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**STATISTICAL OFFICE OF THE
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(EUROSTAT)**

**FOOD AND AGRICULTURE
ORGANIZATION (FAO)**

**ORGANISATION FOR ECONOMIC
COOPERATION AND DEVELOPMENT
(OECD)**

**STATISTICAL ANALYSIS OF THE FOOD SITUATION
IN RUSSIA IN 2001-2002**

**Submitted by the Government of the Russian Federation Centre on
the Prevailing Economic Situation***

Incomes and purchasing power

1. In 2002, nominal monetary incomes (4,426 billion rubles) increased by 35% in comparison with 2001. The surplus of monetary incomes over expenditure in 2002 amounted to 119.2 billion rubles. In 2002, as in 2001, 29.3% of total monetary income went to the most prosperous 10% of the population, while 2.1% of the total went to the poorest 10%. In high-income groups, food consumption is inelastic in relation to incomes (showing virtually no change as income increases). Any increase in monetary incomes for low-income groups is spent mainly on food and is a potential source of increased demand for food products. For these groups food consumption is elastic in relation to incomes. Compared with 2001, the increase in incomes in low-income groups stimulated an increase in food production and imports in 2002.

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2. According to the State Committee on Statistics of the Russian Federation (Goskomstat), the average monthly per capita income in 2002 was 3,887 rubles, an increase of 27% on 2001. Wages, including benefits, increased by 30% (12% in real terms), average pensions, after adjustment, by 34.8%. In real terms, average pensions increased by 16.4%. In 2002, consumer prices increased by 15.1% from 2001. Prices for food products increased by 11%, non-food products by 10.9% and services by 36.2% (as against 17.1%, 12.7% and 36.9% respectively for 2001).

3. Thus, the growth rates of nominal monetary incomes, wages and pensions outstripped rates of inflation including increases in food prices. An improvement in the food situation for low-income groups was delayed by high growth in prices for services.

4. A growth in incomes which outstripped inflation led to an increase in purchasing power for food products. In December 2002, an average per capita income would buy 5.4 minimum consumer goods baskets - 10% more than in December 2001. The average wage before deductions would purchase 6.1 minimum consumer goods baskets - 13% more than for the same period in 2001, and the average pension would purchase 1.5 minimum consumer goods baskets - 15% more than in December 2001.

5. The general improvement in the food situation in Russia in 2002 compared with 2001 is evidenced by the increased purchasing power of the average monetary income in terms of basic food products.

**Purchasing power of average incomes in terms of basic food products
(month of December, kilograms)**

	2001	2002
Beef class I (excluding boneless meat)	47.0	53.9
Frozen fish (excluding delicacies) unclassified	75.8	83.5
Sunflower seed oil	117.5	108.2
Butter	44.2	53.1
Pasteurized milk (litres)	331.0	385.3
Eggs (individual)	1 840	2 229
Granulated sugar	197.1	234.6
Bread and bakery products made of 1st and 2nd grade wheat flour	308.1	397.1
Ground rice	230.5	258.3
Millet	315.2	399.0
Millet flour	359.0	472.9
Potatoes	497.8	459.5
Fresh cabbage	370.3	397.1
Margarine	94.6	110.3

6. The purchasing power of per capita incomes in December 2002 increased in terms of all the main food products other than sunflower seed oil and potatoes.

Consumption of basic food products and foodstuffs

7. In 2001, by comparison with 2000, consumption of proteins rose somewhat, although it remains insufficient. The consumption of eggs rose (by 3%), as did that of milk and dairy products (by 2%) and meat and meat products (by 4%). The population of Russia has begun to consume more vegetables, fruit and berries. However, in comparison with developed countries, consumption of almost all basic foodstuffs besides bread products, potatoes and sugar, is at quite a low level. For example, in the United States of America, average consumption of meat and meat products is 2.5 times higher than in Russia, fruit and berries 2.9 times higher and vegetables 1.4 times higher.

Consumption of food products (average per capita, kilograms per year)

	Russia					Poland	USA	Germany	France
	1997	1998	1999	2000	2001	2000	1999	1998	1998
Bread and bakery products	118	118	119	118	120	119	113	79	81
Potatoes	130	123	117	118	122	132	59	73	840*
Vegetables, melons and gourds	79	78	83	86	89	120	121	87	134
Meat and meat products	50	48	45	45	47	61	120	88	93
Milk and dairy products	229	221	215	216	221	294	269	430	430
Eggs (individual)	210	218	222	229	236	185	255	225	270
Sugar	33	33	35	35	36	41	31	33	35
Fish and fish products	9	10	10	10	11	...	10.5	14	20**
Fruit and berries	33	31	28	34	37	51	106	136	91

* 1996.

** 1994.

8. Poverty is one of the main reasons for poor nutrition among much of the Russian population. Figures for 2002 put 35.8 million Russians, one quarter of the population, on monetary incomes below the subsistence level (1,808 rubles per month). Two thirds of the population had an average monthly income of less than 4,000 rubles, the equivalent in value to four minimum consumer goods baskets. The poor are forced to turn to cheaper food, as evidenced by an increased consumption of bread products and potatoes.

9. Levels and kinds of food consumed differ significantly between different parts of the Federation. Protein consumption in the Central Federal Area, where per capita incomes are highest, is above the Russian average. None of the federal areas saw a reduction in food consumption in 2001 compared with 2000, in fact consumption of most food products increased (apart from a small reduction in sugar consumption in the Far Eastern Federal Area). This provides evidence of an improvement in the food situation for the whole of the Russian Federation. The types of food consumed depend on historical conditions, traditions and the physical characteristics of the territory. For example, in the Far Eastern Federal Area consumption of fish and fish products is 1.7 times, in the Southern Federal Area consumption of fruit and berries is 1.3 times, and in the Privolzhskij Federal Area consumption of milk and dairy products is 1.2 times the national average.

Food consumption, by federal area of the Russian Federation
(according to Goskomstat food tables, average per capita, kilograms per year)

	Russia	Federal area						
		Central	North-west	South	Volga	Urals	Siberia	Far East
Bread and baked goods								
2000	118	116	108	120	120	118	126	104
2001	120	119	110	123	122	120	130	108
Potatoes								
2000	118	123	105	82	125	110	146	132
2001	122	121	107	92	132	113	150	139
Vegetables, melons and gourds								
2000	86	90	76	102	84	72	80	85
2001	89	91	77	111	86	75	83	89
Meat and meat products								
2000	45	52	41	39	45	44	44	44
2001	47	54	43	41	46	46	46	47
Milk and dairy products								
2000	216	228	197	185	249	194	229	143
2001	221	230	208	194	256	189	233	142
Eggs (individual)								
2000	229	244	230	209	238	252	222	156
2001	236	246	248	226	241	254	227	163
Sugar								
2000	35	38	34	41	35	31	30	34
2001	36	38	36	41	35	31	30	32
Fish and fish products								
2000	10	10	14	10	8	10	10	19
2001	11	11	15	10	8	11	10	19
Fruit and berries								
2000	34	39	30	43	31	32	25	30
2001	37	42	33	49	34	35	27	32

10. Food consumption in 2002 can be assessed indirectly, by using the retail trade volume for food items. In 2002, retail food turnover was 9.7% higher at comparable prices than in 2001. Turnover was higher in 80 constituent entities of the Russian Federation, and declined in just 8.

11. Geographic comparisons of the food situation are always more accurate if they compare nutritional elements (such as calories, protein, fat and carbohydrates) rather than foodstuffs, since the consumption of different types of food is closely related to historic, ethnic, religious and other characteristics of the populations in the various regions. A decree issued by the Government of the Russian Federation¹ presented standards for the intake of nutritional elements

¹ Decree No. 192 of the Government of the Russian Federation, dated 17 February 1999, approving recommendations on the definition of the basket of consumer goods for basic social and demographic groups in the Russian Federation overall and in the constituent entities of the Russian Federation.

in 16 different areas, drawn up taking into consideration factors influencing their consumption. On the basis of these data, weighted average standards for energy consumption (in kilocalories), protein, fats and carbohydrates were calculated for each federal area. The permanent population in each constituent entity of the Russian Federation as at 1 January 2002 was used as a weighting factor; the nutritional deficit was defined as the difference between actual consumption and the calculated standards. The study showed that both in Russia as a whole and in individual federal areas consumption of calories, protein and carbohydrates was below the recommended standards, while fat consumption in all federal areas exceeded recommended levels. In 2001, in comparison with 2000, the shortfall in calorie intake declined in all areas except the South and Siberia, and similar trends were seen in relation to protein (except in the Urals and Siberia) and carbohydrates (except in the South).

Nutritional deficits in the Russian regions

	Russia	Federal area						
		Central	North-west	South*	Volga	Urals	Siberia	Far East
Recommended intake								
Food value, kilocalories	2 738.7	2 738.9	2 769.4	2 737.2	2 730.7	2 729.0	2 735.6	2 741.7
Protein, grams per day	88.4	86.3	86.1	90.7	88.2	89.3	90.2	91.1
Fats, grams per day	71.9	72.5	74.1	71.0	71.4	71.6	71.5	71.2
Carbohydrates, grams per day	430.6	430.9	434.2	431.3	430.2	427.9	428.7	431.0
Nutritional deficit (-) or surplus (+) compared with norms, percentage								
Food value, kilocalories								
2000	-12.6	-12.5	-11.6	-13.1	-10.4	-18.3	-11.5	-15.8
2001	-8.8	-5.2	-12.0	-9.7	-5.8	-17.4	-11.8	-11.1
Protein, grams per day								
2000	-30.1	-26.7	-26.7	-32.8	-29.8	-33.9	-30.4	-34.4
2001	-26.6	-20.2	-26.1	-29.3	-25.3	-34.2	-30.9	-31.5
Fats, grams per day								
2000	13.6	18.1	20.7	5.8	11.0	9.8	14.5	14.1
2001	18.1	28.8	20.1	10.9	14.5	11.2	12.2	19.2
Carbohydrates, grams per day								
2000	-18.5	-20.9	-20.4	-16.1	-14.2	-25.4	-17.0	-22.8
2001	-14.8	-14.7	-20.9	-13.3	-9.1	-24.4	-16.5	-17.9

* Not counting Chechnya.

12. When comparing 2001 and 2000, we can see that the actual nutritional deficit persisted, notwithstanding positive trends in practically all the regions of the Russian Federation and in the country as a whole.

Actual nutrient intake in the Russian regions

	Russia	Federal area						
		Central	North-west	South*	Volga	Urals	Siberia	Far East
Food value, kilocalories								
2000	2 394.4	2395.4	2 448.4	2 377.4	2 446.0	2 228.3	2 421.1	2 309.0
2001	2 496.9	2 595.7	2 438.1	2 470.9	2 571.4	2 253.3	2 412.2	2 438.4
2001 as a percentage of 2000	104.3	108.4	99.6	103.9	105.1	101.1	99.6	105.6
Protein, grams per day								
2000	61.8	63.2	63.1	60.9	61.9	59.0	62.8	59.8
2001	64.9	68.9	63.6	64.1	65.9	58.7	62.3	62.4
2001 as a percentage of 2000	105.0	108.9	100.8	105.2	106.4	99.5	99.2	104.5
Fats, grams per day								
2000	81.7	85.6	89.4	75.4	79.3	78.6	81.9	81.2
2001	84.9	93.3	89.0	78.8	81.7	79.7	80.2	84.9
2001 as a percentage of 2000	103.9	109.0	99.5	104.8	103.1	101.3	97.9	104.5
Carbohydrates, grams per day								
2000	350.9	340.7	345.7	362.0	369.1	319.3	356.0	332.8
2001	366.0	367.6	343.5	373.9	390.9	323.3	358.0	354.0
2001 as a percentage of 2000	104.3	107.9	99.4	103.3	105.9	101.3	100.6	106.4

* Not counting Chechnya.

Food situation in the constituent entities of the Russian Federation

13. Changes in the food situation in the constituent entities of the Russian Federation can be assessed indirectly, by referring to the purchasing power of nominal per capita monetary incomes. The constituent entities of the Russian Federation were divided into six groups using per capita monetary incomes calculated for December 2002; then for each group average weighted values were calculated for a minimum selection of food products that could be purchased with the respective average per capita monthly income. The permanent populations as at 1 January 2002 in the constituent entities of the Russian Federation were used as weights (see annex).

14. Two anomalies were excluded from this exercise: the city of Moscow and Tyumen oblast, where in December 2002 average per capita income levels were incomparably high at, respectively, 3.75 and 2.3 times the average for the Federation as a whole.

15. The analysis showed that for all groups except those with the lowest incomes, the growth in average per capita nominal monetary income between December 2001 and December 2002 exceeded the rise in costs for a minimum selection of food products. Purchasing power of monetary income for Russia as a whole increased by 20%. In different federal areas, the increase ranged from 11 to 29%, and for specific groups of constituent entities of the Federation, from 17 to 33%. In low-income group I, the purchasing power of monetary incomes increased by 33%. In this group (consisting of the republics of Ingushetia, Kalmykia and Mari El and Ivanov oblast), the average per capita monetary income in December 2002, at 2,215 rubles, was higher than the minimum subsistence level for the Russian Federation (1,893 rubles). In

high-income group VI, the purchasing power of monetary incomes grew by 17%. In this group, the average per capita monetary income in December 2002 stood at 3.7 times the minimum subsistence level.

16. Of the 79 constituent entities of the Russian Federation for which calculations were done, the purchasing power of average per capita monetary income for the minimum selection of foods declined only in the Republic of North Ossetia-Alania; in the remaining republics, territories and oblasts, it increased.

17. An analysis of the extent to which nutrient intake depended on average per capita monetary income in the Russian Federation in 2000 and 2001 shows that all income groups had calorie, protein and carbohydrate intakes below the recommended standards, and excess fat consumption.

18. In general terms, the food situation in Russia may be summed up as follows: the actual intake of basic nutrients (with the exception of fats) is lower than the recommended standards, and consumption of foods such as meat, vegetables, fruit and berries is significantly lower than in the developed countries. At the same time, in recent years, consumption of basic foods both in Russia as a whole and in individual regions has grown strongly as a result of the fact that rises in monetary incomes have outstripped increases in consumer prices.

19. According to an assessment by the Centre on the Prevailing Economic Situation, nominal monetary incomes will increase in 2003 by 20%, while prices for consumer goods and services will increase by 11 to 13%. Agricultural production will grow by 1 to 2%, and production in the food industry by 5%. If these figures are accurate, this will help to improve the food situation in the country still further.
