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**О.Ф. Кирилюк****ЭКОНОМИЧЕСКАЯ ДОСТУПНОСТЬ ПРОДОВОЛЬСТВИЯ  
В УКРАИНЕ: ТЕОРЕТИЧЕСКИЕ АСПЕКТЫ ФОРМИРОВАНИЯ,  
СОВРЕМЕННЫЕ ТЕНДЕНЦИИ И ПЕРСПЕКТИВЫ**

*Аннотация:* в данной статье исследованы теоретические аспекты с уровня экономической доступности продовольствия; обоснованы факторы влияния на ее значение на основе статистических тенденций. Определены показатели, которые формируют динамику потребления отдельных видов продуктов питания различными слоями населения в зависимости от величины их доходов.

*Ключевые слова:* продовольственная безопасность, доступность продовольствия, рынок, глобализация.

**O.F. Kirilyuk****THE ECONOMIC AVAILABILITY OF FOOD IN UKRAINE:  
THEORETICAL ASPECTS OF FORMATION,  
MODERN TRENDS AND PERSPECTIVES**

*Abstract:* the theoretical aspects of determining the level of economic availability of food were researched; the factors of influence on its value based on statistical trends were justified; indicators that form the dynamics of consumption of certain types of food by different sectors of population depending on the size of their incomes were identified.

*Keywords:* food safety, food availability, market, globalization.

*Formulation of the problem.* The development of globalization, the movement of large populations among other countries, the development of migration processes in Ukraine are confirmed the relevance of solving the problems of food security that provides a guarantee of sustainable socio-economic development of society. Law «On

food security of Ukraine» provides the stability to guarantee its citizens to ensure the quality of food in a necessary quantity, assortment and suitable quality [1].

An important indicator of food security is the ability to purchase the country's population appropriate diet products of a certain volume, assortment and quality, that is the economic availability of food. Conducted researches indicate a positive changes in improving the nutrition of population during the years of country independence, but periods of instability caused by the global financial crisis (2008, 2014 years) are resulted to a deterioration of the diet of certain groups of the population, caloric intake did not meet the requirements due to violations of the recommended nutritional standards of the population. Herewith the summary indicators on the average do not reflect the level of satisfaction of the needs of food of certain social groups, and the special moment was the abolition of state regulation of prices of basic foods mainly of animal origin from 1 October 2016. All of this requires to research of theoretical bases of formation of economic availability of food of the population and systematization factors influencing on it.

During the recent years in dietary pattern of the population the positive changes are observed, but the consumption of certain types of products do not meet the rational standards. Caloricity of daily diet of the population should not be considered a sufficient, while its level is provided in most groups of the population mainly by consumption of plant products, consumption of animal products is below of the threshold criterion (55%). Therefore, research on agro-food consumer food market and trends in purchasing power are extremely important, given the decline in population, demographic and economic situation in the country.

*Analysis of researches and publications.* Issues of economic availability of food in the context of food security are investigated by domestic scientists O.Hoychuk, O.Varchenko, A.Dibrova, S.Kvasha, M.Ilchuk B.Pashaver and the other scientists. The ways to assess the level of food security, focusing on relevant indicators defined by applicable law are described in their papers. However, in conditions of the increasing migration the population, reduction of the working population, problems of material support of socially disadvantaged groups are demanding more detailed study of the

theoretical aspects of the formation and dynamics of food consumption based on household incomes as a whole, differentiation of rural and urban population, composition and structure of households and so on.

*The purpose of research* is determine the trends of consumption the basic foodstuffs by country's population in terms of inflation, taking into account the changes in purchasing power and solvent demand.

*Presentation of the key results.* During the years of independence were periods of sharp decline in purchasing power and reduce the consumption of the most important human food, especially of animal origin. Conducted researches have allowed to define factors of influence on the volume and structure of consumption of nutrition of population (Chart 1).

*Chart 1*

*Factors that influencing on formation of economic availability of food in Ukraine*

Economic	Social	Demographic	Educational, cultural, leisure	Healthcare
The level of wages	State policy in guaranteed the subsistence minimum	Ratio of the working and non-working age	Lack of funds for vocational training	The health status depending on place of residence in 2015
The size of pensions	Installation and adjustment of minimum wages and pensions, indexation	Gender structure	Costs of payment the trips to recreation centers	Lack of funds to pay for medical services
Incomes of small businesses	The social structure of the population	Regional distribution of the population	Reducing costs to visit of cultural events	The incidence of kids

So, economic factors include the level and structure of incomes: wages, pensions and social assistance. In the the population with the highest incomes the share of expenditure on food is lower as compared to the incomes of less affluent population. Large importance for the formation and development of the food market and the level of economic availability of food have the social factors. These should include the social policy of determination a living wage and revision its value at regular intervals and

condition of the economy, raising the minimum wage, the size of pensions, taking into account the social structure of the population. Conducted researches of population dynamics in the country since independence have confirmed significant impact of demographic factors on the economic availability of foodstuffs: consideration of proportion of working and non-working age of the population, regional placement of different population groups, family composition of households.

According to the State Statistics Committee, the living standards of different social groups (9.1 thou. of households) for 2015 were analyzed; established that the average total income of one household amounted to 5122 UAH, while the urban population received less at 4 UAH, and rural at 8 UAH more. The equivalent total revenues on average per member are amounted 2428 UAH, while the opposite trend was observed: in urban households this index was at 33 UAH more, in the rural – at 64 UAH less. The monthly average of living wage in 2015 was 1,227.33 UAH. Established that the average income per person exceeded the figure in 2 times. Calculation of indicators as compared to the 2014 showed that the consumer price index for the period was higher (148.7%) as compared to the growth of the average household incomes rate (114%), indicating a decrease in capacity of the population to satisfy their needs through the development of inflation. Compared with 2014, growth rates the subsistence minimum were 4%, but the proportion of the population with average per capita with incomes below the subsistence minimum in average per month was 6%, which is less at 2.2 points. More significantly the proportion of the population among residents of small towns was reduced: from 12% to 8%, among urban residents – respectively from 6% to 4%, among the rural population – respectively from 9% to 8%. It should be noted the negative phenomenon, when almost a third of people with incomes below the subsistence level – is a working population. The important point is that a significant proportion of this population – 11% were unemployed pensioners, and 31% – children up to 18 years. Positive move was the reduction of the proportion of people with average per capita income below the subsistence level among workers at 30%, non-working pensioners – at 70%, among children up to 18 – at 40%.

Statistics show that during the period 2014–2015 the negative trend of increasing the share of the population with average per capita income below the actual size of the subsistence level (2014 – 1357, 58 UAH 2015 – 2257,9 UAH) to 52% is observed, which is in three times higher than the previous year. Defined the increase the ratio of total revenues 10% of most and least provided of the population from 4.0 times in 2014 to 4.5 times in 2015, with this ratio a slightly increased among the rural population – 4.3 times (4.0 times in 2014) than urban – 4.6 times against 4.5 times in 2014.

Conducted researches of household resources sources showed that average monthly total household resources were a 5232 UAH, at the same time the resources were slightly higher in rural areas – 5238 UAH, than in the urban – 5229 UAH. It should be noted that the growth rates of these indicators as compared to the the previous year were higher in rural areas – 18%, than in urban areas – 13%. As a result, on average per one household member, these figures were 2,479 UAH, 2,414 UAH and UAH 2,514 respectively. Slightly differs and the proportion cash incomes in total of household resources: on the average this figure was 89%, which is on 1.8 points. less compared to the previous year, including – in urban households – 93%, in the rural – 82%, and decreased against 2014 at 1.3 points and 2.6 points respectively. An important aspect in determining the economic availability of food is an analysis of structure of incomes. Thus, in 2015, 53% of the total amount of incomes were gains from the employment, where the share of wages was 47%. Compared to 2014, these figures were reduced accordingly to 1.3 points and 1.6 points in time of increasing the proportion of incomes from business activities. Such dynamics is caused by a decrease in the share of incomes from employment in total incomes system of urban households at 1.2 points (60% of the total), and rural of households – at 1.4 points (up to 38% of total of household resources). An important source of resources for the rural population is gains from the personal subsidiary farms – 22% of its revenues.

The amounts of household resources mainly determine the average total cost per household. Thus, in 2015, this value decreased as compared to the 2014 at 22% and accounted for 4952 UAH with the differentiation: in the urban households – 5077 UAH, in rural – 4697 UAH. The average rate per one household member was

2,347 UAH, including in urban households – 2441 UAH, in rural – 2164 UAH. The largest share in its structure represent consumer spending – 93%, which is at 1% more than in the previous year. The most significant section of these costs are expenditures on food (including of eating out – 55%, which is at 0.9 points more than in 2014 (Fig. 1).

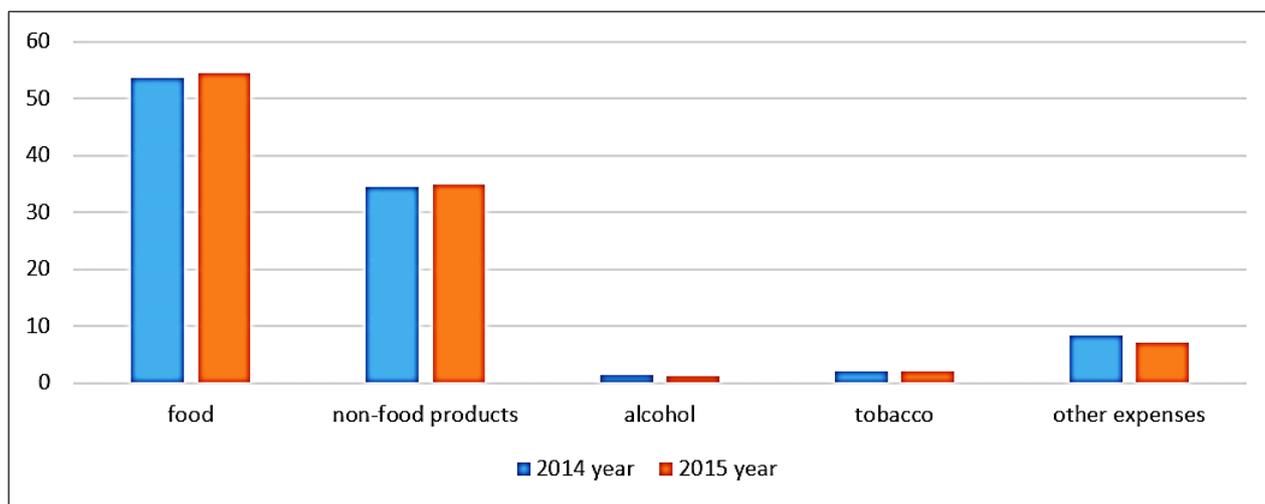


Fig. 1. The structure of total household expenses (2014–2015), %

According to general data significant differentiation of rates among households with different average per capita income were concealed. Thus, in 2015 the cost of food has increased on average by one person for 8 UAH and was 42 UAH per day. Thus the cost of the daily diet in first decile group households and households with average per capita income below the subsistence minimum was respectively 29 UAH and 26 UAH per person against 63 UAH in tenth decile group households. This differentiation has led to reduction in food consumption in physical volume. So, the consumption of fish and fish products per year decreased by 25% due to rising prices (60%) (Chart 2).

Chart 2

*Consumption of food products by households (average per month per person, kg)*

Types of products	2014	2015	Deviation 2015 to 2014	
			+,–	%
Bread and bakery products	9,0	8,5	–0,5	94
Meat and grocery	4,9	4,6	–0,3	94
Fish and fish products	1,6	1,2	–0,4	75
Milk and milk products	20,3	19,8	–0,5	98

Eggs, pieces	20	19	-1,0	95
Oil and other vegetable fats	1,7	1,6	-0,1	94
Fruits, berries, nuts, grapes	3,7	3,1	-0,6	84
Potato	6,9	6,6	-0,3	96
Vegetables and melons	9,0	8,8	-0,2	98
Sugar	3,0	2,8	-0,2	93

*Author's own calculations according to the State Statistics Service (URL: <http://www.ukrstat.gov.ua>)*

Thus, the data in table shows that there was a reduction in consumption of all food products within the limits 2–7%. Thus, the consumption of fruits, berries, nuts and grapes decreased at 16%, sugar – at 7%, bread and bakery products, meat and grocery, oils and vegetable fats – at 6%, eggs – at 5%, potatoes – at 4%, vegetables and melons – at 2%. As a result the decrease of calorie daily diet of the population at 6%, fat content and protein – at 7%, carbohydrates – at 6% is observed. It should be noted that the share of expenditure on food in total expenditure in rural areas was higher as compared to the urban households and was respectively 57% and 54%. Despite the lower consumption by rural residents of meat, caloric intake of their diet was higher than in urban residents at 14%. It was the result of increasing in the diet of rural households potatoes – at 60%, bread and bakery products – at 30%, sugar – at 15%, milk – at 3%, vegetables and melons – at 2%. As the negative trend we have to recognize the increasing in the share of total food expenditures in households with increasing the number of children and while reducing of cost and daily diet calorie.

Conducted researches have confirmed the increasing of food expenditures up to 64% of total expenditures in households with average per capita income below the subsistence level while reducing a daily diet calorie to 2215 calories. In the first decile group of households a protein, carbohydrate and calorie content of daily diet was higher against the standards for disabled people, but lower than the relevant standards for the workforce. The trend towards of food consumption differentiation between the level of welfare of population groups is saved: the first decile group of households with average per capita income in a month below the subsistence level and the tenth decile group of households. The last were directed on powered the smallest share of total costs – 44%, and the cost of consumed products (63 UAH) were significantly (at 120–140%)

higher than indicators of other groups of households. An important role in providing of foodstuff belongs to private farms. Especially agriculture, which were produced 64% of consumption in households potatoes, 36% of vegetables and melons, 34% of eggs. 195 fruits and berries. 155 – milk and dairy products. In 2015, cash expenditures were 90% of total costs, including 92% that are the households were sent to the satisfaction of consumer spending.

In 2015 a significant devaluation of the national currency is occurred (in 2,5 times in February 2015 as compared with December 2014). In this connection the price of virtually all foods were sharply increased up to 2 times. However, the minimum wage was not changed. In this way, decrease of purchasing power with a significant increase in prices was the main factor in the deterioration of nutrition, especially in households with average per capita income below the subsistence minimum. *Conclusions.* Established that in terms of inflation and devaluation processes the purchasing power of population is greatly reduced, that leading to disruption of the structure of diet due to increased the consumption of cheaper products – bread and potatoes. The poorest people spend on these types of food to 25% of food expenditures. The decrease in the rate of production is an important factor in reducing the supply of food in the market, as a result, makes the increase of food prices, especially of animal origin. Since 01.01.2017, the minimum wages were increased with the differentiation of certain categories of workers. However, this administration of incomes will increase the load on production costs, which will determine the increase of prices of basic foods. Therefore, the main areas of increasing purchasing power should be the macroeconomic stability of the national economy, improvement of labor remuneration and social security, ensuring of parity pricing. It is also advisable to optimize the structure of the consumer basket of the population, pricing and fiscal policy.

Thus, the identified features and controversy of functioning the food market in Ukraine are indicated on the necessity of development of strategic priority to strengthen socially oriented national economy. In order to provide domestic food security in the conditions of of inflation processes it should be: regulation of income level of different population groups based on the reduction of their differentiation, implementation the

complex of protectionist, non-tariff steps to limit the expansion of imported goods on domestic market, improvement of price regulation based on gradual transition from administrative methods of regulation to stimulate the price of food, saturation the domestic market of competitive agri food products, using the inflationary instruments and improve the protection system efficiency of disadvantaged groups of people.

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