

Seven market assessments were conducted by WFP Ukraine between March and May 2023. The main objectives were to understand potential weaknesses of the market and to ensure that the assistance modality provided are appropriate. WFP's standardized market assessment methodology **The Market Functionality Index (MFI)** was used to measure market functionality. The assessments were conducted prior to the Kakhovka Dam destruction and the results hence do not reflect the consequences of the destruction.



Main Takeaways

WFP Ukraine assessed markets close to the front line or the border with the Russian Federation. During the time of assessment, no significant changes in the front lines occurred and in most areas, the electricity cuts have ended. This allowed markets to strengthen. Even though most visited locations have **volatile security situations** and suffer from shellings, at the time of assessment **all worked properly and were able to satisfy local demand**. One negative impact on the markets is that **many traders left the settlements** due to the insecure situation and in some cases because of low living standards. The assessment suggests that **the supplies are sufficient to satisfy the current demand**, and there are **no indications of significant price volatility**. However, **the assortment of goods appeared to be more limited**. Also, there is **a shift in the geography of suppliers**, as some locations are no longer accessible for traders to procure from. The markets appeared to have adapted quite quickly to these changes, even though **the resilience of the supply chain may have weakened**.

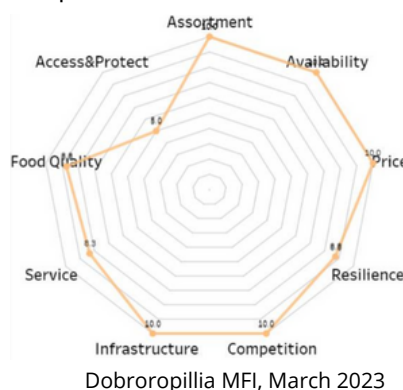
Results for all assessments can be seen below.

Access to full MFI reports [HERE](#) or requested to ram.wfp.ukraine@wfp.org.

		Assortment	Availability	Price	Resilience	Competition	Infrastructu..	Service	Quality	AccessProte..	MFI
	Snihurivka	8.0	10.0	8.3	10.0	10.0	8.6	8.3	6.3	10.0	7.8
	Dobropillia	10.0	10.0	10.0	8.8	10.0	10.0	8.3	8.8	5.0	7.2
	Myropillia	5.0	10.0	10.0	5.4	10.0	9.3	8.3	8.8	7.5	6.9
	Nikopol	10.0	10.0	10.0	9.2	10.0	10.0	6.7	10.0	10.0	8.3
	Zaporizhzhia	7.0	10.0	10.0	10.0	8.3	10.0	8.3	10.0	10.0	8.4
Mykolaiv	Centralnyi	9.0	10.0	5.0	9.6	10.0	9.3	6.7	10.0	7.5	7.0
	Inhulskyi	9.0	10.0	8.3	9.2	10.0	9.3	6.7	10.0	10.0	8.1
	Korabelnyi	10.0	10.0	10.0	9.6	10.0	9.3	5.0	10.0	10.0	7.4
	Zavodskyi	10.0	10.0	5.8	8.8	10.0	8.6	6.7	10.0	10.0	7.6
	Average	9.5	10.0	7.3	9.3	10.0	9.1	6.2	10.0	9.4	7.5

Dobropillia is a city in Donetsk oblast, approximately 40 km from the front line. The market is functioning well and small traders satisfy the current demand. The local authorities indicated that **about a third of traders left the city and this caused an overall price increase**, due to lack of competition.

Market links have changed considerably. Suppliers had to switch from Donetsk region to Kharkivska and Dnipropetrovska oblasts mainly. Infrastructure hasn't been damaged a lot in the city center. **Several isolated settlements in the hromada do not have any shops** and are supported by mobile shops from the city organized by the local administration. Security issues and air alerts influence the market working hours and lead to possible delays of supplies.



Time of assessment: March 31, 2023

Myropillia is a city in Sumska oblast 2.5 km from the border with the Russian Federation. The city suffers from artillery shelling, which led to a **decrease in the number of suppliers and to an almost full shutdown of the open-air market**. However, the market satisfies the local demand and does not appear to have experienced significant price or scarcity shocks recently. During the visit, vegetables and fruits were not seen in small shops, even though traders claimed they sell them. A narrow assortment of all food and non-food items was observed. Attention has to be put on the resilience of the market, as **almost all supplies are coming from a single oblast (Sumska)**.

Time of assessment: May 30, 2023



Myropillia MFI, May 2023

Nikopol is an industrial city situated around 6 km from the front line (across the Dnipro river) with regular shelling inside the city. Access to shops/markets with a sufficient assortment of food and non-food items are available for citizens when the security situation allows. However, **the security situation is volatile**. No lack of commodities was mentioned by traders or observed during the assessment exercise. **Low purchasing power was mentioned by several traders** as a limiting factor of market functioning. According to local authorities, **a large number of small entrepreneurs left the city due to the insecure situation and low living standards**.

Time of assessment: May 26, 2023



Nikopol MFI, May 2023

Zaporizhzhia is a large industrial hub in Zaporizka oblast. Despite the **unstable security situation**, all shops are working properly with a substantial range of all goods at reasonable prices. **No deficit of any products was observed** at the shops or mentioned during interviews.

According to traders, there are **no significant changes in the supply chain**.

Only producers and suppliers from the parts of Zaporizhzhia currently outside the control of the Ukrainian

Government have left Zaporizhzhia market. Several new market traders from Dnipropetrovska and Kharkivska oblasts have replaced them.

Time of assessment: May 18, 2023



Snihurivka is a city in Mykolaivska oblast which came back under Ukrainian control on November 10, 2022. The market in Snihurivka is functioning and able to satisfy current demand. Small traders operate in the city, only few shops were closed. Traders claimed that their **shops were damaged because of combat and looting**, but they are repaired now. Minor damages were noticed during the assessment. Basic services are functioning in the city except for **electricity cuts which is a major concern** especially for food items that need refrigeration. There is still a fear of being part of the combat zone again among locals, and **traders are afraid to purchase and store large quantities of products**. Traders indicated that they have little cereals stocks at their stores since people received a lot of them from humanitarian organizations thus reducing the demand in the market for cereals.

Time of assessment: March 28, 2023



Snihurivka MFI, March 2023

Mykolaiv is a city and the administrative center of Mykolaiv Oblast in southern Ukraine. MFIs were made in four districts separately to examine the differences between them. The security situation is volatile. The number of **incoming shelling has increased** recently, but the market is functioning properly. Traders did not report a significant increase in prices during the previous month, except for seasonal products. But almost all traders reported a large increase in prices compared to last year. Prices in particular increased for fruits and vegetables as these were coming mostly from the part of Khersonska oblast currently outside of the control of the Government of Ukraine. No scarcity



Mykolaiv MFI, April 2023

of products was mentioned by traders or noticed during the assessment. Some traders mentioned that, from time to time, **some suppliers might stop working for a certain period and then resume their business again**. Meanwhile, a **low level of stocks held by traders makes the market vulnerable to shocks**. There were no issues observed or raised by the locals concerning the quality of food.

Time of assessment: April 26-27, 2023

Kramatorsk is one of the cities closest to the front line (approximately 20 km) in Donetsk oblast. The **security situation is severe** and has been deteriorating consistently. With incoming shelling and damages increasing recently. There is significant military presence in the city and several checkpoints on the way. Currently, the main group of customers is the military, who spend their allowance primarily on food items. Consequently, traders can increase prices to get bigger benefits. On average **food prices are 20 % higher** than in Dnipro (the nearest oblast center). A significant **number of shops for all types of goods are closed** mainly due to the security situation. Nevertheless, no scarcity of products was indicated.

Time of assessment: April 14, 2023

Methodology

The Market Functionality Index methodology is WFP's standardized market assessment approach that aims to quantify market functionality along different market dimensions. Each dimension is assessed on a scale from 0 to 10, and these scores are combined to the overall MFI score. Full market functionality (MFI=10) refers to a fully developed, efficient, and functional market.

The methodology relies on retailer surveys and one market survey with the local key informant, where questions are organized under nine dimensions deemed crucial for market functionality.

The dimensions are:

- Assortment
- Availability
- Price
- Competition
- Access and Protection
- Infrastructure
- Service
- Food quality
- Resilience of Supply Chains

Based on the survey answers, a score is calculated for each dimension. The nine dimensions are then weighted together to arrive at the final MFI score. The score per dimension help identify the main areas of weakness for each market and to recommend assistance modalities as well as market risk mitigation measure.