



# FOOD SECURITY AND POLICY REVIEW IN UKRAINE

*July update*

September 2, 2022

## ISSUE PREVIEW

By the end of July, food affordability continued to improve after a noticeable decrease in June and an increase at the beginning of July. Increased supply of the new harvest of vegetables is still leading prices for vegetables to go down. The significant decreases in potato and beetroot prices resulted in an overall lower price of our “basket of goods”. The price of our basket went down in every region of the country, except for the Kherson region.

	FAI	Prices
21.02	0%	0%
22.04	-37.9%	+5.8%
13.05	-37.0%	+4.4%
27.05	-38.5%	+7%
17.06	-40.5%	+10.6%
01.07	-47.6%	+25.7%
15.07	-44.9%	+19.41%
29.07	-42.6%	+14.5%

<sup>1</sup> Food Security and Policy Review in Ukraine. Foreword to the series & methodology. [https://kse.ua/wp-content/uploads/2022/07/Foreword-to-the-series-and-methodology\\_eng.pdf](https://kse.ua/wp-content/uploads/2022/07/Foreword-to-the-series-and-methodology_eng.pdf)

<sup>2</sup> The constructed basket of products differs from the consumer basket used by the State Statistics Service of Ukraine to estimate food

## FOOD AFFORDABILITY INDEX ↑ 4.3% AS COMPARED TO THE FIRST HALF OF JULY

The food affordability index (FAI) is estimated as a ratio of the average salary to the price of the basket of food products (see the methodology on our webpage)<sup>1</sup>.

Before the RF’s full-scale invasion, the FAI score was 12.4, implying that the person with an average salary could buy 12.4 months’ worth of food products from our basket. By July 29, the index dropped to 7.15. It is 42.6% lower than before the war, 6.6% lower than in May, 9.7% higher than in June, and 4.3% higher than in the first half of July. Our estimates show that despite a significant drop in the second half of June, FAI was increasing throughout July. It implies that a person with an average income in mid-July could buy 9.7% more food compared with the June level.

The main reason for the improvement of FAI is the decrease in the average price for our basket of food products<sup>2</sup>. As of July 25-29, the price of the food basket is

inflating. The basket constructed for our estimation considers only 21 essential food products rather than the whole basket. As a result – our findings could differ from the SSSU estimates for the price changes.



4.1% lower compared to the week ending on July 15. The main reason for this is the vegetable prices, which continue to decrease. Prices for potato, beetroot, carrot, and onions are going down as the new harvest is arriving in the stores.

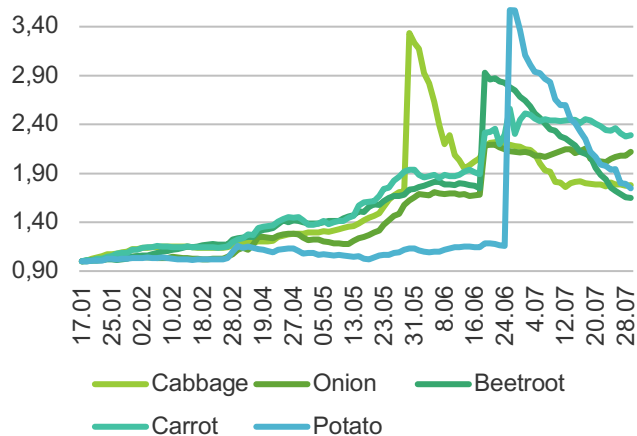
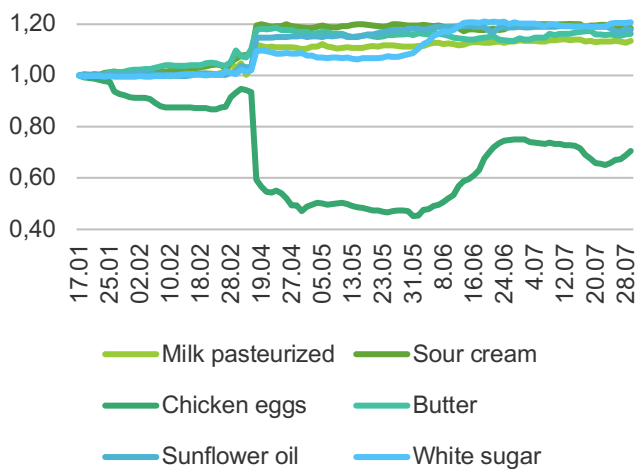
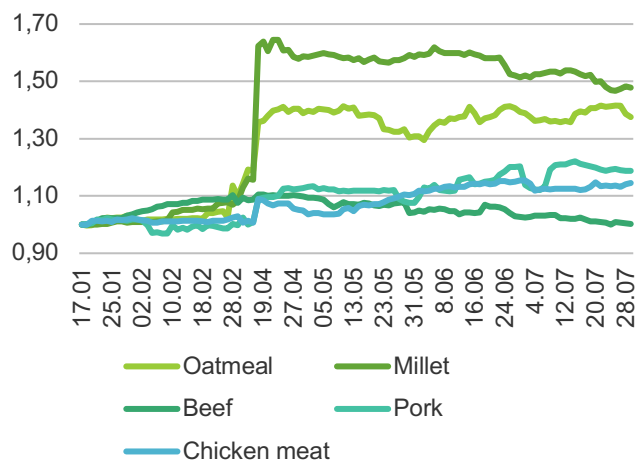
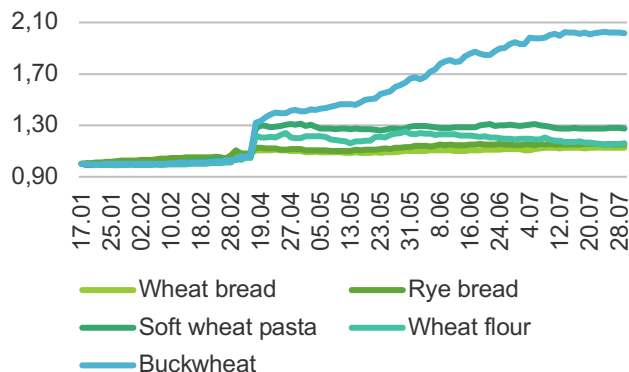
The price of the basket of goods decreased in every region of the country, except for the Kherson region, which suffered a 1.6% price growth. The highest reduction in the basket's price is observed in Zhytomyr (-7.4%), Ivano-Frankivsk (-5.0%), Kyiv (-6.1%), Lviv (-5.4%), and Ternopil (-5.4%) regions. No information is available for the two regions temporarily occupied by the RF's army – Donetsk and Luhansk regions.

## DOMESTIC FOOD PRICES ↓ POTATO AND BEETROOT

On July 25-29, compared to July 11-15, the most noticeable price decrease was observed for potato (-25.7%), beetroot (-23.4%), chicken eggs (-6.5%), carrot (-5.0%), onions (-2.5%), and millet (-3.8%). Products that experienced a price increase at the national level over this period are oatmeal (+2.2%), chicken meat (+1.2%), and sugar (+1.1%). No significant change in prices for other products was observed.

The main reason for this significant decrease in vegetables' price is seasonality. Vegetables experienced a substantial price increase in June because of the early vegetables of the new harvest. At the beginning of July, their prices started to fall as more and more vegetables of the new harvest began to appear on the shelves. This tendency remained in the second half of July as well.

Indices of average daily price (with the base date of January 17) changes in Ukraine are presented in the figures below.



Note: Vertical axes indicates indices of average daily prices (with the base date of January 17<sup>th</sup>) change in Ukraine  
 Source: own estimations based on data of State Statistics Service of Ukraine

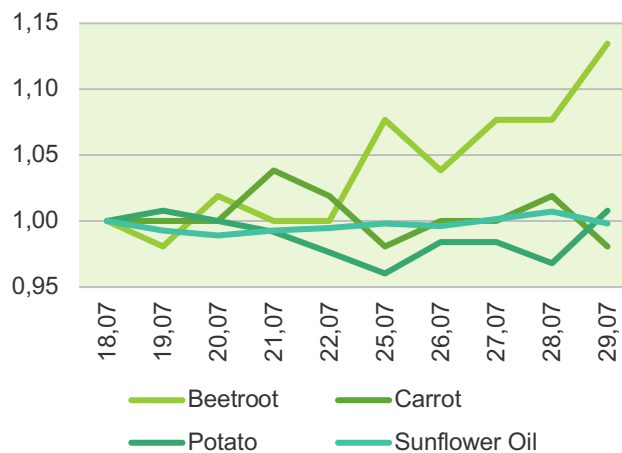
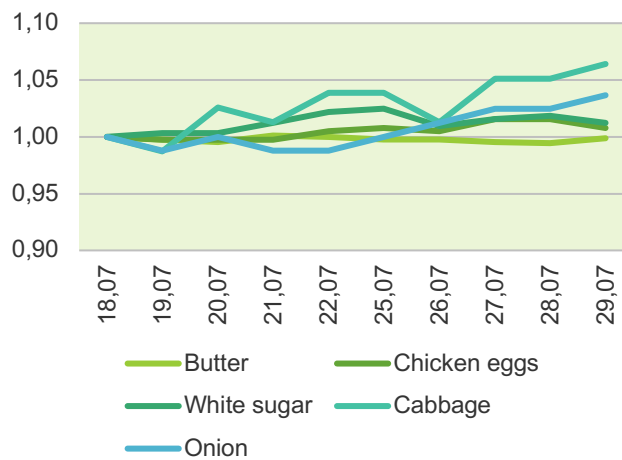
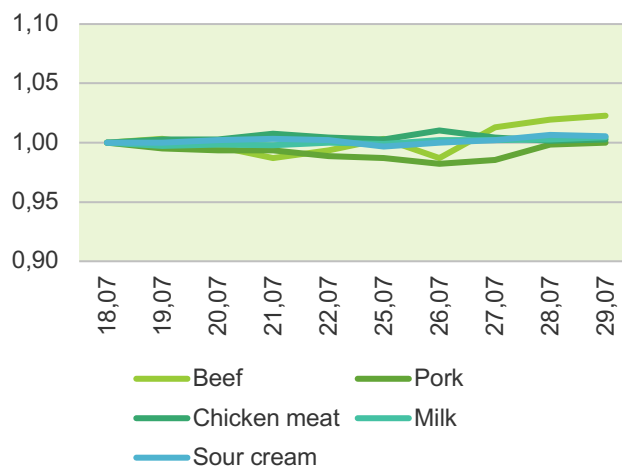
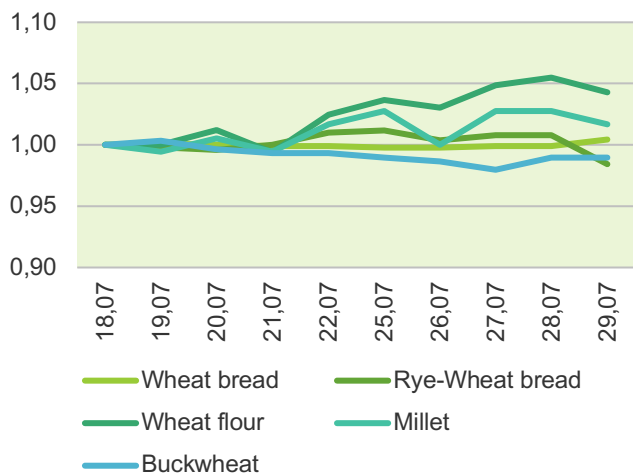


## FOOD AVAILABILITY NO SIGNIFICANT CHANGE

Besides the food prices, we also monitor the situation with the physical food availability. We are measuring the changes in the assortment of food products by regularly estimating the average number of food products available within one food product group. Tracking change in this number allows for assessment of change in the physical availability of different food groups across the country.

As of July 29, compared to July 18, a noticeable increase in the assortment of food products was observed in Cherkasy (+2.0%), Lutsk (+2.5%), Uzhhorod (+2.2%), Odesa (+2.9%), and Poltava (+3.3%). In other cities, no significant change was observed over the period of July 18 – July 29. No data for Donetsk, Luhansk, and Kherson regions is available.

As of July 29, as compared to July 18, there was an increase in the availability of beetroot (+13.5%), onion (+3.7%), and wheat flour (+4.3%). The main reason for the increase in the availability of beetroot and onions is the new harvest. On the other hand, the number of rye and rye-wheat bread positions available on the shelves decreased by 1.6%, and buckwheat by 1.0%. For other categories of products, no significant change has been observed. The graphs below demonstrate daily changes in the number of product assortment available in Ukraine.



Note: Vertical axis indicates indices of daily change in average number of products within a food category in all of the retail stores analysed (with the base date of May 29th)

Source: own estimations based on data collected from websites of food retail chains.



## AGRI & LAND POLICY

On July 29, as compared to July 15, changes were made to the existing legislation, and new procedures were approved, in particular:

On July 20, the procedure for breeding (reproduction), cultivation of aquatic biological resources, and their use was approved. The procedure includes general rules as well as rules for carrying out work on the reproduction of aquatic bioresources and the creation of a Commission to control this process.

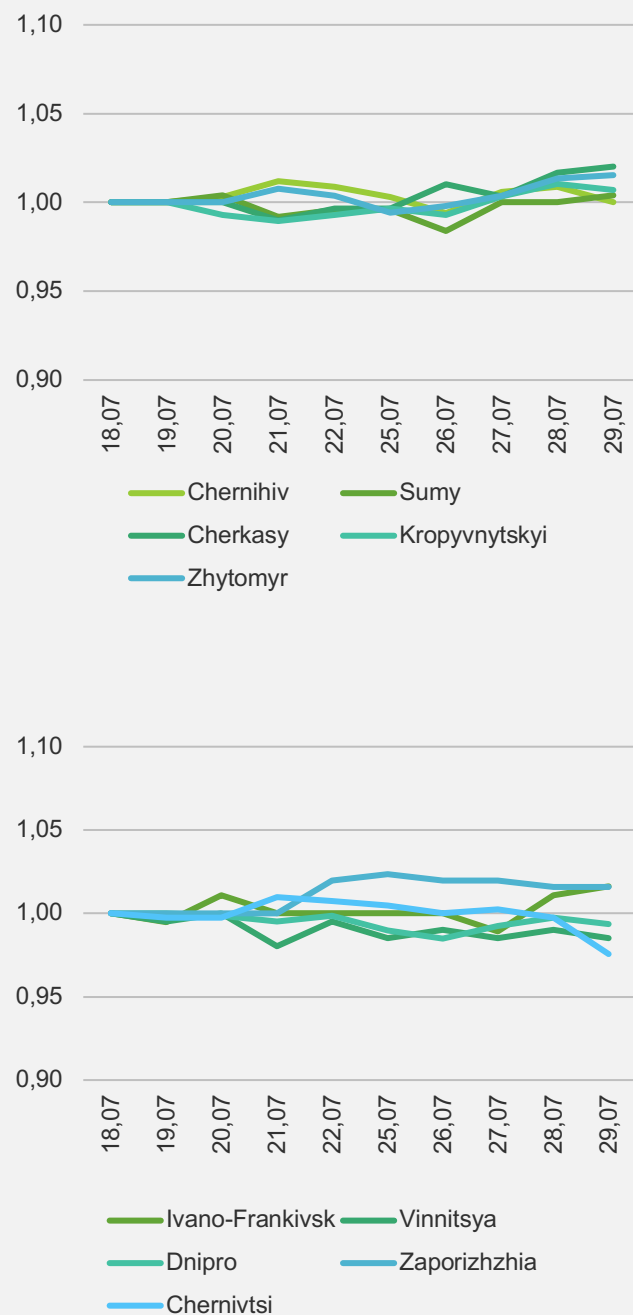
On July 26, the working groups on the verification of planting and modular greenhouse projects were created. The creation of the working group is a part of the procedure for providing grants for horticulture, the production of berries, viticulture, and establishment of greenhouses. Working groups include experts from the Ministry of Agrarian Policy and Food.

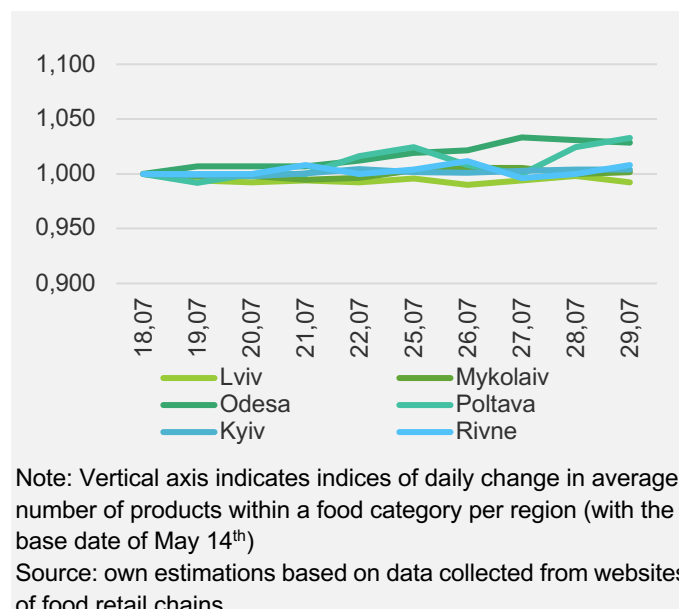
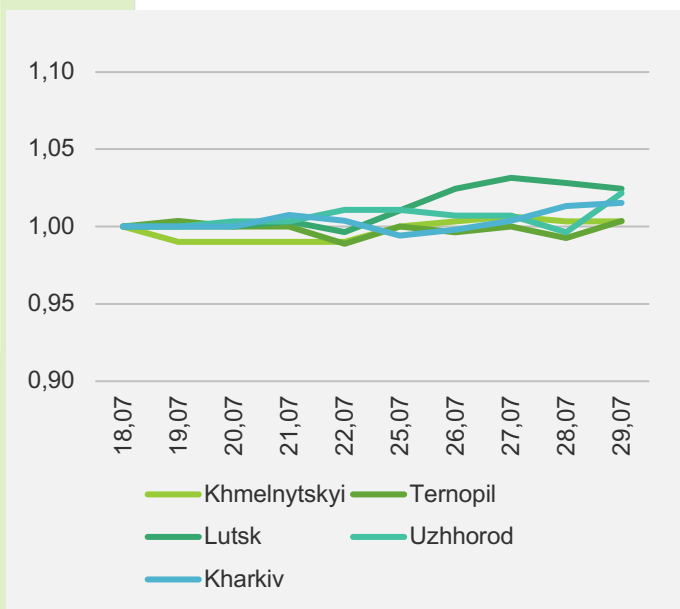
Besides that, on July 26, changes were made to the resolution of the Ministry of Agrarian Policy and Food №118 «On the approval of Requirements for the safety and quality of milk and dairy products». Changes were made to improve the implemented measures regarding the proper production practice of milk production and circulation and the completion of the process of implementing the requirements of European legislation in the dairy industry. Changes include:

- Farms producing milk are subject to state registration in accordance with Article 25 of the Law of Ukraine "On Basic Principles and Requirements for the Safety and Quality of Food Products";
- Requirements for the frequency of laboratory testing of the milk products and sampling frequency for this testing;
- Update on the laboratory testing methodology;
- Requirements for reporting the testing results;
- Updates on the hygiene requirements.

## ANNEX

Daily change in the average number of products assortment available per region:





Note: Vertical axis indicates indices of daily change in average number of products within a food category per region (with the base date of May 14<sup>th</sup>)

Source: own estimations based on data collected from websites of food retail chains.

The respective authors are responsible for the content of their publications.  
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