Price Monitoring for Food Security in the Kyrgyz Republic

Situation Update

The December mobile food security monitoring showed that food security among the population is generally stable, with 10 percent of the population remaining food insecure and 50 percent only marginally food insecure. Despite this, the population is still experiencing some inflationary and climatic pressures, with **72 percent of the population using some form of asset depletion coping strategies** (relying on savings and money borrowing) of which **33 percent using crisis coping strategies** (selling assets - the last livestock, land or house - or seeking assistance). One-third of the population remains poor, and 6 percent of the population is at risk of poverty in 2022. Meanwhile, there is still a 22 percent decline in remittances in January-October 2023, which accounts for 28 percent of GDP and plays an important role in poverty reduction.

Gross Domestic Product (GDP) of the Kyrgyz Republic continued to grow and **increased by 4.4 percent**, adding KGS 1 trillion (US $1.12 billion) to the economy in January-November 2023 compared to the same period last year. This growth was primarily driven by the improvements in the services sector (+5.6 percent), industry (+3.3 percent) and newly monitored sector — food taxes (+3.1 percent).

In November 2023, **inflation reached 8.1 percent compared to November 2022 (NBKR).** The decline is related to the price regulation policies and this policy also contributed to stabilization of food prices compared to December 2022. Nevertheless, in January – November 2023, the Consumer Price Index (CPI) increased by **10 percent for staple foods, 13 percent for non-food items and 10 percent for services** compared to the same period of 2022. The country still retains the second place in the EAEU region in terms of inflation. However, high food inflation in the EAEU region (Kazakhstan (+7.5 %), Russian Federation (6.6 %), Belarus (5.2 %)) may spark further increases in food prices, given the high share of imports from these countries in the long term, adding to the cost of living.

The Kyrgyz Republic is not self-sufficient in some key commodities in terms of domestic production, in particular wheat and wheat flour (only 77% self-sufficiency in January-August 2023, MoA), **sugar** (69%), **eggs** (64%) and **vegetable oil** (44%), the **local market remains to be volatile**. At the global level, despite lower prices for cereals and vegetable oil, risks still remain, including for the Kyrgyz Republic especially for those products imported outside the EAEU. Meanwhile, in November 2023 export prices of wheat in Kazakhstan remained 22 percent higher compared to July 2023 due to the drought related low production levels. In the Russian Federation export prices remained 2 percent lower compared to July 2023 before the cancellation of Black Sea Grain Initiative (BSGI). The non-renewal of the BSGI in July 2023 means that food supplies along this route could be disrupted, producing countries could impose new restrictions on food supplies, and global energy prices could continue their recent upward trend.

At the same time, limited fiscal space and climate change pose challenges for sustainability of food systems in 2024. Due to abnormally high temperatures during the summer season, **the gross harvest of wheat decreased by 26 percent, barley by 30 percent as of 23 November 2023** (NSC). Temperature fluctuations in the spring period impacted the ripening dates of grain legumes and oilseed crops. Although, sowing of the 2024 winter wheat and barley crops in November 2023 was underway with drier conditions. A below-average vegetation index in November 2023 was observed in central part of Kyrgyz Republic. According to International Research Institute Climate Forecasts in December 2023—February 2024, the rainfall is likely to be light to moderate across the country (60-80 percent possibility of exceeding the median rainfall), while air temperature will likely be above normal across western parts of the Kyrgyz Republic (70-90 percent possibility of exceeding the median temperature) (WFP Seasonal Monitor).

The following section discusses average national retail prices for the four weeks from 10 November to 08 December 2023, in comparison to the previous month, the annual average in December 2022 and the monthly average in February 2020 (before the COVID-19 outbreak began in the country).

- **Wheat**: The price of wheat remained stable to the previous month, with an average price of 30 KGS/kg. As of 08 December 2023, the highest price for wheat was observed in Bishkek city (32 KGS/kg) and the lowest price in Talas province (21 KGS/kg). Prices were 3 percent lower compared to December 2022 and **56 percent higher** compared to February 2020.

- **Wheat flour (first grade)**: The price for wheat flour decreased by 2 percent compared to the previous month with an average of 53 KGS/kg. As of 08 December 2023, the highest price was in Bishkek city and Osh province (53 KGS/kg) and lowest in Yssyk-Kul province (44 KGS/kg). Prices were 1 percent and **58 percent higher** compared to December 2022 and February 2020.

- **Bread (first grade)**: The price of bread decreased by 2 percent compared to the previous month, with an average price of 66 KGS/L. As of 08 December 2023, the highest price was in Batken and Jalal-Abad provinces (80 KGS/L) and the lowest price was in Yssyk-Kul province (59 KGS/L). The prices were 4 precent lower compared to December 2022 and **45 percent higher** compared to February 2020.

Situation Update

- **Oil (Cooking)**: The price of vegetable oil remained stable compared to the previous month, with an average price of 154 KGS/L. As of 08 December 2023, the highest price was in Talas province (166 KGS/L) and the lowest price was in Yssyk-Kul province (139 KGS/L). The prices were 15 precent lower compared to December 2022 and **60 percent higher** compared to February 2020. The country has a high import dependency on vegetable oil due to its low internal production and capacity for processing oil seeds.

- **Eggs:** The price of eggs increased by 4 percent compared to the previous month, leading to an average price of 123 KGS/10 pcs. As of 08 December 2023, the highest price was observed in Chuy provinces (128 KGS/10 pcs) and the lowest price in Talas and Naryn provinces (122 KGS/10 pcs). The price of eggs was **8 percent** and **60 percent** higher compared to December 2022 and February 2020.

- **Potatoes**: Due to seasonal fluctuations, the price of potatoes decreased by 10 percent compared to last month, with an average of 31 KGS/kg. As of 08 December 2023, the highest price was in Bishkek town, Talas and Batken provinces (32 KGS/l) and the lowest in Yssyk-Kul province (22 KGS/l). The price of potatoes was 5 percent lower compared to December 2022 and **39 percent** higher and February 2020 respectively, which is above normal annual price fluctuations.

- **Exchange Rate**: The local foreign exchange market remains stable. During the period from 10 November to 08 December 2023, the Kyrgyz Som remained stable at the level of 89.32 KGS against the US Dollar, the Russian Ruble depreciated from 91 RUB to 93 RUB against the US Dollar, and the Kazakh Tenge appreciated from 468 KZT to 460 KZT against the US Dollar. *Compared to December 2022, the Kyrgyz Som and Russian Ruble depreciated by 5 percent and 41 percent* respectively, while the Kazakh Tenge depreciated by only 2 percent against the US Dollar. Currency movements are one of the main driving forces of retail prices of imported basic food commodities, including wheat, vegetable oil and sugar. The National Bank of the Kyrgyz Republic indicates that it continues to constantly monitor the situation, and if necessary, would use additional tools and take appropriate measures to stabilize the exchange rate.

- **Global oil and retail prices:** As of 08 December 2023, retail prices of diesel increased by 1 percent and fuel (AI-92) decreased by 1 percent compared to November 2023. Furthermore, compared to December 2022, prices for AI-92 remained 6 percent higher, while prices for diesel remained 5 percent lower, reaching almost 64 KGS/l for fuel (AI-92) and 71 KGS/l for diesel. The Kyrgyz Association of Oil Traders will continue to prevent sharp price changes in the fuel market of the Kyrgyz Republic by applying mechanisms to equalize prices to a break-even level, ensuring the necessary reserves of petroleum, oil and lubricants to saturate the market and avert shortages.

The dramatic decline in fuel prices occurred at a time when market concerns were shifting away from supply-side risks and toward the status of the global economy and oil demand. From 10 November to 08 December 2023, WTI price decreased from USD 76 per barrel to USD 71 per barrel and Brent price decreased from USD 88 per barrel to USD 76 per barrel. The WTI and Brent prices remained 7 percent and 6 percent lower respectively, compared to December 2022 levels, and 54 percent and 45 percent higher respectively compared to March 2020.

Trends of Retail Prices for 12 Staple Foods (Monthly Trends) in the Kyrgyz Republic

	10 Nov—08 Dec 2023 (KGS/kg)	Previous month (KGS/kg)	Trend		10 Nov—08 Dec 2023 (KGS/kg)	Previous month (KGS/kg)	Trend
Bread (1st grade)	66	68	-2%	**Rice (medium)**	144	143	1%
Milk	59	57	4%	**Sugar**	85	86	-2%
Meat (beef)	545	550	-1%	**Wheat**	30	30	0%
Meat (mutton)	558	571	-2%	**Wheat flour (1st grade)**	53	54	-2%
Oil (cooking)	153	153	0%	**Wheat flour (high-grade)**	66	67	-1%
Potatoes	31	34	-10%	**Eggs**	123	118	4%

This issue of the Price Monitoring Bulletin is prepared based on the operational daily food price data collected by the National Statistics Committee from 18 markets across the country and disaggregated at province level as the average value (Chuy province - Tokmok, Kara-Balta; Osh province - Osh, Uzgen, Kara-Suu and Nookat; Talas province - Talas and Manas; Naryn province - Naryn and Chaek; Batken province - Batken and Isfana; Jalal-Abad province - Jalal-Abad, Toktogul and Kerben; Yssyk-Kul province - Karakol and Balykchy; and Bishkek city). This is a secondary data analysis.

For additional information on the Price Monitoring Bulletins, please contact WFP.Bishkek@wfp.org

WHEAT

Pic 1. Retail wheat prices (KGS/kg)
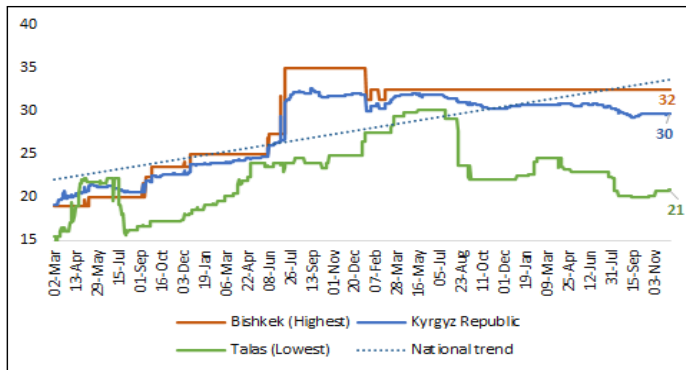
Pic 2. Growth rate of wheat prices, as a percentage of the daily prices from the previous average monthly price
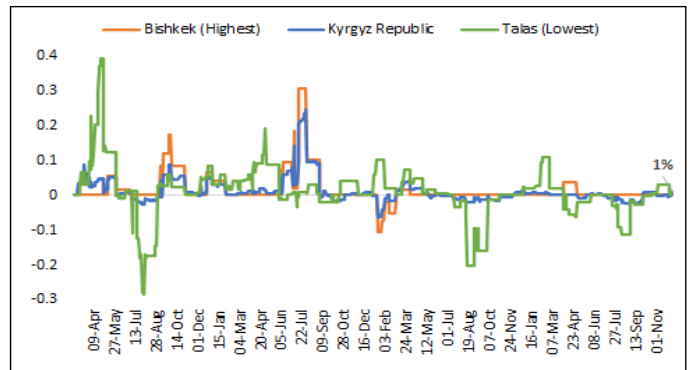
POTATO

Pic 3. Retail potatoes prices (KGS/kg)
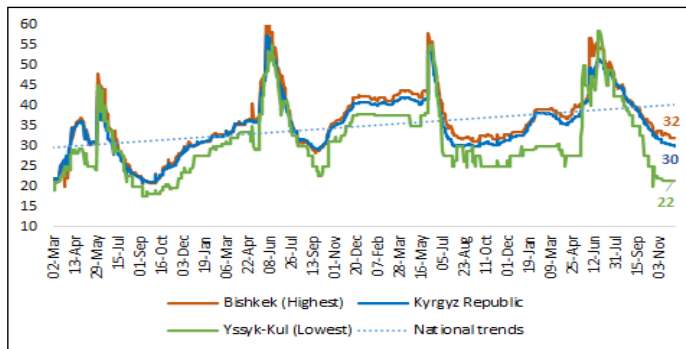
Pic 4. Growth rate of potatoes prices, as a percentage of the daily prices from the previous average monthly price
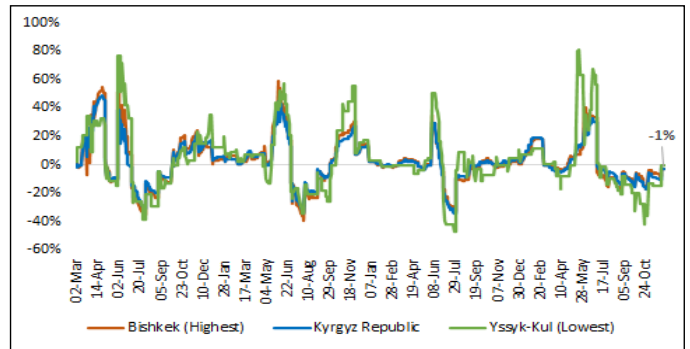
OIL (COOKING)

Pic 5. Retail vegetable oil prices (KGS/l)
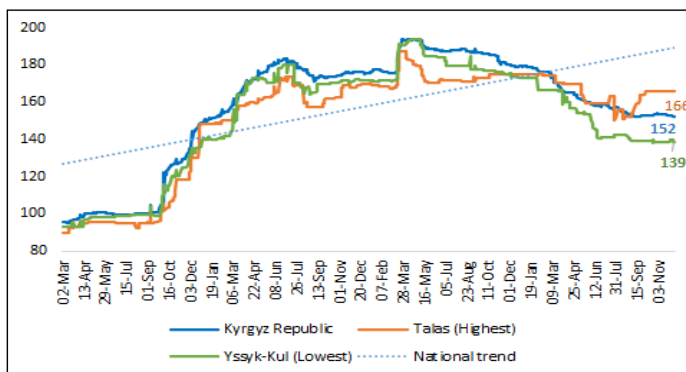
Pic 6. Growth rate of vegetable oil prices, as a percentage of the daily prices from the previous average monthly price
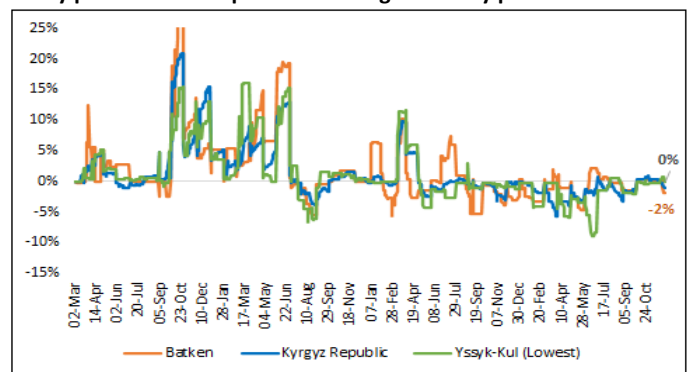
EXCHANGE RATE

Pic 7. Exchange rates of the Russian ruble, Kyrgyz som and Kazakh tenge against the US dollar (source: National Banks of Russia, Kazakhstan and Kyrgyzstan)
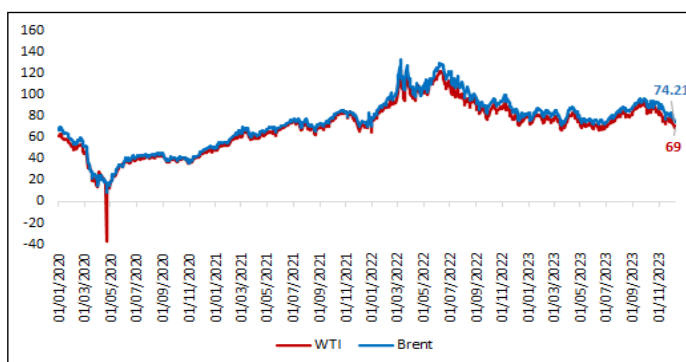
GLOBAL OIL PRICES

Pic 8. Daily WTI, Brent prices (Jan 2020 to 08 Dec 2023, source: US Energy Information Administration)

Annex: Prices of 13 Food Commodities

The table shows the changes of the average retail prices of the current day, past four weeks compared to the average prices of the previous month.

BATKEN

Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020	Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020
Bread (1st grade)	80	-3%	13%	64%	►	►	▲	Potatoes	32	-12%	-1%	25%	▼	►	▲
Bread (lepeshka)	97	-2%	15%	71%	►	▲	▲	Rice (medium)	141	-2%	30%	80%	►	▲	▲
Eggs	128	2%	3%	51%	►	►	▲	Sugar	90	0%	-3%	108%	►	►	▲
Meat (beef)	505	0%	6%	47%	►	►	▲	Wheat	29	0%	-5%	45%	►	►	▲
Meat (mutton)	600	0%	4%	71%	►	►	▲	Wheat flour (1st quality)	50	-2%	-7%	49%	►	►	▲
Milk	60	0%	1%	71%	►	►	▲	Wheat flour (high grade)	65	-1%	2%	52%	►	►	▲
Oil (cooking)	162	0%	-8%	73%	►	►	▲								

BISHKEK CITY

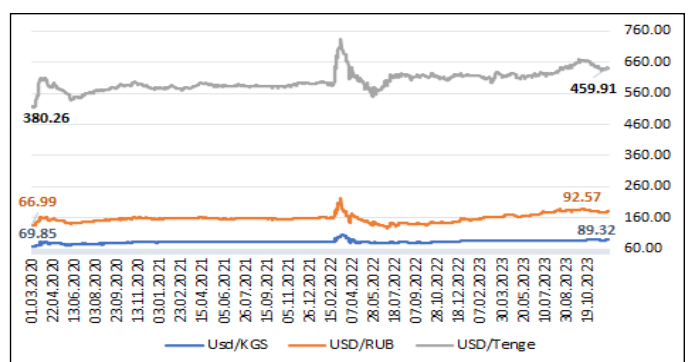| Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020	Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020
Bread (1st grade)	66	-2%	4%	50%	►	►	▲	Potatoes	32	-7%	-2%	0%	▼	►	►
Bread (lepeshka)	97	0%	11%	55%	►	►	▲	Rice (medium)	143	1%	63%	97%	►	▲	▲
Eggs	123	3%	9%	61%	►	►	▲	Sugar	83	-1%	-8%	108%	►	►	▲
Meat (beef)	558	-2%	-1%	57%	►	►	▲	Wheat	32	0%	0%	71%	►	►	▲
Meat (mutton)	538	-4%	6%	76%	►	▲	▲	Wheat flour (1st quality)	53	-3%	0%	64%	►	►	▲
Milk	65	1%	-4%	59%	►	►	▲	Wheat flour (high grade)	63	-2%	-1%	60%	►	►	▲
Oil (cooking)	150	1%	-16%	54%	►	▼	▲								

CHUY

Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020	Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020
Bread (1st grade)	61	-1%	3%	57%	►	►	▲	Potatoes	24	-18%	-18%	14%	▼	▼	▲
Bread (lepeshka)	94	-2%	-1%	49%	►	►	▲	Rice (medium)	133	5%	22%	63%	►	▲	▲
Eggs	130	4%	3%	64%	►	►	▲	Sugar	80	-7%	-9%	112%	▼	►	▲
Meat (beef)	526	0%	0%	62%	►	►	▲	Wheat	24	0%	-18%	29%	►	▼	▲
Meat (mutton)	535	-1%	-1%	71%	►	►	▲	Wheat flour (1st quality)	52	-1%	0%	52%	►	►	▲
Milk	56	1%	3%	56%	►	►	▲	Wheat flour (high grade)	63	-1%	3%	46%	►	►	▲
Oil (cooking)	160	-2%	-10%	78%	►	►	▲								

JALALABAD

Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020	Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020
Bread (1st grade)	80	3%	7%	53%	►	►	▲	Potatoes	31	-10%	47%	42%	▼	▲	▲
Bread (lepeshka)	94	3%	7%	27%	►	►	▲	Rice (medium)	152	0%	47%	87%	►	▲	▲
Eggs	130	2%	5%	54%	►	►	▲	Sugar	85	0%	-4%	115%	►	►	▲
Meat (beef)	504	0%	5%	47%	►	►	▲	Wheat	30	0%	-10%	45%	►	►	▲
Meat (mutton)	557	0%	5%	62%	►	►	▲	Wheat flour (1st quality)	50	0%	0%	42%	►	►	▲
Milk	57	8%	3%	47%	▲	►	▲	Wheat flour (high grade)	65	1%	4%	58%	►	►	▲
Oil (cooking)	159	-3%	-11%	77%	►	►	▲								

NARYN

Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020	Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020
Bread (1st grade)	71	-5%	3%	36%	▼	►	▲	Potatoes	25	-9%	-11%	25%	▼	▼	▲
Bread (lepeshka)	99	-1%	13%	68%	►	►	▲	Rice (medium)	137	1%	46%	96%	►	▲	▲
Eggs	122	1%	0%	44%	►	►	▲	Sugar	80	-2%	-8%	110%	►	►	▲
Meat (beef)	550	0%	6%	65%	►	►	▲	Wheat	22	-2%	10%	28%	►	►	▲
Meat (mutton)	550	0%	4%	68%	►	►	▲	Wheat flour (1st quality)	45	-16%	-5%	44%	▼	►	▲
Milk	53	12%	0%	56%	▲	►	▲	Wheat flour (high grade)	56	-11%	0%	47%	▼	►	▲
Oil (cooking)	159	1%	-15%	71%	►	►	▲								

OSH

Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020	Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020
Bread (1st grade)	71	0%	3%	17%	►	►	▲	Potatoes	30	-13%	-3%	27%	▼	►	▲
Bread (lepeshka)	118	0%	11%	39%	►	►	▲	Rice (medium)	147	-1%	45%	60%	►	▲	▲
Eggs	128	3%	8%	72%	►	►	▲	Sugar	91	-1%	-6%	91%	►	►	▲
Meat (beef)	530	0%	3%	3%	►	►	►	Wheat	29	-3%	1%	52%	►	►	▲
Meat (mutton)	600	0%	5%	71%	►	►	▲	Wheat flour (1st quality)	53	-1%	5%	39%	►	►	▲
Milk	49	0%	4%	39%	►	►	▲	Wheat flour (high grade)	67	0%	11%	42%	►	►	▲
Oil (cooking)	162	2%	-12%	72%	►	►	▲								

TALAS

Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020	Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020
Bread (1st grade)	70	-3%	-9%	55%	►	►	▲	Potatoes	32	-6%	18%	51%	▼	▲	▲
Bread (lepeshka)	93	-2%	10%	54%	►	►	▲	Rice (medium)	139	0%	57%		►	▲	►
Eggs	122	0%	2%	46%	►	►	▲	Sugar	85	-1%	-8%	112%	►	►	▲
Meat (beef)	497	-1%	9%	62%	►	►	▲	Wheat	21	3%	-6%	34%	►	►	▲
Meat (mutton)	517	-5%	9%	67%	▼	►	▲	Wheat flour (1st quality)	51	0%	4%	54%	►	►	▲
Milk	46	0%	-7%	62%	►	►	▲	Wheat flour (high grade)	72	-1%	10%	93%	►	►	▲
Oil (cooking)	166	0%	-5%	85%	►	►	▲								

YSSYK-KUL

Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020	Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020
Bread (1st grade)	59	-6%	-1%	35%	▼	►	▲	Potatoes	22	-15%	-20%	15%	▼	▼	▲
Bread (lepeshka)	90	-1%	10%	53%	►	►	▲	Rice (medium)	157	1%	81%	101%	►	▲	▲
Eggs	120	7%	13%	59%	▲	►	▲	Sugar	75	-4%	-8%	115%	►	►	▲
Meat (beef)	499	-2%	-1%	49%	►	►	▲	Wheat	22	3%	-12%	23%	►	►	▲
Meat (mutton)	515	-4%	4%	69%	►	►	▲	Wheat flour (1st quality)	44	0%	-10%	23%	►	►	▲
Milk	55	-4%	6%	69%	►	►	▲	Wheat flour (high grade)	68	0%	9%	44%	►	►	▲
Oil (cooking)	139	12%	-20%	51%	▲	▼	▲								

KYRGYZ REPUBLIC

Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020	Commodity	Nov 10 Price (KGS)	Monthly/prev month	Monthly/Nov 2022	Monthly/Feb 2020	trend prev	trend Nov2022	trend Feb2020
Bread (1st grade)	66	-2%	4%	45%	►	►	▲	Potatoes	30	-10%	-5%	39%	▼	►	▲
Bread (lepeshka)	99	0%	11%	56%	►	►	▲	Rice (medium)	143	1%	57%	87%	►	▲	▲
Eggs	125	4%	8%	60%	►	►	▲	Sugar	84	-2%	-8%	106%	►	►	▲
Meat (beef)	543	-1%	0%	56%	►	►	▲	Wheat	30	0%	-3%	56%	►	►	▲
Meat (mutton)	553	-2%	6%	74%	►	▲	▲	Wheat flour (1st quality)	53	-2%	1%	58%	►	►	▲
Milk	60	4%	-3%	53%	►	►	▲	Wheat flour (high grade)	66	-1%	3%	57%	►	►	▲
Oil (cooking)	152	0%	-15%	60%	►	►	▲								

▲ 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