

THE COST OF THE FOOD BASKET IN ROMANIA

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Abstract: *In general, the level of salaries in a country is a crucial factor in determining the ability of the population to afford their basic goods and services, including food. If salaries are relatively low compared to food costs, people may have difficulty meeting basic nutritional needs. Also, if the cost of food increases significantly compared to income, it can lead to a decrease in the standard of living and can have an impact on the health and well-being of the population.*

The cost of the food basket may vary depending on the geographical region, season, personal preferences and price fluctuations in the market. It is an essential tool in assessing food needs and accessibility to basic food. This paper assesses general things about Romania's situation regarding the food basket, its cost and its modifications in the last time.

Key words: *food basket, price, household, income*

INTRODUCTION

Access to food is an essential entitlement, as is the practice of consuming nutritious food, which enables a dynamic and well-being lifestyle. Consuming nutritious food should not be considered a privilege. This becomes particularly crucial when a nation is experiencing an economic downturn and significant inflation in prices. During this time, it is crucial for the political realm to exert increased effort in ensuring food security, while being mindful of avoiding disrupting any aspect of the chain: primary producers, including agriculture, fishery, and animal farming, which serve as the foundation of our food supply, as well as the end consumers. [15]

Promoting long-term access to a nutritious diet is essential for guaranteeing food security, rather than just advocating for short-term measures. As per the Food and Agriculture Organisation of the United Nations (FAO), it is essential for everyone to have constant access to an adequate amount of food that is safe, nutritious, and fulfills their daily energy requirements and dietary choices, in order to maintain an active and healthy lifestyle. [2]

Most of the population's income is used to cover the basic needs. The gap between Romanians' and other Europeans' incomes is determined by the differences in the level and structure of employment, wage policies, but also by the differences in labor productivity.

The food basket is a standardized selection of essential foods needed to ensure the basic nutritional needs of a household or person. It includes a wide range of products covering the most important food groups, such as: [8]

- Fruits and vegetables: Provides the necessary intake of vitamins, minerals and fiber. They are a crucial component of a balanced diet.
- Meat and derivative products: Provides essential proteins for building and maintaining body tissues.
- Dairy and dairy products: Calcium and protein source, necessary for the health of the bones and muscle system.
- Cereals and flour products: Provides carbohydrates, the main fuel for the body.

- Bakery products: Whether we are talking about bread, pasta or other bakery products, they are an important part of your daily diet.
- Fats and oils: Provides essential fatty acids and are needed for the absorption of vitamins.
- Other consumption food products: This includes spices, sugar, salt and other essential ingredients for cooking. [1]

Food security is one of the most pressing and complex problems of mankind today. It addresses the ability to ensure physical and economic access to sufficient, safe and nutritious food for a healthy and active life for the entire world population. Food basket and food security are two interconnected concepts in terms of access to sufficient and nutritious food for a healthy and active life for the following reasons: [16]

- Accessibility and availability: The food basket is a practical representation of how people can meet their food needs. It includes products that a household or person buys regularly to feed. Food security refers to the ability to have physical and economic access to sufficient and nutritious food. A balanced and accessible food basket contributes to the food security of a household or community.

- Nutritional diversity: A well-balanced food basket should include a variety of foods that provide the nutrients needed for optimal health. Food security refers not only to the amount of food, but also to the quality and nutritional diversity of the food available.

- Economy and budget: An affordable food basket is essential for low-income families or those facing financial difficulties. Having access to food at reasonable prices contributes to the stability of food security and the protection of a population's standard of living. [7]

The food basket also takes into account the emotional, social, cultural, and religious roles that food plays—roles that participants in focus groups have determined are essential for full involvement in Romanian society. Food is viewed as a cultural symbol that represents customs and individuality, particularly foods and beverages like polenta, rice and pork rolls. Among the constituent duties of food are preparing traditional dishes for holidays and celebrations (such as lamb for Easter), occasionally dining out, and hosting friends and family. [4]

MATERIALS AND METHODS

This research analyzed external data from third parties, data from relevant organizations in the field of competence, and scientific papers by consecrated authors. National Institute of Statistics was the main source of data, along with some other relevant institutions. Other external data was obtained through accessing scholarly databases like Web of Science, ResearchGate, and Google Scholar.

RESEARCH RESULTS

From an economic perspective, the evolution of prices in this basket can provide important clues about inflation and consumer purchasing power. If food costs increase excessively, there may be pressure on families' budgets and living standards. This can also be influenced by salaries and other economic policies. [3]

According to ZF analysis made on the basis of data from the Price Monitor of the Competition Council, in Romania, the cost of the basket increased by 40% from October 2021 to the beginning of 2023, precisely from 80 RON to 110 RON. For comparison, the average net monthly salary at national level in October 2021 was 3.544 RON and in November 2022, the last for which data are available, it had reached 4.141 RON, having an increase of 17%, according to data from the National Institute of Statistics. [9]

The main factor that led to rising food prices was the increase in energy prices, with gas being very important for food production. Agricultural fertilizers and inputs also had large price increases both due to pandemic and post-pandemic and then due to the war in Ukraine. [9]

In terms of food prices, they increased by 22% from December 2021 to December 2022, according to the latest data from the National Institute of Statistics. Sugar, butter, oil and flour are the ones that increased between 37% and 63% from December 2021 to December 2022, with these changes practically transposing the increase in cereal prices.

With the entry into force of the Emergency Ordinance on combating excessive price increases for some agricultural and food products, 14 staple foods have started to become cheaper in supermarkets and hypermarkets. [9]

Emergency Ordinance no. 67 of 2023 is a temporary measure adopted to combat the excessive increase in prices for certain agricultural and food products in Romania. Its purpose is to protect consumers and ensure access to essential foods at reasonable prices. GEO 67/2023 may contain specific provisions on the limitation or regulation of prices for certain foods, as well as measures for monitoring and reporting their evolution. [9]

Although, since August, the commercial addition of processors and retailers is limited to 20%, food prices differ from one store to another and Romanians have to take out of their pockets around 100 RON for basic shopping. Gandul made a calculation of prices for the 14 types of food products that decreased their prices and compared the prices from three supermarkets in Bucharest. More specifically, the most expensive and cheapest option of food basket with basic foods will be presented below.[9]

The 14 products that have suffered a decrease in price are: simple white bread (with a weight between 300 and 500, without specialties); cow's milk (1 liter, fat 1.5%, excluding UHT); bulk cow telemea cheese; plain cow's milk yogurt (3.5% fat, up to 200 grams); white wheat flour „ 000 ” (pack of 1 kg); corn (pack of 1 kg); white sugar (pack of 1 kg); M-caliber chicken eggs (per pack of 10 pieces); sunflower oil (1 liter bottle); fresh chicken; fresh pork; fresh vegetables in bulk; fresh fruit in bulk; fresh white potatoes in bulk.

The most expensive food basket calculated with the prices of basic food from several supermarkets in Bucharest is worth 108.75 RON. [6]

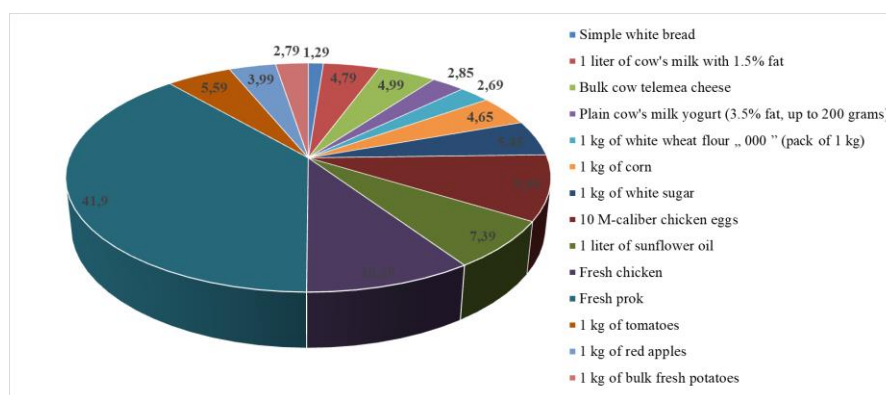


Figure 1. The cost of the 14 basic foods of the most expensive food basket in Bucharest (measured in RON)

Source: Authors own adaptation by [5]

The cheapest food basket with basic food from the three stores analyzed is 100.71 RON. [6]

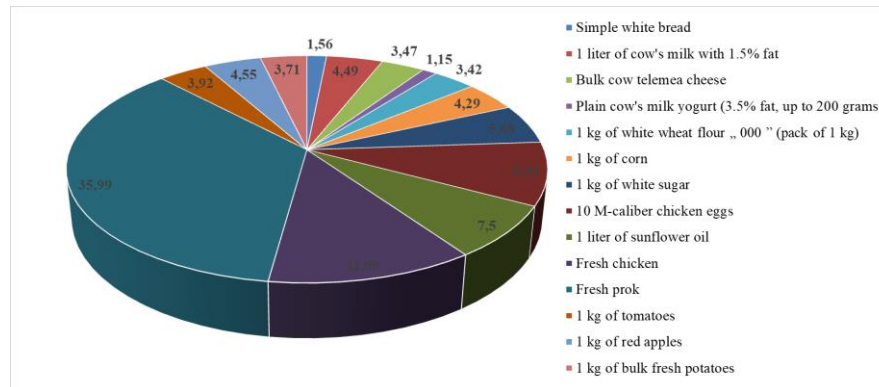


Figure 2. The cost of the 14 basic foods of the cheapest food basket in Bucharest (measured in RON)

Source: Authors own adaptation by [6]

CONCLUSIONS

Although salaries in Romania have been rising in recent years, especially in key sectors and urban areas, the ratio of them to the cost of living, represented by the food basket, remains a challenge. Despite improvements, average salaries are often insufficient to ensure a decent living for all employees, especially in the context of rising prices for food, utilities and other basic expenses. [11] This can create economic and social inequalities and affect people's living standards. Thus, a comprehensive review of wage policy and social protection measures is essential to ensure a more equitable distribution of income and to raise the living standards of Romanian citizens. [12]

The most important reasons why the food basket plays a crucial role in people's daily lives are:

- Satisfying basic nutrition needs: It provides the food needed to cover the basic nutritional requirements of a person or family, such as proteins, carbohydrates, vitamins and minerals.
- Health and welfare: A balanced food basket helps maintain health and vitality. Regular consumption of varied and nutritious foods is essential for a healthy life.
- Influencing consumer behavior: The prices and availability of food in the basket can influence consumers' buying options. Thus, they can play a role in promoting healthier food choices.
- Monitoring inflation and economic stability: The evolution of the cost of the food basket is an important indicator of inflation and can provide insights on the state of a country's economy.
- Purchasing power assessment: Comparing the cost of the basket with average income, it is possible to assess how accessible food is to the population. This provides information on living standards.
- Comparing living standards between regions and countries: Food basket data can be used to compare living standards between different geographical regions or between different countries, providing insight into economic and social disparities.
- Public policy-making: Food basket information can be used to design and evaluate public policies, such as setting the minimum wage, providing social benefits or developing programmes to stimulate consumption.
- Family budget planning: Food costs are a significant part of a household's budget. Monitoring and managing these expenses can be crucial in maintaining a healthy financial balance. [5]

Therefore, the food basket is not just a simple list of products, but a mirror of the quality of life, economic status and health of the population. It is an essential tool for governments, economists and consumers to assess and improve living conditions. Ensuring an equitable price for the food basket is essential to fostering food security and minimizing poverty on a global scale. When certain groups cannot afford food, there is a risk that poverty and hunger will become more common and social inequalities would worsen. Accessible food costs facilitate people and families in fulfilling their nutritional requirements, thus fostering general well-being and health. [14]

Therefore, it is crucial to implement laws and programs that focus on ensuring equitable and cheap food pricing. This will guarantee that all individuals have the ability to obtain a sufficient and well-rounded diet, therefore decreasing the risk of hunger and malnutrition in communities worldwide. [13]

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