



## Market update Issue 1 (October 2014)<sup>1</sup>

# UKRAINE

## Price monitoring of key food items in Donetsk and Luhansk Oblasts

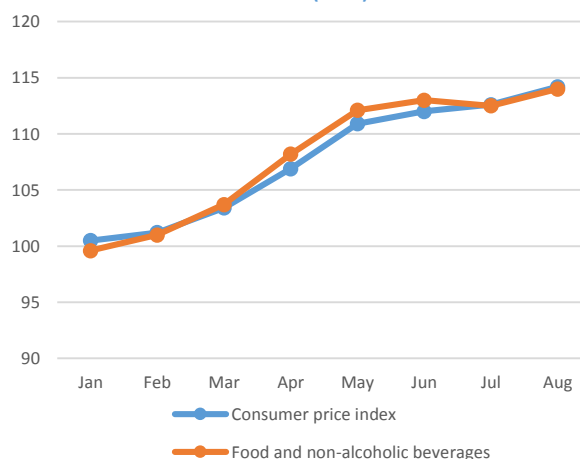
### Highlight

- Cost of food basket<sup>2</sup> remained higher at national level throughout the period from January till September this year compared to the cost in 2013.
- In Donetsk, prices of wheat flour, pork, cucumber (field), and sour cream increased by 5-10%, and that of butter (fat 72.50%) increased by 10-15%. Price of cucumber (grown in green house) went up by 26.92 percent.
- In Luhansk, prices of pork, fresh fish, Russian cheese, and tomatoes (field) increased by 5-10%, and that of boiled sausage, and Rye wheat (compared to the price of 09 Sept) increased by 10-15%. Price of tomatoes (field) and cucumber (field) increased by 45% each compared to the price of 26 August and 16 September respectively.

### National Context

- The year-on-year consumer price index, and the price index for food and non-alcoholic beverages sharply rose from 103.4 and 103.7 in March to 106.9 and 108.2 in April respectively (Figure-1). There was slight drop in the price index of food and non-alcoholic beverages in June-July period. Thereafter it has picked upward trend again.
- Cost of food basket remained higher compared to 2013 throughout the period from January till September this year (Figure-2). Highest difference of UAH 93.26 (20.63%) was observed in June.

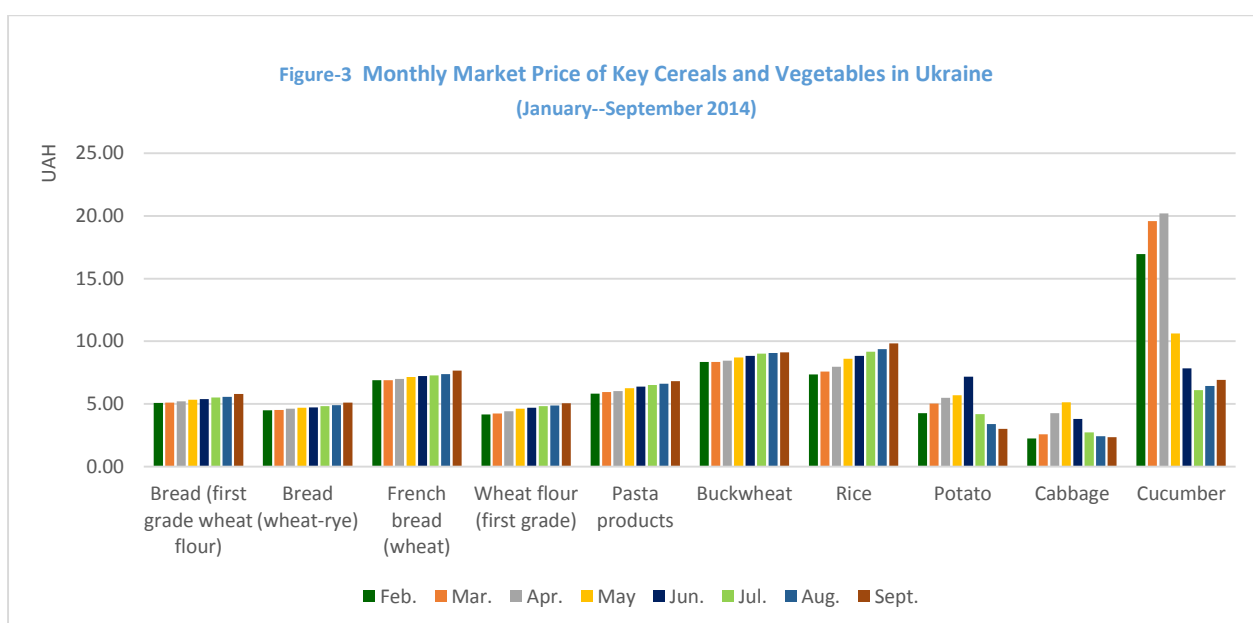
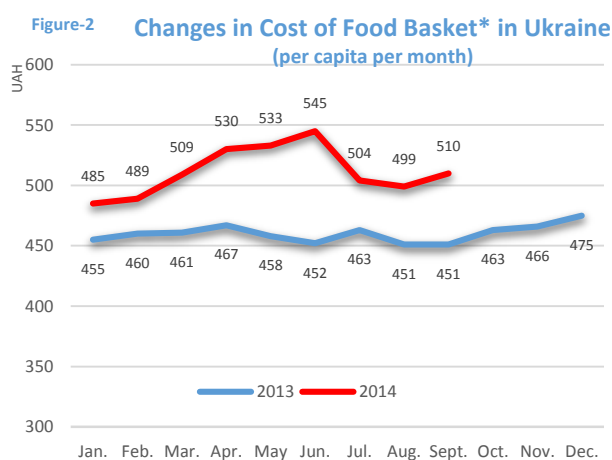
Figure-1 Year-on-Year Food Price Index in Ukraine (2014)



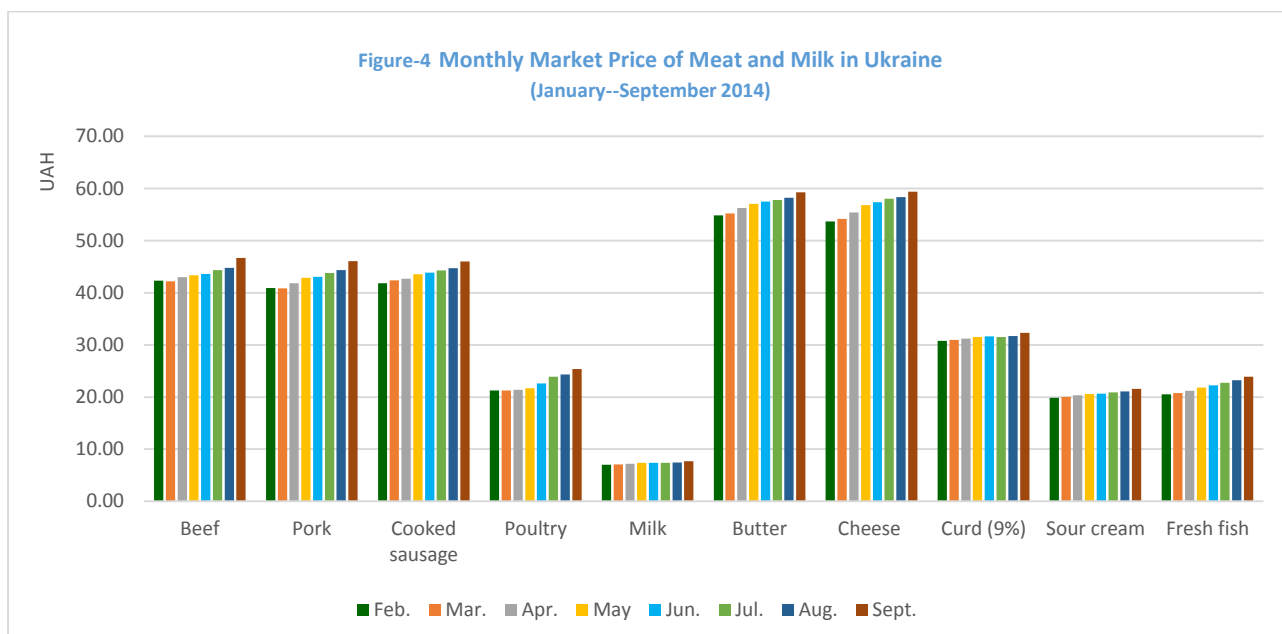
<sup>1</sup> This update is prepared based on the information received from the State Statistics Service of the Government of Ukraine, and Ministry of Agrarian Policy and Food (UkrAgroPromProduktynist),

<sup>2</sup> The standard food basket per capita per year (consisting of 32 food items) set by the Government of Ukraine,

- Cost of food basket continuously increased this year from UAH 485 in January to UAH 545 in June (12.37%); it dropped up to UAH 504 in July, mainly due to the seasonal factor, that the price of vegetables (cucumber, cabbage, and potato) sharply dropped at a range of 22-42% (Figure-3). The cost has started increasing from August onward. This is likely that the food basket cost will increase further during the winter season as the production of vegetables and milk will be reduced in winter (seasonal factor).



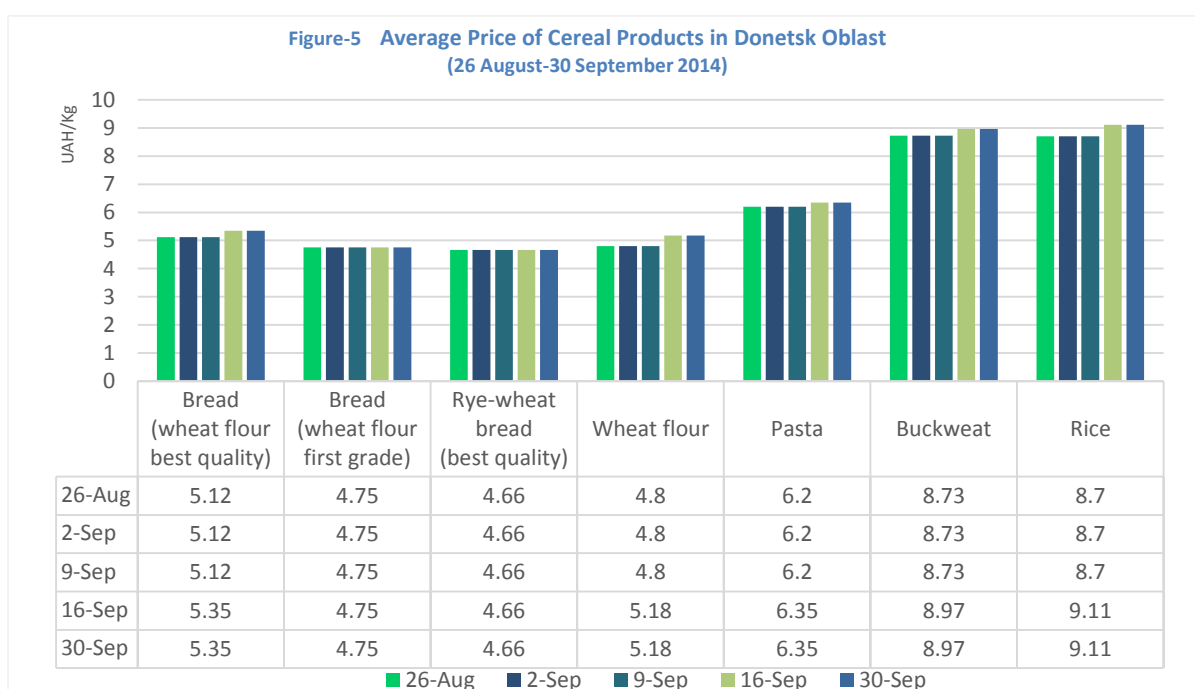
Monthly market price of cereal products (bread, wheat flour, pasta, buckwheat, and rice) steadily increased in Ukraine during the period January-August (Figure-3). The price trend kept up even during the harvesting season of buckwheat, rye, and wheat in July-August. There was sharp decrease in the price of vegetables during June-July; price of potato, cabbage, and cucumber decreased by 42, 28, and 22 percent respectively. This is mainly attributed to seasonal factor (production of vegetables).



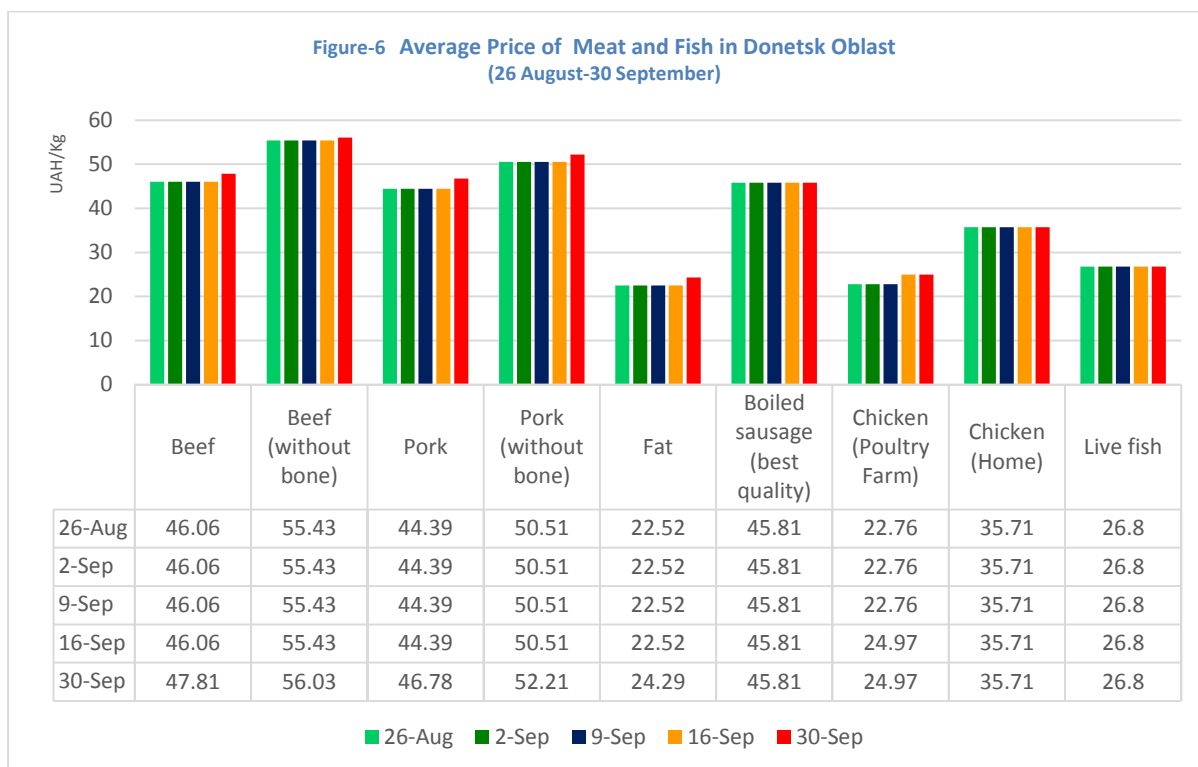
Market price of all meat products, and most of the dairy products continuously increased during January-August (Figure-4). Price increase in milk, curd (9%), and sour cream was not significant though due to the seasonal factor.

## Retail Market Price in Donetsk and Luhansk Oblasts:

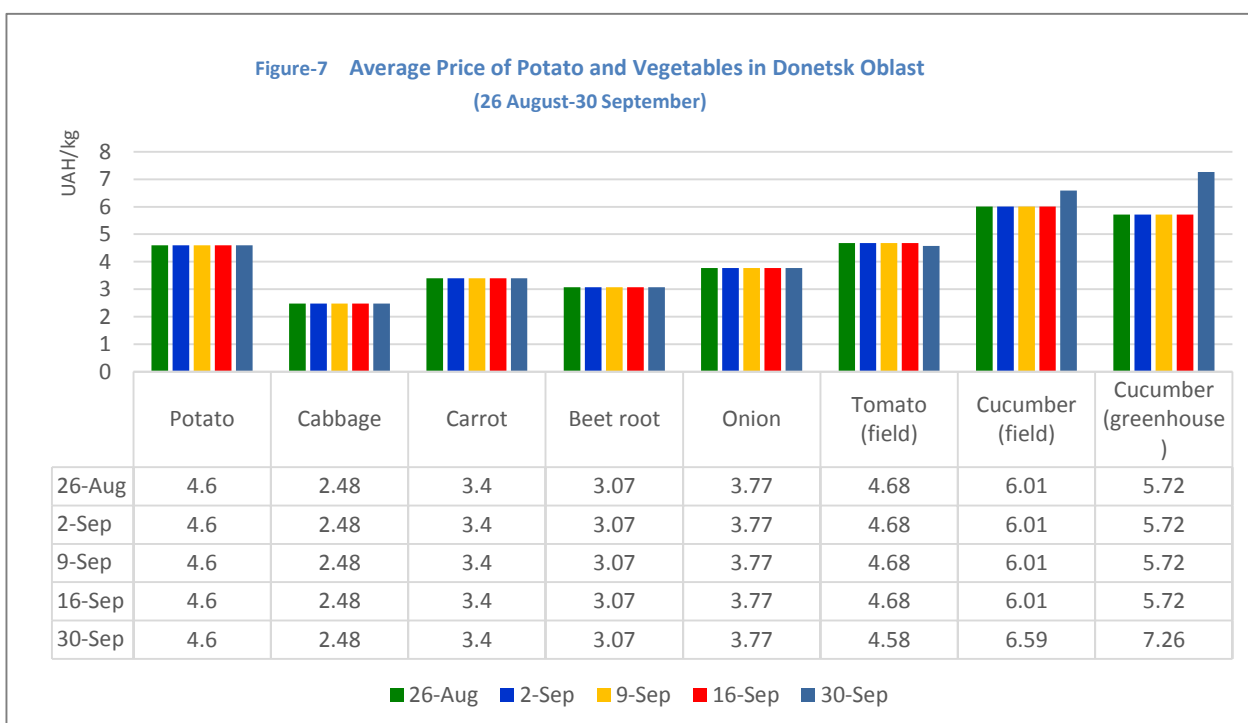
### Donetsk:



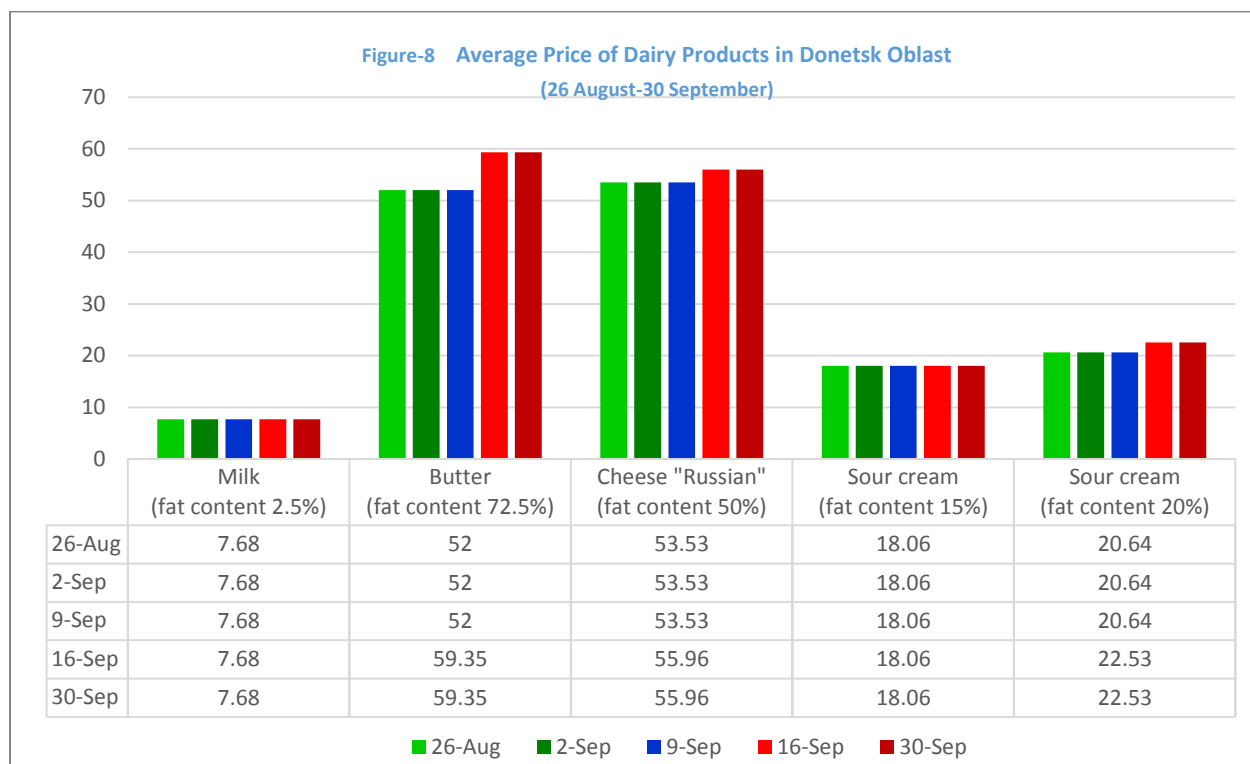
Price of wheat flour increased by 7.92 percent during the period 16-30 September, likewise price of rice, and bread (wheat best quality) increased by 4.71, and 4.5 percent respectively in the same period. Remaining cereal food items followed a steady (stable) trend (Figure-5).



Price of chicken (from poultry farm) increased by 9.71 percent by end September compared to the price in mid-September, and the prices of pork, beef, and pork (without bone) increased by 5.38, 3.8, and 3.65 percent respectively (Figure-6).



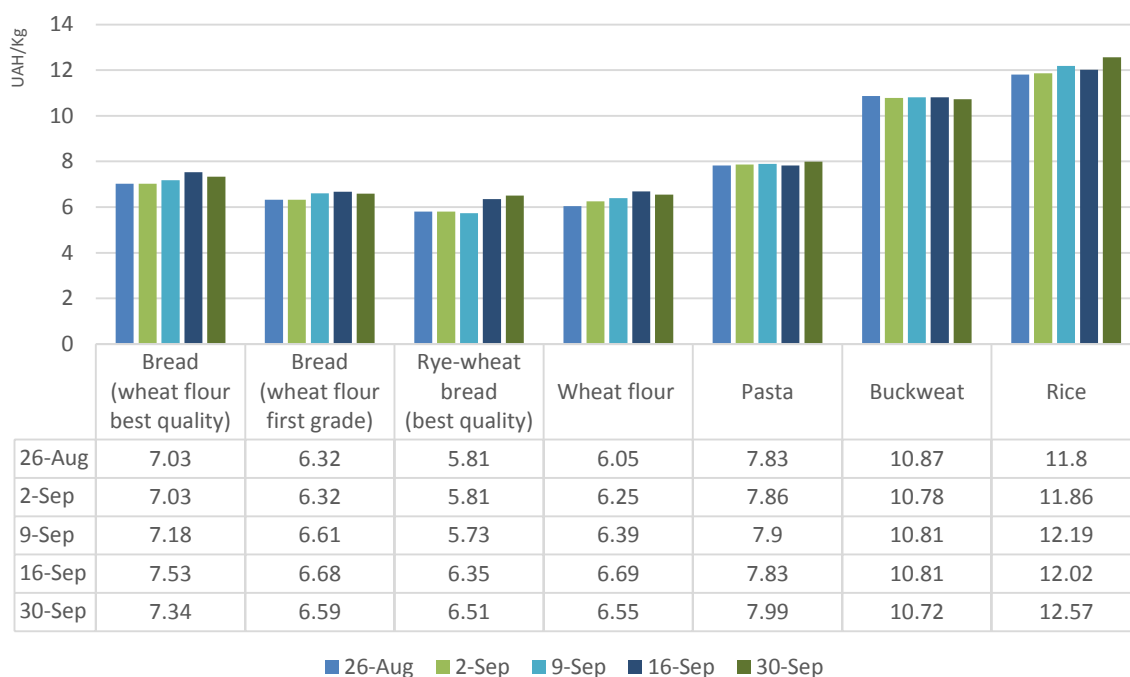
Price of cucumber (grown in green house) sharply increased from UAH 5.72 per kg to UAH 7.26 (26.92%) in end September (Figure-7). Price of cucumber grown in the field also increased by 9.65 percent.



A significant increase was observed in the price of butter, the price for a kg of butter went up to UAH 59.35 in mid-September from UAH 52 in end August, and it has kept the trend up until end September (Figure-8).

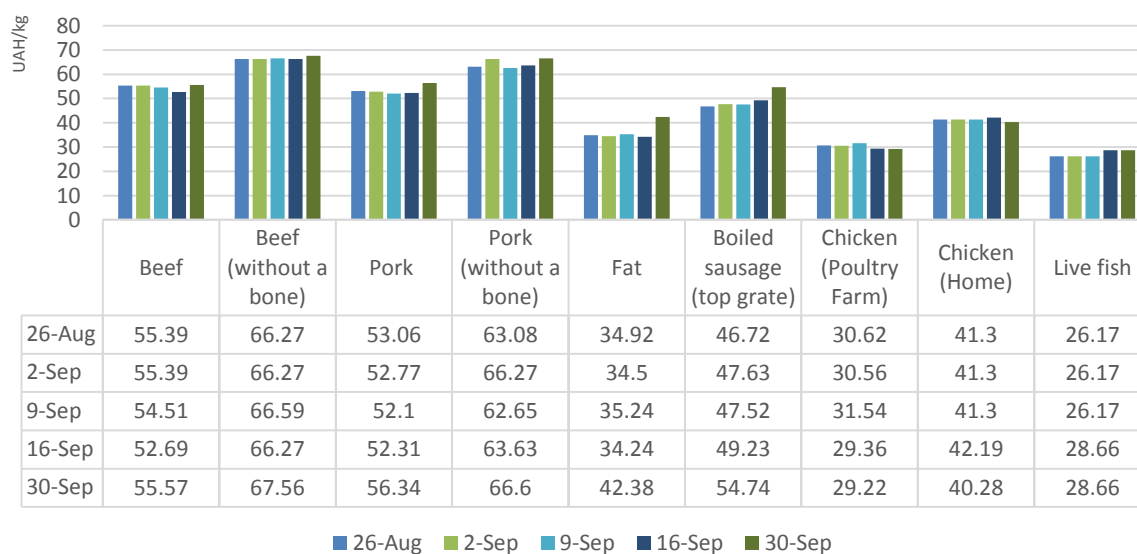
## Luhansk:

**Figure-9 Average Price of Cereal Products in Luhansk Oblast  
(26 August-30 September)**

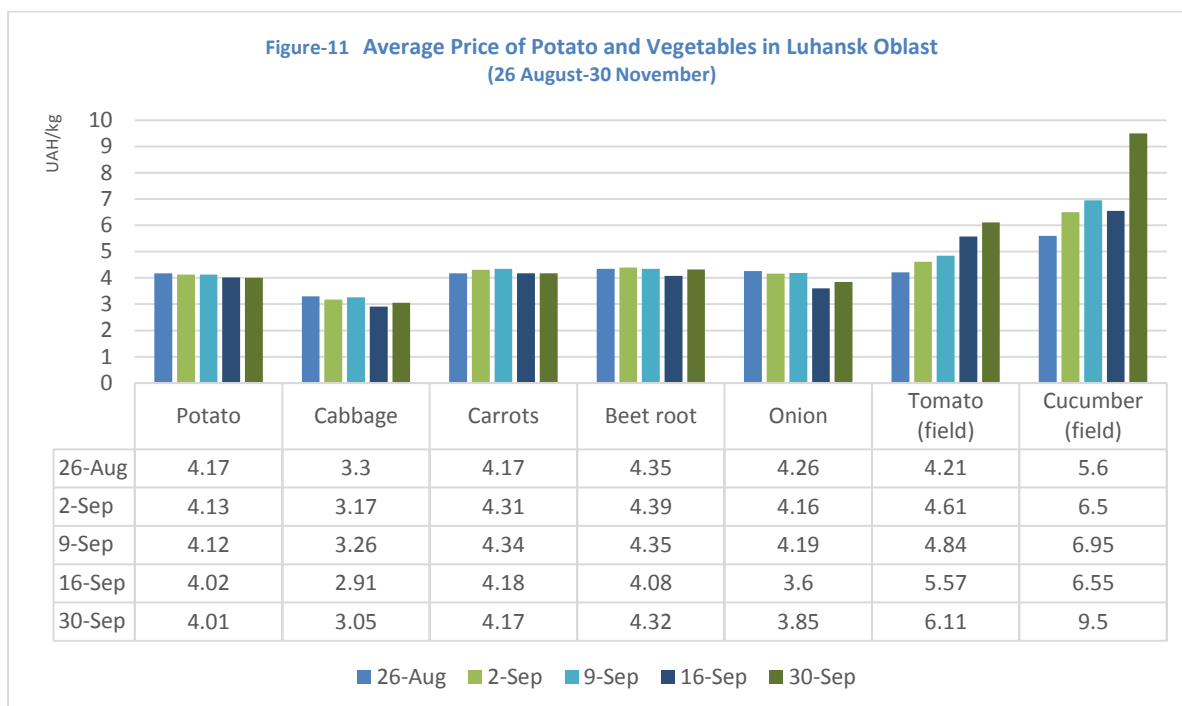


Price of Rye wheat bread (best quality) has increased by 13.61 percent compared to the price in 09 September. Price of rice has increased up to 4.57 percent in end September compared to mid-September (Figure-9).

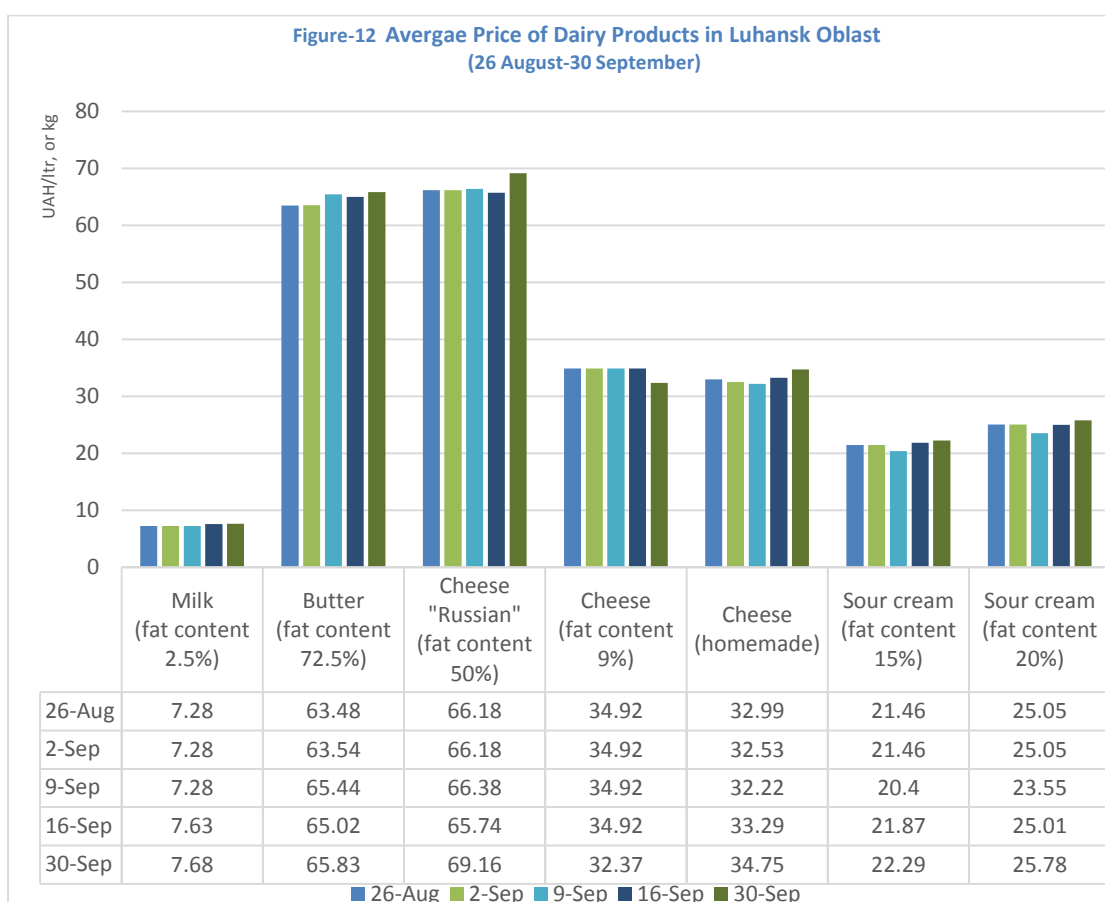
**Figure-10 Average Price of Meat and Fish in Luhansk Oblast  
(26 August-30 September)**



Prices of boiled sausage, live fish, pork, and pork (without bone) have increase by 11.19, 9.51, 7.7, and 4.67 respectively (Figure-10).



Price of tomato has increased by 45 percent compared to end August (Figure-11); similarly the price of cucumber has increased by same rate (compared to mid-September). It is likely that the trend will continue in the upcoming days (winter season) too.



Prices of Russian cheese and cheese (homemade) have increased by 5.2, and 4.38 percent respectively (Figure-12).