

**MEDIA RELEASE****Food price trends: October 2007 to October 2008****Contents:**

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EXECUTIVE SUMMARY

Food inflation slowed both globally and on the domestic markets. In South Africa the year-on-year (i.e. October 2007 to October 2008) increase in the Consumer Price Index for Food (CPI-Food), as reported by Stats SA, was 16.7 %, compared to the year-on-year figure for September of 17.6 %. The overall CPI, as reported by Stats SA, reflects a year-on-year increase of 12.1 %. Food inflation remains one of the major drivers of overall inflation in South Africa, contributing 4.0 percentage points.

The year-on-year increase in the price of maize products was 7.62 %. The maize commodity price declined by 1.94 %. Given the strong correlation between the SAFEX price of maize and the retail price of maize products, the lower maize commodity price

should translate into lower prices of maize products, or at least slow the increase in prices. The rate of increase for most wheat products appears to be decelerating. The year-on-year increases in brown and white bread prices were 35.26 % and 35.89%, respectively. Overall, wheat products experienced average year-on-year price increases of 37.89 %, which is lower than the 45.36 % reported in the August 2008 FPM. Sunflower product prices increased, on average, by 60.55 %, which is lower than the 72.07 % reported in the August 2008 FPM. The price of sunflower cooking oil increased by 69.14 %, which is lower than the increase (99.15 %) reported in the August 2008 FPM. Dairy product prices increased, on average, by 7.85 %, which is significantly lower than the 17.90 % reported in the August 2008 FPM. Fresh meat and processed meat prices increased, on average, by 12.79 % and 22.35 %, respectively, between October 2007 and October 2008. On average, the prices of fresh and processed vegetables showed a year-on-year increase of 10.63 % and 16.44 %, which are both lower than the corresponding figures reported in the August 2008 FPM. Fruits experienced year-on-year average price increases of 13.99 %, which is 7.34 percentage points lower than the figure reported in the August 2008 FPM. All food items sold in the rural areas experienced over 6 % inflation between October 2007 and October 2008. Maize products and sunflower products experienced decelerating inflation during this period in rural areas. Consumers in rural areas paid R8.92 more than consumers in urban areas for the products monitored by the NAMC in October 2007. The price difference increased to R10.47 in October 2008.

South Africa experienced a higher rate of both overall and food inflation when compared to most other countries around the world over the last year. International commodity prices (grains and dairy) are declining, which should translate into lower commodity prices on the domestic market. International meat prices remained firm, especially poultry that increased significantly since 2005. Rice prices are currently nearly double its levels of January 2008, but significantly down from the highs recorded in May 2008. Domestic prices of rice followed the international increasing trend, but have not yet responded to the downturn in prices. On average the domestic producer price of potatoes declined significantly since October 2007. The same trend is visible for potato prices at retail level, but the decline in retail prices have not nearly been as profound. The NAMC is currently consulting with stakeholders in the industry to find possible reasons for this state of affairs.

An analysis on the impact of food inflation over the period April 2007 to October 2008 shows that the disposable income of poor households (i.e. Income Decile 1) should be at least 22 % higher in October 2008 than in April 2007 if they want to maintain the status quo in terms of their food consumption behaviour. This is in stark contrast to the most affluent households in Income Decile 10. Their income needs to increase by 0.5 % to maintain the same level of food consumption.

As far as the outlook is concerned, the sharp decline in raw commodity prices, generally lower transportation costs and a softening demand for more expensive food items, a general decline in food prices seems plausible over the next three-month period. Yet, the volatility in the exchange rate and uncertain weather conditions could change this outlook drastically.

1. Foreword

Food inflation slowed both globally and on the domestic markets. In South Africa the year-on-year (i.e. October 2007 to October 2008) increase in the Consumer Price Index for Food (CPI-Food), as reported by Stats SA, was 16.7 %, compared to the year-on-year figure for September of 17.6 %. The overall CPI, as reported by Stats SA, reflects a year-on-year increase of 12.1 %, which is 6.1 percentage points higher than the 6 % upper limit for inflation set by the South African Reserve Bank (SARB). It is nevertheless 1 percentage point lower than the 13.1 % recorded for September 2008. The CPIX

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increased by 12.4 %. According to Stats SA, the main contributors to the annual increase of 12.1 % in the CPI were food (+4 %); transport (+2.6 %); housing (+1.6 %); fuel and power (+1.1 %); household operation (+0.6 %); medical care and health expenses (+0.6 %), and education (+0.4 %). Food inflation therefore remains one of the major drivers of overall inflation in South Africa.

The purpose of this Media Release is to provide further details and analysis of food price levels and trends in order to promote better understanding of the main factors underlying food price increases.

2. Urban Food Price Trends: October 2007 to October 2008

This section reports the price trends for 77 different food items that are sold in urban areas across South Africa. (Detailed data on the selected food items are presented in Appendix A.) The data in this report pertains to food items and is sourced from both AC Nielsen and Stats SA. The food products whose prices increased by more than the SARB target inflation rate of 6 % between October 2007 and October 2008, are shown in Table 1.

Table 1: Prices in the urban areas that experienced inflation higher than the SARB inflation target (October 2007 – October 2008)

Grain & grain products		Fresh and processed fruits and vegetables and others		Meat & meat products and dairy & dairy products	
	%		%		%
Loaf of brown bread 700g	35.26%	Baked beans - tinned 420g	14.23%	Total butter 500g	14.91%
Loaf of white bread 700g	35.89%	Butter beans 410g	26.16%	Fresh milk full cream 1ℓ	6.19%
Cake flour 2.5kg	55.87%	Chopped peeled tomato 410g	24.17%	Fresh milk full cream 2ℓ	13.08%
Spaghetti 500g	39.07%	Tomato & onion mix 410g	14.26 %	Fresh milk low fat 1ℓ	6.20%
Macaroni plain 500g	23.37%	Canned peas 410g	17.18 %	Fresh Milk Low Fat 2ℓ	12.68%
Maize super 5kg	11.19%	Soya Mince Tomato and Onion 200g	29.91%	Skimmed powder milk 1kg	6.48%
Sunflower oil 750ml	69.14%	Sliced beans 1kg	13.41%	Cheddar cheese	6.75%
Medium fat spread 1kg	48.75%	Super juicy corn 1kg	18.81%	Meatballs in gravy 400g	16.87%
Brick margarine 500g	63.77%	White sugar 2.5kg	10.15%	Picnic ham 300g	14.00%
Oats 1kg	8.56 %	Tagless teabags 62.5g	14.56%	Pork sausage	43.30%
Cereal flakes 750g	16.34%	Coca-cola soft drink 2ℓ	6.68%	Polony 1kg	15.22%
Puffed rice 400g	16.97%	Peanut butter 410g	18.60%	Bacon 250 gram	14.87%
Rice 2kg	91.20%	Strawberry jam 450g	18.06%	Pork chops - fresh	13.60%
Ricoffy reg 750g	43.98%	Smooth apricot jam 450g	13.17%	Lamb chops - fresh	17.50%
		Carrots	12.85%	Lamb leg	17.63%
		Sweet potatoes	19.23%	Lamb shoulder	18.69%
		Cabbage	27.48%	Beef brisket - fresh	11.47%
		Lettuce	26.19%	Beef chuck - fresh	9.43%
		Pumpkin	8.94%	Beef fillet	9.32%
		Cauliflower	45.10%	Beef neck	8.74%
		Apples	9.31%	Beef rump steak -fresh	9.21%
		Bananas	6.63%	Beef shin	11.30%
		Oranges	7.21%	Beef sirloin	10.55%
		Peaches 410g	23.59%	Beef T-bone	12.37%
		Pears 410g	23.21%	Beef topside	12.94%
		Baby carrots 1kg	15.32%	Whole chicken - fresh	8.95%
				Chicken portions	18.04%
				Pilchards in tomato sauce 425g	30.63%
				Tuna 170g	38.42%

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Products whose prices increased at a rate lower than 6 % over the period under consideration include: maize meal special 5kg (4.05 %), green peas 1kg (4.39 %), tomatoes 1kg (4.07 %) and king korn 1kg (3.92 %). The products whose prices decreased during the same period include: onion 1kg (-14.73 %), potato 10kg (-33.47 %) and Long Life Milk full cream 1ℓ (-3.49 %).

Appendix A reports the average nominal prices for all food products covered in October 2007, July 2008 and October 2008; the percentage change from July 2008 to October 2008, as well as the year-on-year percentage change between October 2007 and October 2008. The main commodity prices are also reported to give readers a sense of the increase in procurement costs many food processors are experiencing.

The following trends are noteworthy:

- The year-on-year increase in the price of maize products was 7.62 %. Between July 2008 and October 2008, maize products experienced a 6.73 % average increase in price. However, during both periods, the maize commodity price declined by 1.94 % and 9.18 %, respectively. The lower maize commodity price should translate into lower prices of maize products, or at least slow the increase in price. Figure 1 shows the trends in the prices of maize meal super, maize meal special and maize. The changes in the prices of both maize meal super and maize meal special follow a similar pattern to that of the SAFEX price of white maize. The price of maize decreased between early 2004 and late 2005. Similarly, the price of maize meal decreased. Since then, the price of maize increased, peaking in mid-2008 i.e. at R2 005.75/ton in June 2008. During the same period, the price of maize super increased, however, it peaked three months later, i.e. at R23.01/5kg in September 2008. Similarly, the price of maize meal special peaked three months later at R19.13/5kg. Figure 1 shows that there is a relatively strong correlation between white maize prices and maize product prices.

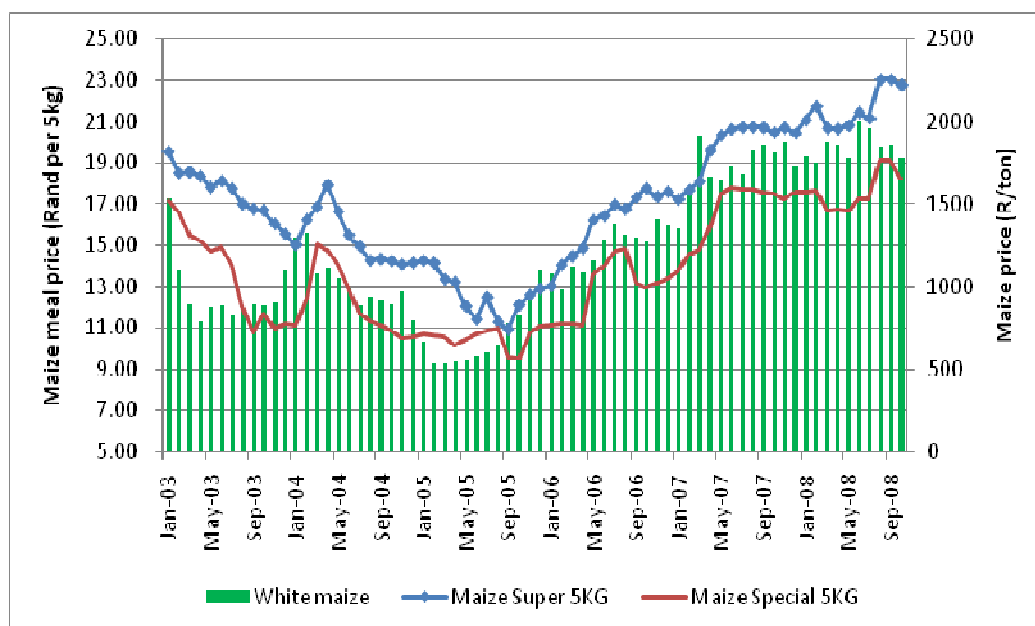


Figure 1: Comparison of maize and maize product prices

Source: SAFEX and AC Nielsen, 2008

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- The rate of increase for most wheat products appears to be decelerating. The year-on-year increases in brown and white bread prices were 35.26 % and 35.89%, respectively, which is lower than the previous year-on-year increases reported in the August 2008 Food Price Monitor (FPM) press release. Wheat products experienced average year-on-year price increases of 37.89 %, which is lower than the 45.36 % reported in the August 2008 FPM. Wheat prices declined significantly by 24.22 % between July 2008 and October 2008. The year-on-year decline in the wheat price was 1.61 %. Figure 2 shows trends in the prices of bread (brown and white) and wheat. The changes in the prices of both brown and white bread follow a similar pattern to that of the SAFEX price of wheat. In 2005 and 2006, the price of wheat initially only marginally increased, but then spiked significantly until early 2008. The price peaked in mid-2008 and declined in the second half of 2008 to R3 012/ton, as recorded in October 2008. A similar trend is evident for bread prices, but there is downward stickiness in retail prices at the end of the depicted period.

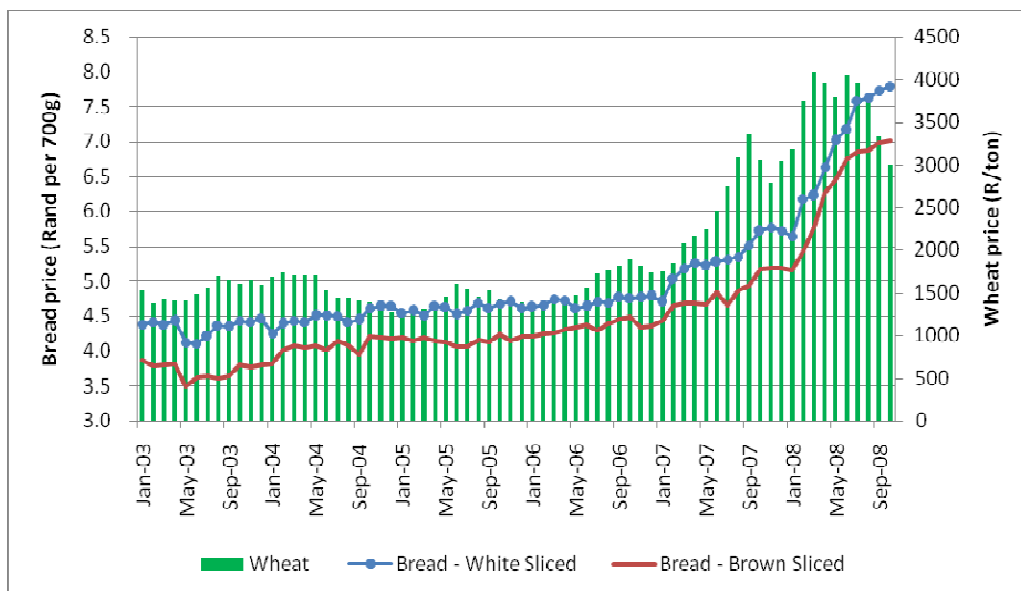


Figure 2: Trends in the prices of bread and wheat (January 2003 to October 2008)

Source: SAFEX and AC Nielsen, 2008

- Sunflower product prices increased, on average, by 60.55 %, which is lower than 72.07 % reported in the August 2008 FPM. The price of sunflower cooking oil increased by 69.14 %, which is lower than the increase (99.15 %) reported in the August 2008 FPM. During the same period (October 2007 to October 2008), the price of medium fat spread and brick margarine, increased by 48.75 % and 63.77 %, respectively.
- Dairy product prices increased, on average, by 7.85 %, which is significantly lower than the 17.90 % reported in the August 2008 FPM.
- Fresh meat prices increased, on average, by 12.79 % between October 2007 and October 2008. This is 1.88 percentage points lower than the corresponding rates reported in the August 2008 FPM. On the other hand, the rate of increase in the price of processed meat accelerated to 22.35 % during the same period.

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- On average, the prices of fresh vegetables showed a year-on-year increase of 10.63 %, which is 5.79 percentage points lower than the corresponding figure (16.42 %) reported in the August 2008 FPM. During the same period, the price of processed vegetables increased, on average, by 16.44 %, which is also lower than the corresponding figure (17.92 %) reported in the August 2008 FPM.
- Fruits experienced year-on-year average price increases of 13.99 %, which is 7.34 percentage points lower than the figure reported in the August 2008 FPM.
- While most of the food products experienced declining rates of inflation, the opposite scenario holds true for pilchards and other food products. The year-on-year increase in the price of pilchards was from 25.17 % (reported in the August 2008 FPM) to 34.53 %. On the other hand, the price of other products increased on average by 21.72 %, which is 2.68 percentage points higher than the figure reported in the August 2008 FPM.

3. Rural Food Price Trends: October 2007 to October 2008

Rural food price monitoring is executed throughout the country in over 180 stores and shops in rural areas. In this section, food price trends for 39 food items are summarised. (Some food items are reported in two or more units, e.g. the price change for a loaf of white bread is reported in two sizes, namely 600g and 700g.) The food products whose prices increased by more than the SARB target inflation rate of 6 %, between October 2007 and October 2008, are shown in Table 2.

Table 2: Products in rural areas that experienced higher than the inflation target increases in prices (October 07 to October 08)

Grain and grain products	%	Other products	%
Loaf of brown bread 600g	36.12%	Full cream long life milk 1L	29.34%
Loaf of brown bread 700g	37.14%	Full cream long life milk 500ml	9.72%
Loaf of white bread 600g	33.37%	Tagless tea bags 250g	7.96%
Loaf of white bread 700g	52.69%	Tagless tea bags 62.5g	16.95%
Maize meal 12.5kg	9.62%	Pilchards in tomato sauce 155g	26.71%
Maize meal 1kg	24.94%	Pilchards in tomato sauce 425g	20.98%
Maize meal 2.5kg	10.70%	Beans 1kg	22.56%
Maize meal 5kg	11.53%	Beans 500g	18.76%
Samp 1kg	22.06%	Butter beans 410g	15.12%
Samp 2.5kg	7.59%	Butter beans 420g	9.26%
Margarine 125g	30.18%	White sugar 1kg	14.27%
Margarine 250g	40.24%	White sugar 2.5kg	11.11%
Margarine 500g	57.55%	White sugar 500g	25.96%
Sunflower oil 2t	83.90%	Peanut butter 270g	17.01%
Sunflower oil 500ml	78.32%	Peanut butter 400g	19.03%
Sunflower oil 750ml	73.70%	Peanut butter 410g	20.90%
Instant coffee 100g	37.60%		
Instant coffee 250g	32.98%		
Rice 1kg	56.87%		
Rice 2kg	81.44%		
Rice 500g	67.19%		
Sorghum-meal 1kg	18.55%		
Sorghum-meal 500g	9.42%		

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Table 2 shows that most of the food products sold in the rural areas experienced double digit inflation between October 2007 and October 2008. Appendix B shows that all 39 food items sold in the rural areas experienced a year-on-year average price increase of more than 6 %. Between October 2007 and October 2008, price inflation of maize products slowed from 18 % to 14.41 %, while that of sunflower products slowed from 75.94 % to 60.65 %. During the same period, price inflation for wheat and rice accelerated to 39.83 % and 68.50 %, respectively. The next section provides a comparison of selected urban and rural food prices.

4. Comparison between Urban and Rural Food Prices (Selected Items)

Table 3 shows a comparison of urban and rural food prices for selected food items. With the exception of bread (brown and white) and margarine, all the food items shown in Table 3 were cheaper in urban areas than in rural areas in October 2007. In October 2008, brown bread and margarine were cheaper in the rural areas. In October 2007, people living in rural areas had to pay, on average, R3.69 more for a 5kg bag of maize meal than people living in urban areas. This increased further to R4.19 in October 2008. Consumers in rural areas paid R8.92 more than consumers in urban areas for the products shown in Table 3 in October 2007. This increased further to R10.47 in October 2008. The series of comparisons of rural and urban food prices shows that people buying from the shops in the rural areas pay more for food than those who buy from shops in the urban areas. Possible explanations for this trend - consumers in rural areas generally paying more for these selected food items than urban consumers - were highlighted in the July 2007 Food Price Monitor. (It is available at http://www.namc.co.za/pages/pub_published.htm).

Table 3: Comparison of urban and rural food prices (selected food items)

Product	Rural food prices (R)			Urban food prices (R)			Price difference (Oct-07)	Price difference (Oct-08)
	Oct-07	Jul-08	Oct-08	Oct-07	Jul-08	Oct-08	R/unit	R/unit
Loaf of brown bread 700g	4.96	6.64	6.80	5.19	6.86	7.02	-0.23	-0.22
Loaf of white bread 700g	5.65	7.45	8.63	5.74	7.58	7.80	-0.09	0.83
Maize meal 5kg	24.72	26.03	27.57	21.03	22.01	23.38	3.69	4.19
Margarine 500g	8.66	11.95	13.64	8.97	12.29	14.69	-0.31	-1.05
Peanut butter 410g	11.78	14.26	14.24	11.56	13.38	13.71	0.22	0.53
Pilchards in tomato sauce 425g	10.11	13.04	12.23	8.52	9.91	11.13	1.59	1.10
Rice 2kg	15.06	21.49	27.32	13.53	21.00	25.87	1.53	1.45
Sunflower oil 750ml	9.36	16.29	16.25	9.17	16.35	15.51	0.19	0.74
Tagless tea bags 62.5g	5.56	5.86	6.50	5.15	5.33	5.90	0.41	0.60
White sugar 2.5kg	17.10	17.85	19.00	15.17	15.74	16.71	1.93	2.29
Average							8.92	10.47

5. Overall Inflation and Food Inflation: South Africa and the World

South Africa experienced a higher rate of both overall and food inflation when compared to most other countries around the world. Between October 2007 and October 2008,

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South Africa experienced a 12.1 % and 16.7 % rate of overall and food inflation, respectively. Botswana's overall and food inflation rates were, respectively, 14.0 % and 20.5 % between August 2007 and August 2008. Transport experienced the highest rate of inflation among the different product categories (27.8 %).

China's overall inflation stayed at 4.0 %, between October 2007 and October 2008. During the same period, China's food inflation stayed at 8.5 % and was highest among specific product groups. Oils & fats and aquatic products experienced double digit inflation. Turkey experienced double digit inflation in terms of overall CPI (12.0 %) and CPI for food (11.7 %) during the same period, while Brazil experienced a 7.0 % and 13.1 % increase in the two CPI's, respectively. Brazil's 7.0 % rate of overall inflation is above the upper band of the inflation target of this country (2.5 % - 6.5 %).

Between October 2007 and October 2008 Canada's overall inflation stayed at 2.6 %, while its food inflation stayed at 6.1 %. The level of Canada's overall inflation is purported to be due to higher energy and food prices. During the same period, the United States and the United Kingdom experienced overall inflation rates of 3.7 % and 4.5 %, respectively. Their food inflation rates stayed at 6.1 % and 10.1 %, respectively. Australia experienced 5.0 % overall inflation and 3.4 % food inflation between September 2007 and September 2008.

Table 4: Overall inflation and food inflation

Country	Month of 2008	Overall inflation (%)	Food inflation (%)
Botswana	August	14.0	20.5
South Africa	October	12.1	16.7
China	October	4.0	8.5
Turkey	October	12.0	11.7
Canada	October	2.6	6.1
Brazil	October	7.0	13.1
United States	October	3.7	6.1
United Kingdom	October	4.5	10.1
Australia	September	5.0	3.4

Source: Central banks and statistics reporting institutions of these countries

6. Global Commodity Price Trends

World prices for cereals have been declining since March 2008. Figure 3 shows that the international price of wheat increased steeply from US\$203/ton in May 2007 to US\$481.5/ton in March 2008. This was followed by a steep decline to US\$266/ton in October 2008. Between October 2007 and October 2008 wheat prices declined, on average, by 24.75 %.

As with other commodities, the world price of sunflower oil moved sideways between January 2005 and April 2007, after which it experienced a steep price increase, peaking at US\$2045/ton in June 2008. This peak was followed by a steep decline to US\$1175/ton in September 2008. The sunflower oil price declined, on average, by 8.13 % between September 2007 and September 2008.

Figure 3 shows that the world price of maize has moved more or less sideways from January 2005 to September 2006, after which prices started to increase. From July 2007, the international maize price markedly increased, rising from US\$148.62/ton in

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July 2007 to US\$ 294.18/ton in June 2008. The price then declined to US\$ 185.79/ton in October 2008.

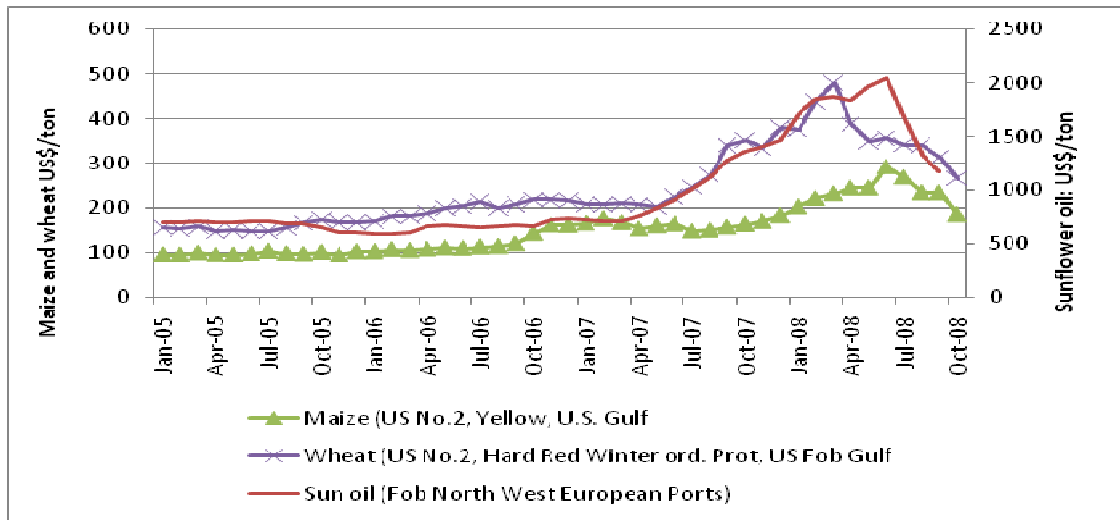


Figure 3: Nominal world cereal prices: January 2005 – October 2008

Source: Food and Agriculture Organisation (FAO) and SAGIS

Figure 4 shows the world price trends in skim milk powder and whole milk powder. The prices of these two products moved sideways in 2005 and even declined up until mid-2006. However, since September 2007, prices have increased steeply, peaking at US\$5150/ton and US\$4950/ton in July 2007 and October 2007, respectively. By September 2008, prices had declined to US\$ 3025/ton and US\$3262/ton, respectively. Between September 2007 and September 2008, the prices of these two commodities declined, on average, by 38.89% and 31.33 %, respectively.

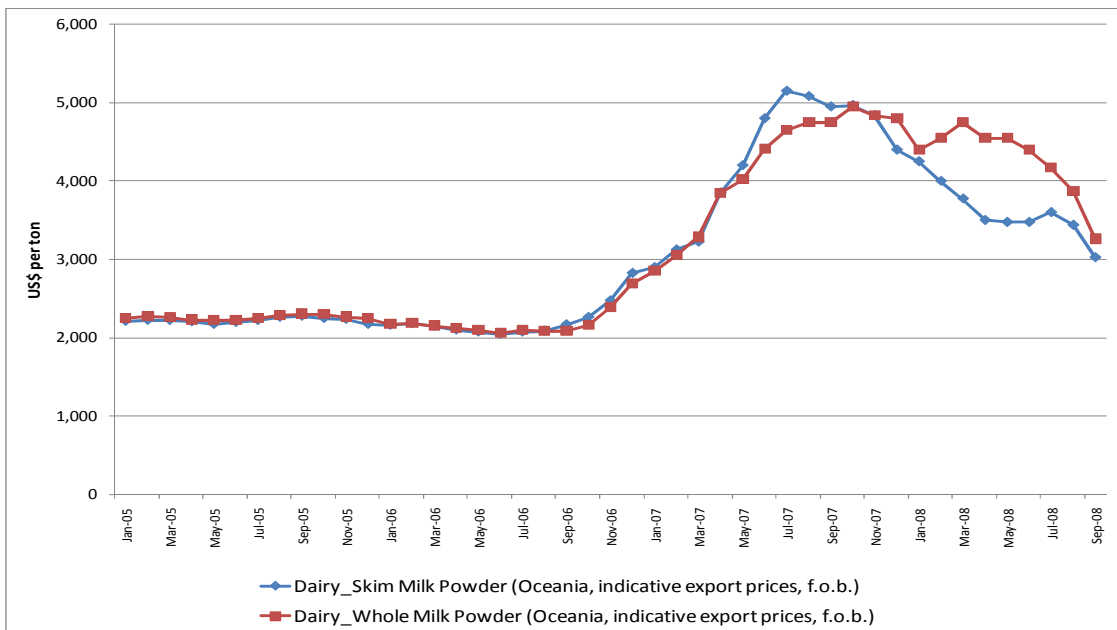


Figure 4: Nominal world dairy prices: January 2005 – September 2008

Source: UN-Food and Agricultural Organisation

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While cereals and dairy commodities experienced a remarkable increase, peaking in the first and second quarter of 2008, meat products did not experience the same type of price movement (See Figure 5). International poultry meat prices increased at a nearly constant rate from US\$1083/ton in April 2006 to US\$2131/ton in August 2008. Poultry products experienced an inflation rate of 45.56 % between August 2007 and August 2008. Pork prices increased, on average, by 14.62 %, while beef prices declined by 4.63% during the same period.

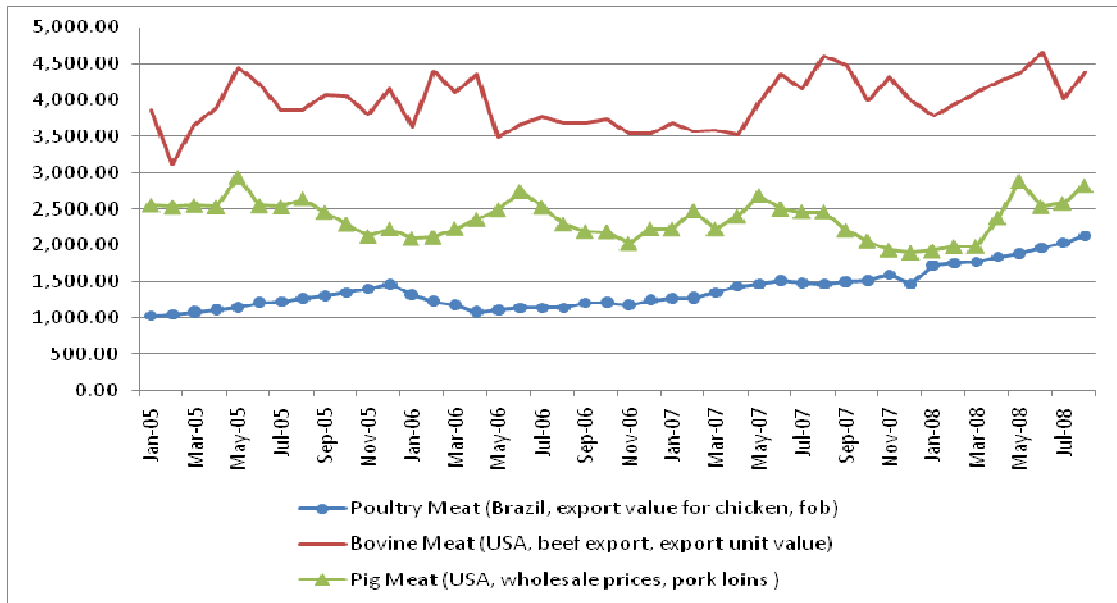


Figure 5: Nominal world meat price trends: January 2005 – August 2008

Source: UN-Food and Agricultural Organisation

7. Rice Market

Figure 6 illustrates world and domestic rice prices. The trends in world prices for white rice and white broken rice followed a similar pattern between January 2008 and October 2008. It is noteworthy that the world white rice price skyrocketed from US\$ 385/ton in January 2008 to peak at US\$ 962.60 in May 2008. Since then it has declined to US\$697.75/ton in October 2008. Between October 2007 and October 2008, the prices of white rice and white broken rice have increased, on average, by 106.74 % and 33.56 %, respectively. During the same period, the domestic rice price increased by 91.20 % and 68.50 % in the urban and rural areas, respectively. One of the reasons for the steep increase in rice prices in the first month of 2008 is the global rice shortage, which is associated with rice export bans by the top rice producers. World rice prices started to increase steeply in January 2008, and within a month, the domestic price followed suit. The world rice price has been in decline from June 2008 to October 2008, but the domestic rice price has not responded positively, and is still increasing while the world price is declining. This might be attributed to the Rand weakening against the US Dollar.

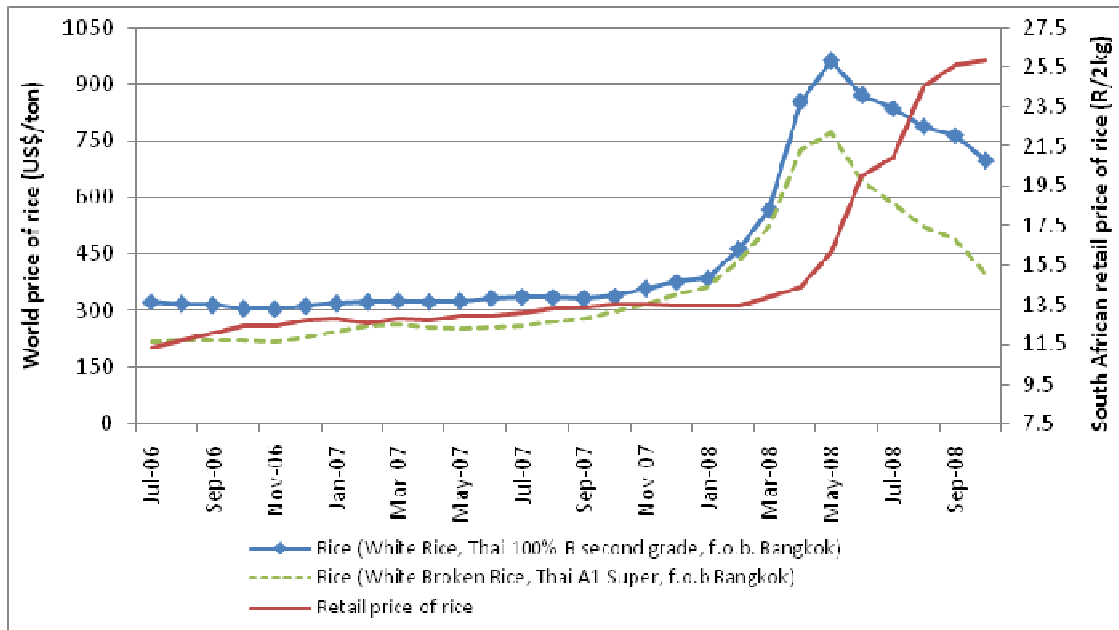


Figure 6: world and domestic rice price trends: July 2006 – October 2008

Source: UN-Food and Agricultural Organisation and Stats SA.

Figure 7 illustrates trends in the quantity of import and imports values of rice between 1996 and 2008. Between 1996 and 1998, South Africa imported less than 150 000 tons of rice per quarter, except in the fourth quarter of 1997. Rice imports fluctuated between 84 000 and 203 000 tons between the first quarter of 1996 and the second quarter of 2003. A sharp rise in rice imports was experienced in the fourth quarters of 2006 and 2007. In the first and second quarter of 2008, rice imports stayed at 204 000 and 149 000 tons, respectively. The import value of rice showed a consistent fluctuation between 1996 and 2005. Thereafter, the pattern was distorted, particularly in 2007 and 2008.

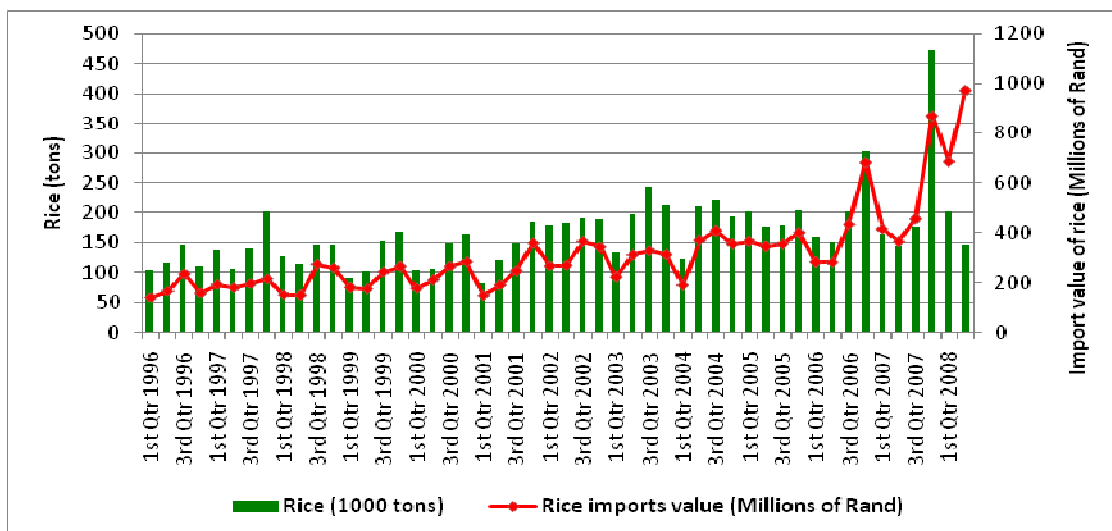


Figure 7: Rice imports and imports value between 1996 and 2008

Source: World trade atlas

8. Price Trends in the Domestic Potato Industry

This section reflects briefly on price trends in the potato industry at producer and retail level. Prices used in the following tables were obtained from Stats SA, AC Nielsen and Potatoes South Africa. (All prices were converted to indices to make comparisons easier.) Also note that there is always a danger in using price averages, but they at least show the direction of price movements.

Figure 8 shows price movements for average producer prices (class 1 medium) at the national Fresh Produce Markets (FPM) and at retail level (10kg and 7kg bags). It is clear that there was a significant drop in producer prices since October 2007 until May 2008. After May 2008, prices moved more or less sideways and started to increase again in August 2008. The retail prices of 10kg and 7kg bags followed more or less the same trend, but did not decline at the same rate. They also increased faster during the third and fourth quarters of 2008. Overall, the producer price at the FPMs declined by 47 %, while the consumer prices of the 10kg and 7kg bags dropped by 37 % and 35 %, respectively.

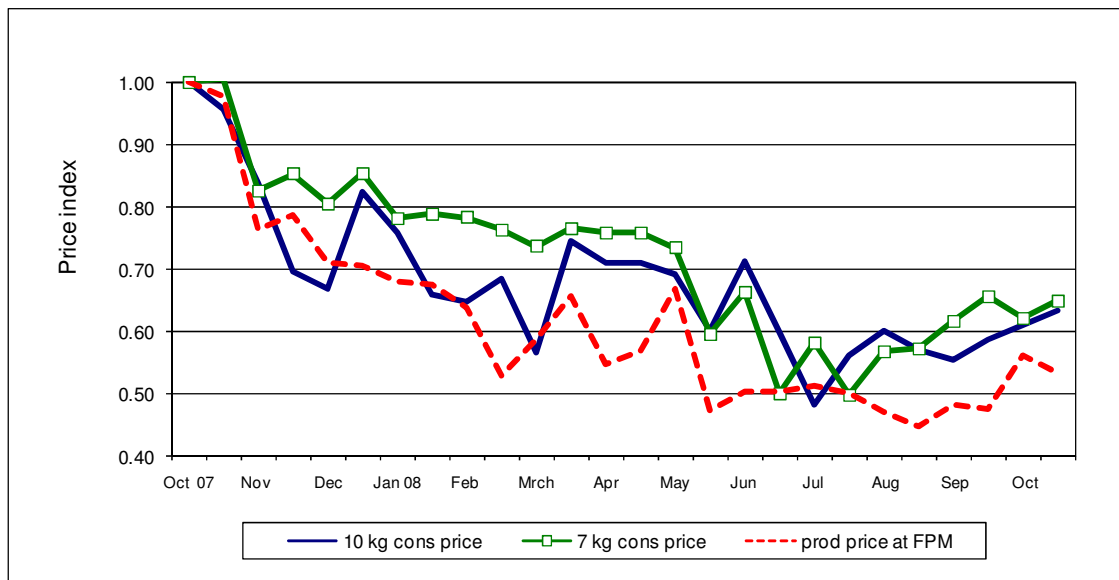


Figure 8: Trends in average potato producer prices at the Fresh Produce Markets, and 10kg and 7kg bags of potato at retail level

Note: Retail prices are only for Johannesburg, Durban, Port Elizabeth, Bloemfontein and Cape Town; Retail level price for 10kg bag is for medium potatoes.

Figure 9 compares the consumer price trends of 1kg, 2kg and 4kg bags with the average producer price of class 1 medium potatoes at the FPMs. It is clear that the price gap is significantly larger between the mentioned bags and the FPM price than what was the case in Figure 8. In the case of the 1 kg bags, prices more or less moved sideways from October 2007 to March 2008. (Average producer prices declined by nearly 40 % over the same period.) After March 2008, it showed a slow decline until the beginning of October 2008, after which it rebounded to levels similar to October 2007. The prices of 2kg and 4kg bags declined by 12 % and 33 %, respectively, over the depicted period; the average producer price declined by 47%.

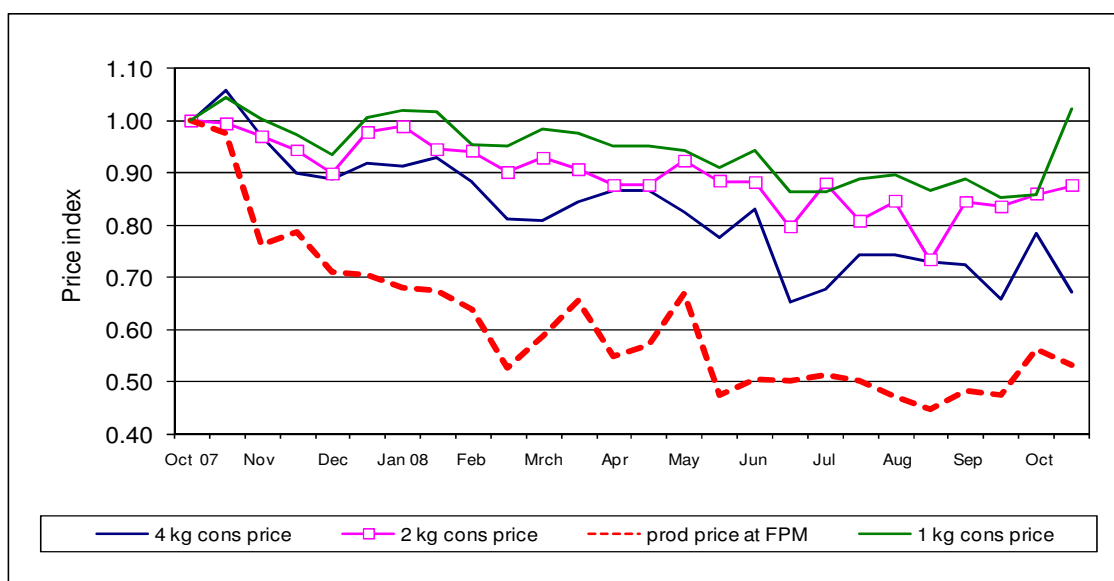


Figure 9: Trends in average potato producer prices at the Fresh Produce Markets, and 1kg, 2kg and 4kg bags of potato at retail level

Note: Retail prices are only for Johannesburg, Durban, Port Elizabeth, Bloemfontein and Cape Town

Another interesting issue that emerges from the data is that there are significant differences between the per unit (in this case per kilogram) price of the different bag sizes. Figure 10 shows the per kilogram consumer price for different bag sizes and the average producer price for class 1 medium. It is clear that as the bag size reduces, the price per kilogram increases. There is a relatively small difference between the price per kilogram for the 10kg and 7kg bags, whereas the price per kilogram increases substantially when looking at the 4kg and 2kg bags.

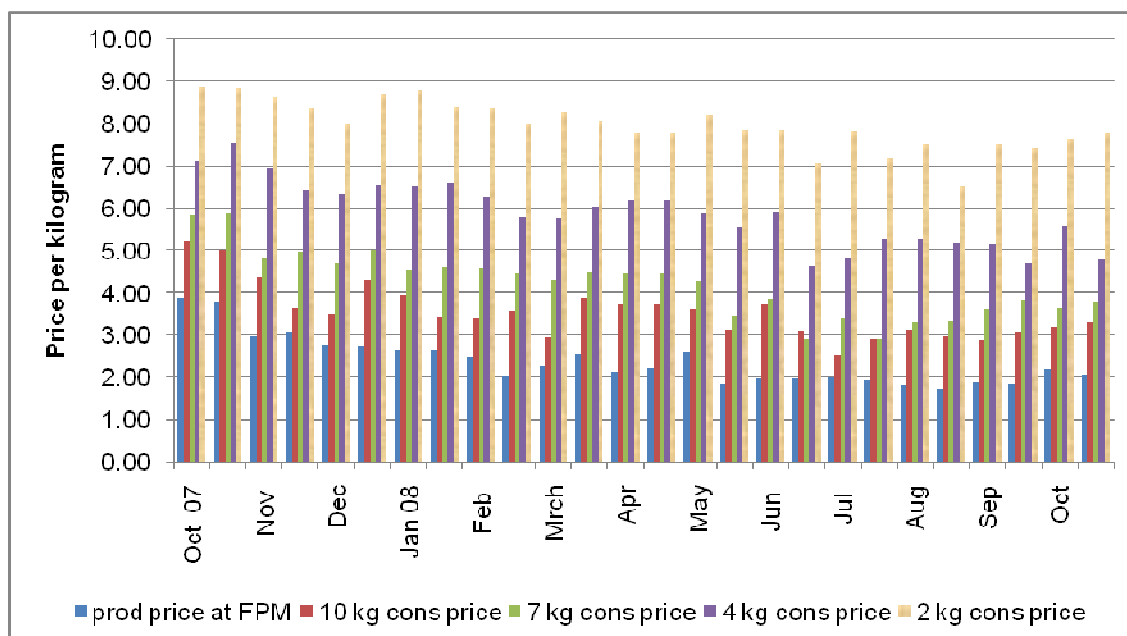


Figure 10: Comparison between the per kilogram prices for different bag sizes and the average producer price

From the above discussion it is clear that (i) producer prices and retail prices showed different trends on a year-on-year basis; (ii) the gap between producer and retail prices widened, in some instances significantly, and (iii) the per unit price for different bag sizes differs significantly. Factors that will affect the relationship between producer prices and retail prices of potatoes include, but are not limited to:

- Direct sourcing by retailers from producers;
- Distribution and packaging costs;
- The amount and quality of potatoes sourced through different marketing channels;
- Logistical structure and arrangements.

In an attempt to provide more insight into the reasons for the aforementioned issues, the NAMC are currently in consultation with stakeholders in the potato industry (i.e. producers and retailers). A more detailed analysis of these issues will be provided in the next Food Price Monitor early in 2009.

9. The Estimated Impact of Food Inflation on the Disposable Income of Different Income Groups in South Africa

In this section the impact of food inflation on household disposable income is investigated in more detail. To estimate the potential impact of food inflation on household disposable income, a detailed (static) household food expenditure model was developed. It is based on two reputable data sources (Stats SA, 2008; BMR Martins, 2006)¹, and it uses the same food basket that the NAMC uses to monitor food prices. The model was adjusted to reflect April 2007 expenditure levels by inflating food expenditure, with the year-on-year inflation figures for March 2006 to April 2007. To estimate the impact of food inflation on households during the period April 2007 to October 2008, household food expenditure data in the model was inflated according to the increases in prices of selected food items over the mentioned period.

The estimated additional consumer spending (across the different income deciles) on food due to increasing food prices during the period April 2007 to October 2008, is shown in Tables 5 and 6. Table 5 shows the monetary value of additional spending on food due to increasing food prices, while Table 6 shows the percentage increase in disposable income required by a household to maintain the status quo in terms of food consumption.

In absolute terms, wealthier households experienced the largest additional spending due to food inflation from April 2007 to October 2008. In other words, a household in Income Decile 10 - the most affluent households - would need an estimated additional R2 791 to maintain the status quo in terms of that household's food consumption. For a household in Income Decile 1 - the poorest household group - the additional money required amounts to about R1 187.

¹ The Stats SA survey: 'Income & Expenditure of households 2005/2006' and data on the detailed food expenditure of wealth groups in the South African population is developed by the Bureau of Market Research (Martins, 2006). The 'Income & Expenditure of households survey of 2005/2006' was released in 2008 by Stats SA, and it illustrates the food expenditure of the South African population on major food categories. It further divides the population into ten income deciles, each representing 10 % of the total South African population. The data provides monthly household expenditure data for the following main food categories: Bread & cereals; Vegetables; Fruit; Fats & Oils; Dairy products & Eggs; Meat; Fish; Sugar foods; and Hot beverages.

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However, cognizance should be taken of the fact that the amount of income spent on food as a percentage of total income differs considerably between different Income Deciles, i.e. poorer consumers spent a larger proportion of their income on food than more affluent consumers. Stated differently, an increase in food prices will affect poorer consumers proportionally more than wealthier consumers. This is illustrated in Table 6.

For example, the additional income required by poor households as a percentage of their original income due to inflation on bread and cereals amounts to 11.5 %, compared to 3.4 % and 0.2 % for households in Income Deciles 5 and 10, respectively. Moreover, disposable income of households in Income Decile 1 should be 22 % higher in October 2008 than in April 2007 if they want to maintain the status quo in terms of their food consumption behaviour. This is in stark contrast to households in Income Decile 10. Their income needs to increase by 0.5% to maintain the same level of food consumption.

Table 5: Estimated additional spending on main food groups due to inflation for the period April 2007 to October 2008 for different Income Deciles (Rands per household)

Food group	Income decile									
	1 (poorest)	2	3	4	5	6	7	8	9	10 (most affluent)
Bread & cereals	R 621	R 785	R 870	R 969	R 975	R 694	R 693	R 709	R 786	R 854
Meat	R 166	R 211	R 250	R 308	R 366	R 348	R 387	R 453	R 565	R 721
Vegetables	R 150	R 190	R 189	R 211	R 213	R 193	R 189	R 219	R 218	R 340
Dairy & eggs	R 65	R 78	R 85	R 104	R 114	R 141	R 164	R 204	R 285	R 396
Fats & oils	R 58	R 58	R 65	R 96	R 92	R 68	R 67	R 80	R 56	R 85
Fish	R 58	R 73	R 76	R 94	R 92	R 100	R 109	R 118	R 146	R 201
Sugar, jam, confectionary	R 41	R 51	R 59	R 67	R 66	R 61	R 61	R 64	R 40	R 63
Coffee, tea, cocoa	R 30	R 37	R 43	R 48	R 58	R 50	R 55	R 54	R 81	R 134
Fruit	-R 3	-R 4	-R 5	-R 5	-R 6	-R 4	-R 5	-R 6	-R 1	-R 3
TOTAL	R 1 187	R 1 478	R 1 633	R 1 892	R 1 970	R 1 652	R 1 719	R 1 895	R 2 176	R 2 791

Table 6: Estimated additional income required to maintain the status quo in terms of food consumption for the period April 2007 to October 2008 for different Income Deciles (percentage)

Food group	Income decile									
	1 (poorest)	2	3	4	5	6	7	8	9	10 (most affluent)
Bread & cereals	11.5%	6.5%	5.2%	4.4%	3.4%	1.8%	1.3%	0.8%	0.5%	0.2%
Meat	3.1%	1.8%	1.5%	1.4%	1.3%	0.9%	0.7%	0.5%	0.4%	0.1%
Vegetables	2.8%	1.6%	1.1%	1.0%	0.7%	0.5%	0.3%	0.3%	0.1%	0.1%
Dairy & eggs	1.2%	0.6%	0.5%	0.5%	0.4%	0.4%	0.3%	0.2%	0.2%	0.1%
Fats & oils	1.1%	0.6%	0.5%	0.4%	0.3%	0.3%	0.2%	0.1%	0.1%	0.0%
Fish	1.1%	0.5%	0.4%	0.4%	0.3%	0.2%	0.1%	0.1%	0.0%	0.0%
Sugar, jam, confectionary	0.8%	0.4%	0.4%	0.3%	0.2%	0.2%	0.1%	0.1%	0.0%	0.0%
Coffee, tea, cocoa	0.5%	0.3%	0.3%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.0%
Fruit	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	22.0%	12.3%	9.8%	8.6%	6.8%	4.3%	3.1%	2.2%	1.3%	0.5%

When considering the different food groups mentioned above, it is worth noting that rice and bread were the main contributors to increased spending by poor consumers in the bread and cereals group. It is interesting to note that maize meal had a less significant inflation contribution than rice and bread. In the vegetable category, the major inflation contributor was cabbage, while chicken made the largest contribution in the meat category.

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To further illustrate the impact of food inflation on consumers, the change in the cost of purchasing a typical food basket (as selected by the Food Price Monitoring Committee in 2003²) over time (April 2007 to October 2008) is illustrated (See Figure 11).

From April 2007 to October 2008, the nominal cost of a basic food basket rose steadily by R84 (33%) from R260 to R344. The food basket expressed as a share of the average monthly income of the poorest 30% of the population increased from 28% in April 2007 to 36% in October 2008.

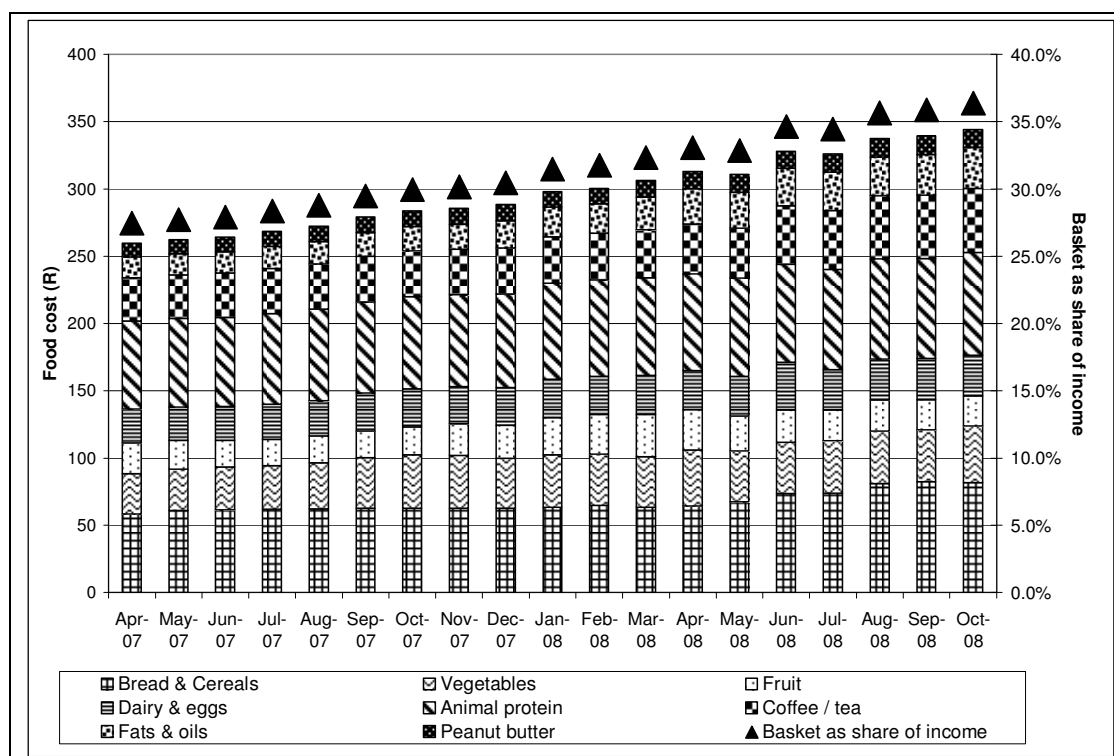


Figure 11: The cost of a typical consumer food basket for the period April 2007 to October 2008³

9. Outlook: December – February

Over the past two months world markets have slumped to such an extent that many fear the world economy will enter into a long and deep recession, which was last seen in 1929 in the U.S. markets. Many governments have come up with huge support packages in various forms in order to save big companies from going bankrupt. A number of very large and well-known companies have filed for bankruptcy and major financial institutions and insurance brokers are struggling to come to terms with the

² Loaf of white bread (700g); Loaf of brown bread (700g); Super maize meal (5kg); Special maize meal (5kg); Rice (2kg); Tinned butter beans (410g); Onions; Cabbage; Potatoes; Tomatoes; Apples; Bananas; Oranges; Pilchards in tomato sauce (425g); Whole fresh chicken; Stewing beef; Long Life Milk full cream (1ℓ); Extra large eggs (1.5 dozen); Sunflower oil (750ml); Brick margarine (500g); Peanut butter (410g); Ricoffy regular (750g) and black / ceylon tea - tagless tea bags (62.5g).

³ The cost of the typical food basket was expressed as a share of estimated average monthly income of Income Deciles 1 to 3 (poorest 30% of the population) as calculated from the Stats SA survey: 'Income & Expenditure of households 2005/2006'.

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financial losses that they have incurred over the past couple of months. In the previous outlook (September - November) it was mentioned that a considerable amount of uncertainty in the U.S markets could induce a lot of volatility in the exchange rate. This has in fact materialised, and the U.S and a number of other developed countries are struggling to avoid a full economic recession. The Rand has depreciated considerably over the past couple of months. The depreciation of the Rand has lessened the effect of the sharp decrease in world prices of hard and soft commodities (in Rand terms). A number of industry stakeholders argue that the latest Producer Price Index (PPI) figure suggests that the Reserve Bank could adjust local interest rates. It also shows that inflation is declining. However, despite the positive indications that inflation is declining, the Reserve Bank will be reluctant to decrease the prime rate too fast. This is on account of high fluctuations in the exchange rate, and the fear of secondary effects of the high inflation over the past six months.

Hard and soft commodity prices on world markets have continued to decline and in the past week the oil price has hit a three-year low of US\$50 per barrel. OPEC has announced cutbacks on production, but oil prices have not yet responded mainly due to overwhelmingly bearish demand fundamentals. In fact, the volatility due to the trade-off between tight supplies and bearish demand fundamentals can be identified in most of the soft and hard commodity markets. This trade-off will persist over the outlook period of three months because the inherent world market uncertainty is not of a short-term nature. For example, harvesting of maize in the U.S. has been grossly delayed by rain, with only 23 % of the harvest collected by 10 November compared to the typical 81 %. There is therefore more risk of damaged crops and quality deterioration, which could result in tightness of supply on world export markets. Similarly, world production of soybeans will be considerably smaller than previously estimated, and farmers in Brazil and Argentina are sharply cutting back on using fertilizer in the new planting season. This saves on production costs as they are experiencing excessively high input costs with a sharp decline in output prices. These are all factors that could cause prices to increase or at least stabilise.

On the other hand, biofuel plants in the U.S. are struggling with poor profit margins as ethanol prices have decreased sharply on the back of lower oil prices. This causes the demand for maize – used in ethanol production - to soften. Similarly, Brazilian, Argentinian and U.S. exports of soybean cake were cut by 14% from a year earlier, which clearly shows that less protein feed is demanded by the animal feed industry. The rapid increase in the demand for vegetable oils has also softened as Asian economies are also affected by the economic crises of developed countries. Another bearish fundamental driver on commodity markets is the shipping rates. Shipping rates have plummeted by almost 90% since July. This has caused a major decline in parity prices of importing and exporting nations.

Soft commodity prices on the local markets have decreased considerably over the past two months, with the exception of only a few. However, the recent trading patterns may suggest that the market could be in the process of building a bottom. The first intentions to plant have been published and did not cause a major upset in the market. There is a general shift out of maize production (-8.5%) to oilseed production. Similar trends were already published as early as June 2008 in the BFAP baseline. As the new planting season unfolds, a number of uncertainties influence commodity markets, especially crops like maize where local prices tend to fluctuate between import and export parity, depending on stock levels. Rainfall is the key variable to watch. Furthermore, important to note is that for the first five months of the 2008/09 marketing year, white maize consumption has increased by approximately 15% from a year earlier. One explanation

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for this drastic increase is that people are shifting back to basic staple maize meal consumption due to high food prices. This increase in white maize consumption will have a big impact on the stocks levels, which implies that the new season's planting and rainfall patterns are even more critical in the determination of maize prices over the outlook period. For November, above-normal rainfall was received in many summer production regions and plantings are well underway.

The outlook on meat prices remains relatively unchanged from the previous Food Price Monitor. The expectation is that prices will generally move sideways, with some marginal increases in cheaper types of meat where less consumer resistance is expected. The chicken and pork industries will, therefore, be favoured by the relative price levels between various types of meat. The impact of the weakening exchange rate is already evidenced by a sharp decrease in the level of imports for most types of meat. This at least provides breathing space for the local industry to sell off some of their stock and pass through slightly higher prices. Feed costs remain relatively high.

In summary, judging by the sharp decline in raw commodity prices, generally lower transportation costs and a softening demand for more expensive food items, a general decline in food prices seems plausible over the next three-month period. Yet, the volatility in the exchange rate and uncertain weather conditions could change this outlook drastically.

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APPENDIX A: DATA ON URBAN FOOD PRICE TRENDS⁴

Table A.1: Wheat products

Wheat Products	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Loaf of brown bread 700g	5.19	6.86	7.02	2.33%	35.26%
Loaf of white bread 700g	5.74	7.58	7.80	2.90%	35.89%
Cake flour 2.5kg	13.64	21.07	21.26	0.90%	55.87%
Spaghetti 500g	6.68	9.56	9.29	-2.82%	39.07%
Macaroni Plain 500g*	6.32	7.89	7.80	-1.18%	23.37%
Average				0.43%	37.89%
SAFEX Wheat R/ton	3,061	3,974	3,012	-24.22%	-1.61%

*Data from AC Nielsen

Table A.2: Maize products

Maize Products	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Maize Special 5kg*	17.51	17.21	18.22	5.89%	4.05%
Maize Super 5kg*	20.45	21.14	22.74	7.57%	11.19%
Average				6.73%	7.62%
SAFEX White maize R/ton	1,820	1,965	1,784	-9.18%	-1.94%

*Data from AC Nielsen

Table A.3: Sunflower products

Sunflower Products	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Sunflower oil 750ml	9.17	16.35	15.51	-5.14%	69.14%
Medium fat spread 1kg*	13.80	20.37	20.52	0.75%	48.75%
Brick margarine 500g	8.97	12.29	14.69	19.53%	63.77%
Average				5.05%	60.55%
SAFEX Sunflower R/ton	4604	5054	3500	-30.75%	-23.98%

*Data from AC Nielsen

Table A.4: Processed vegetables

Processed Vegetables	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Baked beans - tinned 420g	4.78	5.18	5.46	5.41%	14.23%
Butter beans 410g	6.92	8.53	8.73	2.34%	26.16%
Chopped peeled tomato 410g*	6.90	8.43	8.56	1.61%	24.17%
Tomato & onion mix 410g*	6.33	6.85	7.23	5.48%	14.26%
Canned Peas 410g*	5.32	6.13	6.24	1.82%	17.18%
Baby Carrots 1kg*	25.12	29.06	28.97	-0.29%	15.32%
Green Peas 1kg*	19.24	22.75	20.09	-11.69%	4.39%
Sliced Beans 1kg*	24.05	27.06	27.28	0.80%	13.41%

⁴ Note: Data in the tables was obtained from both AC Nielsen and Stats SA.

Data marked with * was obtained from AC Nielsen and data unmarked was obtained from Stats SA.

Processed Vegetables	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Super Juicy Corn 1kg*	22.89	25.88	27.19	5.06%	18.81%
Average				1.17%	16.44%

*Data from AC Nielsen

Table A.5: Fresh vegetables

Fresh Vegetables	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Carrots 1kg	6.94	8.22	7.83	-4.74%	12.85%
Onions 1kg	8.00	6.98	6.82	-2.29%	-14.73%
Potatoes 10kg	48.24	29.34	32.09	9.41%	-33.47%
Tomatoes 1kg	13.02	9.72	13.55	39.40%	4.07%
Sweet potatoes 1kg	7.72	8.35	9.20	10.18%	19.23%
Cabbage 1kg	4.75	6.62	6.05	-8.61%	27.48%
Lettuce 1kg	12.90	17.33	16.28	-6.06%	26.19%
Pumpkin 1kg	8.90	8.42	9.70	15.20%	8.94%
Cauliflower 1kg	12.96	17.85	18.81	5.38%	45.10%
Average				6.43%	10.63%

*Data from AC Nielsen

Table A.6: Processed meat

Processed meat	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Meatballs in gravy 400g	9.35	10.77	10.93	1.49%	16.87%
Picnic Ham 300g	17.77	20.06	20.26	0.98%	14.00%
Pork Sausage 1kg	32.15	44.58	46.07	3.34%	43.30%
Polony 1kg	18.99	20.82	21.88	5.09%	15.22%
Average				2.73%	22.35%

*Data from AC Nielsen

Table A.7: Fresh meat

Fresh meat	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Bacon 250 gram	17.15	18.65	19.70	5.63%	14.87%
Pork chops 1kg	45.20	49.76	51.34	3.18%	13.60%
Lamb chops 1kg	65.57	76.45	77.05	0.78%	17.50%
Lamb leg 1kg	59.59	67.73	70.10	3.50%	17.63%
Lamb shoulder 1kg	58.04	66.75	68.89	3.21%	18.69%
Beef brisket 1kg	37.37	41.24	41.66	1.02%	11.47%
Beef chuck 1kg	39.46	43.35	43.18	-0.39%	9.43%
Beef fillet 1kg	95.14	106.09	104.00	-1.97%	9.32%
Beef neck 1kg	35.19	37.90	38.27	0.98%	8.74%
Beef rump steak 1kg	63.78	72.85	69.66	-4.38%	9.21%
Beef shin 1kg	37.29	41.70	41.50	-0.48%	11.30%
Beef sirloin 1kg	61.89	70.01	68.42	-2.27%	10.55%
Beef t-bone 1kg	51.79	58.43	58.20	-0.39%	12.37%

Fresh meat	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Beef topside 1kg	47.20	52.28	53.31	1.97%	12.94%
Whole chicken-fresh 1kg	24.71	26.35	26.92	2.16%	8.95%
Chicken portions 1kg	30.21	34.73	35.66	2.68%	18.04%
Average				0.95%	12.79%

* Data from AC Nielsen

Table A.8: Dairy products

Dairy	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Total Butter 500g*	19.34	22.10	22.23	0.59%	14.91%
Fresh Milk Full Cream 1ℓ Sachet*	6.28	6.63	6.67	0.54%	6.19%
Fresh Milk Full Cream 2ℓ*	13.61	15.46	15.39	-0.44%	13.08%
Fresh Milk Low Fat 1ℓ Sachet*	6.45	6.94	6.85	-1.42%	6.20%
Fresh Milk Low Fat 2ℓ*	13.78	15.83	15.53	-1.92%	12.68%
LongLife Milk Full Cream 1ℓ*	8.49	8.31	8.20	-1.36%	-3.49%
Skimmed Powder Milk 1kg*	56.43	56.62	60.09	6.14%	6.48%
Cheddar cheese	66.93	70.62	71.45	1.18%	6.75%
Average				0.41%	7.85%

* Data from AC Nielsen

Table A.9: Fruits

Fruits	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Apples 1kg	8.69	9.51	9.50	-0.11%	9.31%
Bananas 1kg	6.57	7.62	7.00	-8.14%	6.63%
Oranges 1kg	5.50	6.02	5.90	-1.99%	7.21%
Peaches 410g	7.08	8.43	8.75	3.80%	23.59%
Pears 410g	8.36	9.97	10.30	3.31%	23.21%
Average				-0.63%	13.99%

Table A.10: Fish products

Fish products	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Pilchards in tomato sauce 425g	8.52	9.91	11.13	12.31%	30.63%
Tuna 170g	7.08	9.15	9.80	7.10%	38.42%
Average				9.71%	34.53%

Table A.11: Other products

Other products	Price level			Percentage change	
	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
King Korn 1kg*	9.08	9.43	9.44	0.15%	3.92%
Oats 1kg	16.13	17.17	17.51	1.98%	8.56%
Cereal Flakes 750g	22.71	24.65	26.42	7.18%	16.34%
Puffed rice 400g	18.21	19.79	21.30	7.63%	16.97%
White sugar 2.5kg	15.17	15.74	16.71	6.16%	10.15%
Rice 2kg	13.53	21.00	25.87	23.19%	91.20%
Ricoffy Reg 750g*	29.00	38.61	41.76	8.15%	43.98%
Tagless teabags 62.5g	5.15	5.33	5.90	10.69%	14.56%
Coca-cola soft drink 2l	11.53	12.17	12.30	1.07%	6.68%
Peanut butter 410g	11.56	13.38	13.71	2.47%	18.60%
Strawberry jam 450g	11.35	25.17	13.40	-46.76%	18.06%
Smooth apricot jam 450g	8.35	9.34	9.45	1.18%	13.17%
Soya Mince Tomato & Onion 200g*	6.14	7.41	7.98	7.64%	29.91%
Extra large eggs 1.5 dozen	19.64	21.70	22.00	1.38%	12.04%
Average				2.29%	21.72%

*Data from AC Nielsen

APPENDIX B: DATA ON RURAL FOOD PRICE TRENDS

Table B.1: Wheat products

Wheat products	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Loaf of brown bread 600g	4.94	6.36	6.72	5.68%	36.12%
Loaf of brown bread 700g	4.96	6.64	6.80	2.45%	37.14%
Loaf of white bread 600g	5.42	6.85	7.23	5.59%	33.37%
Loaf of white bread 700g	5.65	7.45	8.63	15.82%	52.69%
Average				7.38%	39.83%

Table B.2: Maize products

Maize products	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Maize meal 12.5kg	47.97	54.01	52.58	-2.64%	9.62%
Maize meal 1kg	5.47	6.41	6.83	6.64%	24.94%
Maize meal 2.5kg	12.43	13.79	13.76	-0.24%	10.70%
Maize meal 5kg	24.72	26.03	27.57	5.91%	11.53%
Samp 1kg	5.69	7.22	6.95	-3.74%	22.06%
Samp 2.5kg	12.34	12.98	13.27	2.22%	7.59%
Average				1.36%	14.41%

Table B.3: Sunflower products

Sunflower products	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Margarine 125g	3.89	8.52	5.06	-40.64%	30.18%
Margarine 250g	6.25	7.86	8.76	11.54%	40.24%
Margarine 500g	8.66	11.95	13.64	14.09%	57.55%
Sunflower oil 2L	20.57	38.74	37.83	-2.35%	83.90%
Sunflower oil 500ml	6.71	11.59	11.96	3.16%	78.32%
Sunflower oil 750ml	9.36	16.29	16.25	-0.23%	73.70%
Average				-2.40%	60.65%

Table B.4: Dairy products

Dairy products	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Full cream long life milk 1L	8.97	9.62	11.60	20.61%	29.34%
Full cream long life milk 500ml	5.78	7.26	6.34	-12.60%	9.72%
Average				4.00%	19.53%

Table B.5: Tea and Coffee

Tea and coffee	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Tagless tea bags 250g	14.96	15.73	16.15	2.67%	7.96%
Tagless tea bags 62.5g	5.56	5.86	6.50	10.78%	16.95%
Instant coffee 100g	7.45	8.31	10.25	23.37%	37.60%
Instant coffee 250g	15.37	17.82	20.44	14.75%	32.98%
Average				12.89%	23.87%

Table B.6: Pilchards

Pilchards	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Pilchards in tomato sauce 155g	5.34	8.01	6.77	-15.50%	26.71%
Pilchards in tomato sauce 425g	10.11	13.04	12.23	-6.15%	20.98%
Average				-10.82%	23.84%

Table B.7: Beans

Beans	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Beans 1kg	11.24	12.24	13.77	12.51%	22.56%
Beans 500g	7.01	8.00	8.33	4.09%	18.76%
Butter beans 410g	6.86	7.72	7.90	2.27%	15.12%
Butter beans 420g	6.07	6.51	6.64	1.95%	9.26%
Average				5.21%	16.43%

Table B.8: Sugar

Sugar	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
White sugar 1kg	7.49	8.27	8.56	3.54%	14.27%
White sugar 2.5kg	17.10	17.85	19.00	6.44%	11.11%
White sugar 500g	4.68	5.26	5.89	12.12%	25.96%
Average				7.37%	17.11%

Table B.9: Rice

Rice	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Rice 1kg	8.79	11.94	13.79	15.49%	56.87%
Rice 2kg	15.06	21.49	27.32	27.17%	81.44%
Rice 500g	4.06	6.46	6.79	5.14%	67.19%
Average				15.93%	68.50%

Table B.10: Peanut butter

Peanut butter	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Peanut butter 270g	9.52	11.17	11.14	-0.25%	17.01%
Peanut butter 400g	11.61	12.87	13.83	7.42%	19.03%
Peanut butter 410g	11.78	14.26	14.24	-0.12%	20.90%
Average				2.35%	18.98%

Table B.11: Sorghum meal

Sorghum products	Oct-07	Jul-08	Oct-08	Jul-08 to Oct-08	Oct-07 to Oct-08
Sorghum-meal 1kg	8.35	9.40	9.90	5.34%	18.55%
Sorghum-meal 500g	5.00	5.77	5.48	-5.05%	9.42%
Average				0.14%	13.99%