

Economic Crisis Sees Russia Become Major Margarine Producer

By [The Moscow Times](#)

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Out of the ashes of Russia's economic turmoil comes a ray of hope: The country has become one of the world's largest producers of margarine after sanctions and inflation forced consumers to find cheaper alternatives to butter, news agency Bloomberg reported Wednesday.

Russian output of margarine rose 13 percent in 2014, while global production was mostly stagnant, according to a report from German market research firm Oil World cited by Bloomberg,

Though the ruble has stabilized in the wake of Western economic sanctions imposed on Moscow for its role in the Ukraine crisis, food inflation is still over 20 percent amid an expected economic contraction of 3 percent this year.

Russian consumers, struggling to make the most of their incomes — which fell in 8.3 percent in real terms in the first quarter of 2015 — have responded to food price inflation by favoring margarine over butter, whose price has shot up 15 percent since May, Bloomberg reported, citing government data.

Russia has a leg up over other producers, however, in that it is the world's second-largest producer of sunflower oil, a key ingredient in margarine production. Russia has steadily increased margarine output over the last three years, and last year became a net exporter of the butter substitute for the first time ever, according to Oil World.

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