



UNIVERSITY
OF CENTRAL ASIA

GRADUATE SCHOOL OF DEVELOPMENT

Institute of Public Policy and Administration

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in Kyrgyzstan”**

Food Security and Nutrition State in Kyrgyz Republic - Challenges and Prospective for Agrarian Policy

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Outline

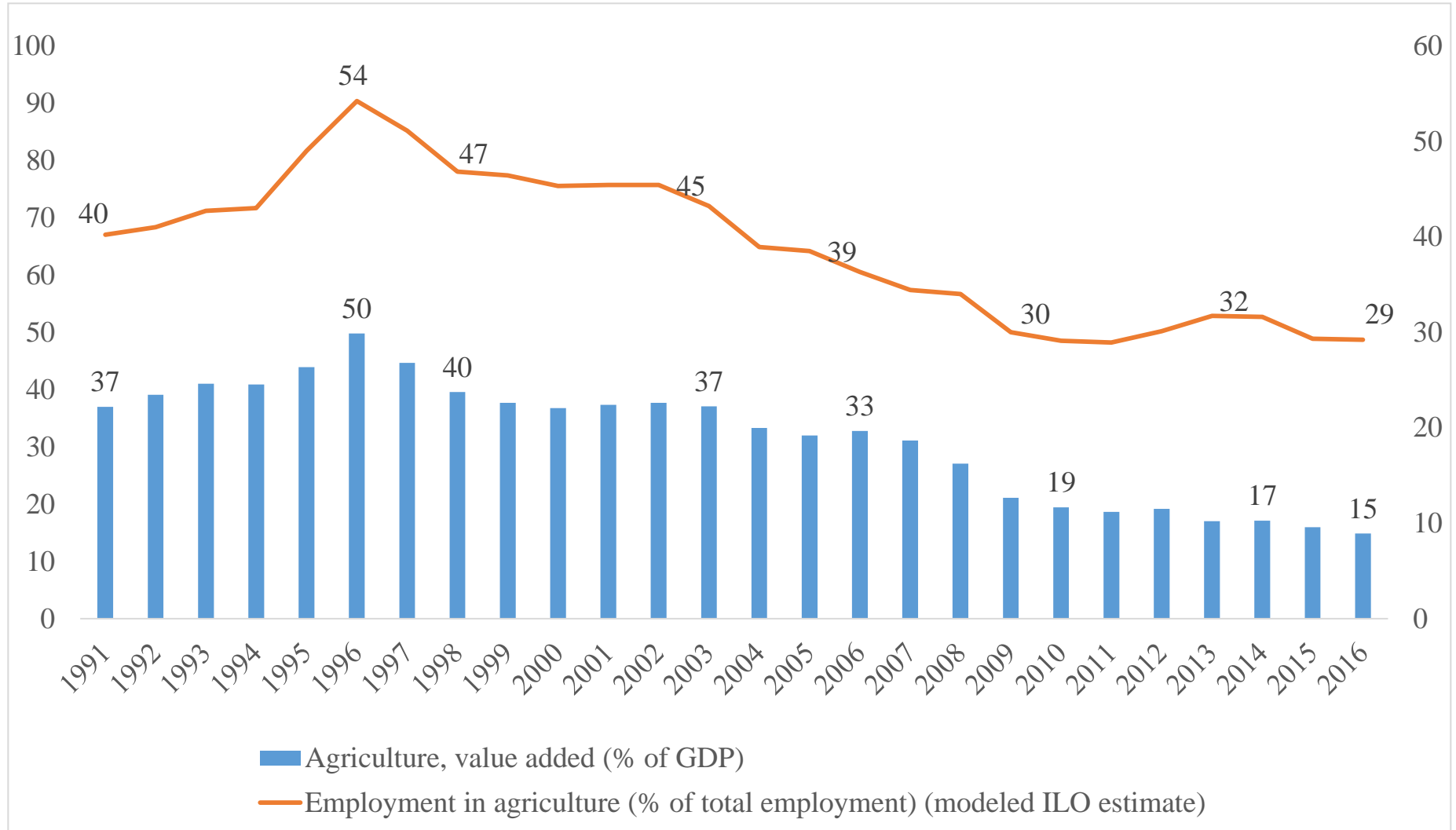
- Agricultural Transformation Challenges
- Challenges to Food and Nutrition Security
- Existing and Prospective FNS Framework

Agricultural Transformation Challenges

- Agriculture declining, but still important from different sides
- Smallholders farmers – main producer in agriculture
- Structural changes happening
- Agriculture underfinanced – low budget support and low investments

Agriculture Declined and Stagnating

Agriculture: GDP share and employment share in Kyrgyzstan in 1991-2016, %



Source: World Development Indicators

Agriculture in Kyrgyzstan Transformed

Structure of agricultural production by ownership form in Kyrgyzstan in 1996-2016, %

	1996	2000	2005	2010	2016
State farms	3%	2%	1%	0.4%	0.3%
Collective farms	17%	8%	3%	2%	2%
Peasant (farmer) farms	26%	43%	59%	62%	61%
Rural households production	54%	48%	37%	36%	37%

Source: National Statistical Committee

Structure of agricultural production by sub-sectors in Kyrgyzstan, % of gross agricultural output in current prices

	1991	1995	2000	2005	2010	2016
Crop production	38%	49%	55%	54%	52%	50%
Livestock production	59%	49%	43%	44%	46%	48%
Services	1.8%	1.4%	1.4%	1.5%	2.2%	2.2%
Hunting and forestry	1.1%	0.3%	0.1%	0.2%	0.0%	0.2%
Fishery	0%	0%	0%	0%	0.04%	0.05%

Source: National Statistical Committee

Low support to agriculture

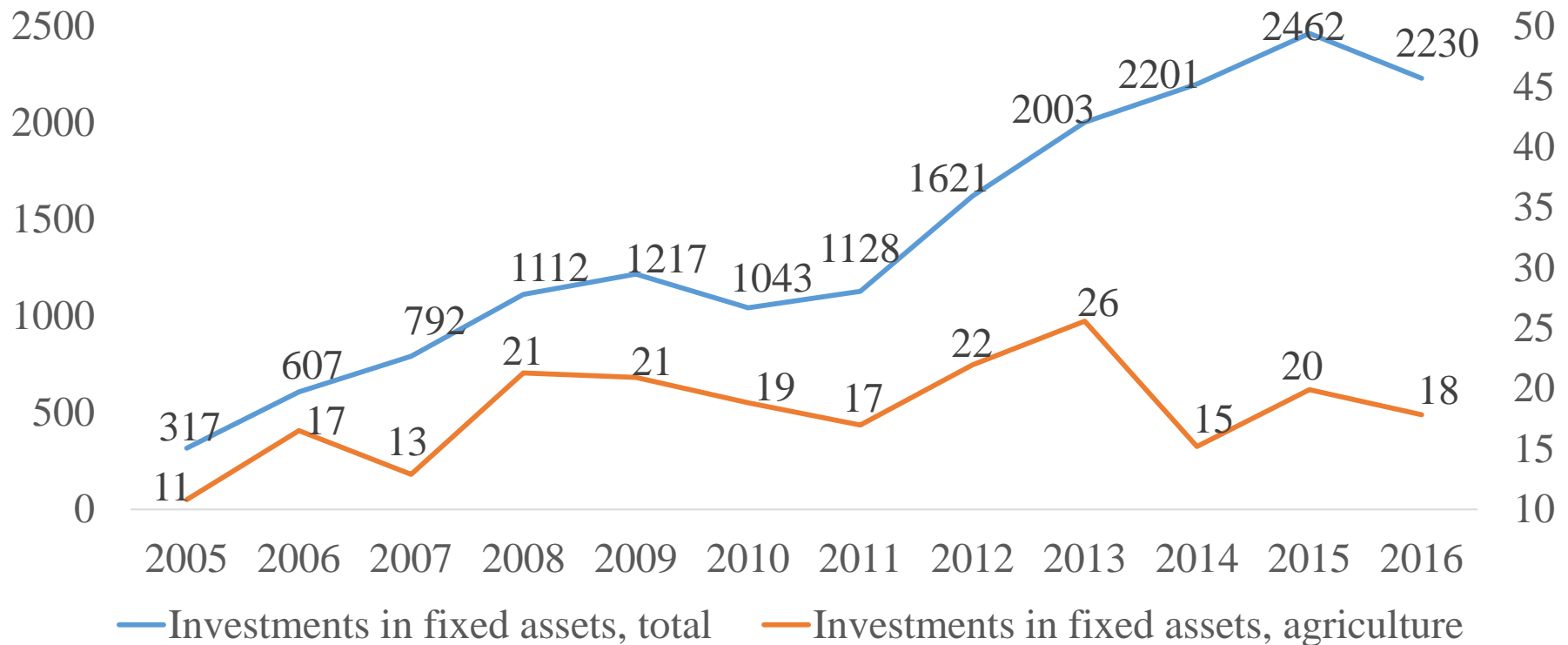
Structure of the budget support to agriculture in 2012, million US dollars

	Year	2012
I	Green Box Commitment Support	33.5
1	General Services	15.6
A	Research Services	0.2
B	Inspection Services, including epizootic and pest controls	1.4
C	Infrastructure Services	14.0
2	Public stockholding for food security purposes (stock of grain for food security purposes)	17.8
II	Non-product Specific Support	14.9
1	Agricultural production subsidy (Subsidized credits for farmers)	14.8
2	Fertilizers	0.07
III	Total domestic support to agriculture	48.4
IV	Consolidated budget of Kyrgyz Republic in 2012, million US dollars	2281.7
V	The share of domestic support to agriculture to the total budget spending, %	2.1

Source: WTO, NSC

Underfinance of the Sector

Investment in fixed assets, total and agriculture in 2005-2016 in the Kyrgyz Republic, million USD



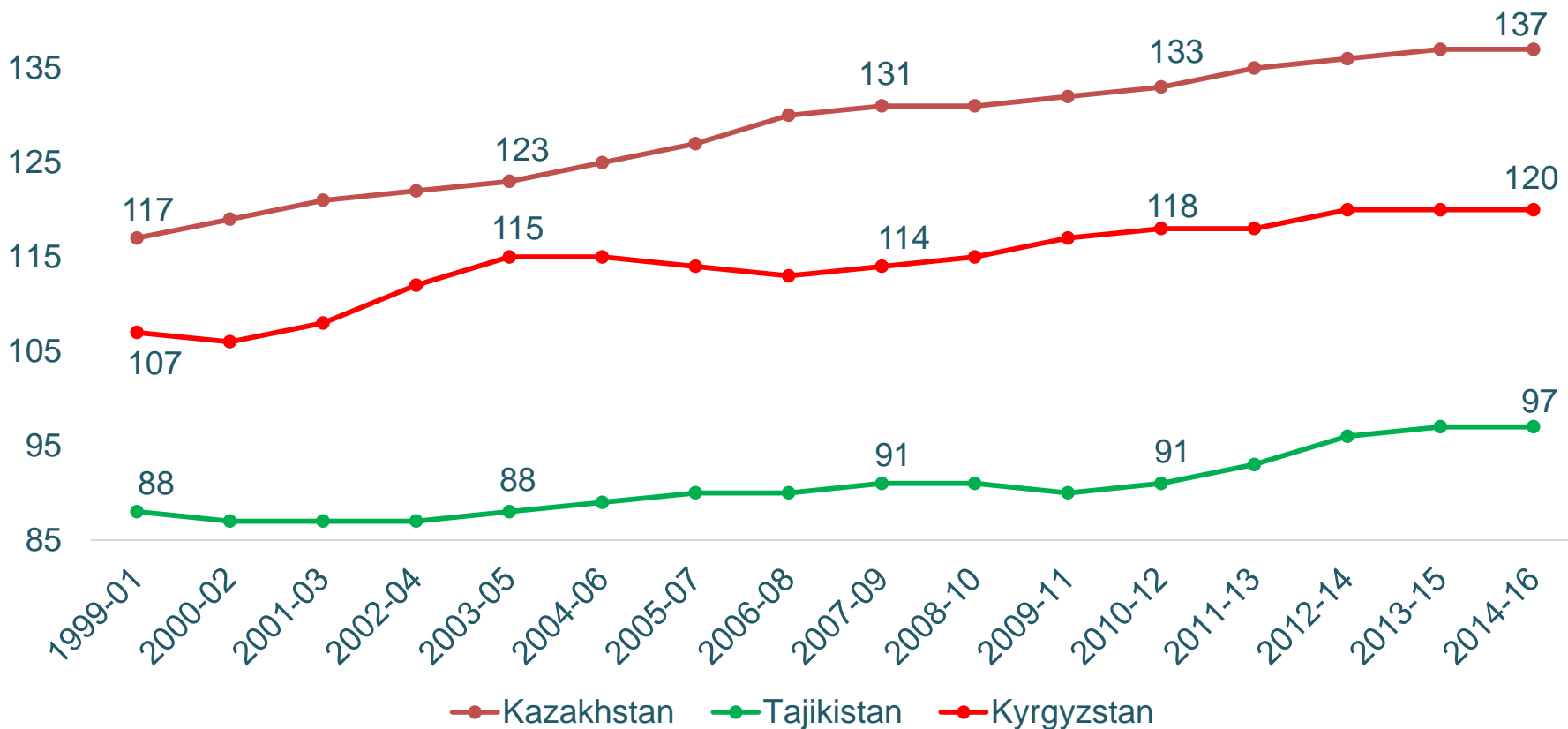
Source: NSC

Challenges to Food and Nutrition Security

- **Food Availability** Improves Over Time
- Trade Balance of Food - Net Importer of Food
- **Access to Food** Improves Over Time – Undernourishment declines, Poverty declines
- Social Protection System Limited
- **Food Stability** - Dependence from import of main food
- Remittances from Labor Migrants – important income
- Stunting and Wasting among Children Declines - but vulnerable to price shocks, specifically in rural areas
- **Food Utilization** - improving of livelihood led to worsening of dietary intake – obesity increasing

Food Availability

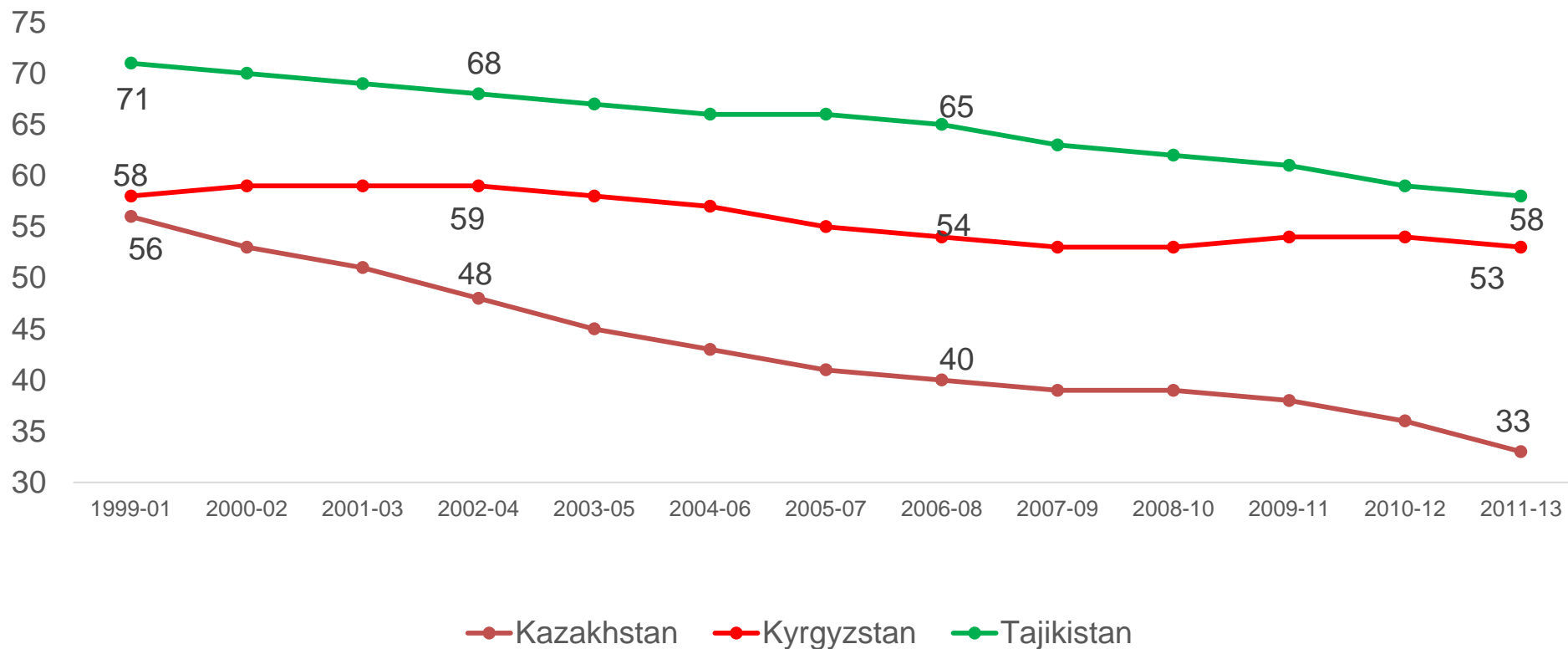
Dynamics of average dietary energy supply adequacy in Kyrgyzstan and neighbor countries in 1999-2016, %



Source: FAO Food Security Indicators

Food Availability (2)

Dynamics of the share of dietary energy supply derived from cereals, roots, and tubers in Kyrgyzstan and neighbor countries in 1999-2013, %



Source: FAO Food Security Indicators

Balance of Food

Kyrgyz Agriculture Export:

- Milk Products
- Fruits and Vegetables
(Destination – Russia and Kazakhstan, except of dried beans –kidney beans- special case)

Kyrgyz Market Demand Support Import:

- Meat (poultry)
- Fish
- Cereals
- Vegetable oil
- Sugar & Confectionaries
- Processed food

(Main supplier - Russia and Kazakhstan)

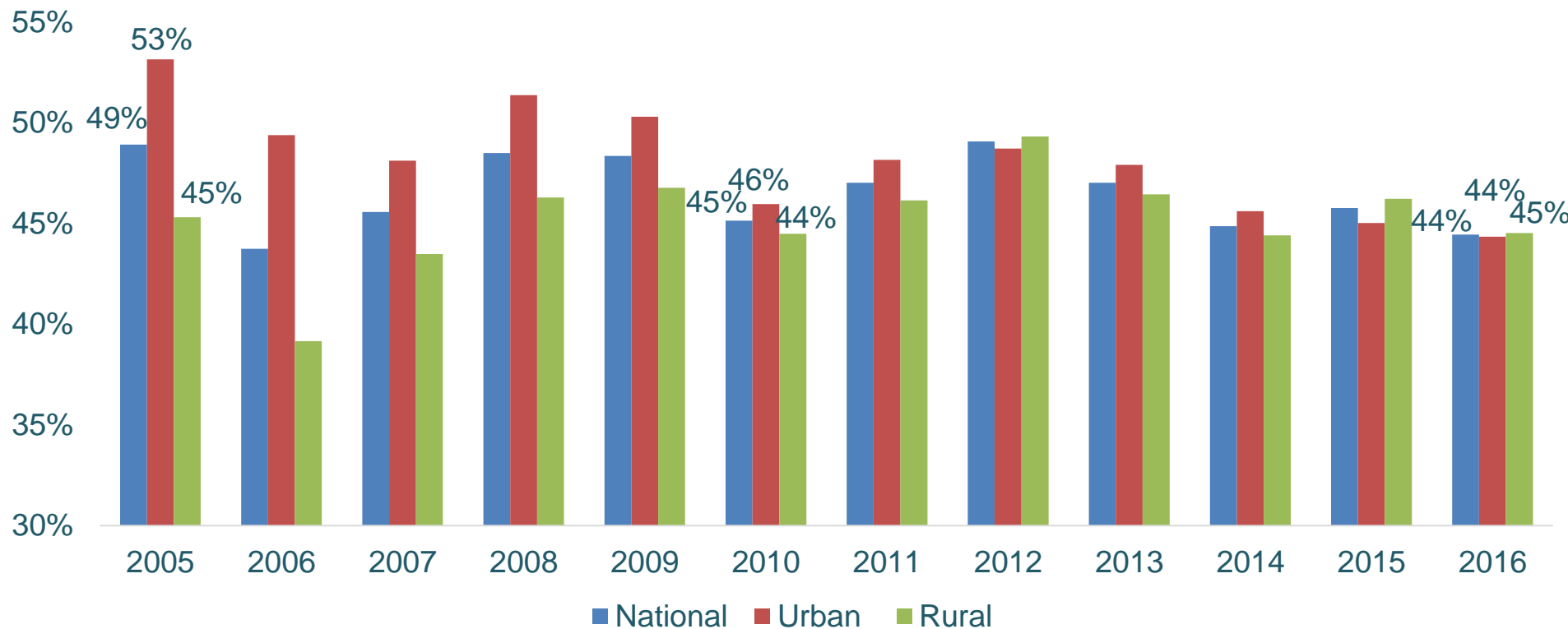
Import of Food declines - biggest values in 2014

Dependence from exchange rates - change in 2008/09 and 2014/15

Net Import of Food – 300-350 million US dollars

Access to Food

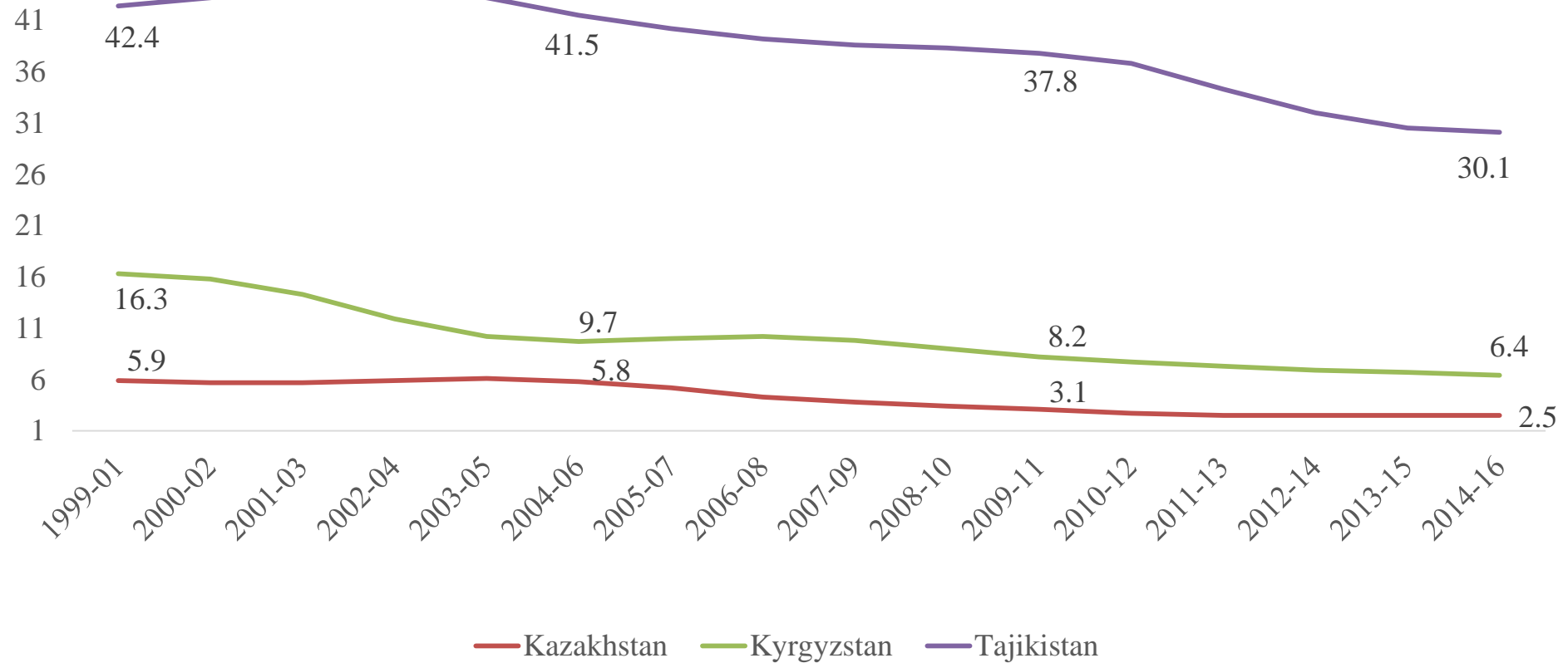
The share of food in total household consumption in Kyrgyzstan in 2005-2016, %



Source: National Statistical Committee

Access to Food (2)

Prevalence of undernourishment in Kyrgyzstan and neighbor countries in 1999-2016, %

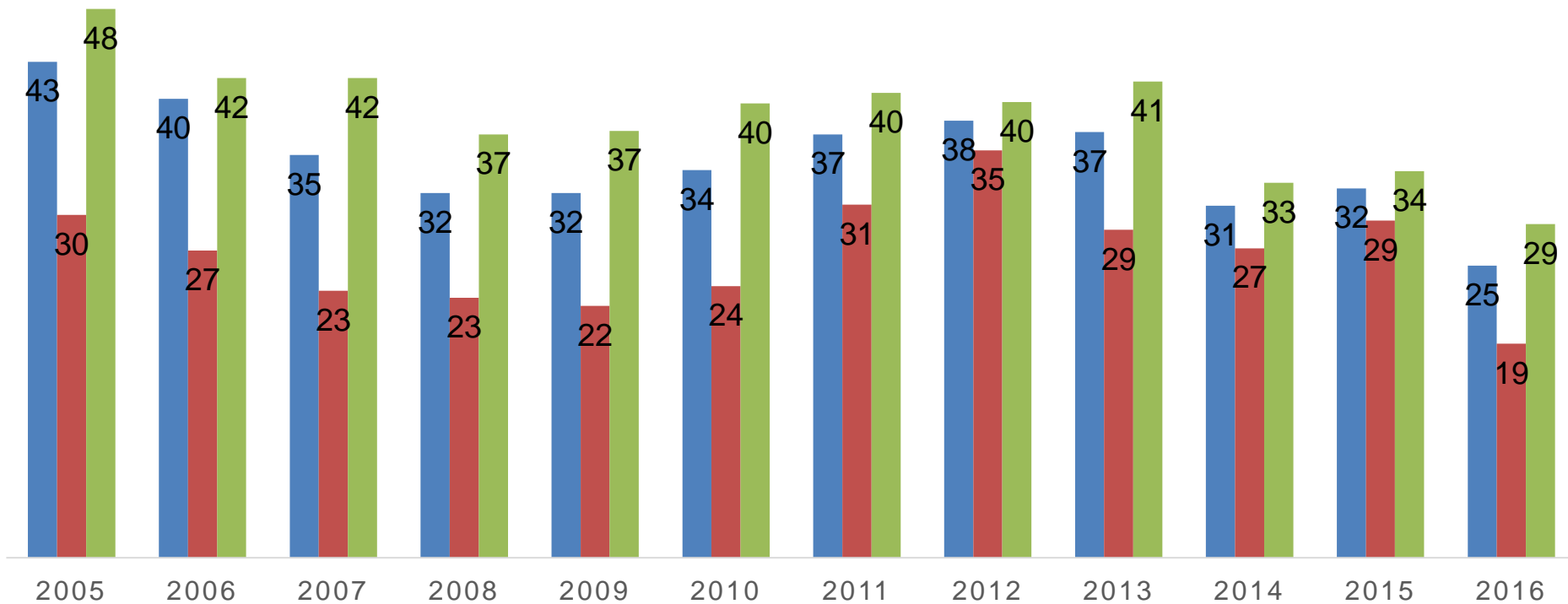


Source: FAO Food Security Indicators

Access to Food (3)

National poverty rate dynamics in Kyrgyzstan in 2005-2016, % of the population

■ National poverty rate, % ■ Urban poverty, % ■ Rural poverty, %



Source: NSC (2016) Poverty rate in the Kyrgyz Republic, 2005- 2008, 2007-2011, 2012-2016

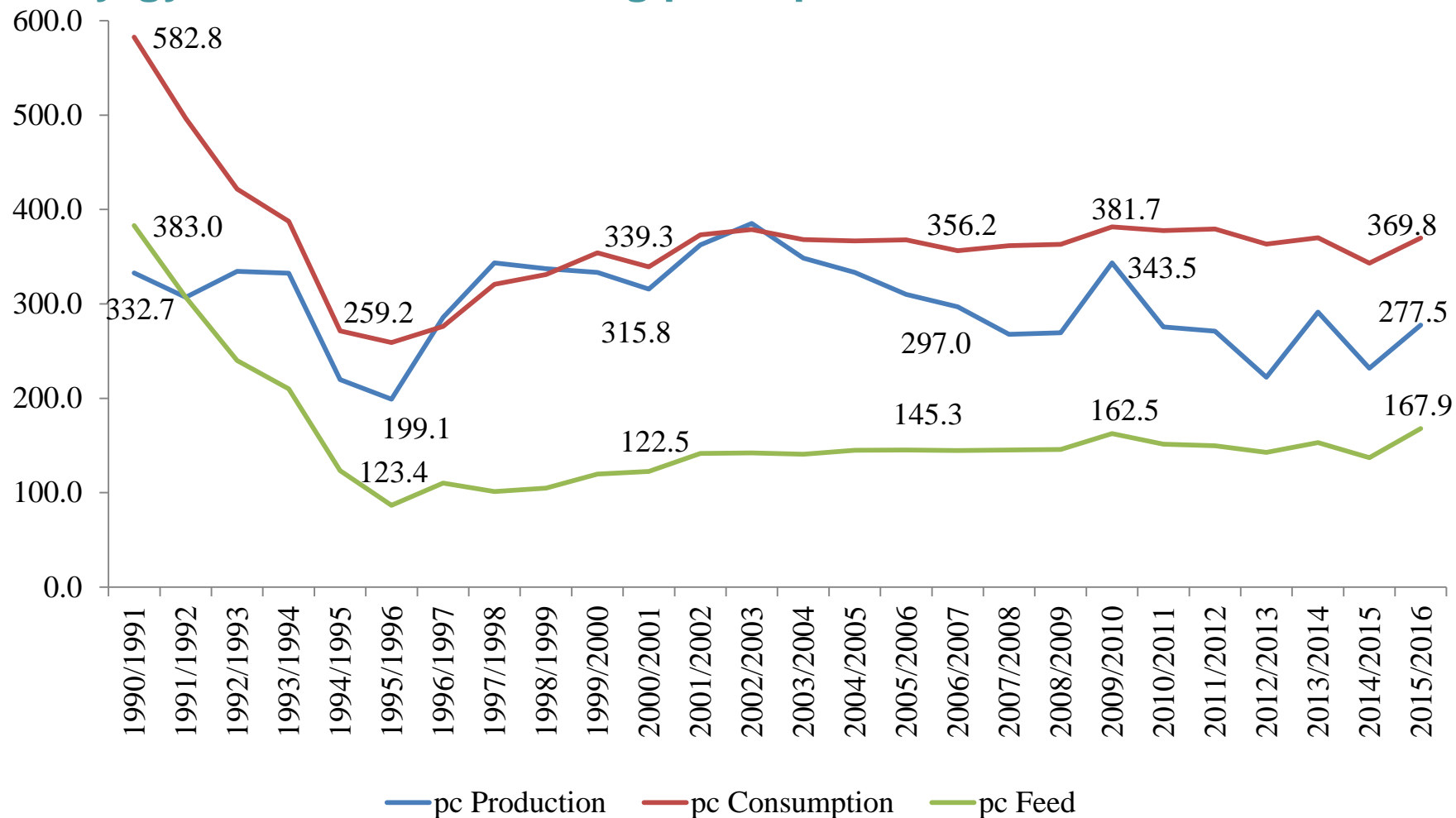
Access to Food (4)

Social Protection System

- 8% of the population receives allowances (2011)
- 10% - receives retirement pensions.
- Special focus - protection of children
- < 400 thousand children receive allowances (18.4% of all children in the country)
- 89.5% receive allowances in the very small size – 370 Kyrgyz som per kid/ monthly (8 US dollars)

Food Stability – Most of grains imported

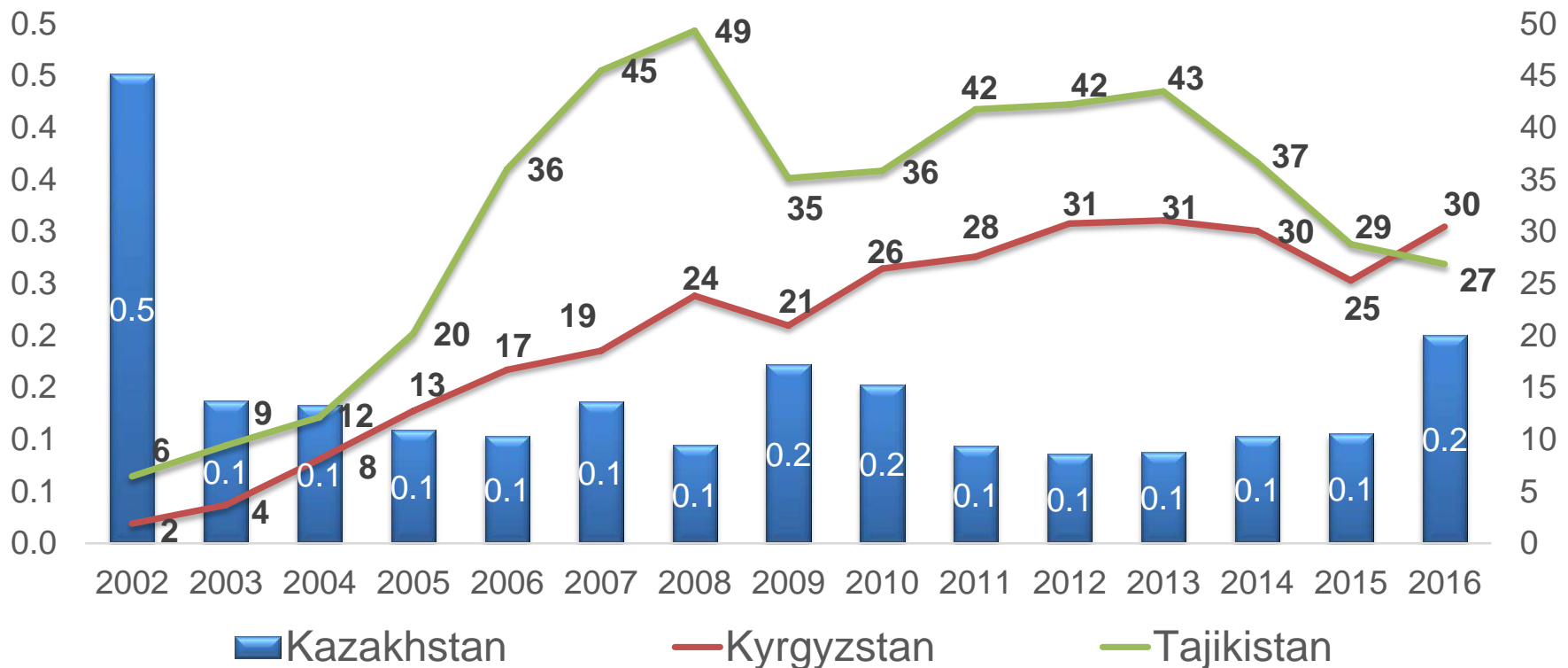
Annual Per Capita Production and Consumption Food Grains and Feed in Kyrgyzstan in 1990-2015, kg/per capita



Source: own estimations, Foreign Agriculture Service, USDA

Food Stability (2) - Remittances of labor migrants

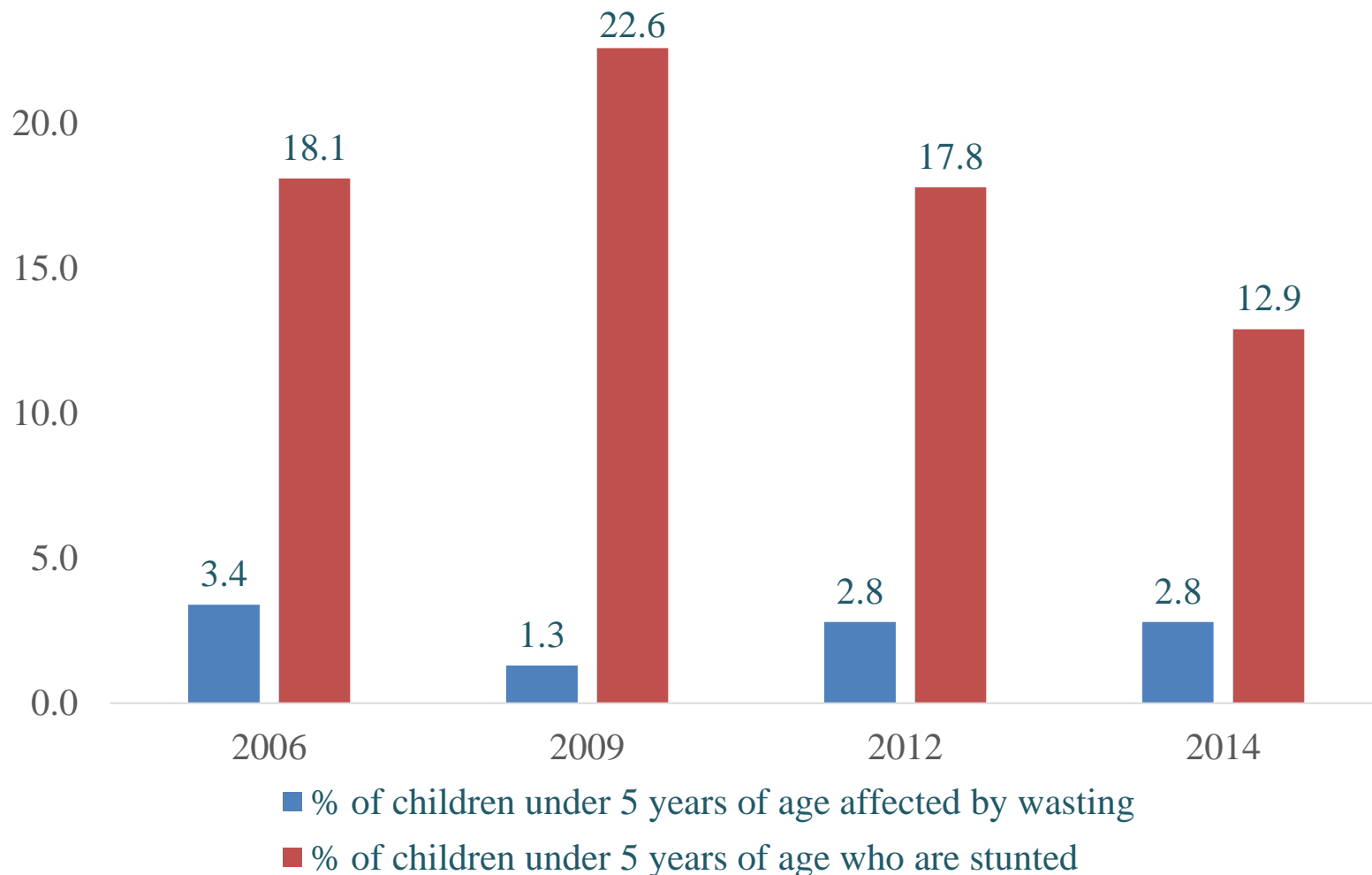
Personal remittances in Kyrgyzstan and neighbor countries in 2002-2016, % of GDP



Source: World Development Indicators

Food Stability (3)

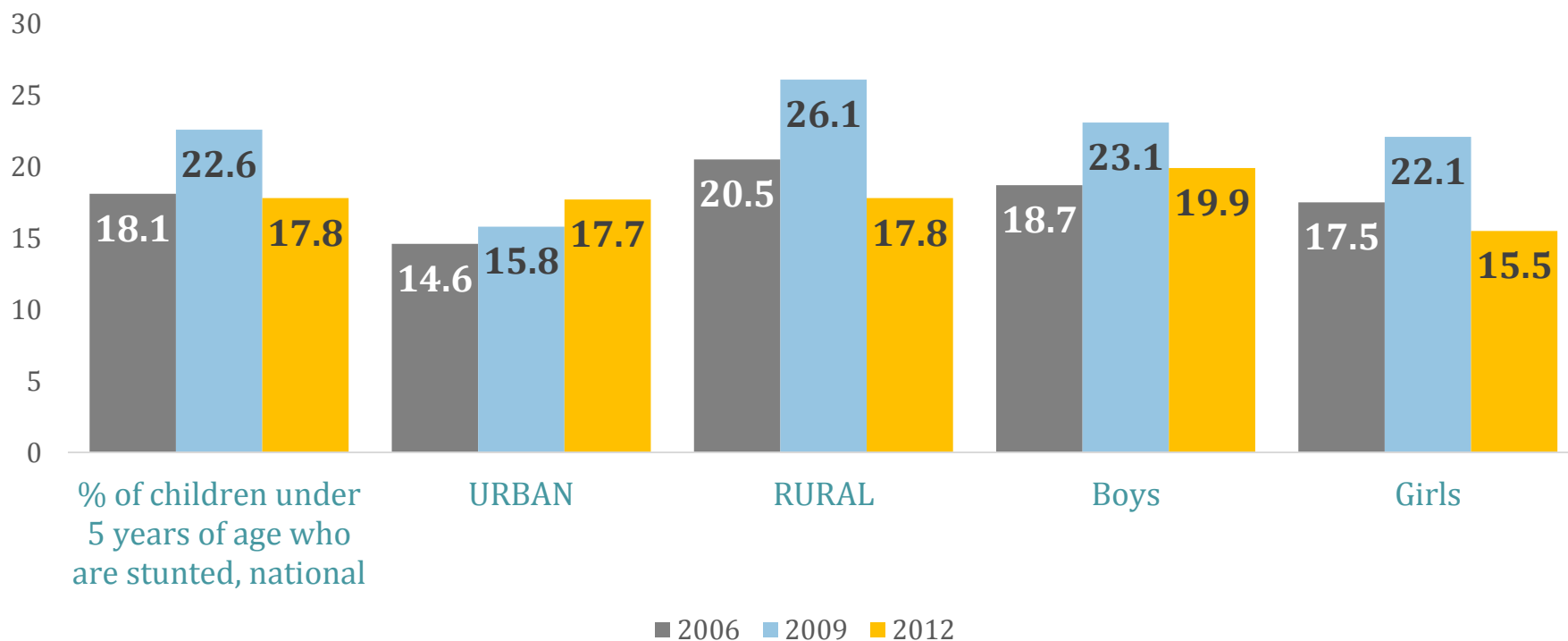
Children under 5 years of age affected by wasting and children under 5 years of age who are stunted in Kyrgyzstan in 2006-2014, %



Source: FAO Food Security Indicators

Food Stability (4)

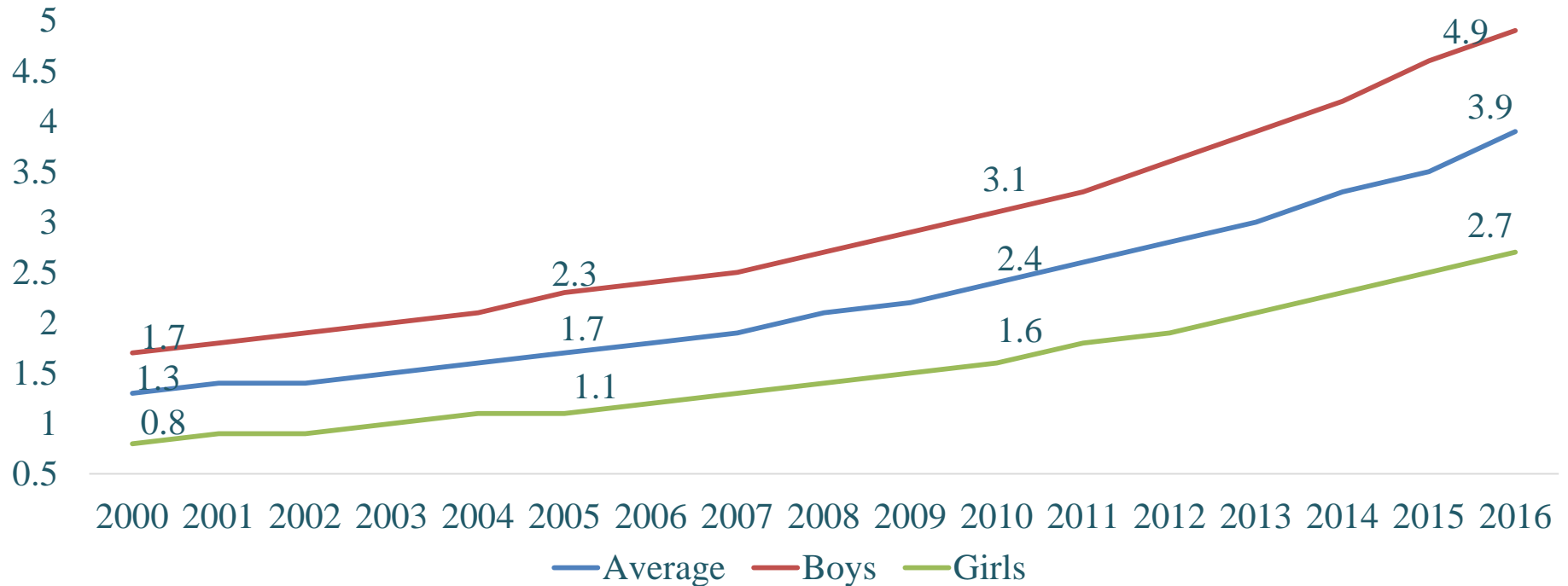
Children under 5 years of age who are stunted in Kyrgyzstan in 2006-2012 for the national, urban-rural strata and by gender disaggregation, %



Source: WHO Indicators

Food Utilization

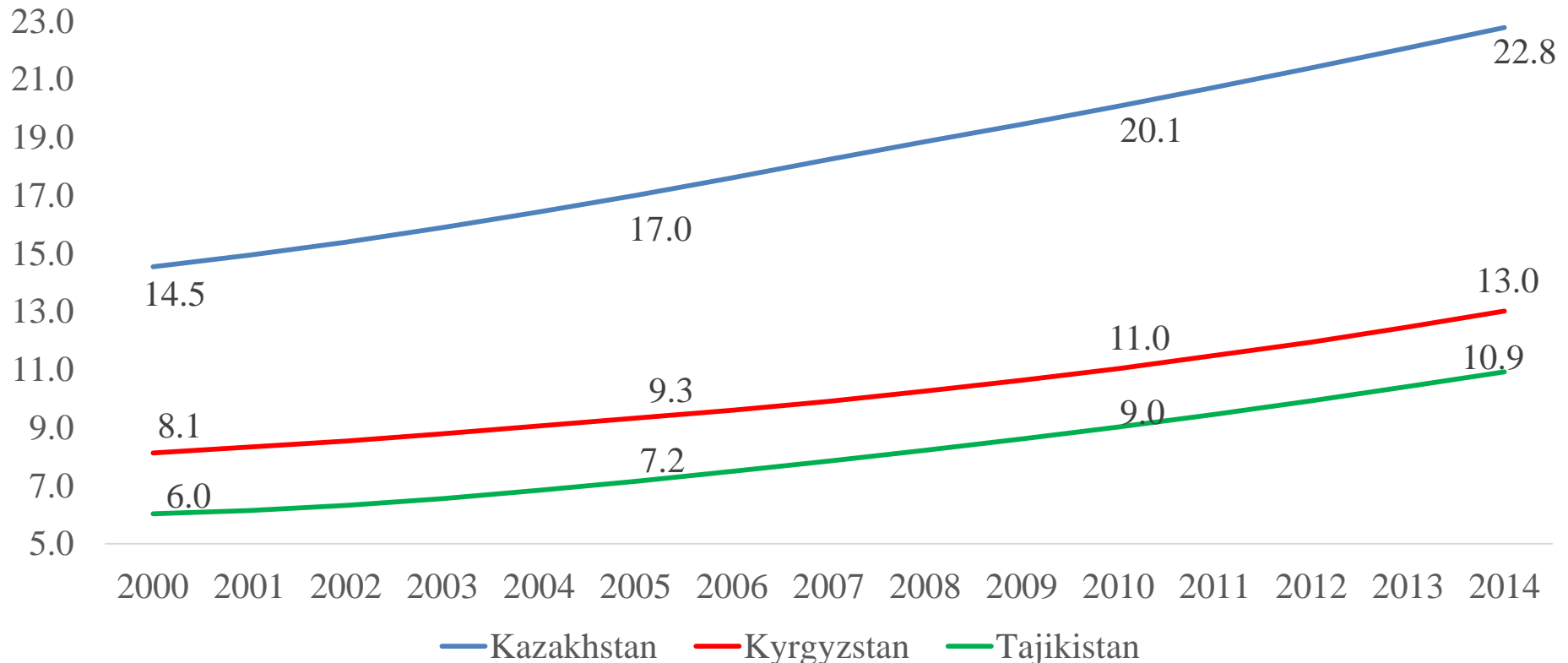
Prevalence of obesity among children and adolescents in Kyrgyzstan, 5-19 (%)



Source: WHO data

Food Utilization (2)

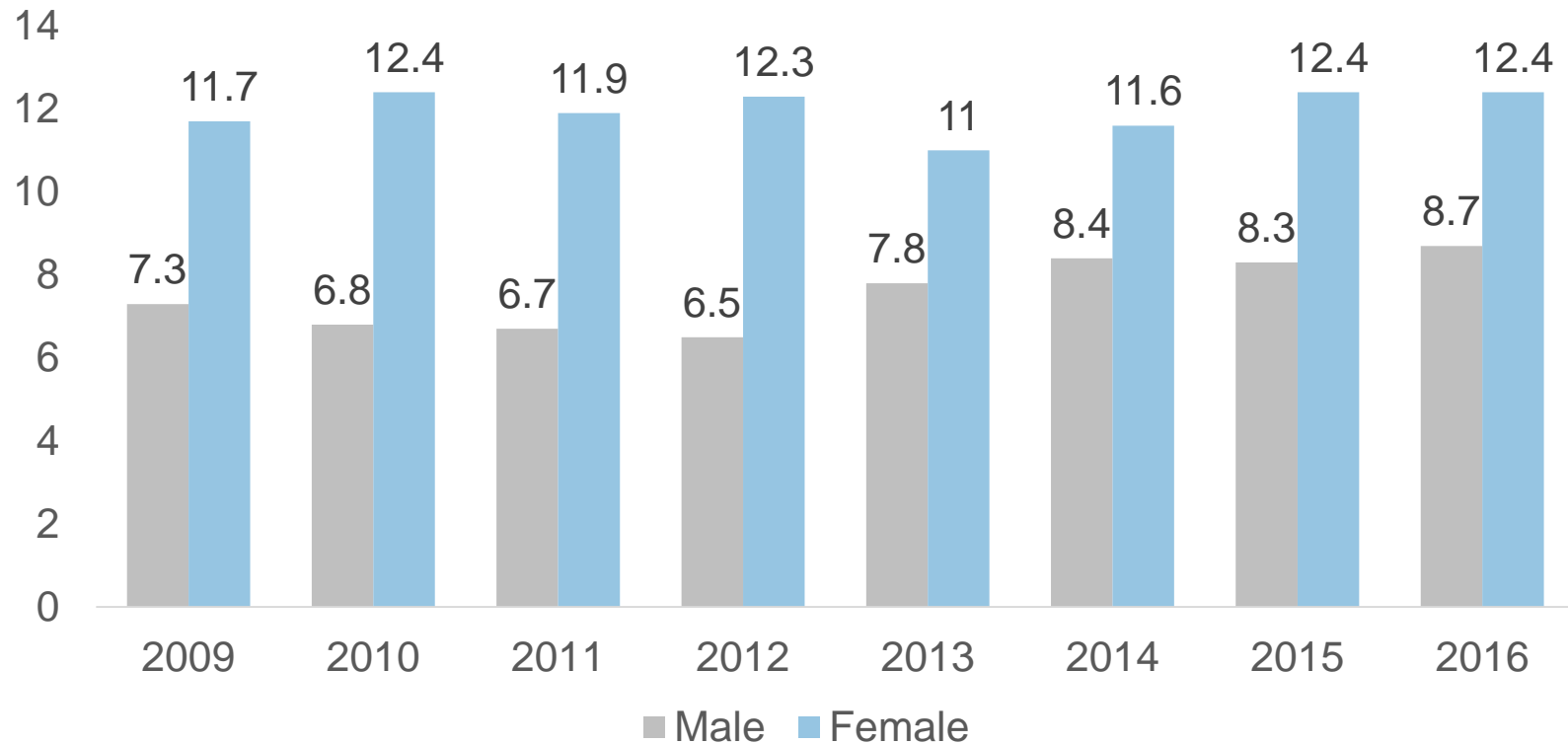
Level of adults who are overweight/obese in Kyrgyzstan and neighbor countries (%)



Source: FAO Food Security Indicators

Food Utilization (3)

Level of adults who are obese in Kyrgyzstan by gender, in 2009-2016 (%)

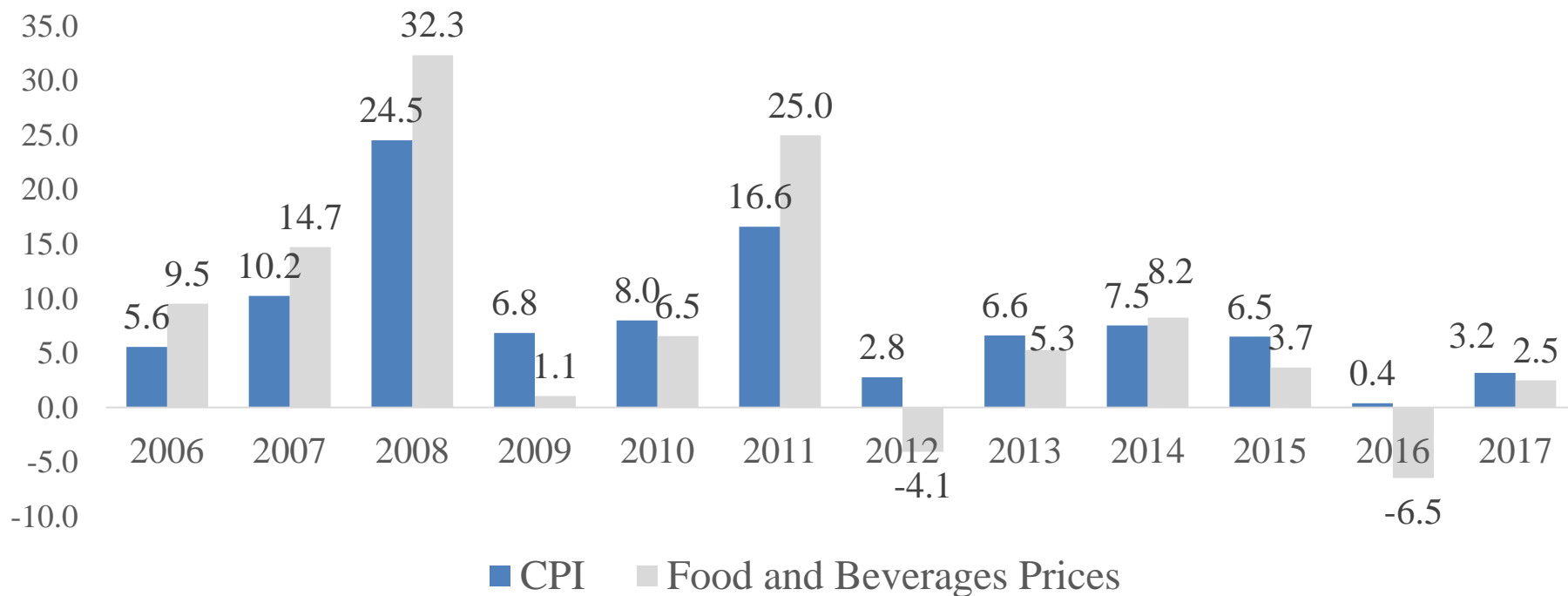


Source: FAO Food Security Indicators

Challenges to Food and Nutrition Security

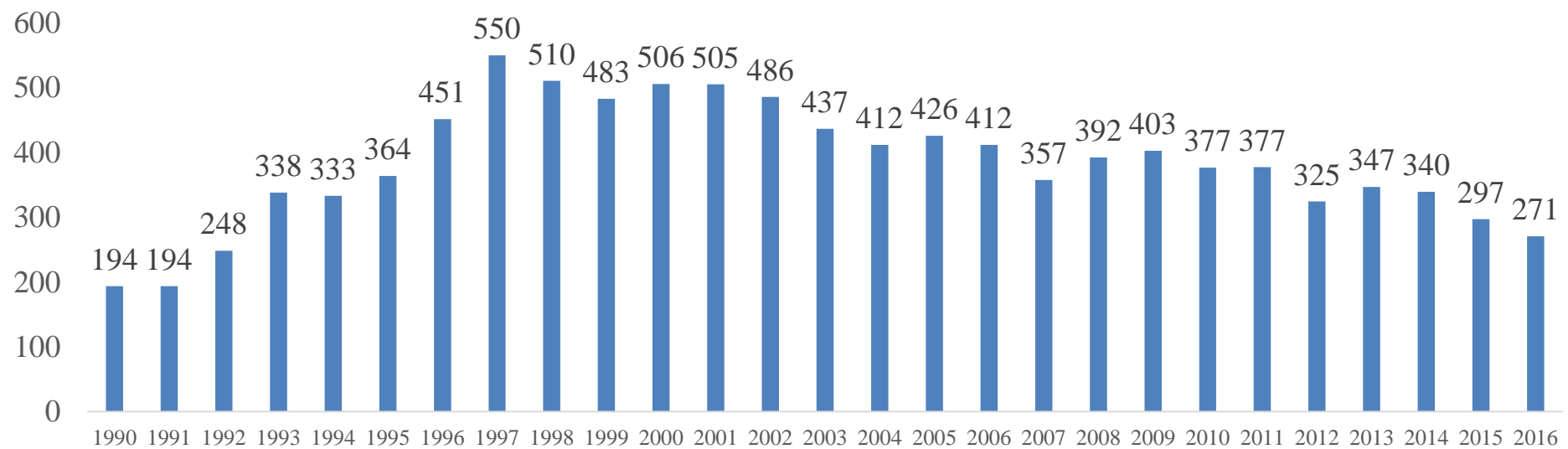
- Food Crisis Motivates Kyrgyz Government to Market Interventions in 2008-2014
- Vulnerability to Food Crisis affect on the FSN indicators – poverty increased, access to food declines – 2010-2013
- Dependences - global food prices, food import, remittances, exchange rate
- Domestic Production of Wheat Declines despite of Kyrgyz Government Measures in 2009-2016

Consumer Price Index and Food and Beverages Prices Fluctuation in Kyrgyzstan in 2006-2012, % to the previous year



Source: National Statistical Committee

Wheat Crops Dynamics in Kyrgyzstan in 1990-2016, thousand ha



Source: National Statistical Committee

Policy Measures

- Law “On Food Security in Kyrgyz Republic” (#183, August 4, 2008)
- Domestic wheat procurement and distribution of wheat flour to food-insecure population,
- Re-building strategic food reserve stocks, wheat, and wheat flour mainly,
- Provision of credit subsidies to farmers – since 2012
- Introducing seasonal duties on wheat and wheat flour exports, export of mineral fertilizers
- Supporting the use of agricultural machinery and improvement of wheat seed production.
- Donor support - FAO, USAID, WFP

Policy Measures (2)

- **National Strategy for Sustainable Development for 2013-2017**
- **Food Security and Nutrition Program (FSNP) and the Action Plan for the period 2015-2017**

Critical Issues with FSNP:

- No finance - 2.3 bln. som, confirmed 1.2 bln som. Confirmed budget share of Kyrgyz Government was 3% only (33.6 million som). It was supposed that the donor community will cover the gap.
- Stressed implementation timeline (6 to 24 month for a new set of tasks)
- Role of private stakeholders and civil sector – not defined
- Low analytical capacity
- No inclusion to the Operation plan of the Ministry of Agriculture

Policy Measures (3)

- Draft of Food Security and Nutrition Program (FSNP) for the period 2018- 2023 (New FSNP) – presented in September for discussions

Key directions in FSNP:

- Increase food for domestic consumption.
- Ensuring the availability of food for the population.
- Improving the quality of nutrition of the population.
- Enhance food safety.
- Formation of the management and monitoring and evaluation system of the Program.

Critical issues for the draft of New FSNP:

- Many tasks are not clearly formulated in a practical sense - goals are often not geographically linked, it's not obvious what it will bring, how it will affect the improvement of FNS, there is no private sector, who will do it?
- An example is task 1.1.
- + Small slaughterhouses - TEO - Batken, Jalal-Abad
- - Support for fruit trees, aquaculture development - where (?), how(?)

Policy Measures (4)

Critical issues for the draft of New FSNP:

- Some measures are declarative in nature - **“It is necessary to prevent further reduction of the arable land size per person and deterioration of the ameliorative condition of arable land.”**
- The measures are formulated in a compressed way - the Action Plan again implies the implementation of measures rapidly
- There is no clear definition of tasks in building the implementation of measures - School meals - Will the school meal system work by 2022 and how? - Will farmers in the regions supply products to schools and what products will it be?
- **VOLUMES AND SOURCES OF FINANCING (in development?)**
- Will the program be included in the Ministry of Agriculture’s operational work plan?
- The matrix of monitoring indicators is not related to a number of tasks in the Action Plan.
- No focus on small farmers

Concluding Remarks

- Food Security and Nutrition Situation improves and stable (until food prices don't grow)
- Food consumption pattern might be improved
- Kyrgyz Government support need to address farmers needs, rather than market intervention
- Farmers are small independent producers and need to be prioritized in country strategy as main producer of food

Thanks for the attention!