

Price Monitoring for Food Security in the Kyrgyz Republic

Situation Update

Despite the positive economic growth of the Kyrgyz Republic in the beginning of 2024, regional risks to trade and migration flows still persist (IMF). The poverty rate is estimated to remain around 33 percent, in part due to relatively high inflation (IMF). About one million people are in labor migration, with 89 percent of the population working in the Russian Federation (IOM). **Poverty and inequality continue to cause significant challenges for populations vulnerable to shocks and stressors.** People who derive their livelihoods from agriculture (main source of income for 65 percent of rural areas) are facing a decline in income during the lean season and slowdown in economic activity. During this period, it is to continue to monitor the stability of the food security and nutrition situation in the country in order to respond quickly to seasonal situations.

Gross Domestic Product (GDP) of the Kyrgyz Republic continued to grow and **increased by 8.6 percent**, adding KGS 155.5 billion (US \$1.7 billion) to the economy in January-February 2024 compared to January-February 2023. This GDP growth is driven by goods-producing industries (+10.5 percent), services (+7.9 percent), and food taxes (+8.2 percent).

In February 2024, **inflation reached 5 percent compared to February 2023** (National Bank of the Kyrgyz Republic). The Consumer Price Index (CPI) for food shows a steady slowdown from 18 percent in January–February 2023 to 2 percent in January February 2024. Nevertheless, the CPI increased by **10 percent for non-food items and 9 percent for services** compared to January–February 2023. Consumer price growth was witnessed in all regions of the country, except Jalal-Abad and Chuy provinces. In February 2024, the Cabinet of Ministers of the Kyrgyz Republic adopted the Price Stabilization Plan for 2024 for socially significant food commodities to ensure the stability and intensity of the domestic market and provide state support to domestic production in 2024. It should be noted that earlier, the Cabinet of Ministers took measures to reduce VAT on vegetable oil, flour and wheat to zero rates, as well as measures to restrict exports of a number of goods (fodder, onions, mineral fertilizers, etc.), which contributed to the stabilization of prices.

The Kyrgyz Republic **remains one of the five top recipient countries in the world based on the ratio of remittances to GDP.** The share of remittances is 20 percent of GDP in 2023. This reflects significant GDP growth in 2023 as well as changes in the National Bank's methodology in tracking remittances (remittances through mobile applications added). In January 2024, remittances increased by 87 percent compared to January 2023. The 'Listening to Kyrgyzstan' quarterly brief reported a downward trend in remittances in October-December 2023 (remittances accounted for about 6% of the household income, below the all-time average of 10%). Approximately 75% of all transfers are received in the three largest cities: Bishkek, Osh and Jalal-Abad (IFAD).

Given the high dependency on imports and the regional market volatility, the Kyrgyz Republic still does not produce enough (based on internal production) to meet its own needs for 40 percent of wheat and wheat flour, 69 percent of fruits and berries, 40 percent of eggs, and 57 percent of vegetable oil. The level of self-sufficiency through domestic production of these products is well below 80 percent of the national requirements. Given the broad impact of various factors such as producing countries imposing new restrictions on food supplies and global energy prices continuing its recent upward trend in the face of non-renewal of the Black Sea Grain Initiative from July 2023, cautious monitoring of prices remains essential.

In the Kyrgyz Republic, the growing of winter wheat and barley continues under **mixed, below to above-average rainfall conditions** that have been downgraded from "favourable" to "watch" with the prevailing dry conditions. The southern part of the country experienced drier than average conditions in January 2024. According to the International Research Institute Climate Forecast, the rainfall from February to April 2024 is likely to be above the average across the country, while air temperature will likely be above normal across southern parts of the country (>90 percent of exceeding the median temperature) (WFP Seasonal Monitor).

The following section discusses average national retail prices for the four weeks from 09 February to 08 March 2024, in comparison to the previous month, the annual average in March 2023 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 March 2024, the highest price for wheat was observed in Jalal-Abad province (38 KGS/kg) and the lowest price in Naryn province (21 KGS/kg). Prices were 3 percent lower compared to March 2023 and 56 percent higher compared to February 2020.





- **Wheat flour (first grade):** The price for wheat flour increased by 1 percent compared to the previous month with an average of 53 KGS/kg. As of 08 March 2024, the highest price was in Bishkek city (54 KGS/kg) and lowest in Yssyk-Kul and Naryn provinces (44 KGS/kg). Prices were 1 percent and 58 percent higher compared to March 2023 and February 2020.


Situation Update

 • **Oil (Cooking):** The price of vegetable oil decreased by 1 percent compared to the previous month, with an average price of 151 KGS/L. As of 08 March 2024, the highest price was in Talas province (164 KGS/L) and the lowest price was in Yssyk-Kul province (140 KGS/L). The prices were 12 percent lower compared to March 2023 and **59 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 another 2 percent compared to the previous month, leading to an average price of 132 KGS/10 pcs. As of 08 March 2024, the highest price was observed in Chuy and Yssyk-Kul provinces (138 KGS/10 pcs) and the lowest price in Batken province (122 KGS/10 pcs). The price of eggs was **12 percent** and **72 percent** higher compared to March 2023 and February 2020. The increase in egg prices is due to low domestic production as a result of dry conditions and higher prices for forage crops.

 • **Milk:** The price of milk remained stable compared to last month, with an average of 64 KGS/kg. As of 08 March 2024, the highest price was in Bishkek town (70 KGS/l) and the lowest in Talas province (48 KGS/l). The price of milk was **6 percent** and **66 percent** higher compared to March 2023 and February 2020 respectively. The latest increase in the price of milk in the Kyrgyz Republic followed seasonal price fluctuations and was in line with rising inflation.

 • **Exchange Rate:** The National Bank continues to closely monitor exchange rates. During the period from 09 February to 08 March 2024, the Kyrgyz Som slightly remained stable at the level of 89.43 KGS against the US Dollar, the Russian Ruble remained stable at the level of 91 RUB against the US Dollar, and the Kazakh Tenge appreciated from 450 KZT to 447 KZT against the US Dollar. **Compared to March 2023, the Kyrgyz Som and Russian Ruble depreciated by 2 percent and 19 percent** respectively, while the Kazakh Tenge depreciated by 1 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:** In March 2024 the price of fuel and lubricants in the domestic market of Kyrgyz Republic was stable. As of 08 March 2024, retail prices of both diesel remained stable and fuel (AI-92) increased by 1 percent compared to February 2024. Furthermore, compared to March 2023, the price for AI-92 remained 18 percent higher, while the price for diesel remained 4 percent lower, reaching almost 63 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.

In the short term (EIA forecast), oil markets are likely to remain volatile. From 09 February to 08 March 2024, WTI price increased from USD 77 per barrel to USD 79 per barrel and Brent price remained stable at the level of USD 84 per barrel. The WTI and Brent prices remained 8 percent and 7 percent higher respectively, compared to March 2023 levels.

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

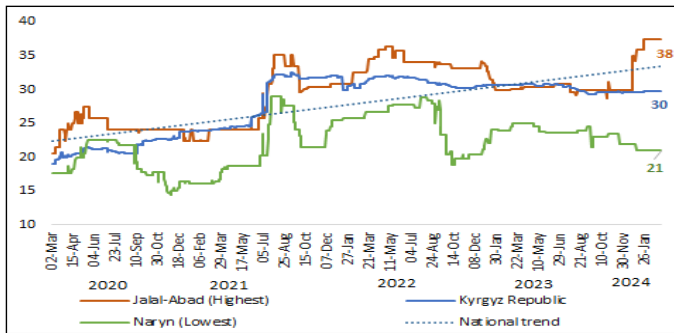
	09 Feb—08 Mar 2024 (KGS/kg)	Previous month (KGS/kg)	Trend		09 Feb—08 Mar 2024 (KGS/kg)	Previous month (KGS/kg)	Trend
Bread (1st grade)	66.21	66	1%	Rice (medium)	145	144	1%
Milk	64	64	0%	Sugar	82	82	0%
Meat (beef)	547	543	1%	Wheat	30	30	0%
Meat (mutton)	552	551	0%	Wheat flour (1st grade)	53	52	1%
Oil (cooking)	151	152	-1%	Wheat flour (high-grade)	67	66	2%
Potatoes	31	32	-1%	Eggs	132	129	2%

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.

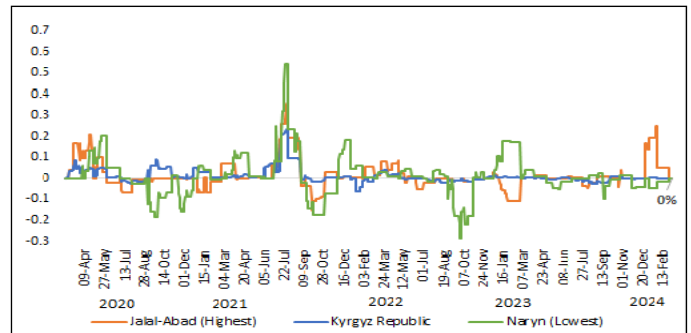
For additional information on the Price Monitoring Bulletins, please contact WFP.Bishkek@wfp.org

WHEAT

Pic 1. Retail wheat prices (KGS/kg, provinces)

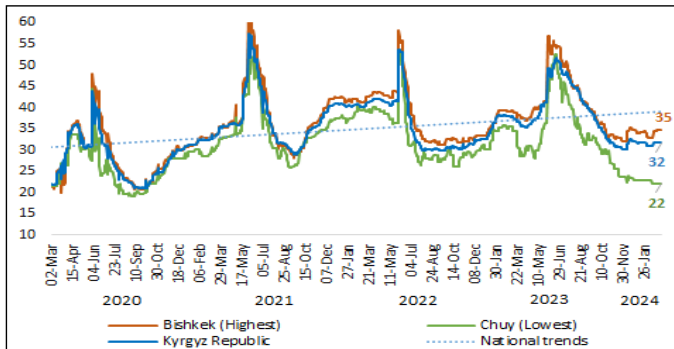


Pic 2. Growth rate of wheat prices, as a percentage of the daily prices from the previous average monthly price

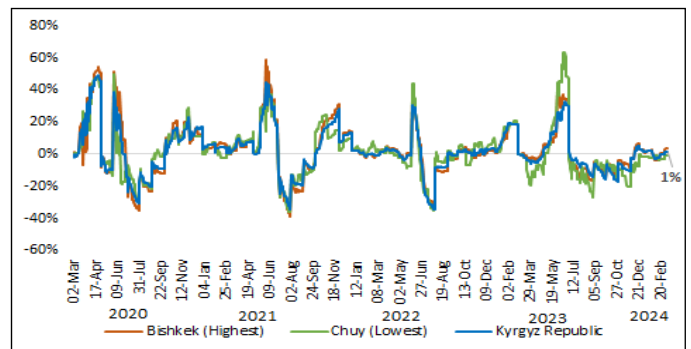


POTATO

Pic 3. Retail potatoes prices (KGS/kg, provinces)

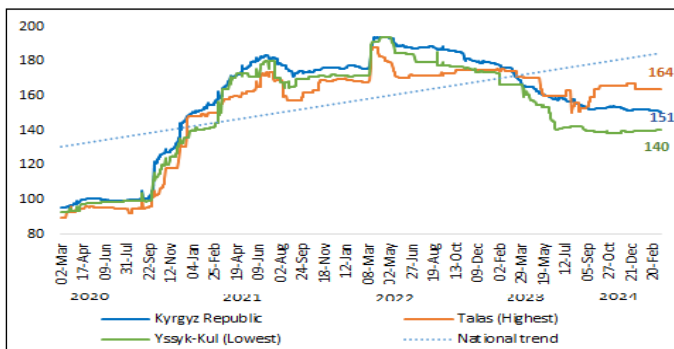


Pic 4. Growth rate of potatoes prices, as a percentage of the daily prices from the previous average monthly price

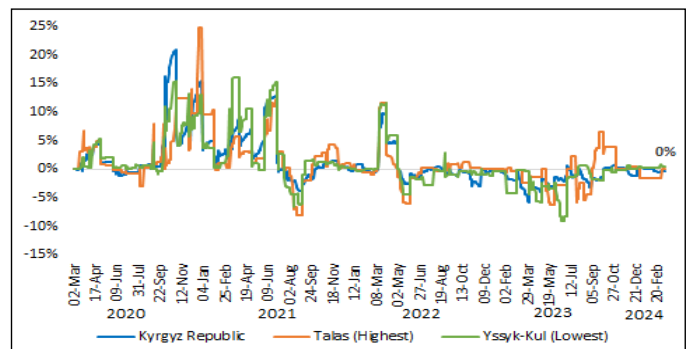


OIL (COOKING)

Pic 5. Retail vegetable oil prices (KGS/l, provinces)

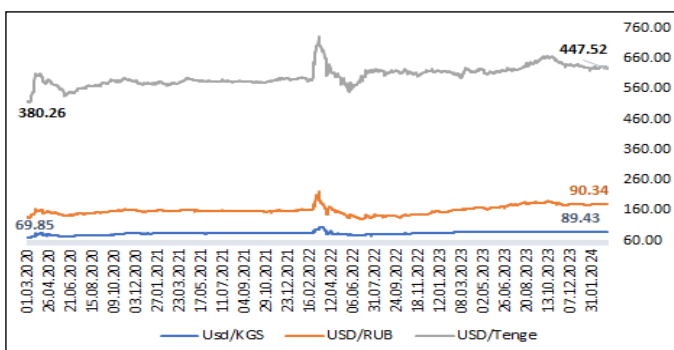


Pic 6. Growth rate of vegetable oil prices, as a percentage of the daily prices from the previous average monthly price



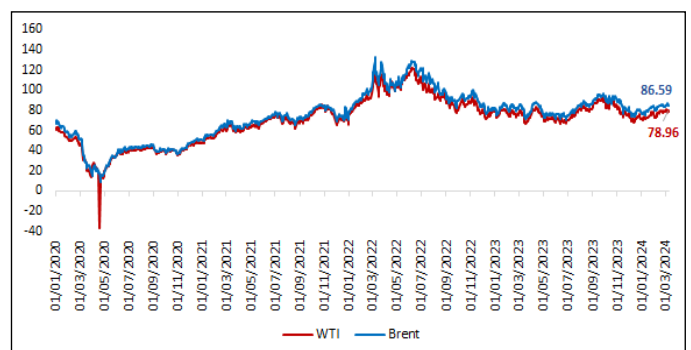
EXCHANGE RATE

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 Mar 2024, source: US Energy Information Administration)



Annex: Average retail 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.

Province	Commodity	March 8 Price (KGS)	MONTHLY PRICE/previous month	MONTHLY PRICE / March 2023	MONTHLY PRICE /Feb 2020	MONTHLY PRICE/previous month	MONTHLY PRICE / March 2023	MONTHLY PRICE /Feb 2020	Commodity	March 8 Price (KGS)	MONTHLY PRICE/previous month	MONTHLY PRICE / March 2023	MONTHLY PRICE /Feb 2020	MONTHLY PRICE/previous month	MONTHLY PRICE / March 2023	MONTHLY PRICE /Feb 2020
	Bread (1st grade)	80	0%	10%	58%	▶	▶	▲	Potatoes	32	-6%	-15%	33%	▼	▶	▲
	Bread (lepeska)	92	0%	4%	55%	▶	▶	▲	Rice (medium)	156	6%	37%	105%	▲	▲	▲
	Eggs	122	-3%	-2%	51%	▶	▶	▲	Sugar	88	0%	-12%	102%	▶	▶	▲
	Meat (beef)	505	0%	3%	47%	▶	▶	▲	Wheat	29	0%	-6%	45%	▶	▶	▲
	Meat (mutton)	600	0%	2%	71%	▶	▶	▲	Wheat flour (1st quality)	50	-1%	-8%	47%	▶	▶	▲
	Milk	62	4%	9%	78%	▶	▶	▲	Wheat flour (high grade)	63	-3%	-3%	44%	▶	▶	▲
	Oil (cooking)	159	0%	-8%	67%	▶	▶	▲								
		Bread (1st grade)	66	0%	5%	50%	▶	▶	▲	Potatoes	35	-1%	-11%	0%	▶	▶
Bread (lepeska)		95	0%	-2%	52%	▶	▶	▲	Rice (medium)	144	1%	37%	97%	▶	▲	▲
Eggs		127	1%	9%	70%	▶	▶	▲	Sugar	81	0%	-13%	100%	▶	▶	▲
Meat (beef)		564	1%	-2%	58%	▶	▶	▲	Wheat	32	0%	-4%	71%	▶	▶	▲
Meat (mutton)		538	0%	-2%	73%	▶	▶	▲	Wheat flour (1st quality)	54	2%	2%	67%	▶	▶	▲
Milk		70	0%	15%	75%	▶	▶	▲	Wheat flour (high grade)	67	4%	5%	70%	▶	▶	▲
Oil (cooking)		149	-1%	-12%	54%	▶	▼	▲								
		Bread (1st grade)	60	0%	1%	54%	▶	▶	▲	Potatoes	22	-3%	-33%	4%	▶	▼
	Bread (lepeska)	88	0%	0%	38%	▶	▶	▲	Rice (medium)	137	0%	26%	77%	▶	▲	▲
	Eggs	138	3%	2%	75%	▶	▶	▲	Sugar	78	-1%	-14%	103%	▶	▶	▲
	Meat (beef)	523	0%	0%	61%	▶	▶	▲	Wheat	24	0%	-23%	30%	▶	▼	▲
	Meat (mutton)	534	0%	0%	70%	▶	▶	▲	Wheat flour (1st quality)	52	0%	-2%	51%	▶	▶	▲
	Milk	61	2%	13%	72%	▶	▶	▲	Wheat flour (high grade)	63	0%	1%	45%	▶	▶	▲
	Oil (cooking)	160	0%	-11%	76%	▶	▶	▲								
		Bread (1st grade)	82	2%	10%	57%	▶	▶	▲	Potatoes	32	-1%	18%	36%	▶	▶
Bread (lepeska)		95	2%	8%	29%	▶	▶	▲	Rice (medium)	152	0%	18%	80%	▶	▶	▲
Eggs		130	1%	6%	60%	▶	▶	▲	Sugar	83	0%	-12%	101%	▶	▶	▲
Meat (beef)		507	1%	3%	48%	▶	▶	▲	Wheat	38	5%	25%	82%	▶	▶	▲
Meat (mutton)		552	0%	2%	61%	▶	▶	▲	Wheat flour (1st quality)	49	0%	-4%	39%	▶	▶	▲
Milk		54	-9%	7%	48%	▼	▶	▲	Wheat flour (high grade)	64	0%	1%	54%	▶	▶	▲
Oil (cooking)		156	0%	-13%	72%	▶	▶	▲								
		Bread (1st grade)	71	0%	2%	36%	▶	▶	▲	Potatoes	25	0%	-16%	32%	▶	▼
	Bread (lepeska)	97	-2%	7%	62%	▶	▶	▲	Rice (medium)	137	0%	20%	96%	▶	▶	▲
	Eggs	136	1%	10%	61%	▶	▶	▲	Sugar	75	-4%	-15%	97%	▶	▶	▲
	Meat (beef)	550	0%	0%	65%	▶	▶	▲	Wheat	21	-1%	-15%	19%	▶	▼	▶
	Meat (mutton)	550	0%	1%	68%	▶	▶	▲	Wheat flour (1st quality)	44	-2%	-8%	38%	▶	▶	▲
	Milk	50	-6%	17%	60%	▼	▶	▲	Wheat flour (high grade)	53	-4%	-4%	40%	▶	▶	▲
	Oil (cooking)	157	-1%	-16%	68%	▶	▼	▲								
		Bread (1st grade)	76	3%	5%	23%	▶	▶	▲	Potatoes	28	-2%	-15%	20%	▶	▶
Bread (lepeska)		114	0%	8%	53%	▶	▶	▲	Rice (medium)	149	2%	39%	61%	▶	▶	▲
Eggs		133	0%	8%	67%	▶	▶	▲	Sugar	90	-1%	-7%	89%	▶	▶	▲
Meat (beef)		530	0%	4%	3%	▶	▶	▲	Wheat	29	-1%	1%	51%	▶	▶	▲
Meat (mutton)		600	0%	5%	71%	▶	▶	▲	Wheat flour (1st quality)	52	0%	4%	37%	▶	▶	▲
Milk		53	0%	26%	53%	▶	▶	▲	Wheat flour (high grade)	68	0%	11%	42%	▶	▶	▲
Oil (cooking)		157	-4%	-13%	67%	▶	▶	▲								
		Bread (1st grade)	73	2%	-3%	59%	▶	▶	▲	Potatoes	30	-5%	-11%	39%	▶	▶
	Bread (lepeska)	91	-1%	7%	51%	▶	▶	▲	Rice (medium)	136	-2%	25%	▶	▶	▶	▲
	Eggs	132	5%	8%	58%	▶	▶	▲	Sugar	80	-3%	-8%	99%	▶	▶	▲
	Meat (beef)	491	0%	6%	60%	▶	▶	▲	Wheat	22	1%	-12%	40%	▶	▶	▲
	Meat (mutton)	502	0%	5%	63%	▶	▶	▲	Wheat flour (1st quality)	49	-1%	-1%	48%	▶	▶	▲
	Milk	48	2%	-3%	68%	▶	▶	▲	Wheat flour (high grade)	80	5%	16%	109%	▶	▶	▲
	Oil (cooking)	164	0%	-5%	82%	▶	▶	▲								
		Bread (1st grade)	62	4%	2%	40%	▶	▶	▲	Potatoes	23	7%	-17%	33%	▶	▼
Bread (lepeska)		96	4%	11%	59%	▶	▶	▲	Rice (medium)	151	-1%	45%	92%	▶	▶	▲
Eggs		138	5%	28%	85%	▶	▶	▲	Sugar	74	0%	-13%	104%	▶	▶	▲
Meat (beef)		500	2%	1%	48%	▶	▶	▲	Wheat	22	0%	-13%	25%	▶	▶	▲
Meat (mutton)		505	0%	3%	64%	▶	▶	▲	Wheat flour (1st quality)	44	0%	-5%	23%	▶	▶	▲
Milk		52	0%	-5%	64%	▶	▶	▲	Wheat flour (high grade)	69	0%	10%	45%	▶	▶	▲
Oil (cooking)		140	-8%	-16%	47%	▼	▼	▲								
		Bread (1st grade)	66	1%	3%	44%	▶	▶	▲	Potatoes	32	-1%	-15%	43%	▶	▼
	Bread (lepeska)	97	0%	8%	52%	▶	▶	▲	Rice (medium)	145	1%	35%	87%	▶	▶	▲
	Eggs	131	2%	12%	72%	▶	▶	▲	Sugar	82	0%	-11%	98%	▶	▶	▲
	Meat (beef)	546	1%	0%	56%	▶	▶	▲	Wheat	30	0%	-3%	56%	▶	▶	▲
	Meat (mutton)	552	0%	3%	72%	▶	▶	▲	Wheat flour (1st quality)	53	1%	1%	58%	▶	▶	▲
	Milk	64	-1%	6%	66%	▶	▶	▲	Wheat flour (high grade)	68	2%	5%	61%	▶	▶	▲
	Oil (cooking)	151	-1%	-12%	59%	▶	▶	▲								

▲ 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

