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## NATIONAL AGRICULTURAL MARKETING COUNCIL

### MEDIA RELEASE

#### Food price trends: January 2004 to April 2005

Year-on-year food price inflation depends largely on the goods contained in the food basket that is monitored. In order to have a more representative picture of the products and different prices available to the consumer the NAMC extended the price survey to include more brands within the various food categories. Weighted average prices were then calculated using the volumes sold by each chain store as weights.

Year-on-year inflation gives a good indication as to where prices are heading, as seasonal price trends tend not to effect this calculation since the same month in different years is compared. For this month's food price release we calculated two sets of year-on-year price changes: January 2004 to January 2005 and April 2004 to April 2005. Products whose prices decreased in the year ending January 2005 also tended to show further decreases in the year-on-year calculations for April 2005. The products that showed significant price decreases were pilchards (-10.7%), flour (-10.8%), super (-25.5%) and special (-30%) maize meal, cheddar cheese (-13.3%), frozen peas (-11.4%), pork sausages (-34%), pork chops (-29.9%), butternut (-13.2%), and bananas (-15.9%). Over all there were few products whose prices increased by more than 10% year-on-year (April 2005). These are: Frozen corn (19.6%), beef brisket (13.9%), onions (20.3%), tomatoes (11%), and oranges (10.3%). Having taken 75 different food products into account, food prices increased overall by **0.16%** for the period January 2004 to January 2005, decreased by **0.75%** for the period April 2004 to April 2005, and on average decreased by **0.09%** between January and April 2005.

Below are the various tables reporting the price changes of the specific products. The products are divided into broad categories so that the average price change could be calculated and compared to the CPI of that specific category as calculated by STATSSA. The reader should note however that there are two main differences in the calculation of the NAMC price changes and those of STATSSA. The STATSSA consumer price index is calculated using a weighted basket of goods different to that of the NAMC, which is also not weighted.

	Jan 04 on Jan 05	April 04 on April 05	Jan 05 to April 05
Average change in price of NAMC food basket	0.16%	-0.75%	-0.09%
CPI Food	1.26%	1.56%	-0.07%

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<b>Wheat Products</b>	Jan 04 on Jan 05	April 04 on April 05	Jan 05 to April 05
Bread - White Sliced	1.44%	4.40%	4.55%
Bread - Brown Sliced	8.86%	3.44%	2.04%
Flour 2.5KG	-11.65%	-10.82%	-1.18%
Spaghetti Plain 500g	-2.91%	-5.54%	-1.02%
Macaroni Plain 500g	-2.46%	-5.32%	-1.08%
<b>Average</b>	<b>-1.34%</b>	<b>-2.77%</b>	<b>0.66%</b>
<b>CPI Grain products</b>	<b>1.61%</b>	<b>-1.29%</b>	<b>-2.04%</b>

<b>Maize Meal</b>	Jan 04 on Jan 05	April 04 on April 05	Jan 05 to April 05
Maize Super 5KG	-7.19%	-25.49%	-6.05%
Maize Special 5KG	-6.61%	-30.02%	-3.72%
<b>Average</b>	<b>-4.06%</b>	<b>-18.93%</b>	<b>-3.94%</b>
<b>CPI Grain products</b>	<b>1.61%</b>	<b>-1.29%</b>	<b>-2.04%</b>

<b>Sunflower Oil Products</b>	Jan 04 on Jan 05	April 04 on April 05	Jan 05 to April 05
Cooking Oil 750ml	-7.07%	-15.13%	-6.99%
Lite Medium Fat Spread 1kg Tub	3.04%	-3.79%	-5.45%
Margarine 500g Brick	0.25%	-2.17%	0.49%
<b>Average</b>	<b>-1.26%</b>	<b>-7.03%</b>	<b>-3.98%</b>
<b>CPI Fats and Oils</b>	<b>0.97%</b>	<b>0.15%</b>	<b>1.03%</b>

<b>Vegetable Products</b>	Jan 04 on Jan 05	April 04 on April 05	Jan 05 to April 05
Tomato Sauce 420g	-4.76%	-3.17%	-3.56%
Butter Beans in Brine 410g	2.72%	6.26%	3.45%
Chopped Peeled Tomato 410g	7.28%	5.86%	-0.90%
Tomato & Onion Mix 410g	1.76%	-5.40%	-6.98%
Canned Peas 410g	7.11%	9.29%	3.26%
Frozen Green Peas 1kg	3.34%	-11.35%	-12.96%
Frozen Baby Carrots 1kg	5.42%	11.21%	0.13%
Frozen Corn 1kg	7.44%	19.58%	0.53%
Frozen Sliced Beans	10.04%	7.84%	-0.42%

1kg			
Cauliflower - Each (Head)	-12.17%	7.61%	24.67%
Carrots 1kg Pack	7.17%	7.94%	3.81%
Onions 1kg Pack	-16.87%	20.33%	36.69%
Cabbage - Each (Head)	-11.79%	5.64%	22.48%
Potatoes BS - 7kg	-6.88%	-6.44%	-3.08%
Tomatoes per kg	-5.65%	11.03%	8.97%
Sweet Potatoes 1kg	3.52%	-6.66%	-10.46%
Butternut Pocket - Each	-22.58%	-13.15%	1.57%
Crisp Lettuce LS - Each (Head)	2.24%	-4.28%	3.29%
Crisp Lettuce Pre-Packed 150g	12.31%	-2.55%	-9.78%
<b>Average</b>	<b>-0.54%</b>	<b>3.14%</b>	<b>3.20%</b>
<b>CPI Vegetables</b>	<b>-3.57%</b>	<b>-0.82%</b>	<b>2.54%</b>

<b>Red Meat and Chicken</b>	Jan 04 on Jan 05	April 04 on April 05	Jan 05 to April 05
Meatballs in Gravy 400g	0.52%	-1.61%	-1.25%
Picnic Ham 300g	1.43%	3.73%	-1.07%
French Polony 1kg	6.58%	-2.60%	-5.57%
Pork Sausages 500g	2.91%	-34.04%	-34.62%
Rindless Back 250g	5.34%	6.53%	3.86%
Streaky 250g	-1.80%	4.69%	1.24%
Pork Chops per kg	-14.41%	-29.87%	-11.69%
Lamb Chops per kg	6.31%	3.36%	-6.13%
Boerewors per kg	4.16%	8.56%	6.01%
Brisket per kg	5.13%	13.86%	11.23%
Beef Mince per kg	11.23%	5.28%	-0.74%
Beef Stewing per kg	15.22%	2.28%	-7.61%
Chicken - Whole Frozen	-6.20%	-2.44%	0.61%
Chicken - Whole Fresh	3.30%	0.60%	7.18%
<b>Average</b>	<b>2.84%</b>	<b>-1.55%</b>	<b>-2.75%</b>
<b>CPI Meat</b>	<b>2.24%</b>	<b>3.69%</b>	<b>-0.71%</b>

<b>Dairy and Eggs</b>	Jan 04 on Jan 05	April 04 on April 05	Jan 05 to April 05
Total Butter 500g	1.02%	-1.52%	-2.18%
Cheese - Cheddar	2.84%	-13.33%	-4.15%
Fresh Milk Low Fat 1L Sachet	-5.76%	-0.39%	8.74%
Fresh Milk Full Cream 1L Sachet	-1.79%	1.77%	5.02%
Fresh Milk Full Cream 2 Lt	1.45%	-1.51%	3.72%
Fresh Milk Low Fat 2 Lt	2.30%	-1.87%	2.06%
Skimmed Powder Milk 1kg	4.66%	3.73%	4.20%
LongLife Milk Full Cream 1L	-0.30%	0.54%	-2.38%
Eggs 30's	4.45%	4.94%	0.53%
<b>Average</b>	<b>0.99%</b>	<b>-0.85%</b>	<b>1.73%</b>
<b>CPI Milk, Cheese and Eggs</b>	<b>1.65%</b>	<b>1.09%</b>	<b>0.34%</b>

<b>Fruit Products</b>	Jan 04 on Jan 05	April 04 on April 05	Jan 05 to April 05
Sliced Peaches 410g	4.95%	-0.62%	-1.13%
Pears Halves 410g	4.53%	6.08%	1.78%
Strawberry 450g	4.24%	3.63%	-1.15%
Apricot Superfine 450g	2.69%	2.19%	-0.69%
Granny Smith Apples 1.5kg	-2.90%	4.67%	-29.00%
Bananas 1kg	-11.18%	-15.87%	13.25%
Oranges Bag 2.5kg	-9.01%	10.26%	15.32%
<b>Average</b>	<b>-0.96%</b>	<b>1.48%</b>	<b>-0.23%</b>
<b>CPI Fruit and Nuts</b>	<b>2.71%</b>	<b>6.40%</b>	<b>2.71%</b>

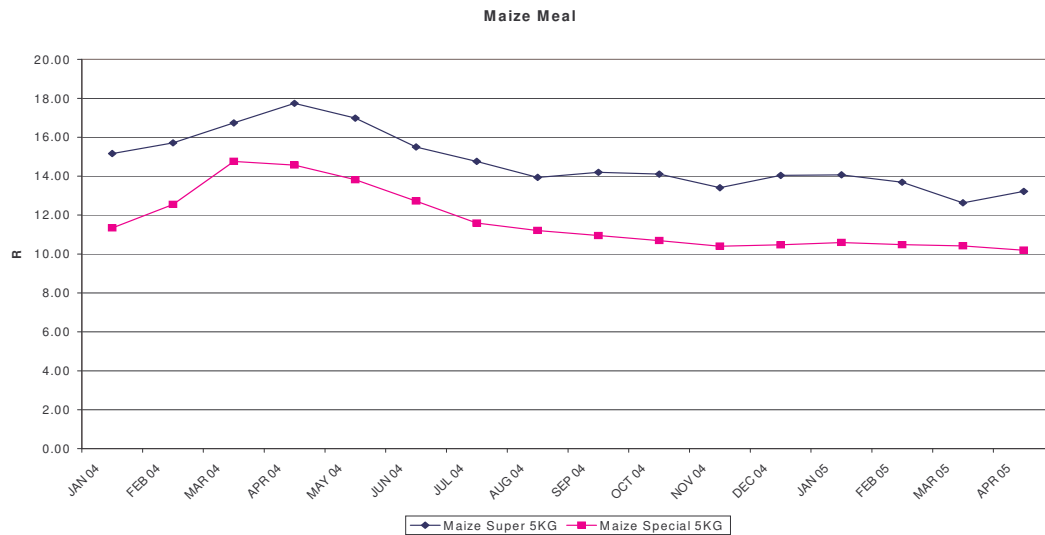
<b>Fish</b>	Jan 04 on Jan 05	April 04 on April 05	Jan 05 to April 05
Pilchards in Tomato 425g	-9.72%	-10.68%	-2.50%
Tuna Shredded in Brine 170g	-0.04%	1.98%	-0.51%
<b>Average</b>	<b>-4.88%</b>	<b>-4.35%</b>	<b>-1.50%</b>
<b>CPI Fish and Other Seafood</b>	<b>-0.83%</b>	<b>3.27%</b>	<b>3.11%</b>

Other	Jan 04 on Jan 05	April 04 on April 05	Jan 05 to April 05
King Korn 1KG	-3.11%	-2.38%	0.08%
Oats 1kg	5.10%	1.63%	-11.22%
Cornflakes 750g	0.30%	-0.21%	-0.81%
Rice Crispies 400g	-0.28%	0.97%	-0.32%
Sugar 2.5KG	-0.67%	6.53%	2.38%
Rice 2KG	-2.83%	-4.26%	-5.71%
Ricoffy Reg 750g	-4.57%	3.37%	3.91%
Glen Tea 100's	0.28%	-4.39%	-5.79%
Peanut Butter Smooth 410g	3.02%	-1.28%	-1.73%
Soya Mince Tomato & Onion	6.20%	-1.62%	-2.61%
<b>Average</b>	<b>1.28%</b>	<b>0.38%</b>	<b>-1.90%</b>
<b>CPI Food</b>	<b>1.26%</b>	<b>1.56%</b>	<b>-0.07%</b>

## Detailed discussion

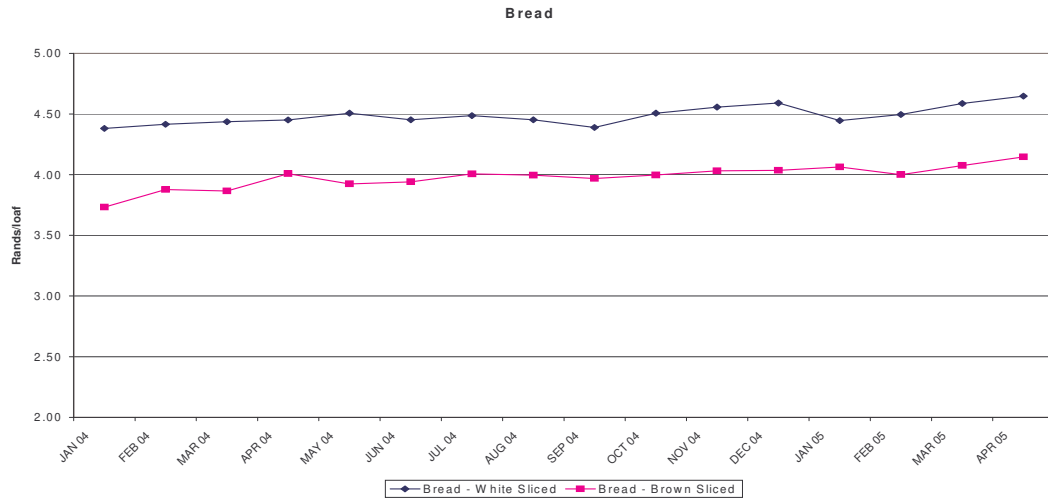
### *Maize meal*

As expected maize meal prices continued to decrease in 2005 due to the drop in maize prices on the futures market.



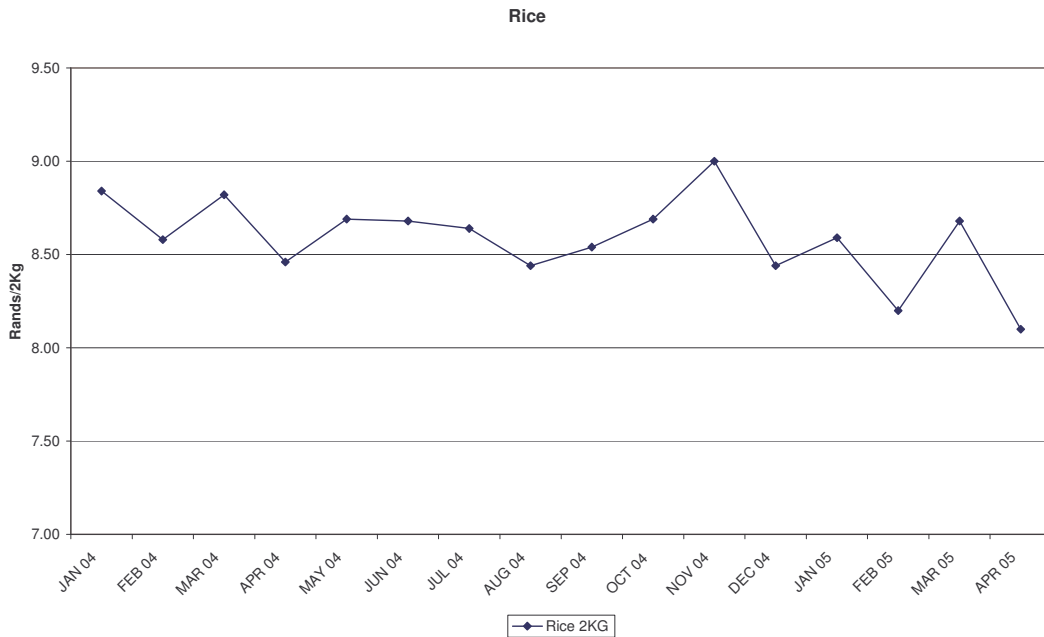
### *Bread*

Bread prices continued to increase in 2005. White sliced (700g) bread increased on average by 4.55%, while brown sliced (700g) increased by 2.04% for the period January 2005 to April 2005. Flour prices in the same period however decreased by 1.18%.



*Rice*

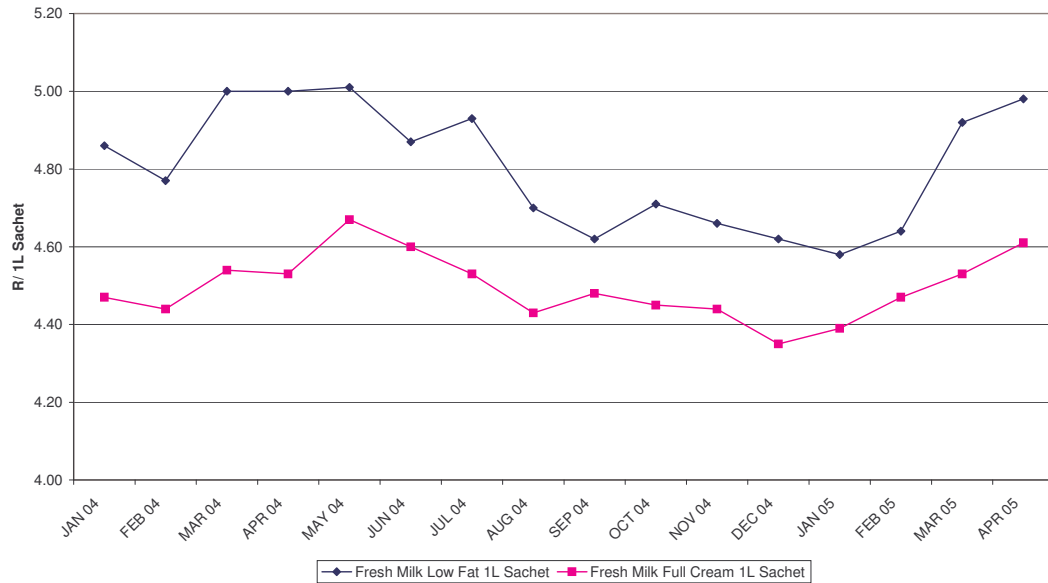
Rice, being a largely imported product, enjoyed the strength of the Rand/US\$ exchange rate in the first part of 2005, thus allowing prices to continue to decrease. The average price of rice decreased by 5.71% for the period January-April 2005.



*Dairy*

The price of industrially produced dairy products such as long life milk, cheese, and butter decreased between January and April 2005. Fresh milk prices, packaged in 1-litre sachets or 2 litre containers increased on average by 4.89%. The concerns by farmers in view of lower producer prices and these reported higher consumer prices are echoed once more.

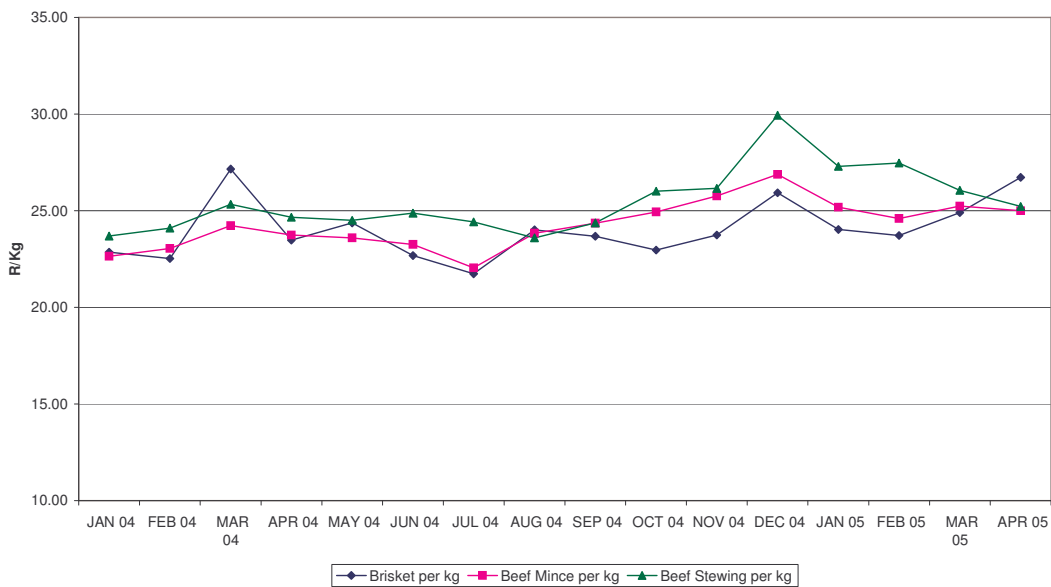
### Milk



### Beef

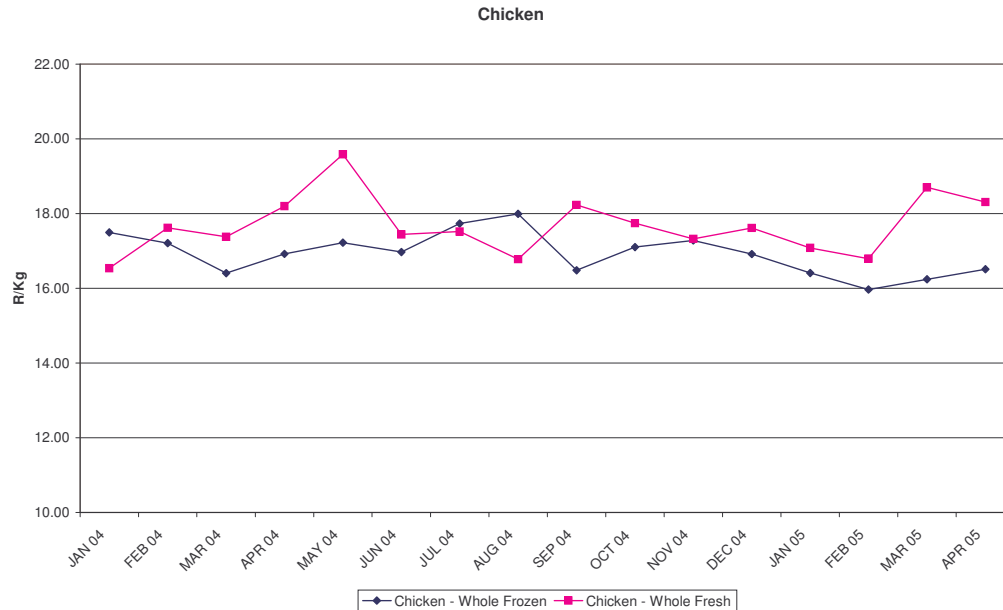
Beef and other meat prices tend to increase over the December festive season due to increased demand. Prices usually tend to decrease gradually after this period. The price of most beef products did in fact decrease between January and April 2005, brisket beef did not however follow this same trend, and in fact increased in this period by 11.23%. Beef prices, as stated previously are expected to continue to decrease following the decrease in maize price.

### Beef



### Chicken

The price of frozen chicken increased by 0.61% while the price of fresh chicken increased by 7.18% between January and April 2005. The price of fresh chicken is however expected to decrease on the back of the lower maize price, as maize comprises approximately 70% of chicken feed.



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**For the National Agricultural Marketing Council**

**30 June 2005**

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