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## NATIONAL AGRICULTURAL MARKETING COUNCIL

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#### MEDIA RELEASE

#### Food price trends: August 2004 to August 2005

Changes in food prices depend largely on the type of product being analysed, the more perishable the product the more likely it is to have a larger price range within a year or production season. In the previous media release the National Agricultural Marketing Council focused mainly on year on year price changes, as seasonal price trends do not affect this calculation. In this media release the focus will again be on year on year price changes, together with the actual price levels in 2005.

Based on the basket of 75 goods surveyed by the National Agricultural Marketing Council, year on year food price inflation averaged 1.37%. This is basically saying that if prices in August 2005 are compared to prices in August 2004, consumers are paying on average 1.37% more for the same basket of food products. The prices of a number of food products decreased by more than 10% over the period August 2004 to August 2005 and include: super maize meal (-18.95%), frozen peas (-10.5%), peanut butter (-12.9%) and cauliflower (-15.5%). There were however products whose prices showed some rapid increases of more than 10% in the same period. They are: potatoes (31.9%), rindless back bacon (11%), boerewors (16.7%), skimmed milk powder (12.7%) and granny smith apples (34.8%).

The table below provides a summary of the trends in average prices for selected food products for the one year period August 2004 to August 2004 as well as for the first eight months of 2005. Also provided are the national average prices for January, April and August 2005.

Wheat Products	August 04 on August 05	Jan 05 to August 05	Jan 2005	Apr 2005	Aug 2005
Bread - White Sliced	5.38%	5.57%	4.45	4.65	4.69
Bread - Brown Sliced	4.04%	2.30%	4.06	4.15	4.16
Flour 2.5KG	-5.03%	-5.11%	11.00	10.87	10.44
Spaghetti Plain 500g	4.93%	4.58%	4.51	4.47	4.72
Macaroni Plain 500g	2.47%	1.83%	4.51	4.46	4.59
Average	2.36%	1.83%			

Maize Meal	August 04 on August 05	Jan 05 to August 05	Jan 2005	Apr 2005	Aug 2005

Maize Super 5KG	-18.95%	-19.70%	14.07	13.22	11.30
Maize Special 5KG	-1.44%	4.33%	10.59	10.20	11.05
Average	-10.20%	-7.69%			

<b>Sunflower Oil Products</b>	<b>August 04 on August 05</b>	<b>Jan 05 to August 05</b>	<b>Jan 2005</b>	<b>Apr 2005</b>	<b>Aug 2005</b>
Cooking Oil 750ml	-9.68%	-3.71%	6.05	5.63	5.83
Lite Medium Fat Spread 1kg Tub	-3.66%	-7.29%	12.57	11.89	11.66
Margarine 500g Brick	-0.82%	1.64%	7.28	7.31	7.40
Average	-4.72%	-3.12%			

<b>Vegetables, Processed</b>	<b>August 04 on August 05</b>	<b>Jan 05 to August 05</b>	<b>Jan 2005</b>	<b>Apr 2005</b>	<b>Aug 2005</b>
Beans in Tomato Sauce 420g	-1.19%	-1.04%	3.94	3.80	3.90
Butter Beans in Brine 410g	2.72%	3.81%	5.91	6.11	6.13
Chopped Peeled Tomato 410g	-2.19%	-2.15%	6.25	6.19	6.11
Tomato & Onion Mix 410g	-5.00%	-9.28%	6.21	5.78	5.64
Canned Peas 410g	0.44%	4.03%	4.56	4.71	4.75
Frozen Green Peas 1kg	-10.51%	-3.39%	17.74	15.44	17.14
Frozen Baby Carrots 1kg	3.38%	0.54%	20.88	20.91	21.00
Frozen Corn 1kg	4.72%	1.03%	19.37	19.47	19.57
Frozen Sliced Beans 1kg	0.81%	0.32%	20.12	20.04	20.19

<b>Vegetables, Fresh</b>	<b>August 04 on August 05</b>	<b>Jan 05 to August 05</b>	<b>Jan 2005</b>	<b>Apr 2005</b>	<b>Aug 2005</b>
Cauliflower - Each (Head)	-15.54%	-22.62%	5.87	7.31	4.54
Carrots 1kg Pack	3.78%	-1.14%	6.36	6.60	6.28
Onions 1kg Pack	2.18%	23.26%	4.95	6.76	6.10
Cabbage - Each (Head)	-2.97%	-15.81%	3.85	4.72	3.24
Potatoes BS - 7kg	31.95%	-2.95%	15.68	15.20	15.22
Tomatoes per kg	-9.60%	-5.50%	9.20	10.03	8.70
Sweet Potatoes 1kg	2.33%	3.29%	6.88	6.16	7.11
Average	0.33%	-1.72%			

<b>Red Meat and Chicken</b>	<b>August 04 on August 05</b>	<b>Jan 05 to August 05</b>	<b>Jan 2005</b>	<b>Apr 2005</b>	<b>Aug 2005</b>
Meatballs in Gravy 400g	-2.28%	-6.13%	7.90	7.80	7.41
Picnic Ham 300g	7.48%	-0.18%	15.42	15.26	15.40
French Polony 1kg	-1.68%	-6.78%	17.96	16.96	16.74
Pork Sausages 500g	7.99%	-1.22%	16.07	15.50	15.87
Rindless Back bacon 250g	11.04%	4.45%	13.69	14.22	14.30
Streaky bacon 250g	3.33%	-1.94%	12.73	12.89	12.49
Pork Chops per kg	-0.95%	18.71%	28.55	25.21	33.89
Lamb Chops per kg	1.34%	-2.24%	40.38	37.90	39.47
Boerewors per kg	16.71%	16.02%	27.80	29.47	32.25
Brisket per kg	6.97%	6.89%	24.03	26.73	25.68
Beef Mince per kg	6.83%	1.10%	25.19	25.00	25.46
Beef Stewing per kg	7.50%	-7.09%	27.30	25.22	25.36
Chicken - Whole Frozen	-2.68%	6.72%	16.41	16.51	17.51
Chicken - Whole Fresh	1.57%	-0.21%	17.08	18.31	17.05
Average	4.51%	2.01%			

<b>Dairy and Eggs</b>	<b>August 04 on August 05</b>	<b>Jan 05 to August 05</b>	<b>Jan 2005</b>	<b>Apr 2005</b>	<b>Aug 2005</b>
Total Butter 500g	1.40%	-1.91%	16.55	16.18	16.23
Cheese - Cheddar	0.99%	-1.77%	38.29	36.71	37.62
Fresh Milk Low Fat 1L Sachet	3.56%	6.28%	4.58	4.98	4.87
Fresh Milk Full Cream 1L Sachet	6.10%	7.06%	4.39	4.61	4.70
Fresh Milk Full Cream 2 Lt	4.73%	2.59%	9.80	10.16	10.05
Fresh Milk Low Fat 2 Lt	4.42%	0.74%	10.22	10.43	10.30
Skimmed Powder Milk 1kg	12.72%	12.70%	47.54	49.54	53.58
LongLife Milk Full Cream 1L	-1.76%	-3.71%	6.55	6.39	6.31
Eggs 30's	-1.28%	-4.36%	25.53	25.66	24.41
Average	3.43%	1.96%			

<b>Fruit</b>	<b>August 04 on August 05</b>	<b>Jan 05 to August 05</b>	<b>Jan 2005</b>	<b>Apr 2005</b>	<b>Aug 2005</b>
Sliced Peaches 410g	2.76%	2.01%	6.07	6.00	6.19
Pears Halves 410g	1.73%	1.49%	6.92	7.04	7.02
Strawberry 450g	-0.22%	-1.08%	10.28	10.16	10.17
Apricot Superfine 450g	-1.94%	-1.97%	7.66	7.61	7.51
Granny Smith Apples 1.5kg	34.83%	-16.94%	8.61	6.11	7.15
Bananas 1kg	5.59%	16.69%	4.45	5.04	5.19
Oranges Bag 2.5kg	-5.99%	-15.40%	8.44	9.74	7.14
Average	5.25%	-2.17%			

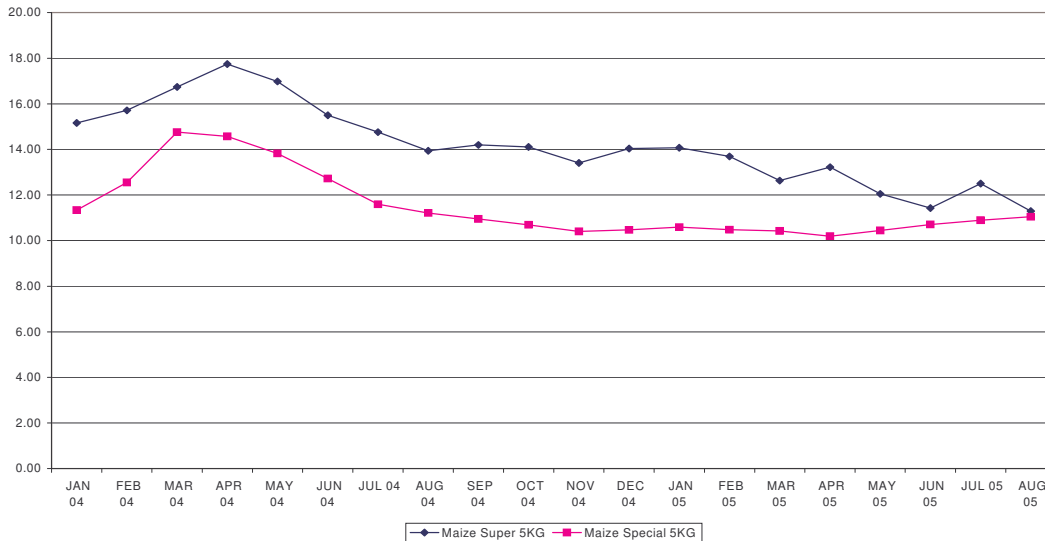
<b>Fish</b>	<b>August 04 on August 05</b>	<b>Jan 05 to August 05</b>	<b>Jan 2005</b>	<b>Apr 2005</b>	<b>Aug 2005</b>
Pilchards in Tomato 425g	-5.43%	-0.35%	6.46	6.30	6.44
Tuna Shredded in Brine 170g	6.93%	0.41%	6.80	6.77	6.83
Average	0.75%	0.03%			

<b>Other</b>	<b>August 04 on August 05</b>	<b>Jan 05 to August 05</b>	<b>Jan 2005</b>	<b>Apr 2005</b>	<b>Aug 2005</b>
King Korn 1KG	-2.48%	-0.38%	6.69	6.70	6.67
Oats 1kg	-1.59%	-13.64%	13.05	11.58	11.27
Cornflakes 750g	-0.88%	-1.89%	19.63	19.48	19.26
Rice Crispies 400g	-0.45%	0.03%	15.59	15.54	15.60
Sugar 2.5KG	2.30%	4.20%	11.80	12.08	12.30
Rice 2KG	2.27%	0.48%	8.59	8.10	8.63
Ricoffy Reg 750g	0.51%	3.06%	25.30	26.29	26.08
Glen Tea 100's	-5.70%	-8.64%	10.42	9.82	9.52
Coca Cola Regular 2L NRB	1.44%	6.53%	9.45	9.54	10.07
Peanut Butter Smooth 410g	-12.9%	-8.1%	8.99	8.83	8.26
Soya Mince Tomato & Onion	-3.0%	-2.6%	6.12	5.96	5.96
Average	-1.86%	-1.90%			

## Detailed Discussion

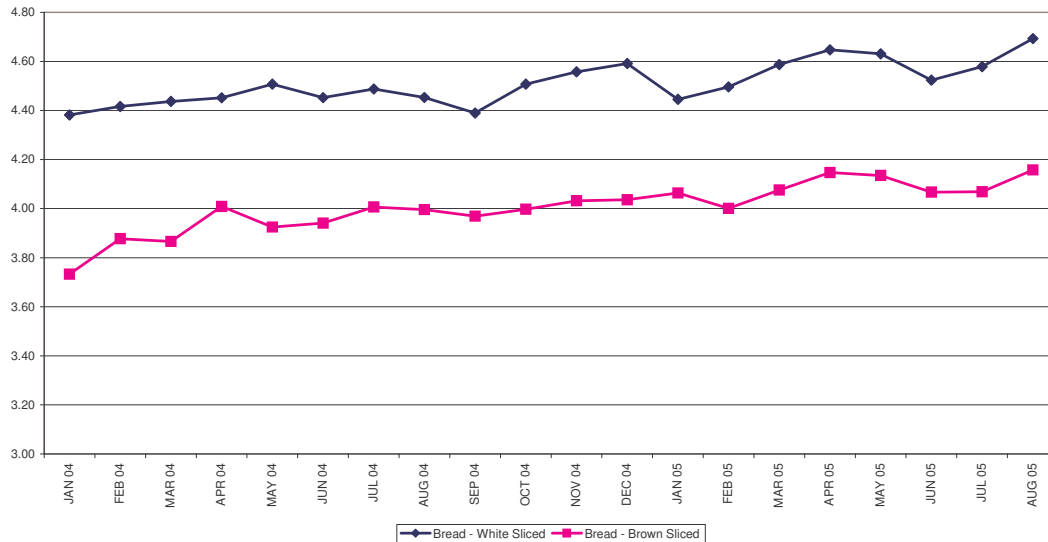
### *Maize meal*

The prices of 5kg bags/packets of super maize meal continued to decrease while the prices for special maize meal started to show a slight upward trend from April to August bringing the two prices very close together.



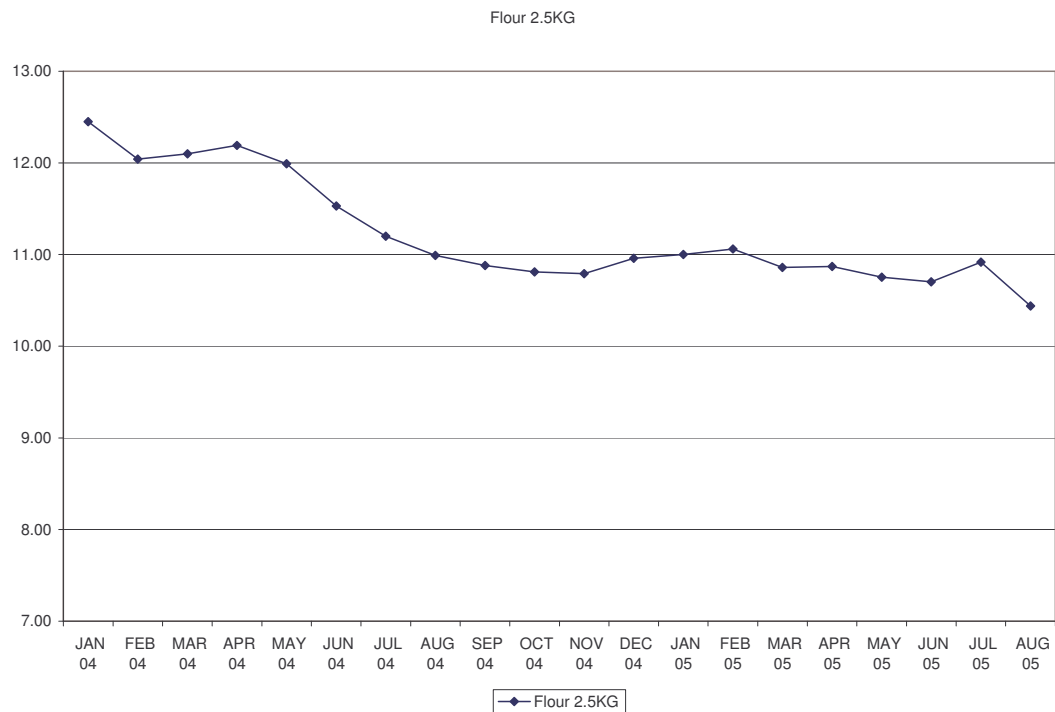
### *Bread*

Both white and brown bread prices continue to increase. Both price increases follow a similar trend with the price of white sliced bread increasing by 5.6% and brown sliced bread price increasing by 2.3% for the period January 2005 to August 2005.



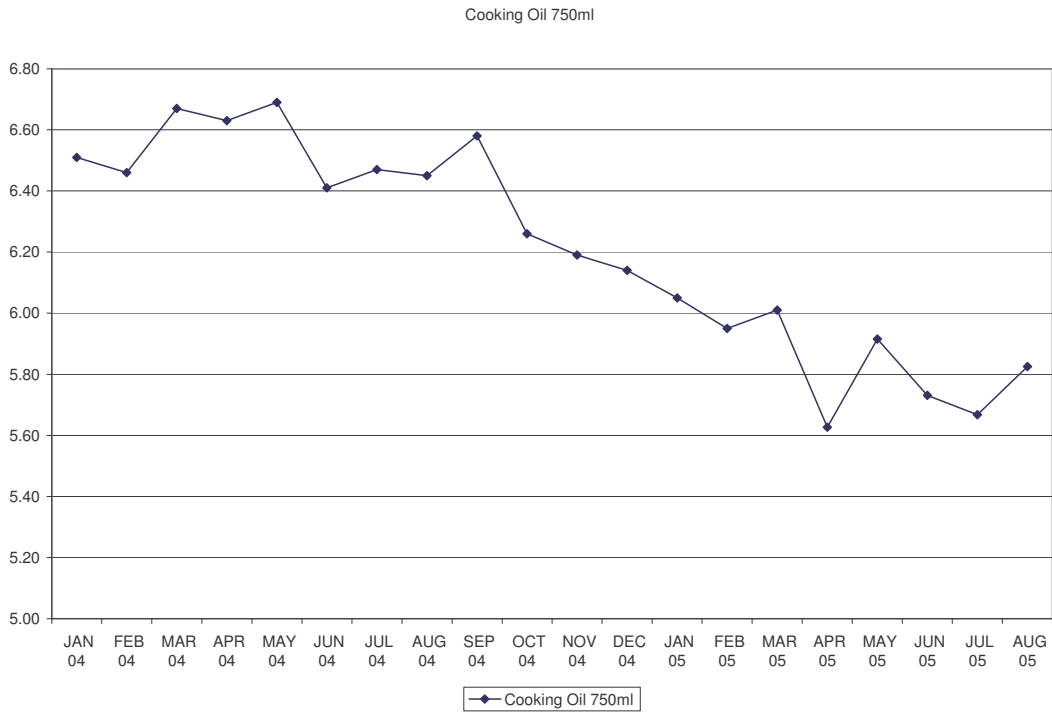
### *Flour*

Cake flour prices continue to decrease; this has been a consistent trend since September 2003. Over all, cake flour prices have decreased by 20% since September 2003 and 5.1% in 2005 alone.



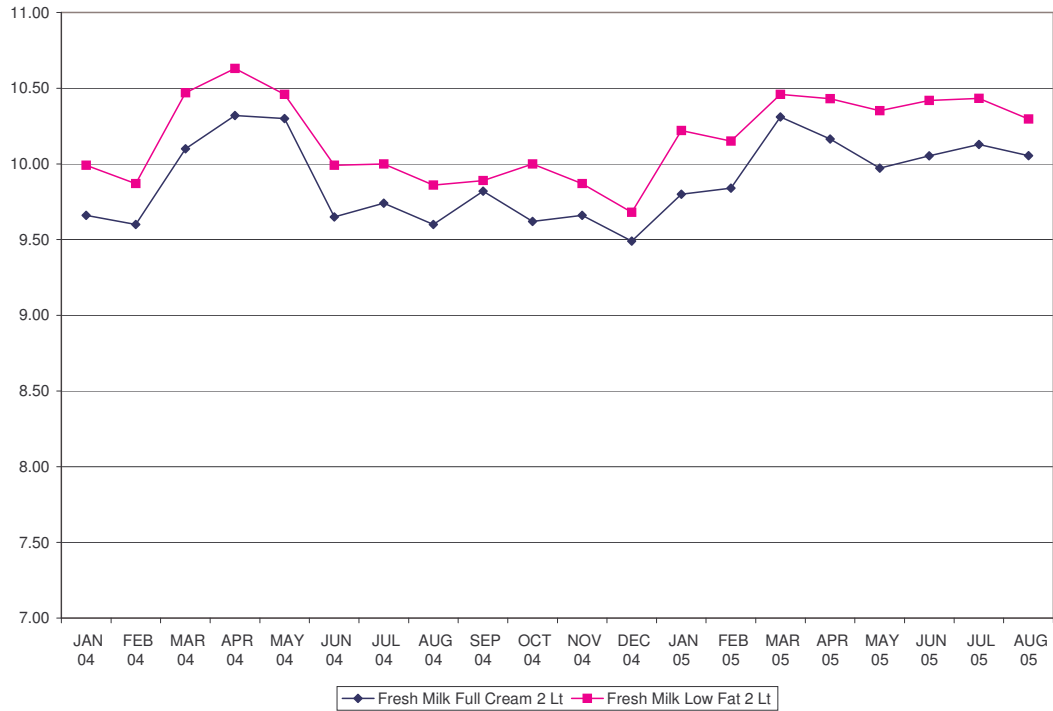
### *Cooking Oil*

Prices of cooking oil prices followed a similar trend to that of cake flour with year on year price levels dropping by approximately -9.7%. For the period January 2005 to August 2005 prices decreased by 3.7%.



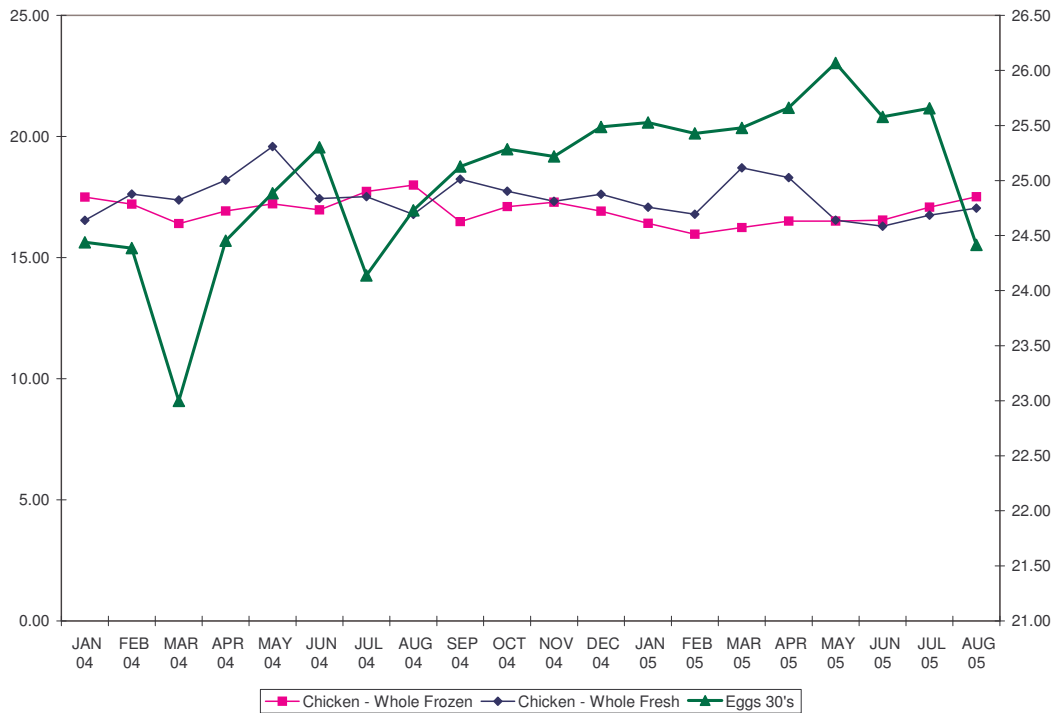
*Dairy*

Over the last four months prices for fresh milk stabilised and have begun to show a downward trend. For the period January 2005 to August 2005 fresh milk prices increased by 4.8% and 4.4% for the 1 litre sachet and 2 Litre carton respectively. Since the previous press release in June 2005 retail price of a 2 litre carton of full cream milk went from R10.31 in March to R10.05 in August – a 2.5% drop! The price of skimmed milk powder over the past four months has stabilised at approximately R53.65/kg, while the price of long life milk has decreased by 3.7% in 2005.



*Poultry*

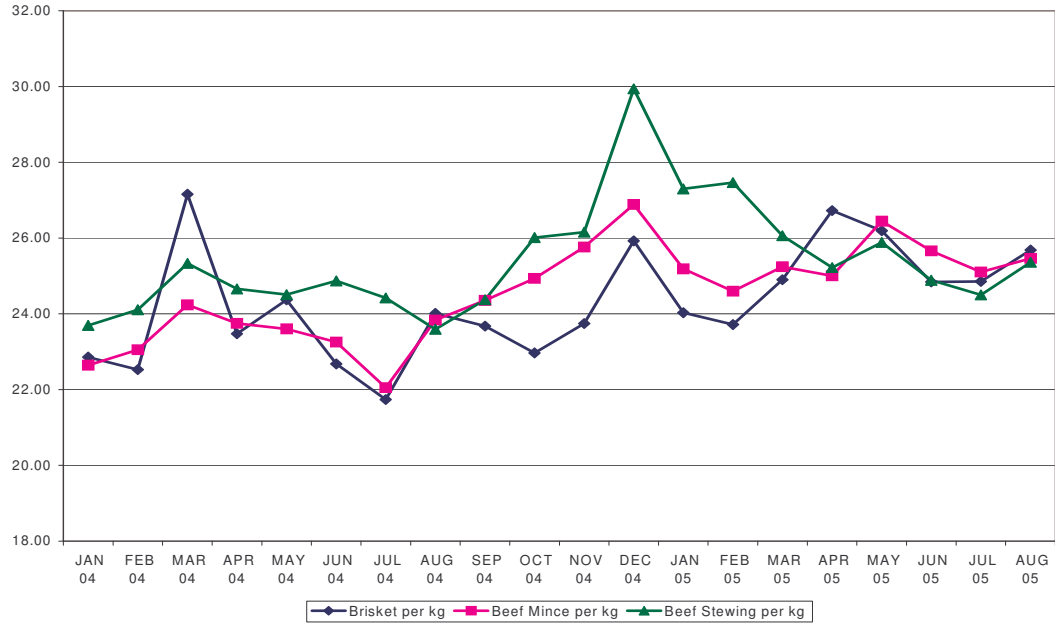
From January 2005 to August 2005 the price of frozen chicken increased by 6.7%, while the price of fresh chicken decreased by 0.21. These price changes have caused the price of frozen chicken to be higher than that of fresh chicken. High stock levels of eggs have contributed to the decrease of 4.8% in the price of eggs as stores and suppliers are running various promotion campaigns on eggs .





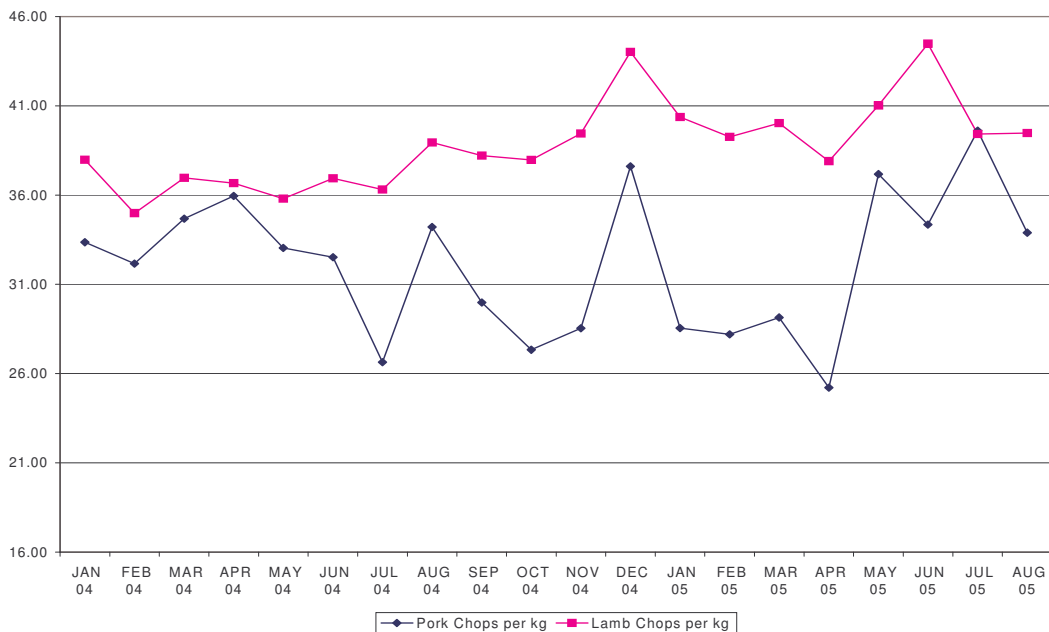
### Beef and Chops

The different cuts of beef tend to follow a similar trend. The prices of brisket, beef mince and stewing beef in the past were quite different. Over the past year and a half the prices of these three cuts have converged to an average of R25.50/kg. Year on year beef prices increased on average by 7.1%



Pork and lamb chop prices are highly volatile from one month to the next as they are largely effected by seasonality and supply and demand fluctuations. Year on year inflation however shows that both prices are in fact fairly stable with the price of pork chops decreasing by 0.98% and lamb chops increasing by 1.34%.

Since the last NAMC media release in June 2005 the cost of the basket of 75 foodstuffs surveyed **decreased** by **0.5% in the 4 month period between April and**



**August.** Products whose prices decreased year on year in April tended to also have a year on year decrease in August. Items whose price change was larger than 5% for the period April 2005 to August 2005 are reported in the table below.

Table: Price changes larger than 5% over the April-August2005 period

	April 2005-August 2005
Maize Super 5KG	-14.53%
Maize Special 5KG	8.36%
Spaghetti Plain 500g	5.66%
Rice 2KG	6.56%
Coca Cola Regular 2L NRB	5.54%
Skimmed Powder Milk 1kg	8.15%
Frozen Green Peas 1kg	10.99%
Peanut Butter Smooth 410g	-6.46%
Chicken - Whole Frozen	6.07%
Chicken - Whole Fresh	-6.90%
Pork Chops per kg	34.43%
Boerewors per kg	9.44%
Cauliflower - Each (Head)	-37.93%
Onions 1kg Pack	-9.83%
Cabbage - Each (Head)	-31.26%
Tomatoes per kg	-13.29%
Sweet Potatoes 1kg	15.36%
Broccoli LS - Each (Head)	-11.30%
Granny Smith Apples 1.5kg	16.98%
Oranges Bag 2.5kg	-26.64%
Crisp Lettuce LS - Each (Head)	-10.46%

Compiled by Prof Johann Kirsten and Ms Michela Cutts

For the National Agricultural Marketing Council  
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