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Price Rises Turning Chocolate Into Unaffordable Delicacy for Many Russians

By The Moscow Times

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The average retail price of 100 grams of chocolate rose to 62.1 rubles ($1.20) in March, a year-on-year increase of 38 percent.

The cost of producing an average bar of milk chocolate has soared 50 percent in Russia since last year and threatens to force some producers to halt production, candy market analysts said Tuesday.

Russian chocolate consists of at least 60 percent imported ingredients, leaving producers particularly vulnerable to last year's steep devaluation of the Russian currency, the Center for Confectionery Market Research said in a statement. The ruble has fallen about 40 percent against the U.S. dollar since the start of 2014

Production costs were also hit by Russia's ban last August on a range of food imports from the West, a response to U.S. and EU sanctions over the Ukraine crisis, which created a deficit of some ingredients commonly mixed with chocolate and sent prices on one of the most

common additions, hazelnuts, soaring 79 percent, the statement said.

"In this situation, a number of producers are forced to cut down their assortment or switch to cheap substitutes, and some could be forced to suspend production," the statement said.

The price rise is hitting consumers too: The average retail price of 100 grams of chocolate rose to 62.1 rubles ($1.20) in March, a year-on-year increase of 38 percent, the statement said.

Overall year-on-year food price inflation soared to a high of 24.7 percent in March, according to state statistics service Rosstat.

"All of this leads to real, high-quality chocolate becoming a delicacy, which will not at all be affordable for everyone," the center's head Elizaveta Nikitina said in the statement.

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