basis and by 1% compared to the same month of the last year. The price of carrot also decreased by 10% on month-on-month basis in September 2016 and to 30% compared to the same month of the last year. The price of cabbage increased by 8% on month-on-month basis and stays by 3% higher compared to the same month of the last year.



Sugar

Milk

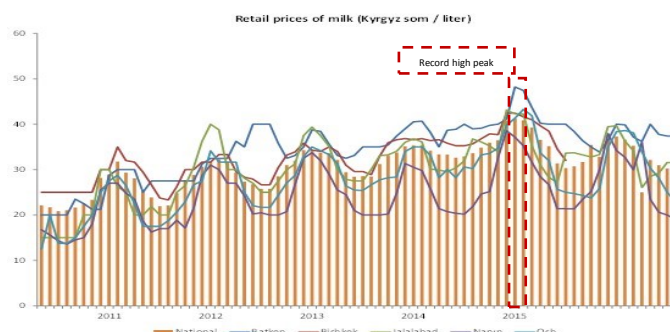
International sugar prices (USA Dollar per kg)
National sugar prices (Kyrgyz Som per kg)

Record high peak

USA dollar

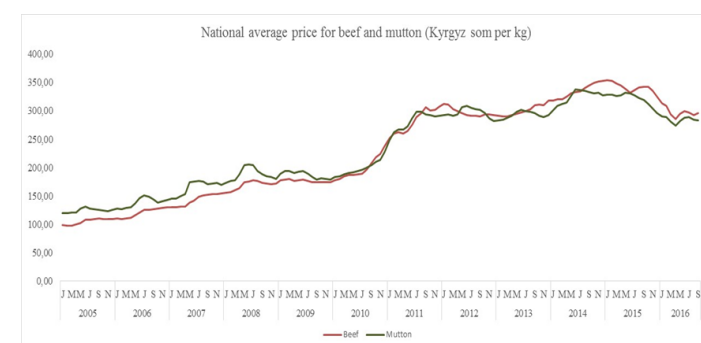
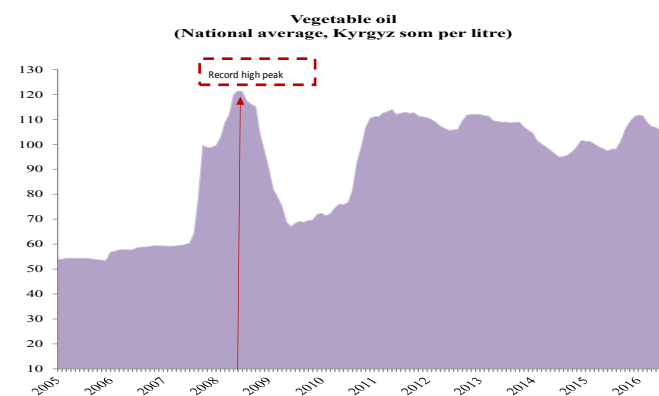
Kyrgyz Som

— International ICA sugar price
 — National sugar prices



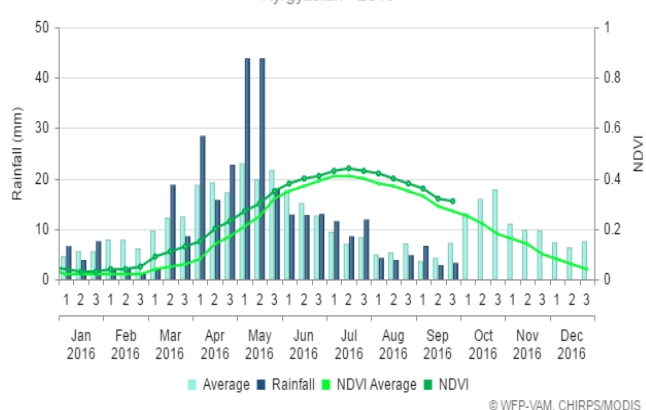
Meat (beef and mutton)

The price of beef started increasing after continued decrease during January-August, 2016. It increased by 1% on month-on-month basis and lower to 13% compared to the same month of the last year. Unlike beef the national average price of mutton has been fluctuating since January 2016, it decreased to 1% on month-on-month basis and stays lower by 11% compared to the same month of the last year. Both for beef and mutton the prices are highest in Batken and Jalalabat oblasts and lowest in Talas oblasts.



Weather outlook

Kyrgyzstan - 2016

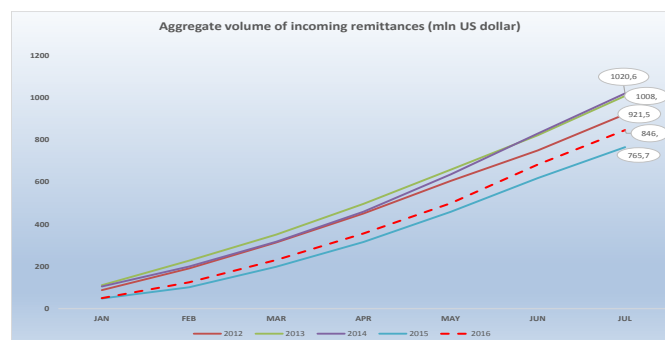


Remittances

Remittance inflows

Remittance inflows

Economic recession in the Russian Federation and in neighboring Kazakhstan significantly impacts the economy of the Kyrgyz Republic. Specifically it is also reflected on the volume of the incoming remittances. The aggregate volume of remittances during January-July 2016 is higher to 11% compared to the same period in 2015, but lower than during 2012-2014.



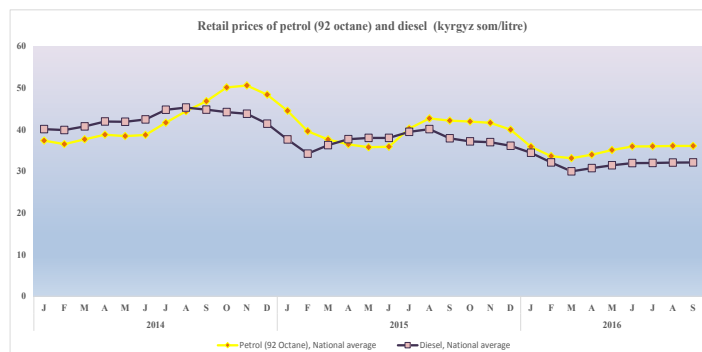
	Remittance inflow
April 2016	846,35
February 2016	765,71
May 2015	1020,6

Fuel prices

Fuel prices (petrol and diesel)

Petrol and diesel

Both the price of petrol and diesel stays stable on month-on-month basis and by 14% and 15% lower compared to the same month of the last year. The prices for diesel and petrol are by 29% lower from the record high peak in August 2014 and November 2014.

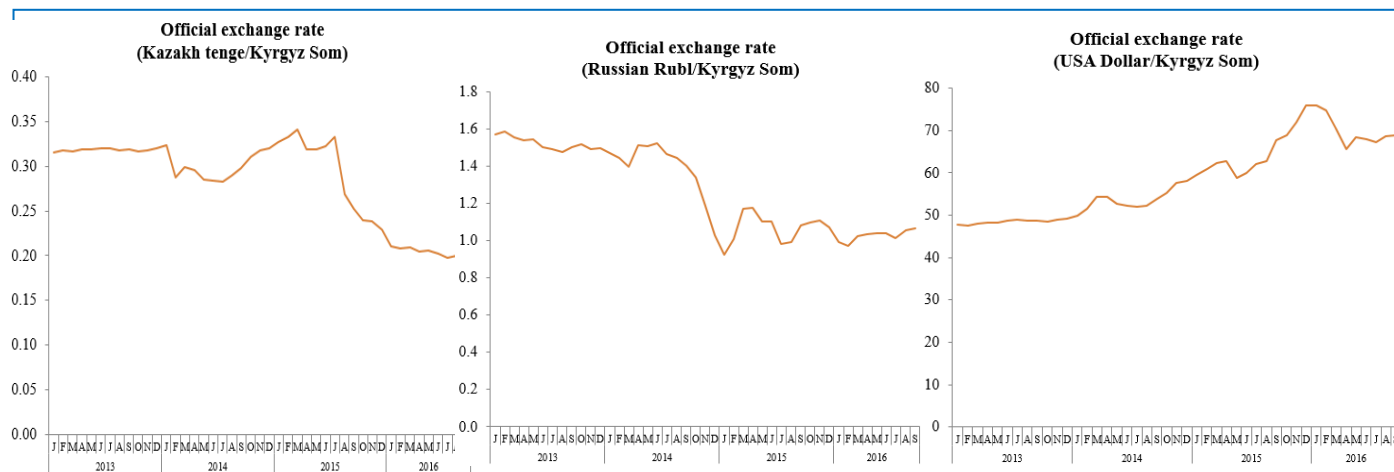


	Petrol	Diesel
June 2016	0%	0%
April 2016	0%	0%
July 2015	-14%	-15%

Currency exchange rate

Currency exchange rate (US dollar, Russian ruble, Kazakhstan tenge)











There is no significant changes in currency exchange against Kazakh tenge, Russian rouble and US dollar on month-on-month basis. However Kazakh tenge appreciated against Kyrgyz som to 20% compared to the same month of the last year. Russian rouble continues stabilizing against the Kyrgyz som, it has appreciated to 1% compared to the last month. US dollar depreciated to 9% against the Kyrgyz som compared to January 2016. During last decade 2015 and in January 2016 the US dollar reached its highest rate against the Kyrgyz som.



	US dollar	Rouble	Tenge
June 2016	0%	1%	2%
February 2016	1%	2%	1%
July 2015	1%	-1%	-20%

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	1 m	3 m	1 yr
 BISHKEK	Wheat flour (1st quality)	29	0%	-5%	-16%	►	►	▼	Rice (medium grain)	70	3%	0%	-14%	►	►	►
	Meat (mutton)	283	0%	-4%	-11%	►	►	▼	Egg	64	2%	-3%	-2%	►	►	►
	Meat (beef)	306	3%	-2%	-13%	►	►	▼	Vegetable (carrot)	20	-2%	-11%	-41%	►	►	►
	Milk (unpasteurized)	33	3%	-3%	-4%	►	►	▼	Vegetable (cabbage)	19	0%	-5%	-4%	►	►	►
	Potato	17	-16%	-43%	-9%	▼	▼	▼	Fruit (apple)	84	0%	7%	-11%	►	►	►
	Sunflower oil	104	2%	0%	5%	►	►	►	Fruit (apricot)	-	-	-	-	-	-	-
	Sugar	55	-2%	1%	3%	►	►	►	Diesel	32	0%	1%	-16%	►	►	►
	Petrol (Octane rating 92)	36	0%	0%	-15%	►	►	▼								
 TOKMOK	Wheat flour (1st quality)	32	-2%	-7%	-12%	►	►	▼	Rice	61	-2%	-5%	-22%	►	►	►
	Meat (mutton)	253	0%	0%	-4%	►	►	▼	Egg	70	1%	10%	-3%	►	►	►
	Meat (beef)	270	0%	0%	-14%	►	►	▼	Vegetable (carrot)	17	-3%	-5%	-33%	►	►	►
	Milk	25	0%	0%	0%	►	►	►	Vegetable (cabbage)	14	33%	14%	-12%	►	►	►
	Potato	13	-10%	-44%	0%	▼	▼	►	Fruit (apple)	38	-9%	-56%	-41%	▼	▼	▼
	Cooking oil	109	0%	-1%	7%	►	►	►	Fruit (apricot)	-	-	-	-	-	-	-
	Sugar	57	0%	5%	8%	►	►	►	Diesel	31	2%	3%	-16%	►	►	►
	Petrol (Octane rating 92)	35	0%	0%	-14%	►	►	▼								
 KARA-BALTA	Wheat flour (1st quality)	29	0%	-1%	-11%	►	►	▼	Rice	85	2%	2%	-2%	►	►	►
	Meat (mutton)	299	3%	2%	-14%	►	►	▼	Egg	70	2%	8%	-6%	►	►	►
	Meat (beef)	291	0%	2%	-17%	►	►	▼	Vegetable (carrot)	18	-22%	-39%	-10%	▼	▼	▼
	Milk	37	-2%	45%	6%	►	►	►	Vegetable (cabbage)	8	-13%	-32%	-46%	▼	▼	▼
	Potato	15	-13%	-38%	-21%	▼	▼	▼	Fruit (apple)	49	-3%	-36%	-23%	►	►	►
	Cooking oil	103	-2%	0%	0%	►	►	►	Fruit (apricot)	-	-	-	-	-	-	-
	Sugar	57	0%	8%	7%	►	►	►	Diesel	31	-1%	-1%	-15%	►	►	►
	Petrol (Octane rating 92)	35	-1%	0%	-15%	►	►	▼								
 TALAS	Wheat flour (1st quality)	22	-2%	-4%	-28%	►	►	▼	Rice	65	1%	-5%	-16%	►	►	►
	Meat (mutton)	262	-2%	-4%	-12%	►	►	▼	Egg	83	3%	4%	-1%	►	►	►
	Meat (beef)	264	-2%	-3%	-12%	►	►	▼	Vegetable (carrot)	17	-20%	-25%	-21%	▼	▼	▼
	Milk	25	-6%	-12%	4%	►	►	►	Vegetable (cabbage)	17	-18%	54%	-5%	►	►	►
	Potato	13	-28%	-44%	-12%	▼	▼	►	Fruit (apple)	42	-1%	-42%	10%	►	►	►
	Cooking oil	105	2%	-2%	5%	►	►	►	Fruit (apricot)	-	-	-	-	-	-	-
	Sugar	55	-1%	3%	1%	►	►	►	Diesel	31	4%	8%	-14%	►	►	►
	Petrol (Octane rating 92)	35	2%	4%	-13%	►	►	►								
 KARAKOL	Wheat flour (1st quality)	31	-1%	-4%	-4%	►	►	►	Rice	63	0%	-4%	-19%	►	►	►
	Meat (mutton)	261	-1%	-1%	-13%	►	►	▼	Egg	61	-3%	16%	-9%	►	►	►
	Meat (beef)	267	1%	-2%	-17%	►	►	▼	Vegetable (carrot)	15	-9%	-10%	-23%	▼	▼	▼
	Milk	25	0%	0%	-8%	►	►	►	Vegetable (cabbage)	15	-4%	-15%	0%	►	►	►
	Potato	11	-21%	-65%	3%	▼	▼	►	Fruit (apple)	64	-16%	-16%	-6%	▼	▼	►
	Cooking oil	108	1%	2%	11%	►	►	►	Fruit (apricot)	-	-	-	-	-	-	-
	Sugar	58	-1%	5%	5%	►	►	►	Diesel	32	0%	1%	-16%	►	►	►
	Petrol (Octane rating 92)	36	0%	0%	-15%	►	►	▼								
 NARYN	Wheat flour (1st quality)	29	0%	-6%	-13%	►	►	►	Rice	61	-6%	-9%	-23%	▼	►	►
	Meat (mutton)	288	-1%	-4%	-1%	►	►	►	Egg	77	4%	6%	-1%	►	►	►
	Meat (beef)	299	0%	0%	-4%	►	►	►	Vegetable (carrot)	17	-27%	-31%	-31%	▼	►	►
	Milk	20	5%	-3%	-15%	►	►	►	Vegetable (cabbage)	22	-4%	2%	1%	►	►	►
	Potato	14	-26%	-12%	-20%	▼	▼	►	Fruit (apple)	50	-36%	-50%	-11%	►	►	►
	Cooking oil	102	-3%	-8%	-3%	►	►	►	Fruit (apricot)	-	-	-	-	-	-	-
	Sugar	55	0%	7%	5%	►	►	►	Diesel	32	0%	0%	-13%	►	►	►
	Petrol (Octane rating 92)	32	-9%	-10%	-22%	▼	►	►								
 OSH	Wheat flour (1st quality)	34	-3%	-4%	-11%	►	►	►	Rice	118	2%	10%	7%	►	►	►
	Meat (mutton)	287	-3%	2%	-16%	►	►	►	Egg	71	-3%	-9%	-1%	►	►	►
	Meat (beef)	285	-2%	2%	-16%	►	►	►	Vegetable (carrot)	20	-23%	-27%	27%	▼	▼	►
	Milk	28	21%	-1%	14%	►	►	►	Vegetable (cabbage)	21	17%	18%	25%	►	►	►
	Potato	21	5%	-13%	28%	►	►	►	Fruit (apple)	40	-37%	-48%	-15%	►	►	►
	Cooking oil	109	-1%	-2%	2%	►	►	►	Fruit (apricot)	-	-	-	-	-	-	-
	Sugar	62	9%	8%	10%	►	►	►	Diesel	32	0%	-1%	-14%	►	►	►
	Petrol (Octane rating 92)	37	0%	0%	-13%	►	►	►								
 JALALABAD	Wheat flour (1st quality)	28	2%	2%	-20%	►	►	▼	Rice	67	-3%	-12%	-24%	►	►	►
	Meat (mutton)	300	0%	0%	-8%	►	►	►	Egg	70	4%	-7%	-10%	►	►	►
	Meat (beef)	300	0%	0%	-4%	►	►	►	Vegetable (carrot)	20	-19%	-36%	8%	▼	▼	►
	Milk	32	0%	8%	-5%	►	►	►	Vegetable (cabbage)	23	35%	72%	27%	►	►	►
	Potato	21	-2%	-9%	17%	►	►	►	Fruit (apple)	51	-3%	12%	2%	►	►	►
	Cooking oil	101	1%	4%	1%	►	►	►	Fruit (apricot)	-	-	-	-	-	-	-
	Sugar	57	0%	3%	4%	►	►	►	Diesel	33	0%	1%	-16%	►	►	►
	Petrol (Octane rating 92)	37	0%	1%	-14%	►	►	►								
 BATKEN	Wheat flour (1st quality)	28	-1%	0%	-18%	►	►	▼	Rice	76	-8%	-5%	-8%	▼	►	►
	Meat (mutton)	300	0%	0%	-14%	►	►	►	Egg	78	3%	9%	-27%	►	►	►
	Meat (beef)	300	0%	0%	-14%	►	►	►	Vegetable (carrot)	21	-15%	-32%	52%	▼	▼	►
	Milk	38	1%	0%	4%	►	►	►	Vegetable (cabbage)	20	70%	108%	33%	►	►	►
	Potato	19	-1%	-16%	15%	►	►	►	Fruit (apple)	28	1%	-44%	-4%	►	►	►
	Cooking oil	111	-1%	1%	2%	►	►	►	Fruit (apricot)	-	-	-	-	-	-	-
	Sugar	58	2%	5%	4%	►	►	►	Diesel	34	0%	0%	-16%	►	►	►
	Petrol (Octane rating 92)	38	0%	0%	-14%	►	►	►								
 NATIONAL	Wheat flour (1st quality)	30	-1%	-4%	-14%	►	►	►	Rice	77	1%	0%	-10%	►	►	►
	Meat (mutton)	283	-1%	-2%	-11%	►	►	►	Egg	67	1%	-2%	-4%	►	►	►
	Meat (beef)	296	1%	-1%	-13%	►	►	►	Vegetable (carrot)	20	-10%	-19%	-30%	►	►	►
	Milk	31	4%	0%	-2%	►	►	►	Vegetable (cabbage)	19	8%	6%	3%	►	►	►
	Potato	17	-11%	-37%	-1%	▼	▼	►	Fruit (apple)	66	-7%	-11%	-13%	►	►	►
	Cooking oil	106	1%	0%	4%	►	►	►	Fruit (apricot)	-	-	-	-	-	-	-
	Sugar	57	0%	4%	5%	►	►	►	Diesel	32	0%	0%	-15%	►	►	►
	Petrol (Octane rating 92)	36	0%	0%	-14%	►	►	►								

- ▲ Price increase above normal price fluctuation
- Normal price fluctuation
- ▼ Price decrease below normal fluctuation
- ▲ Средний уровень флуктуации
- Средний уровень флуктуации
- ▼ Уменьшение цены с высоким уровнем флуктуации

Price fluctuation is considered normal if change within:
5% for 1 month, 10% for 3 months, 15% for 1 year

Ценовая флуктуация считается средней в случае изменения в пределах:
5% за 1 месяц, 10% за 3 месяца, 15% за 1 год

Data sources and methodologies

- ¹**Data for retail prices of 9 food security commodities** are collected by the National Statistics Committee of the Kyrgyz Republic on a daily basis from 10 markets across the country (Bishkek, Osh, Tokmok, Kara-balta, Talas, Karakol, Naryn, Kara-su, Kyzyl-kiya and Batken).
- ²**El Niño** - 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 Niño include dry weather in Australasia and heavy rain in South America. **La Niña** - is characterized by unusually cold ocean temperatures in the Equatorial Pacific, compared to El Niño. La Niña and El Niño are the "cold" (La Niña) and "warm" (El Niño) phases of the El Niño-Southern Oscillation (ENSO). ENSO is series of linked weather- and ocean-related phenomena.
- ³**Normalized Difference Vegetation Index (NDVI)**-provides the alternative measures of the relative vegetation health. These indices can be used to monitor areas where vegetation may be stressed, as a proxy to detect potential drought. http://www.fao.org/giews/earthobservation/asis/index_2.jsp?lang=en
- ⁴**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/>
- ⁵**NSC**– National Statistical Committee of the Kyrgyz Republic
- ⁶**Commodity Markets Outlook**, April 2016. World Bank Quarterly Report. **Agricultural Information Market System (AMIS)** -is an inter-agency platform to enhance food market transparency and encourage coordination of policy action in response to market uncertainty. AMIS focuses on four crops that are particularly important in international food markets, namely wheat, maize, rice and soybeans.
- ⁷**International grain Council (IGC)**-Intergovernmental organization promoting the international cooperation in grains trade. <http://www.igc.int/en/Default.aspx>
- ⁸**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.
- ⁹**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>).
- ¹⁰**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 during this month. 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
- ¹¹**Producer prices** are monitored by the National Statistics Committee.
- 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**FAO Food Price Monitoring and Analysis (FPMA)** <http://www.fao.org/giews/food-prices/food-policies/en/>

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 tenth issue of the bulletin jointly for July 2016.

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<https://www.wfp.org/content/kyrgyz-republic-monthly-price-and-food-security-update-2015> (WFP)