

Food Prices in Russia Soar as Ruble Tumbles Further

By [The Moscow Times](#)

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Food prices in Russia have grown by 20 to 25 percent since the beginning of the year and are expected to rise even further in 2015, the Retail Companies Association (ACORT) said Tuesday.

Yevgeny Velikanov, a spokesman for ACORT, said the association expected prices to grow by 15 percent in the first quarter of 2015 as the ruble's tumble of over 55 percent to the U.S. dollar makes imports more expensive.

"Although retailers have noted a 5 to 10 percent increase in local produce over imports in their stock since the food embargo was imposed in August, the share of exports in food products and ingredients is still very high," Velikanov said.

In August, Russia introduced a retaliatory ban on select foods from countries that had

sanctioned it over Moscow's role in the Ukraine crisis.

As the ruble continues to tumble against the dollar, price hikes to compensate for the growing cost of imports are inevitable, he said.

Even double-digit food inflation is still far below the rate of depreciating ruble, which touched 80 to the dollar on Tuesday in the sharpest downfall since the financial crisis in 1998.

According to the state statistical agency Rosstat, overall inflation has jumped past 9 percent this year.

Because of growing inflation the number of poor people in Russia is likely to increase, Deputy Prime Minister Olga Golodets said Tuesday. A person is officially classed as poor if they live below the poverty line of 8,000 (\$120) rubles per month.

"We end the year having 15.7 million poor people in the country. But as inflation grows, so will this number, especially among families with children," Golodets was quoted by Interfax as saying.

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