

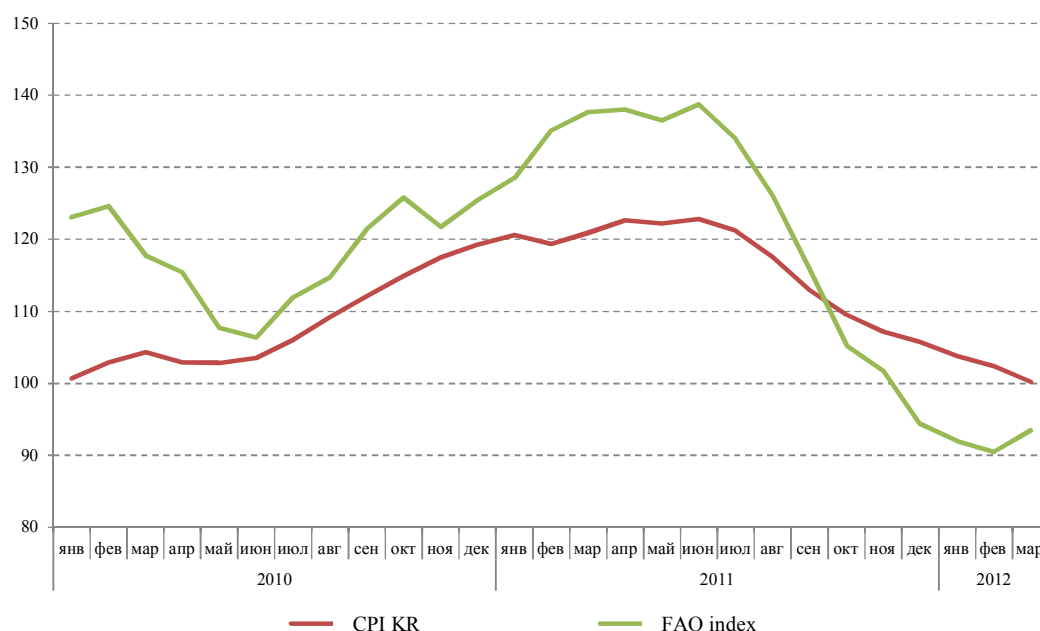
Table 1. Food market (monthly change in the estimates of production, consumption, ending stocks and prices for consumer goods in 2011/12 marketing year)

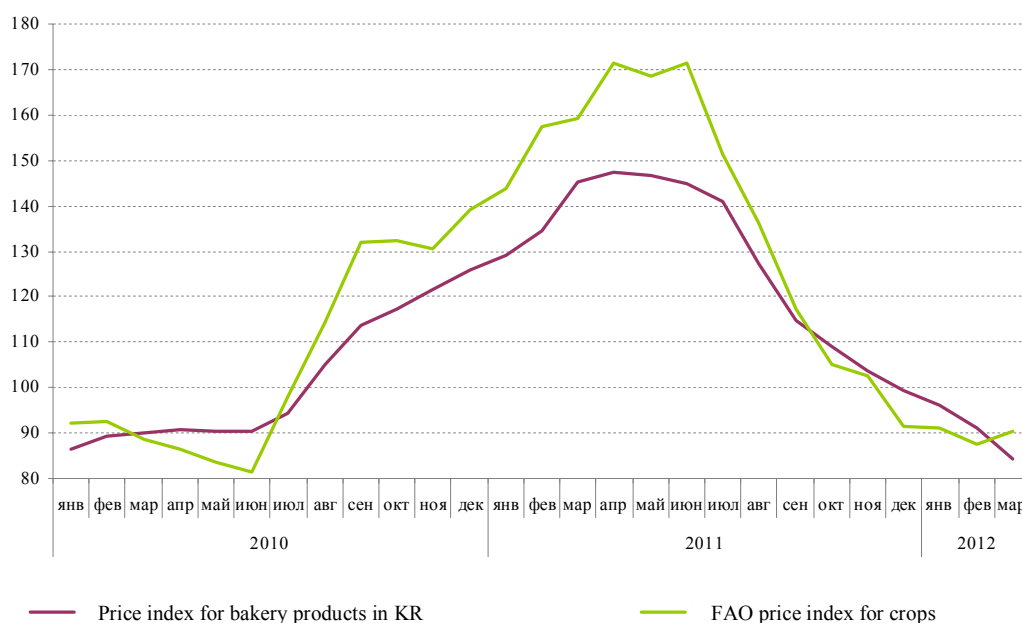
	<i>Production estimate, million tons</i>	<i>Change for a month, in %</i>	<i>Consumer estimate, million tons</i>	<i>Change for a month, in %</i>	<i>Ending stocks estimate, million tons</i>	<i>Change for a month, in %</i>	<i>Futures price¹ in USD per ton</i>	<i>Change for a month, in %</i>
Crops	1 841.0	0.0	1 840.0	+0.2	374.0	-1.1	268.0	0.0
Wheat	694.3	0.0	686.8	+0.4	209.6	0.0	235.2	-14.5
Corn	865.0	0.0	867.3	-0.3	124.5	0.0	241.5	-8.9
Rice	463.7	-0.4	458.8	-0.9	103.3	+3.0	-	-
Sunflower oil	14.1	+0.4	12.9	-1.0	2.0	+7.7	1 166.0	+2.3
Sugar*	168.2	0.0	167.6	0.0	29.0	0.0	659.7	0.0

* - November estimates of USDA

Food market

In March 2012 the average value of the consumer price index FAO (CPI FAO) totaled 216 points, virtually unchanged as compared to February 2012, when its value was 215 points. Among the various groups of commodities the price increase was observed only for oils, but it was offset by lower prices for dairy products, while the average price index for crops, sugar and meat as compared to the levels of the previous month has changed slightly.

Chart 1. Dynamics of CPI in KR and FAO index (percentages to the corresponding month of the previous year)¹ Hereinwith the average futures price is indicated.

Crops**Chart 2. Dynamics of crops prices**
(percentages to the corresponding month of the previous year)

The first forecast of FAO concerning the supply and demand in 2012-2013 will be published in May 2012, but preliminary data suggest that the demand and supply will be more balanced than in the 2011-2012 season. FAO's current forecast has remained unchanged at the level of previous year and foresees the production of wheat in 2012 at 690 million tons, which is 1.4 percent below the record level of 2011. Despite this reduction in supply of wheat in the world the predicted consumption will exceed in 2012-2013 due to the presence of significant ending stocks. The rice market in 2012-2013 is also predicted to be stable due to the fact that the last few years have been record-productive and allowed to build up reserves.

In the coming months the focus will be made on feed crops, the supply of which is particularly limited, primarily of corn in the U.S. The U.S. is its largest producer and supplier. On March 31, 2012 USDA submitted a seeding plan for the season of 2012-2013, in accordance with which the corn acreage in the U.S. would increase this year by 4.0 percent, while the published report on the quarterly crop stocks (as of March 1, 2012) indicated that last year's crop grain reserves (2011) were below the predicted level. To return the ratio of reserves and consumption to a more acceptable level, of 16 percent, the production of feed grain in the world in 2012 should increase by no less than 6 percent.

According to the April forecast of the US Department of Agriculture (USDA), world production of wheat in 2011/12 MY will constitute 694.3 million tons, the forecast remained unchanged at the level of the previous month. The forecast of wheat consumption in 2011/12 MY increased to 686.8 million tons (+0.4 percent). The volume of ending stocks of wheat in the world in 2011/12 MY will amount to 209.6 million tons, which also does not differ from the previous month forecast.

Dynamics of world wheat prices is given in the Appendix, Chart 1.

USA

According to the April report, the USDA forecast of wheat production in 2011/12 MY remained unchanged at the level of 54.4 million tons, the forecasts of consumption increased by 2.8 percent up to 32.3 million tons. Assessment of wheat export in 2011/12 MY increased by 1.1 percent relative to the expectations of the previous month and amounted to 26.8 million tons, the import forecast was not revised and amounted to 3.2 million tons.

EU-27

The April forecast by the USDA on wheat production in EU-27 countries in 2011/12 MY remained at 137.5 million tons, which is by 1.3 percent more than actually produced wheat in 2010/11 MY. Forecast of consumption for 2011/12 MY remained unchanged and amounted to 125.5 million tons, the volume of ending stocks of wheat at the end of 2011/12 MY would be at 14.2 million tons.

Within the period from March 23 to April 20, 2012 the price of wheat on the London Stock Exchange (LIFFE) increased by 1.8 percent and amounted to US\$ 282.8 per ton.

China

According to the April USDA estimate, the forecast of wheat production remained at the previous level in China in 2011/12 MY - 117.9 million tons (+1.6 percent as compared to the previous season), the consumption forecast increased by 1.7 percent to 118.0 million tons, the estimate of wheat ending stocks in China was set at the level of 60.0 million tons (-2.4 percent).

Russia

According to the initial forecast of USDA Foreign Service experts, the bulk yield of crops in Russia in 2012-2013 will decline by 6 million tons (-6.4 percent) to 88 million tons, while the export of crops in 2012/13, including the grain equivalent of flour, rice and beans - by 7 million tons (-26.9 percent) to 19 million tons.

In justifying the predicted reduction in the collection, the analysts, in particular, note the expected reduction in the collection of winter crops in southern Russia, as well as continuing problems with the price affordability of major logistical resources (fuel, fertilizers, seeds, agricultural machinery) for a large part of the farms, especially small and medium-sized.

The expected decline in exports in 2012/13 is due to, primarily, lower grain stocks in southern Russia, which will lead to a decrease in export volumes of grains, especially at the beginning of the season.

Argumentation and factor analysis of USDA experts, as well as predicted indicators are largely in tune with the data of independent and quite authoritative analytical agencies.

Kazakhstan

According to preliminary data of the regional administrations of the Ministry of Agriculture of Kazakhstan, in 2012 the crops are planned to be planted on the area of 21.2 million hectares, which is at the level of 2011. The area of spring sowing will be 18.5 million hectares; the crops will be planted on 16.3 million hectares. At the expense of wheat acreage reduction up to 13.5 million hectares that is by 300 thousand hectares, there will be reduction relative to the last year, it is expected the increase of feed crops area.

Currently in Astana, the third grade wheat of new crop can be purchased for 24230 KZT per ton (US\$ 163.7), which is about 800 KZT higher than the prices at the end of January 2012. First grade flour is sold in the capital at 40800 KZT per ton (US\$ 275.6) - a reduction by 200 KZT, high grade - at 43900 KZT per ton (US\$ 296.5). The second grade flour costs 36900 KZT per ton in the markets (US\$ 249.3).

Kyrgyzstan

The news agency "KazakhZerno" reports, with reference to the Customs Committee of the RK, that in Kyrgyzstan in March 2012 the price of third grade wheat remained at the level of February 2012 (US\$ 237 - 247 per ton). According to the news agency "KazakhZerno", the high grade flour in Kyrgyzstan currently costs 18000 KGS, or US\$ 387 per ton, first grade is estimated at 15080 KGS, or US\$ 324 per ton (according to the news agency "KazakhZerno", in February 2012 the high grade flour cost 17500 KGS per ton, first grade - 14000 KGS per ton).

Deputy Minister of Agriculture and Land Reclamation of the KR has said that Uzbekistan will supply to Kyrgyzstan 100 thousand tons of fertilizers.

According to him, talks on this issue with the Uzbek side are already held. Sale price of fertilizers will be 18 KGS per 1 kg, Russian and Chinese analogs cost 22-23 KGS (average annual demand of agricultural industry of the country in mineral fertilizers is about 341 thousand tons).

According to the news agency "KazakhZerno", it is also required 410.9 tons of pesticides, of which 80.7 percent delivered as of April 3.

Currently, 20 companies are engaged in the supply of fertilizers in the country, and 35 thousand tons are already delivered to Kyrgyzstan.

In 2012, the Ministry of Agriculture of the KR bought the seeds of wheat and barley at 12.4 million KGS, according to the news agency "Kabar" with reference to the Minister of Agriculture. According to him, there were held two tenders for the purchase of seeds. As a result, there were purchased 420 tons of seeds of spring wheat at 8.1 million KGS and 234 tons of seeds of spring barley at 4.3 million KGS, which were distributed among the regions by commodity credit.

According to the NSC KR, as of April 18, 2012 the price of a group of "bread and cereals" decreased by 0.4 percent since the beginning of the month and by 16.8 percent in annual terms (April 2012 against April 2011).

Corn

According to the April forecast of the USDA, world production of corn in 2011/12 MY will be 865.0 million tons. Estimation of consumption declined by 0.3 percent amounted to 867.3 million tons. Forecast of world trade decreased to 96.2 million tons (-0.1 percent). In general, in 2011/12 MY ending stocks will make 124.5 million tons.

Within the reporting period futures price of corn in the world market fell by 8.9 percent, amounting to US\$ 241.5 per ton.

Dynamics of world corn prices is given in the Appendix, Chart 2.

Rice

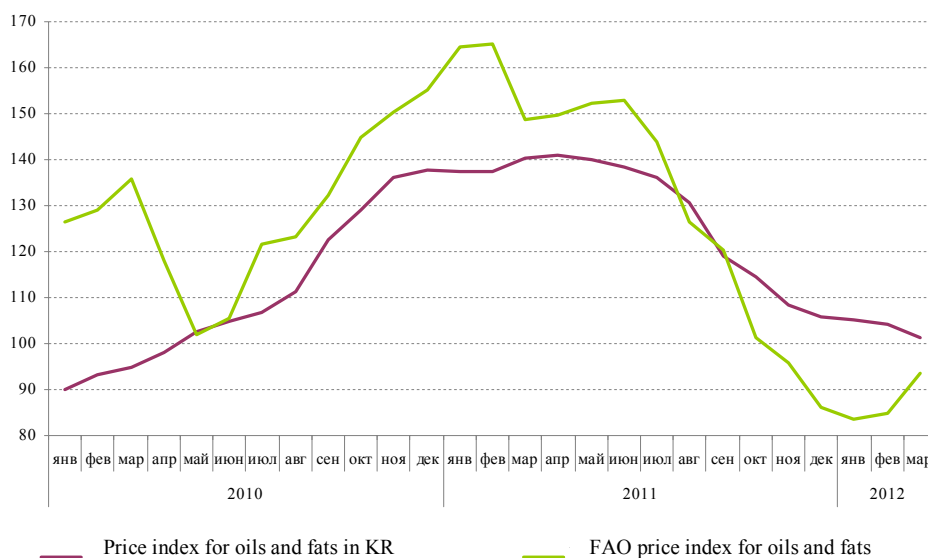
USDA in April 2012 reduced the estimate of world rice production in 2011/12 MY by 0.4 percent, to 463.7 million tons. The forecast of consumption of rice reduced against the past month estimates by 0.9 percent, to 458.8 million tons. The estimates of ending stocks on this type of corn increased by 3.0 percent to 103.0 million tons.

World sunflower oil review

The April USDA forecast of world oil production for 2011/12 MY decreased (-0.2 percent) and amounted to 153.0 million tons. Forecast of consumption remained unchanged at 150.8 million tons. The volume of world trade in oil will be 62.5 million tons. The estimates of ending stocks increased by 1.6 percent to 12.6 million tons.

The average value of the price index for vegetable oils/fats FAO increased to 245 points in March, by 6 points (or 2.5 percent) higher as compared to February 2012; in such a way the markets have reacted to the prospect of further growth in demand and reduction in supply of oils in 2011-2012. The increase in oil prices was contributed by a weak increase in the production of palm oil in the world, reduction in the export supply of soybean oil and the decline in rape production.

Chart 3. Dynamics of oil and fat prices
(percentages to the corresponding month of the previous year)



Sunflower oil

According to the USDA, in 2011/12 MY sunflower oil production will constitute 14.1 million tons (+0.4 percent), consumption – 12.9 million tons (+1.0 percent). Forecast of ending stocks rose by 7.7 percent and amounted to 2.0 million tons.

Within the reporting period, the average futures price for sunflower oil on world markets as of April 20, 2012 increased by 2.3 percent and amounted to US\$ 1166.0 per ton.

Dynamics of world sunflower oil prices is given in the Appendix, Chart 3.

Kyrgyzstan

According to the NSC KR as of April 18, 2012 the price of the group “oils and fats” declined by 0.8 percent relative to prices of last month, in annual terms, the price for this type of goods also decreased by 0.8 percent.

Sugar

According to the November forecast of the USDA the estimate of world sugar production in 2011-2012 MY is set at 168.2 million tons (-0.1 percent to the previous forecast), while consumption is estimated at 159.3 million tons (-1.2 percent). The volume of world stocks of sugar at the end of 2011 is estimated at 30.0 million tons, which is by 4.2 percent higher than previous estimates.

In March 2012 the average price index for sugar FAO amounted to 342 points, unchanged as compared to the previous month, while it was 30 points (8.0 percent) lower than in March 2011. In general, sugar prices have remained volatile as the market is awaiting the start of a new growing season in Brazil - the largest producer and exporter of sugar in the world. India, EU and Thailand reported an increase in production, which contributed to a lower level of prices compared with last year's season. Statement by India that it intends to increase exports by an additional 1 million tons is also reflected in the prices.

Chart 4. Dynamics of sugar prices
(percentages to the corresponding month of the previous year)



Dynamics of the world sugar prices is given in the Appendix, Chart 4.

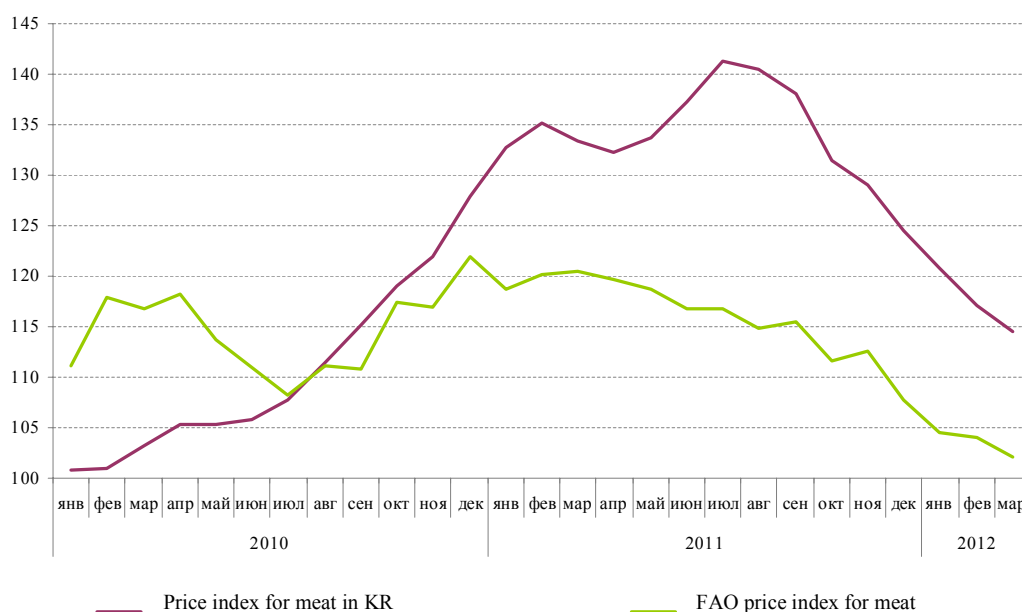
Kyrgyzstan

According to the NSC KR as of April 18, 2012 the prices for sugar decreased by 0.7 percent against the prices of the previous month, in annual terms, sugar prices have fallen by 21.8 percent.

Meat

The average index value of the FAO meat price was 178 points in March 2012, slightly higher than its February value; this was due to a slight increase in prices for beef, which reached their maximum historical values. Prices of pork and mutton remained almost unchanged, while poultry prices declined slightly due to the reduction of import and export and availability of sufficient export resources. The average price of meat in the first quarter of 2012 was by 3.5 percent higher than last year.

Chart 5. Dynamics of meat prices
(percentages to the corresponding month of the previous year)



Kyrgyzstan

The fodder shortage which has developed against the backdrop of a

prolonged winter remains in the country. Particularly acute failure and lack of fodder is in the south.

The Ministry of Emergencies of the KR has provided data on the delivery of hay and feed to areas affected by snowfall. Thus, 22 pieces of equipment involved as of April 20, 2012. In total 25.717 bales of hay, 952 tons of barley, 2 tons of wheat, 350 kg of flour and 350 kg of coal were delivered by 157 trips. 777 tons of barley was sent from the Fund of state material reserves under the Kyrgyz Government.

According to media reports, 19.5 thousand head of livestock, including 3.3 thousand head of cattle, 14.6 thousand small cattle, and 1.6 thousand horses died as of today due to lack of feed in the country.

The volume of livestock farms in Kyrgyzstan, according to NSC KR as of December 1, 2010 was: cattle - 1338.6 thousand head, small cattle - 5288.1 thousand head, horses - 339.0 thousand head.

In 2010, the total loss of cattle was: cattle - 17.2 thousand head (about 1.3 percent of the total), small cattle – 104.8 thousand head (about 2.0 percent), horses – 3.3 thousand head (about 0.8 percent).

According to the NSC KR as of April 18, 2012 meat prices fell by 0.7 percent relative to the prices of previous month, an annualized increase in meat prices continues to slow down and is 13.5 percent. The average price for cattle in live weight in January-March 2012 amounted to 148.1 thousand KGS per ton against 100.3 thousand KGS per ton in January-March 2011.

Table 1. Food market (monthly change in the estimates of production, consumption, ending stocks and prices for consumer goods in 2011/12 marketing year)

	<i>Production estimate, million tons</i>	<i>Change for a month, in %</i>	<i>Consumer estimate, million tons</i>	<i>Change for a month, in %</i>	<i>Ending stocks estimate, million tons</i>	<i>Change for a month, in %</i>	<i>Price in US\$ per ton</i>	<i>Change for a month, in %</i>
Crops (world)	1 841.0	0.0	1 840.0	+0.2	374.0	-1.1	268.0	0.0
Wheat	694.3	0.0	686.8	+0.4	209.6	0.0	235.2	-14.5
<i>Kyrgyzstan</i>	1.1	0.0	1.3	0.0	0.8	0.0	235.0	+9.3
<i>USA</i>	54.4	0.0	32.3	+2.8	21.6	-3.8	-	-
<i>Australia</i>	29.5	0.0	8.0	0.0	9.2	0.0	-	-
<i>EC-27</i>	137.5	0.0	125.5	0.0	14.2	0.0	282.8	+1.8
<i>China</i>	117.9	0.0	118.0	+1.7	60.0	-2.4	-	-
<i>Russia</i>	56.2	0.0	38.5	-0.3	11.0	+1.2	273.0	-0.7
<i>Kazakhstan</i>	22.7	0.0	9.0	0.0	17.8	0.0	149.8	-16.7
Corn	865.0	0.0	867.3	-0.3	124.5	0.0	241.5	-8.9
Rice	463.7	-0.4	458.8	-0.9	103.3	+3.0	-	-
Sunflower oil	14.1	+0.4	12.9	-1.0	2.0	+7.7	1 166.0	+2.3
Sugar²	168.2	0.0	167.6	0.0	29.0	0.0	659.7	0.0

² November estimates of USDA

Chart 1. Dynamics of world wheat prices, 07.01.11-24.04.12
(US\$ per ton)

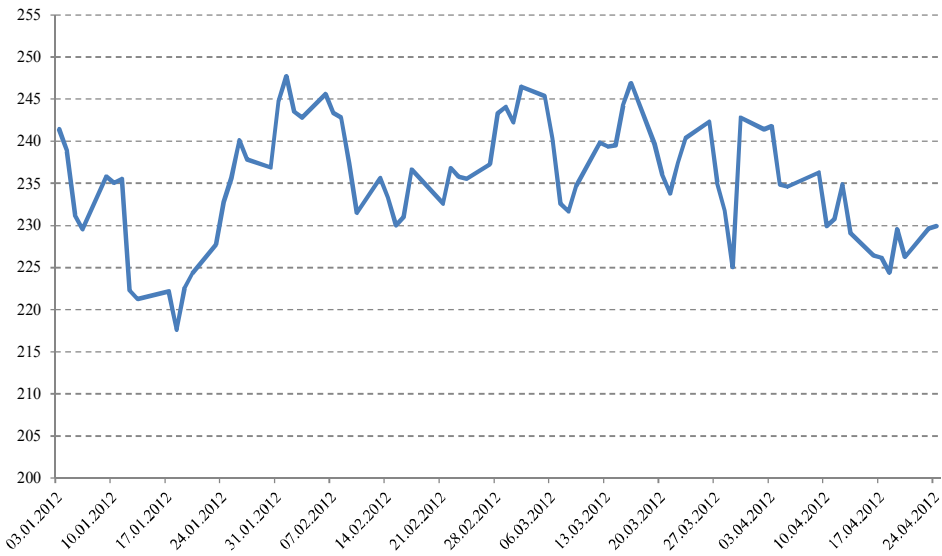


Chart 2. Dynamics of world corn prices, 07.01.11-24.04.12
(US\$ per ton)

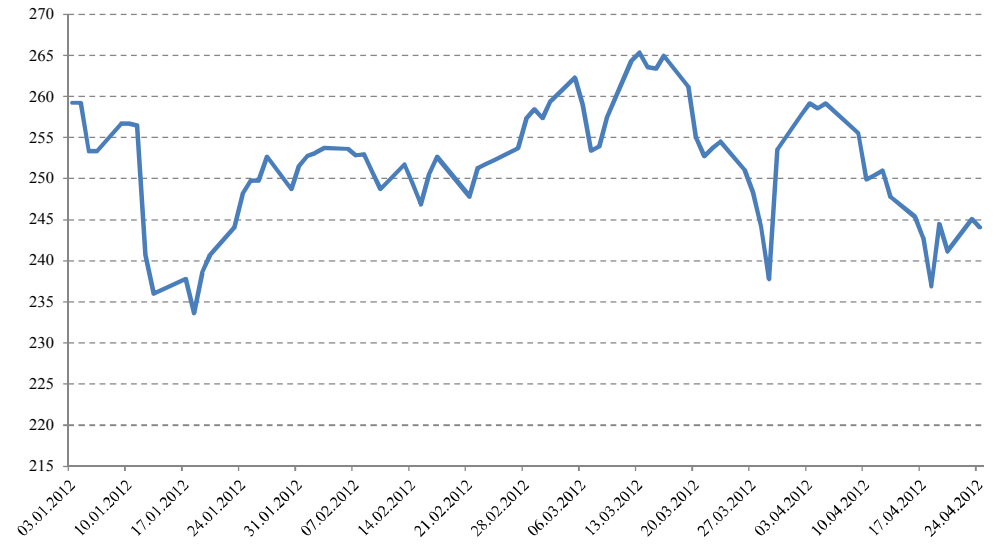
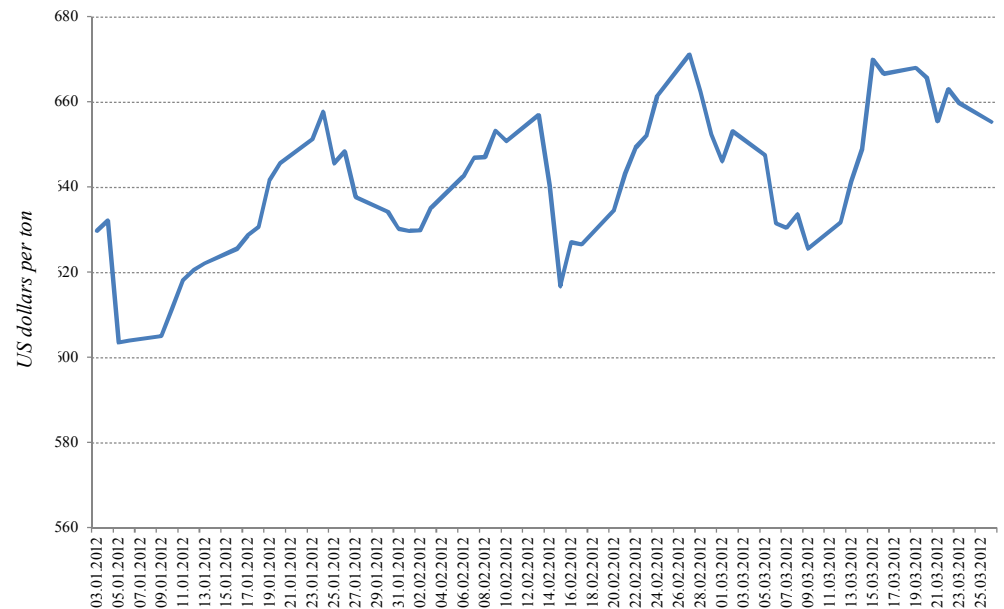


Chart 3. Dynamics of world sunflower oil prices, 07.01.11-23.03.12
(US\$ per ton)



Chart 4. Dynamics of world white and raw sugar prices, 07.01.11-23.03.12
(US\$ per ton)



The review was prepared based on the data submitted by the National Statistical Committee of the Kyrgyz Republic (NSC KR), Ministry of Agriculture of the Kyrgyz Republic, the State Agency on Antitrust Policy and Development of Competition under the Government of the Kyrgyz Republic, State Customs Service of the Kyrgyz Republic, International Grains Council (IGC), MOA RF, USDA, MOA RK, Statistics Agency of the Republic of Kazakhstan, Federal Service for State Statistics of the Russian Federation, Internet resources: News Agency “AKIpress”, News Agency “24.kg”, News Agency “KirTAG”, News Agency “APK-inform”, News Agency “Soyuzrossahar”, News Agency “Agronews”, News Agency “Newsru”, “Oil World”, News Agency “KazakhZerno”, News Agency “Reuters”.