National Agricultural Marketing Council

Promoting market access for South African agriculture

Markets and Economic Research Centre

Food Price Monitor

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The basket of food products included in this publication is derived from the Income and Expenditure Survey (IES) of 2014/15', compiled by Statistics South Africa (Stats SA). This food basket is to be representative of consumer spending on food and, as a result of the IES 2014/15 release and the CPI base year (2016=100) adjustment, the food basket had since been altered.

Stats SA introduced additional products from January 2017 and excluded some of the pre-January 2017 products. The food basket has been adjusted to include some of these additional observations /products and as a result, annual comparisons are now possible.

Cognisance of the above background should be taken when interpreting the data.

EXECUTIVE SUMMARY

In April 2018, the Consumer Price Index (CPI) released by Statistics South Africa (Stats SA) indicated that the headline CPI and the food and non-alcoholic beverage price indices reached 4.5% and 3.9%, respectively. The same indices were at 3.8% and 3.5% respectively, during March 2018.

Prices were compared for selected food items in rural and urban for April 2018. Food items showing the largest price differences between urban and rural areas in April 2018 were: sunflower oil 750mℓ at a difference of R5.03, Ceylon/black tea 62.5g at R3.04 and margarine spread 500g at a difference of R0.48. This indicates that urban consumers paid more for some of these food items than their rural counterparts. In other cases, however, rural consumers paid more for certain products (e.g. white sugar 2.5kg, special maize meal 2.5kg and peanut butter 400g), than their urban counterparts.

The FAO Food Price Index (FFPI), in nominal terms, averaged 173.5 points in April 2018, nearly unchanged from March but up 2.7% from the corresponding period last year. While the prices of most cereals and dairy products continued to increase in April 2018, sugar prices fell further. Vegetable oil and meat markets also remained under downward pressure.

In April 2018, the nominal cost of the NAMC's 28-item urban food basket reached **R857.61**, increasing by 0.1%, from March 2018 (m-o-m) and by 1.2% from April 2017 (y-o-y).

When comparing April 2018 vs. April 2017 retail prices, very significant price inflation (7% or higher) were observed for the following products within the 28-item NAMC food basket (in order from highest to lowest inflation): beef mince, IQF chicken, tea, eggs and baked beans. Inflation was particularly prominent for animal protein foods, with potential negative implications in terms of dietary diversity and consumers' ability to include adequate animal protein foods options into their diets. When comparing the inflation rates for

April 2018 vs. April 2017 with January 2018 vs. January 2017 (i.e. the previous Food Price Monitor analysis period), the rate of inflation was higher for dairy and bean products only.

Moderate growth is expected for food prices over the next three months. With the exception of pork, meat inflation is projected to move sideways over the next three months. With global prices moving sideways, growth in local retail prices is likely to stem from increased processing and distributional cost, closely linked to the current elevated oil price levels. Although maize prices are still relatively low, the disinflationary trend, associated with bread and cereal, is expected to turn positive over the outlook period due to increases in manufacturing and distribution costs linked to oil. The disinflationary trend is expected to turn around in fruits due to the effect of the drought in the Western Cape. It is expected that egg prices will tend slightly lower over the next three months. It is however expected that the effect of the drought would be off-set by a favourable milk-to-maize price ratio in the milk industry and prices are expected to move sideways over the outlook period. A key factor that poses an upside risk to the projections above is international oil prices that could cause more rapid food inflation than anticipated.

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1. Introduction

In April 2018, the Consumer Price Index (CPI) released by Statistics South Africa (Stats SA) indicated that the headline CPI and the food and non-alcoholic beverage price indices reached 4.5% and 3.9%, respectively. The same indices were at 3.8% and 3.5% respectively, during March 2018. **Figure 1** shows trends of the headline CPI and food and non-alcoholic beverage inflation rates on a monthly basis, from January 2012 to April 2018.

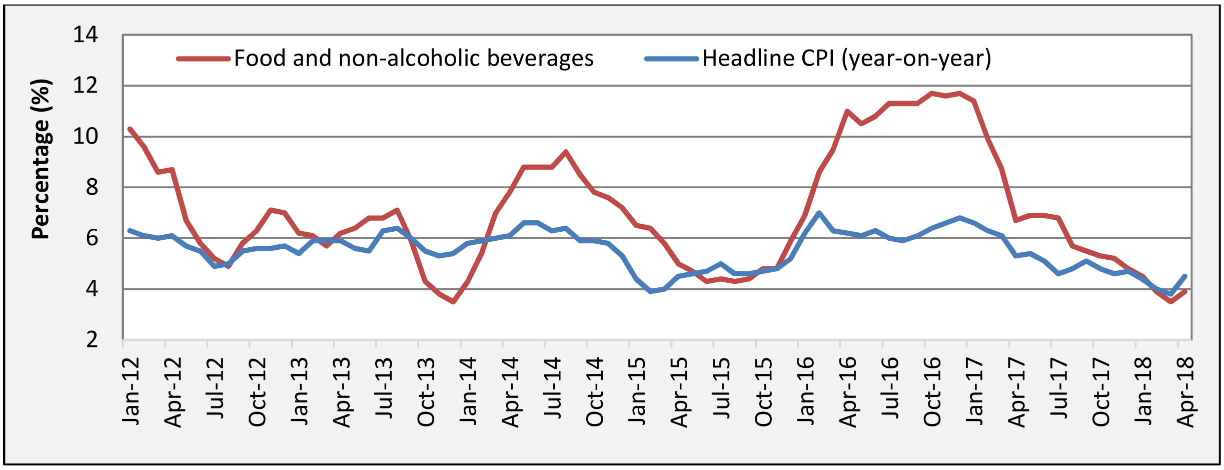

Figure 1: Headline CPI and food and non-alcoholic beverage CPI
Source: Stats SA, 2018

Figure 2 presents the components of food and non-alcoholic beverage inflation rates. The following components in the food and non-alcoholic beverages indices changed year-on-year (y-o-y), April 2018 vs. April 2017: sugar, sweets and desserts (-1.5%), milk, eggs and cheese (5.3%), fruit (-8.2%), meat (9%), other food (2.7%), fish (5.9%), processed foods (3.4%), unprocessed foods (4%), bread & cereals (-3.7%), vegetables (2.6%) and oils & fats (-1%). Also, indicated in **Figure 2** is the month-on-month (m-o-m) percentage changes for April 2018 vs. March 2018.

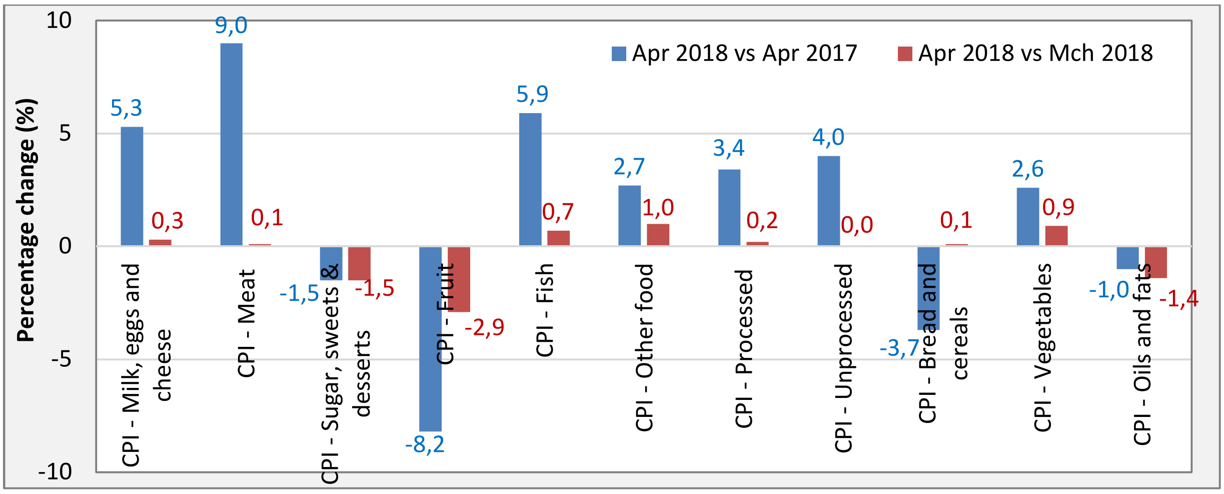

Figure 2: Y-o-y (April 2018 vs. April 2017) and m-o-m (April 2018 vs. March 2018) changes for different food categories
Source: Stats SA, 2018

2. Overall inflation and food inflation: South Africa and selected countries

Table 1 shows the y-o-y overall inflation and food inflation rates for April 2018 for South Africa and other selected countries. South Africa's overall inflation for April 2018 reached 4.5% with food inflation 3.9%. The food categories with the largest annual contribution to South African food inflation include meat and fish. The Zambian overall inflation rate for April 2018 reached 7.4%, while their food inflation rate reached 6.5%. Botswana's overall inflation rate reached 3.4%, compared to their food inflation of negative 0.1%, during April 2018. Turkey's overall inflation rate reached 10.9%, compared to their food inflation rate of 8.8%. Considering inflation rates of the BRIC countries, India reported the highest overall inflation rate of 4.6%, with a food inflation rate of 2.8%, while China recorded the lowest y-o-y inflation rate of 1.8%, with a food inflation rate of 0.7%.

Table 1: Overall inflation and food inflation during February 2018 to April 2018

	February 2018		March 2017		April 2018	
Country	Overall inflation (%)	Food inflation (%)	Overall inflation (%)	Food inflation (%)	Overall inflation (%)	Food inflation (%)
Botswana	3.2	0.4	2.8	0.1	3.4	-0.1
Brazil	2.8	-1.4	2.7	-1.6	2.8	-2.1
China	2.9	4.4	2.1	2.1	1.8	0.7
India	4.4	3.3	4.3	2.8	4.6	2.8
Namibia	3.5	2.0	3.5	2.7	3.6	2.9
Russia	2.2	0.5	2.4	1.1	2.4	1.5*
South Africa	4.0	3.9	3.8	3.5	4.5	3.9
Turkey	10.3	10.3	10.2	10.4	10.9	8.8
United Kingdom	2.7	3.0	2.5	3.0	2.4	2.7
United States	2.2	1.4	2.4	1.3	2.5	1.4
Zambia	6.1	4.6	7.1	5.8	7.4	6.5

Sources: Central banks and statistics reporting institutions of these countries, 2018
**Note: Forecasted value*

3. Urban and rural food price trends: April 2018 vs. April 2017

Tables 2 and **3** rank selected food items pertaining to urban and rural areas, according to their various inflation rates. The food products highlighted in **Table 2** are those with annual urban inflation rates exceeding the South African Reserve Bank's (SARB) inflation upper band of 6%:

Table 2: Food items in the urban areas ranked (April 2018 vs. April 2017)

Grain and grain products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Special maize 1kg	-30.94%	Beef offal - fresh per kg	-17.27%	Beetroot - fresh per kg	-15.49%
Loaf of brown bread (each)	-25.22%	IQF chicken portions - 4kg	-15.01%	Bananas - fresh per kg	-14.94%
Special maize 5kg	-25.07%	Polony per kg	-6.62%	Beans - dried 2kg	-10.69%
Special maize 2.5kg	-23.48%	Pork - ribs per kg	-5.45%	Cabbage - fresh each	-8.52%

Grain and grain products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Super maize 5kg	-22.05%	Full cream milk - long life 500mℓ	-1.89%	Oranges - fresh per kg	-8.14%
Super maize 2.5kg	-21.78%	Full cream milk - long life 6x1ℓ	-1.70%	Pumpkin - fresh per kg	-7.95%
Super maize 1kg	-18.24%	Pork chops - fresh per kg	-0.53%	Cabbage - fresh per kg	-5.34%
Special maize 10kg	-17.59%	Powdered milk 900g	0.29%	Beans - dried 1kg	-5.20%
Sunflower oil 4ℓ	-11.05%	Full cream milk - long life 1ℓ	0.87%	Beans - dried 500g	-3.63%
Sunflower oil 2ℓ	-10.07%	Beef rump steak - fresh per kg	1.13%	Sweet potatoes - fresh per kg	-2.32%
Loaf of brown bread 800g	-9.06%	Low fat milk - long life 1ℓ	1.39%	Tomatoes - fresh per kg	-1.74%
Brick margarine 125g	-8.95%	Sausage 500g	1.59%	Potatoes - fresh per kg	0.25%
Sunflower oil 500mℓ	-6.07%	Full cream milk - fresh 2ℓ	1.88%	Cauliflower - fresh per kg	1.47%
Loaf of brown bread 700g	-5.98%	Low fat milk - fresh 1ℓ	2.45%	Broccoli - fresh per kg	4.98%
Loaf of white bread 700g	-3.26%	Fish (excl. tuna) - tinned 215g	2.51%	Apples - fresh per kg	5.38%
Rice 2kg	-2.61%	Low fat milk - fresh 2ℓ	3.08%	Pears - fresh per kg	5.46%
Cold cereals 450g	-2.60%	Fish (excl. tuna) - tinned 400g	3.66%	Baked beans - tinned 410g	6.10%
Cake flour 1kg	-2.51%	Full cream milk - fresh 250mℓ	3.85%	Peaches - fresh per kg	6.82%
Rice 5kg	-2.20%	Beef fillet - fresh per kg	4.00%	Nectarines - fresh per kg	10.54%
Rice 500g	-2.16%	Powdered milk 250g	4.29%	Naartjies - fresh per kg	21.08%
Loaf of white bread 600g	-2.00%	Chicken portions - fresh per kg	4.52%	Onions - fresh per kg	24.26%
Brick margarine 250g	-1.79%	Fish (excl. tuna) - tinned 155g	4.74%		
Macaroni 500g	-0.89%	Full cream milk - fresh 1ℓ	4.95%		
Spaghetti 1kg	-0.88%	Corned beef 300g	5.35%	**Other**	**%**
Cake flour 2.5kg	-0.85%	Full cream milk - fresh 500mℓ	5.38%	White sugar 2kg	-8.20%
Brick margarine 500g	-0.28%	Whole chicken - fresh per kg	5.41%	White sugar 5kg	-5.07%
Cake flour 5kg	-0.22%	Powdered milk 400g	5.80%	White sugar 2.5kg	-4.90%
Sunflower oil 750mℓ	-0.09%	Cheddar cheese per kg	6.13%	Instant coffee 100g	-3.75%
Loaf of brown bread 600g	0.74%	Beef T-bone - fresh per kg	6.85%	Instant coffee 750g	-1.43%
Instant noodles 85g	0.77%	Low fat milk - long life 1,5ℓ	7.15%	White sugar 1kg	-0.59%
Brick margarine 1kg	0.84%	Ham 500g	7.63%	White sugar 500g	-0.19%
Spaghetti 500g	1.19%	Beef stew - per kg	7.69%	Instant coffee 250g	0.84%
Peanut butter 800g	1.40%	Beef sirloin - fresh per kg	7.74%	White sugar 10kg	1.52%
Instant noodles 78g	1.57%	Beef brisket - fresh per kg	8.77%	Ceylon/black tea 125g	2.75%
Rice 1kg	2.35%	Powdered milk 500g	9.00%	Ceylon/black tea 62.5g	2.90%
Cold cereals 750g	3.48%	Beef chuck - fresh per kg	9.26%	Instant coffee 500g	4.74%
Peanut butter 400g	3.86%	Chicken portions frozen - non IQF average per kg	9.33%	Instant coffee 200g	5.27%
Pasta 500g	3.96%	IQF chicken portions - 5kg	9.34%	White sugar 250g	8.38%
Cold cereals 500g	4.45%	Lamb - leg per kg	9.84%	Ceylon/black tea 250g	8.45%
Peanut butter 250g	4.78%	Eggs 0.5 dozen	9.89%	Ceylon/black tea 500g	19.07%
Rice 10kg	5.64%	IQF chicken portions - 2kg	10.92%	Ceylon/black tea 200g	31.68%
Pasta 1kg	6.70%	Beef mince - fresh per kg	12.09%		
Instant noodles 75g	6.82%	Lamb - loin chop per kg	12.33%		
Margarine spread 1kg	7.05%	IQF chicken portions - 1,5kg	13.35%		
Macaroni 1kg	7.58%	IQF chicken portions - 1,8kg	14.07%		
Loaf of white bread (each)	8.06%	Lamb - rib chop per kg	14.24%		
Margarine spread 500g	8.48%	Lamb - stew per kg	14.33%		
Instant noodles 73g	9.05%	Chicken giblets per kg	14.71%		
Cold cereals 375g	12.30%	Eggs 1.5 dozen	14.95%		

Grain and grain products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Cold cereals 400g	12.84%	Chicken portions frozen - non IQF per kg (real)	16.58%		
		Bacon 250g	17.17%		
		Lamb - offal per kg	17.40%		
		Lamb - fresh per kg	17.42%		
		Eggs 2.5 dozen	17.77%		
		Tuna - tinned 170g	18.38%		
		Lamb - neck per kg	18.89%		
		Eggs 2 dozen	29.38%		
		IQF chicken portions - 1kg	76.13%		

Source: Stats SA, 2018

Note: Food items highlighted in the table above experienced price increases above the South African Reserve Bank's (SARB) inflation target of 6%.

The food products highlighted in **Table 3** record selected products exceeding the SARB annual inflation rate of 6% in the rural areas.

Table 3: Food items in the rural areas ranked (April 2018 vs. April 2017)

Grain and grain products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Super maize 2.5kg	-21.26%	Low fat milk - fresh 1ℓ	-6.60%	Oranges - fresh per kg	-38.88%
Special maize 5kg	-20.16%	Full cream milk - fresh 500mℓ	-0.59%	Bananas - fresh per kg	-14.60%
Super maize 5kg	-20.09%	Fish (excl. tuna) - tinned 425g	0.00%	Potatoes - fresh per kg	-6.80%
Super maize 1kg	-15.37%	Fish (excl. tuna) - tinned 155g	0.54%	Beans dried 1kg	-6.68%
Special maize 2.5kg	-14.15%	Full cream milk - long life 1ℓ	1.32%	Beans dried 500g	-3.64%
Special maize 1kg	-13.19%	Full cream milk - long life 500mℓ	1.51%	Beans dried 2kg	-3.30%
Sunflower oil 2ℓ	-6.30%	Full cream milk - fresh 2ℓ	1.77%	Tomatoes - fresh per kg	-1.24%
Margarine spread (tub) 1kg	-4.48%	Full cream milk - fresh 1ℓ	4.14%	Apples - fresh per kg	5.64%
Brick margarine 500g	-3.96%	Low fat milk - fresh 2ℓ	4.24%	Onions - fresh per kg	12.70%
Sunflower oil 750mℓ	-3.70%	Beef fillet - fresh per kg	4.40%	Potatoes - fresh 10kg	41.63%
Rice 1kg	-2.21%	Beef chuck - fresh per kg	8.14%		
Peanut butter 800g	-1.71%	Beef brisket - fresh per kg	8.64%		
Peanut butter 270g	-1.26%	Beef T-bone - fresh per kg	11.27%	**Other**	**%**
Rice 500g	-1.23%	Beef rump steak -fresh per kg	13.76%	Ceylon/black tea 62.5g	-2.11%
Sunflower oil 500mℓ	-1.11%	Eggs 1/2 dozen	15.68%	Sorghum meal (e.g. mabella) 1kg	0.00%
Brick margarine 250g	-0.75%			Instant coffee 100g	0.24%
Peanut butter 400g	0.36%			White sugar 2.5kg	0.84%
Rice 2kg	1.10%			White sugar 1kg	2.70%
Loaf of brown bread 700g	1.34%			Instant coffee 250g	3.06%
Brick margarine 125g	1.67%			Instant coffee 750g	3.28%
Loaf of white bread 600g	1.67%			Ceylon/black tea 125g	3.95%
Loaf of white bread 700g	1.95%			Ceylon/black tea 250g	9.00%
Loaf of brown bread 600g	3.74%			White sugar 500g	10.48%
Margarine spread (tub) 500g	26.07%			Ceylon/black tea 200g	16.67%

Source: Stats SA, 2018

Note: Food items highlighted in the table above experienced price increases above the South African Reserve Bank's (SARB) inflation target of 6%.

A closer look at annual food price trends: April 2018 vs. April 2017

During the period April 2018 vs. April 2017, the international price of wheat (US No 2, Hard Red Winter ord. Prot., US Fob Gulf) increased by 28.8%, while the domestic wheat prices decreased by 12.7%. Urban consumers paid 6% less for a loaf of brown bread (700g) and 3.3% less for a loaf of white bread (700g), during the same period. Domestic yellow maize prices decreased by 1.1%, while international yellow maize prices increased by 12.3%. Super maize meal (2.5kg) decreased by 21.8%, while special maize meal (2.5kg) decreased by 23.5%, in urban areas. During the same period, the urban prices of sunflower oil (750mℓ) decreased with 0.1%. During April 2018, the domestic price of sunflower seed was R4 621.10/ton compared to the R4 489.60/ton price in April 2017, resulting in an annual increase of 2.9%.

During this period April 2018 vs. April 2017, the average meat producer prices experienced an increasing trend, with the exception of pork. The average beef producer prices (R/kg) of class A2/A3, class B2/B3 and C2/C3 increased by 0.7%, 11% and 11.2%, respectively. Lamb/mutton producer prices (R/kg) of class A2/A3, class B2/B3 and class C2/C3 increased by 8.7%, 19.9% and 16.6%, respectively. Producer prices of frozen, fresh and individually quick frozen (IQF) chicken portions (R/kg) increased by 2.2%, 1% and 1.8%, respectively.

The recent Listeriosis outbreak has led pork producer prices (R/kg) of porker and baconer to decrease by 19.6% and 29.1%, respectively, during April 2018 vs. April 2017. As polony has been identified as the primary product source of the outbreak, current trends indicate that polony (R/kg) has increased by 0.4% for the quarterly period February 2018 to April 2018, with an annual decline of 6.6%, when compared to April 2017.

4. Comparison between urban and rural prices: April 2018

Table 4 compares prices of selected food items in rural and urban areas for April 2018. Food items showing the largest price differences between urban and rural areas in April 2018 were: sunflower oil 750mℓ at a difference of R5.03, Ceylon/black tea 62.5g at a R3.04 difference and a margarine spread 500g at a difference of R0.48. This indicates that urban consumers paid more for some of these food items than their rural counterparts. In other cases, however, rural consumers paid more for certain products (e.g. white sugar 2.5kg, special maize meal 2.5kg and peanut butter 400g), than their urban counterparts.

Table 4: Comparison between urban and rural food prices (selected food items)

Product	Urban Food Prices April 2018	Rural Food Prices April 2018	Price difference R/unit
Full cream milk – long life 1ℓ	13.96	14.62	-0.66
Loaf of brown bread 700g	11.47	11.62	-0.15
Loaf of white bread 700g	13.05	12.70	0.35
Special maize 2.5 kg	18.90	20.66	-1.76
Super maize 2.5 kg	21.84	21.56	0.28
Margarine spread 500g	27.37	26.89	0.48
Peanut butter 400g	28.27	29.27	-1.00
Rice 2kg	25.36	25.80	-0.44
Sunflower oil 750mℓ	22.49	17.46	5.03
Ceylon/black tea 62.5g	14.89	11.85	3.04
White sugar 2.5kg	37.49	41.49	-4.00

Product	Urban Food Prices April 2018	Rural Food Prices April 2018	Price difference R/unit
Average			0.11

Source: Stats SA, 2018

5. International food prices

The Food and Agricultural Organization (FAO) of the United Nations (UN) publishes its food price index on a monthly basis. The food price index consists of five commodity group price indices, namely, the meat price index, the dairy price index, the cereals price index, the oils price index and the sugar price index. These indices are weighted with the average export shares of each of the groups for 2002 to 2004. In total, 55 commodity quotations, considered by FAO commodity specialists as representing the international prices of the noted food commodities, are included in the overall index. **Figure 3** shows the overall monthly **real (deflated)** FAO food price index from 2012 to 2018, with April 2018 reaching an index level of 148.27 percentage points.

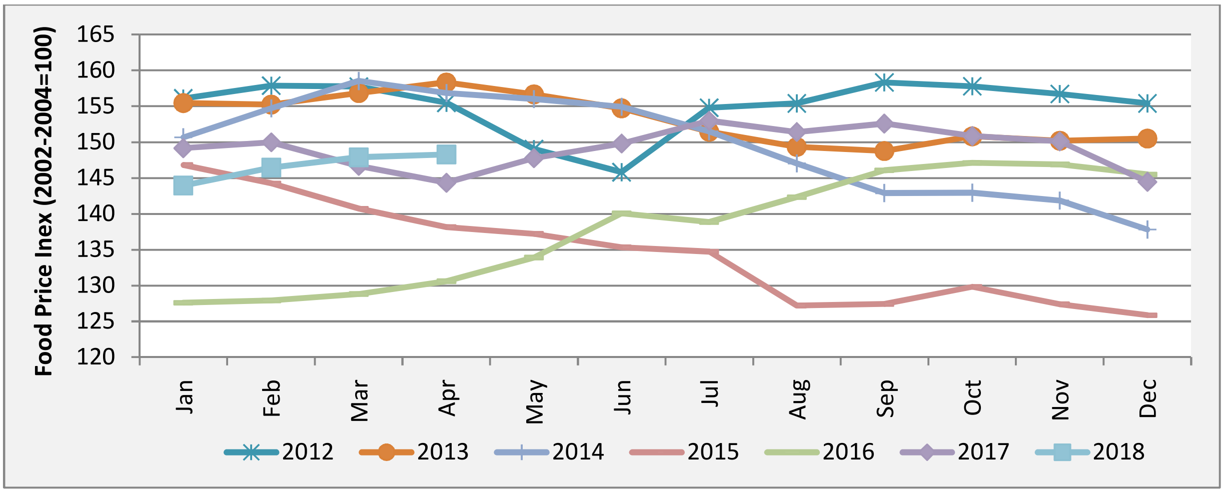

Figure 3: International monthly real food price index
Source: FAO, 2018

Figure 4 shows the monthly price indices for the five food categories in real terms. The m-o-m, April 2018 vs. March 2018, growth percentages of the Meat (-0.9%), Oils (-1.4%), and the Sugar (-4.8%) price indexes decreased, whilst the Dairy (+3.4%) and Cereals (+1.4%) price indexes, increased. When comparing April 2018 vs. April 2017, the Dairy and Cereals price indexes also reflected increasing trends in real terms, whilst the Meat, Oils and Sugar price indexes, reflected a decreasing trend.

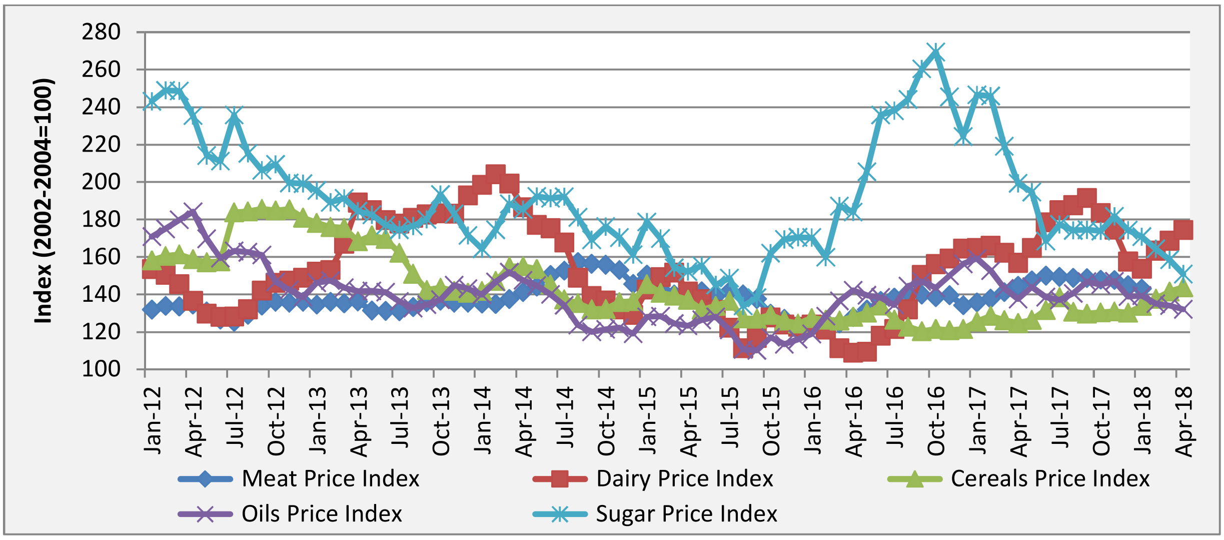

Figure 4: Real price indices for five food categories
Source: FAO, 2018

The **FAO Food Price Index (FFPI)**[1], in nominal terms, averaged 173.5 points in April 2018, nearly unchanged from March but up 2.7% from the corresponding period last year. While the prices of most cereals and dairy products continued to increase in April 2018, sugar prices fell further. Vegetable oil and meat markets also remained under downward pressure.

The **FAO Cereal Price Index**, in nominal terms, averaged 168.5 points in April 2018, 1.7% (2.8 points) higher than in March 2018 and some 15.4% above its value in April 2017. The Index has followed an upward trend for the fourth consecutive month, with prices of wheat, coarse grains and rice all gaining momentum in recent months. In the case of wheat, weather-related risks, especially in the United States, and robust trade provided support to prices, while expectations of lower plantings in the United States, on the backdrop of drought-reduced production in Argentina, continued to push up international maize prices. Rice prices, on the other hand, increased, following a fresh round of public purchases by Indonesia and the launch of a state import tender by the Philippines.

The **FAO Vegetable Oil Price Index,** in nominal terms, averaged 154.6 points in April 2018, entailing a 1.4% decrease, m-o-m, which mainly reflects developments in the markets of palm, soy and sunflower oils. International price quotations of palm oil (the oil carrying the highest weight in the index) declined on slowing demand growth and prospective seasonal production gains in Southeast Asia. Meanwhile, soy oil values weakened further, reflecting persistently strong crushing levels among key producers. Conversely, sunflower oil prices firmed, fuelled by expectations of tightening global export supplies.

The **FAO Dairy Price Index,** in nominal terms, averaged 204.1 points in April 2018, up 6.7 points (3.4%) from March 2018, representing the third successive month of increase. With this latest rise, the index is over 11% above its level in the corresponding month last year. The upward price trend reflects robust import demand for all milk products, combined with market apprehensions regarding export availabilities in New Zealand following a bigger than anticipated decline in its milk output.

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[1]*Unlike for other commodity groups, most prices utilized in the calculation of the FAO Meat Price Index are not available when the FAO Food Price Index is computed and published; therefore, the value of the Meat Price Index for the most recent months is derived from a mixture of projected and observed prices. This can, at times, require significant revisions in the final value of the FAO Meat Price Index which could in turn influence the value of the FAO Food Price Index.*

The **FAO Meat Price Index**[2], in nominal terms, averaged 169 points in April 2018, down 1.6 points (0.9%) from a slightly revised value for March 2018. At this level, the index is almost equal to its value in April 2017. During the month, bovine and pork prices decreased slightly, while those of ovine and poultry meat remained stable. Larger exports from the Americas underpinned the decrease in bovine meat prices, while slackened import demand caused pork prices to ease.

The **FAO Sugar Price Index,** in nominal terms, averaged nearly 176.6 points in April 2018, down 8.9 points (4.8%) from March 2018 and as much as 24% lower than its April 2017 value. Continued declines in sugar price quotations since December 2017 are largely a reflection of a supply glut in the sugar market, especially in view of record outputs in Thailand and in India, the world's second largest sugar producing country. Additional downward pressure stemmed from a depreciation of the Brazilian currency (Real) with respect to the US Dollar, coupled with anticipated government support measures in India and Pakistan geared at boosting sugar exports.

6. Estimated impact of food inflation on consumers

The estimated impact of food inflation on consumers

The purpose of this section is to illustrate the impact of food inflation on consumers. The analysis presented in this section is based on the nominal cost of a 28-item NAMC food basket[3] (as originally compiled by the Food Price Monitoring Committee in 2003, revised in January 2017), based on monthly average food price data for the period April 2018 vs. April 2017.

In April 2018, the nominal cost of the NAMC's 28-item urban food basket reached **R857.61**, increasing by 0.1%, from March 2018 (m-o-m) and by 1.2% from April 2017 (y-o-y). The cost of this food basket expressed as a share of the average monthly income[4] of the poorest 30% of the population was 57.6% in March 2018 and April 2018, and 57% in April 2017. The cost of the food basket expressed as a share of the average monthly income of the wealthiest 20% of the population was 3.1% in March 2018 and April 2018, and 3% in April 2017 (**Figure 5**).

[2]*Unlike for other commodity groups, most prices utilized in the calculation of the FAO Meat Price Index are not available when the FAO Food Price Index is computed and published; therefore, the value of the Meat Price Index for the most recent months is derived from a mixture of projected and observed prices. This can, at times, require significant revisions in the final value of the FAO Meat Price Index which could in turn influence the value of the FAO Food Price Index.*

[3]*Composition of the NAMC food basket: Apples fresh (per kg), Baked beans tinned (410g), Bananas fresh (per kg), Beans dried (500g), Beef mince fresh (per kg), Beef offal fresh (per kg), Bread loaf brown (700g), Bread loaf white (700g), Cabbage fresh (per kg), Cheese cheddar (per kg), Chicken giblets (per kg), Chicken portions IQF (2kg), Coffee instant (250g), Eggs (1.5 dozen), Fish (excl. tuna) tinned (400g), Maize meal super (5kg), Margarine brick (500g), Milk full cream long life (1ℓ), Onions fresh (per kg), Oranges fresh (per kg), Peanut butter (400g), Polony (per kg), Potatoes fresh (per kg), Rice (2kg), Sugar white (2.5kg), Sunflower oil (750mℓ), Tea Ceylon/black (250g) and Tomatoes fresh (per kg).*

[4]*The cost of the typical food basket was expressed as a share of estimated average monthly income of Expenditure Deciles 1-3, the poorest 30% of the population, as calculated from the Stats SA Living Conditions Survey 2014/15 (household income estimated by total expenditure of households on all items).*

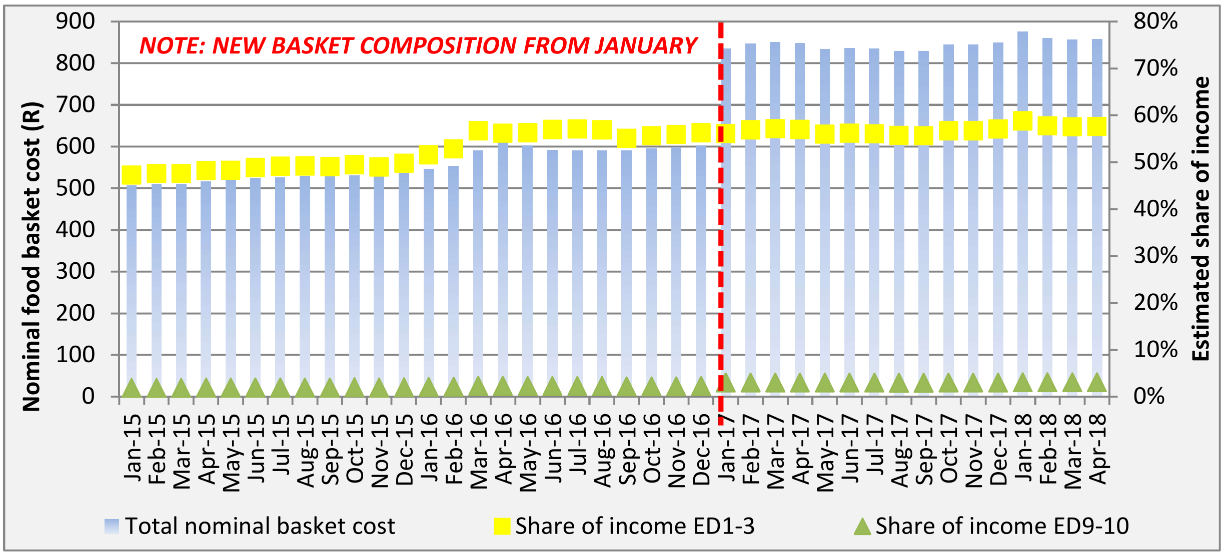

Figure 5: The cost of a typical consumer food basket for the period January 2015 to April 2018, expressed in nominal terms and as share of the average income of the poorest 30% of households (Expenditure Deciles [ED] 1-3) and the wealthiest 20% of households ([ED] 9-10)

Sources: BFAP calculations, Stats SA 2018

**Note: New basket composition from January 2017*

To further explore the impact of inflation on consumers, **Figure 6** presents an illustration of the average nominal cost growth of specific food groups within the 28-item NAMC food basket, comparing the periods April 2018 vs. April 2017 (y-o-y) and April 2018 vs. March 2018 (m-o-m). The following food categories in this basket experienced increased annual inflation: dairy & eggs, coffee & tea, animal protein, vegetables, and bean products.

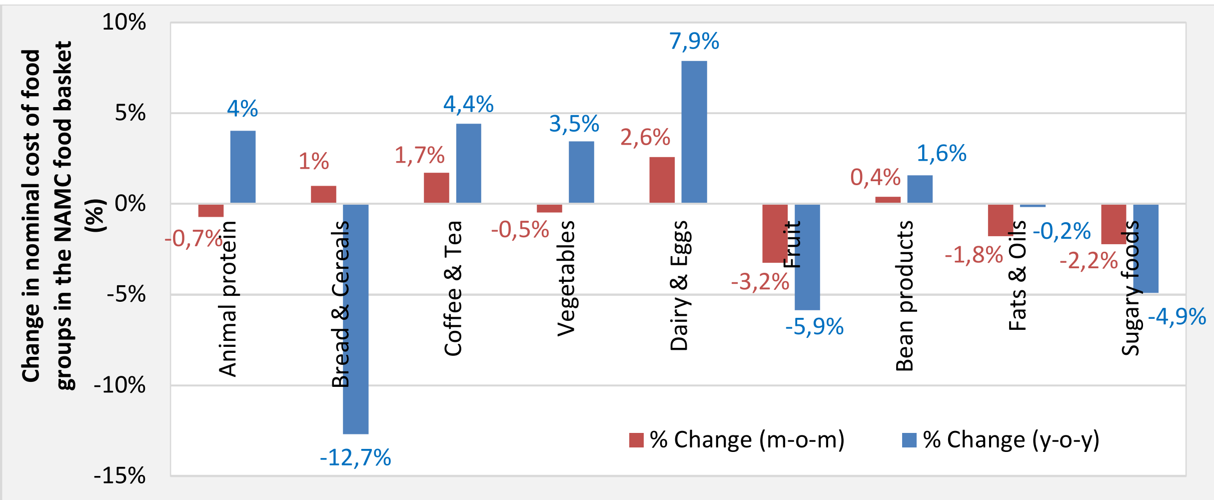

Figure 6: Nominal cost growth of specific food groups within the 28-item NAMC food basket, comparing April 2018 vs. April 2017 and April 2018 vs. March 2018

Sources: BFAP & NAMC calculations, Stats SA data, 2018

The various food groups within this food basket are discussed in more detail in **Table 5** below.

Table 5: Overview of inflation contributing foods within the 28-item NAMC food basket, April 2018 vs. April 2017

Food group:	Overall inflation rate:		Major contributors to inflation in this category:	Minor contributors to inflation in this category:	Non-contributors to inflation in this category:	Comments:
	Apr 2018 vs. Apr 2017	Jan 2018 vs. Jan 2017*				
Animal protein	+4%	+11%	Beef mince (+12.1%) Chicken giblets (+14.7%) IQF chicken portions (+10.9%) Tinned fish (+3.7%)	None	Beef offal (-17.3%) Polony (-6.6%)	High inflation on beef mince, chicken and tinned fish.
Bread and cereals	-12.7%	-13.9%	None	None	Brown bread (-6.0%) White bread (-3.3%) Rice (-2.6%) Maize meal (-22.1%)	Deflation on all staple options.
Vegetables	+3.5%	+9%	Onions (+24.3)	Potatoes (+0.2%)	Tomatoes (-1.7%) Cabbage (-5.3%)	High inflation on onions
Fruit	-5.9%	-4.7%	Apples (+5.4%)	None	Oranges (-8.1%) Bananas (-14.9%)	Some inflation on apples, deflation on oranges and bananas.
Dairy	+7.9%	+5.5%	Cheddar cheese (+14.9%)	Full cream milk (+0.9%)	None	Inflation on the price of cheddar cheese and eggs.
Eggs	+6.1%	+22.5%	Eggs (+6.1%)	None	None	
Fats and oils	-0.2%	-0.3%	None	None	Sunflower oil (-0.1%) Brick margarine (-0.3%)	Price deflation on margarine and sunflower oil.
Bean products	+1.6%	-0.1%	Baked beans (+6.1%) Peanut butter (+3.9%)	None	Dried beans (-3.6%)	Some inflation on baked beans and peanut butter.
Coffee and tea	+4.4%	+4.7%	Ceylon/black tea (+8.5%)	Instant coffee (+0.8%)	None	Inflation on tea.
Sugary foods	-4.9%	+2.6%	None	None	White sugar (-4.9%)	Price deflation on white sugar.

Sources: BFAP calculations, Stats SA 2018

**Note: Previous Food Price Monitor analysis period prior to April 2018 vs. April 2017 comparison*

When comparing April 2018 vs. April 2017 retail prices, very significant price inflation (7% or higher) were observed for the following products within the 28-item NAMC food basket (in order from highest to lowest inflation): beef mince, IQF chicken, tea, eggs and baked beans. Inflation was particularly prominent for animal protein foods, with potential negative implications in terms of dietary diversity and consumers' ability to include adequate animal protein foods options into their diets. When comparing the inflation rates for April 2018 vs. April 2017 with January 2018 vs. January 2017 (i.e. the previous Food Price Monitor analysis period), the rate of inflation was higher for dairy and bean products only.

The impact of inflation on very poor consumers is further explored below, based on the typical portion sizes of very poor consumers of the five most widely consumed food items in South Africa represented by maize porridge, brown bread, sugar, tea and full cream milk (National Food Consumption Survey - Steyn & Labadarios, 2000[5]; Oldewage-Theron et al, 2005[6]). **Figure 7** illustrates the estimated portion costs for these foods, calculated from monthly food price data for April 2018 vs. April 2017. Similar to other Food Price Monitor analysis periods, the significant cost contribution of maize meal and bread to the typical basic daily food selection for poor consumers are emphasised by the results in **Figure 7.**

Despite the relatively low actual food weight contribution of bread to this 'food plate', the bread component costs more than the maize porridge component (about 47% more in this case for April 2018). When comparing the costs associated with the typical portion sizes of very poor consumers for the five most widely consumed food items in South Africa, based on April 2018 vs. April 2017 prices, the results in **Figure 7** indicated deflation of approximately 9.8% (from R6.22 to R5.61 for the selection of portions). Significant deflation in maize meal with some deflation on brown bread and sugar, contributed to the deflation observed on this 'food plate'. Comparing April 2018 vs. March 2018, the costs associated with the typical portion sizes of very poor consumers for the five most widely consumed food items in South Africa, increased by 0.6%.

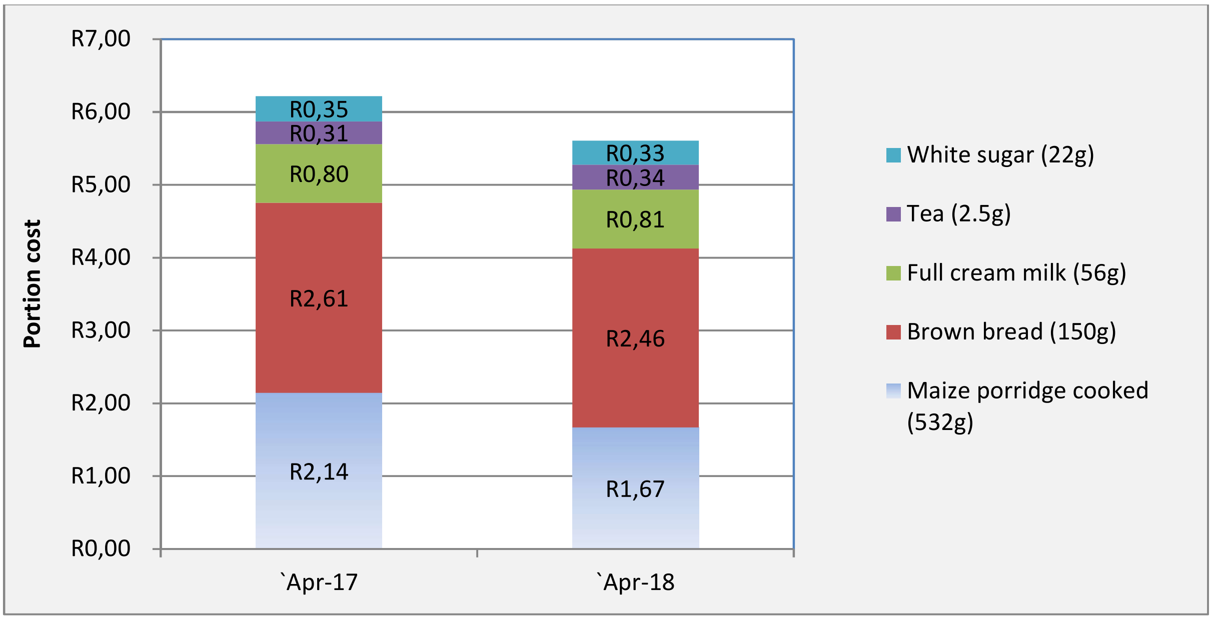

Figure 7: Average nominal cost for the typical portions of the five food items most widely consumed by very poor consumers in South Africa, April 2018 vs. April 2017
Sources: BFAP calculations, Stats SA 2018

[5]*Steyn NP, Labadarios D. National Food Consumption Survey: Children aged 1–9 years, South Africa, 1999. Cape Town: The Department of Health Directorate Nutrition, 2000*
[6]*Oldewage-Theron W, Dicks E, Napier C, et al. Situation analysis of an informal settlement in the Vaal Triangle. Development Southern Africa 2005; 22 (1): 13-26*

7. Outlook

Food inflation for April 2018 was reported at 3.7%, a slight increase from March, with recorded food inflation of 3.5%. This acceleration was to a large extent expected, due to the various tax increases implemented on the 1st of April. The most notable of these are the 1% VAT increase and a substantial increase in the fuel levy. Although there is a consensus amongst analysts that March was a turning point for (food) inflation, it is expected that there will only be moderate growth in food prices over the next three months. Outlooks for a selection of the sub-categories of CPI-Food, based on the fundamental factors in each sector, are presented below:

- With key meat products such as poultry and beef being firmly linked to global markets through trade, the exchange rate is a crucial driver of local meat prices. Meat inflation was recorded at 9% for April 2018. The sustained elevated level of meat inflation in this period was supported by a slightly weaker exchange rate, compared to quarter 1 of 2018, and strong(er) meat demand usually associated with periods such as Easter and Christmas. With the exception of pork, meat inflation is projected to move sideways over the next three months. With global prices moving sideways, growth in local retail prices is likely to stem from increased processing and distributional cost, closely linked to the current elevated oil price levels. Pork, in turn, has experienced substantial price decreases as a result of the Listeriosis outbreak. Due to processing facilities being off-line, more pork products are supplied into the fresh chain. This have caused prices to plummet. This could serve as a dampening factor on general meat inflation, although the effect is not expected to be substantial due to the small market share of pork in the meat complex.
- Bread and cereal products have displayed disinflation in April 2018. This is, most probably, the most important reason for the muted food inflation rates that we have been experiencing over the last six months. Although maize prices are still relatively low, the disinflationary trend, associated with bread and cereal, is expected to turn positive (albeit marginal) over the outlook period due to increases in manufacturing and distribution costs linked to oil.
- Fruits have also exhibited disinflation over the past couple of months. This trend is expected to turn around due to the effect of the drought in the Western Cape. In the case of apples, there has already been more substantial price increases over the past six months, than when compared to the corresponding 2016/17 period.
- Egg prices are still substantially higher than a year ago. This is attributable to the Avian Influenza outbreak in 2017. Month-on-month egg prices have however started to decrease indicating that a supply response to high prices might be kicking in. It is expected that egg prices will tend slightly lower over the next three months. Milk, in turn, had relatively subdued year-on-year price growth between April 2017 and April 2018. This trend can however accelerate, due to supply issues related to the drought in the Western Cape. It is however expected that the effect of the drought would be off-set by a favourable milk-to-maize price ratio. Prices are therefore expected to move sideways over the outlook period.

A key factor that poses an upside risk to the projections above is international oil prices. During May 2018 oil prices have increased towards USD 80 per barrel, in a response to political tensions in Iran and Venezuela. Although supply restrictions and constraints of OPEC producers are mitigated by increased shale production in the US, analysts note that increased global economic activity is likely to sustain oil prices at levels higher than the first quarter of 2018, not discounting the possibility that oil prices could go to USD 100 by the end of 2018. This could cause more rapid food inflation than anticipated.

APPENDIX A: DATA ON URBAN FOOD PRICE TRENDS

Table A.1: Wheat products

Wheat products	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Cake flour 1kg	12.75	12.64	12.43	-1.7%	-2.5%
Cake flour 2.5kg	25.80	25.16	25.58	1.7%	-0.9%
Cake flour 5kg	54.64	55.57	54.52	-1.9%	-0.2%
Instant noodles 73g	4.53	4.90	4.94	0.8%	9.1%
Instant noodles 75g	4.25	4.43	4.54	2.5%	6.8%
Instant noodles 78g	4.47	4.67	4.54	-2.8%	1.6%
Instant noodles 85g	3.89	3.92	3.92	0.0%	0.8%
Loaf of brown bread (each)	11.38	12.09	8.51	-29.6%	-25.2%
Loaf of brown bread 600g	6.75	7.19	6.80	-5.4%	0.7%
Loaf of brown bread 700g	12.20	12.04	11.47	-4.7%	-6.0%
Loaf of brown bread 800g	15.12	15.00	13.75	-8.3%	-9.1%
Loaf of white bread (each)	10.54	11.10	11.39	2.6%	8.1%
Loaf of white bread 600g	8.02	7.72	7.86	1.8%	-2.0%
Loaf of white bread 700g	13.49	12.92	13.05	1.0%	-3.3%
Macaroni 1kg	25.74	27.85	27.69	-0.6%	7.6%
Macaroni 500g	12.33	12.61	12.22	-3.1%	-0.9%
Pasta 1kg	30.29	35.39	32.32	-8.7%	6.7%
Pasta 500g	16.94	17.41	17.61	1.1%	4.0%
Spaghetti 1kg	25.14	26.39	24.92	-5.6%	-0.9%
Spaghetti 500g	12.59	13.15	12.74	-3.1%	1.2%
Average				**-3.2%**	**-0.2%**
Domestic price of wheat	**4,408.00**	**3,676.96**	**3,849.71**	**4.7%**	**-12.7%**

Source: Stats SA, 2018

Table A.2: Maize products

Maize products	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Special maize 10kg	74.97	64.48	61.78	-4.2%	-17.6%
Special maize 1kg	10.99	7.93	7.59	-4.3%	-30.9%
Special maize 2.5kg	24.70	19.47	18.90	-2.9%	-23.5%
Special maize 5kg	46.27	37.44	34.67	-7.4%	-25.1%
Super maize 1kg	12.39	10.64	10.13	-4.8%	-18.2%
Super maize 2.5kg	27.92	22.70	21.84	-3.8%	-21.8%
Super maize 5kg	50.34	41.52	39.24	-5.5%	-22.1%
Average				**-4.7%**	**-22.7%**
Domestic price of yellow maize	**2,087.85**	**1,973.05**	**2,065.52**	**4.7%**	**-1.1%**

Maize products	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Domestic price of white maize	**2,004.40**	**1,931.95**	**1,966.29**	**1.8%**	**-1.9%**

Source: Stats SA, 2018

Table A.3: Sunflower products

Sunflower products	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Brick margarine 125g	8.38	7.90	7.63	-3.4%	-8.9%
Brick margarine 1kg	44.01	44.30	44.38	0.2%	0.8%
Brick margarine 250g	13.98	13.88	13.73	-1.1%	-1.8%
Brick margarine 500g	21.58	22.89	21.52	-6.0%	-0.3%
Margarine spread 1kg	39.28	40.55	42.05	3.7%	7.1%
Margarine spread 500g	25.23	27.92	27.37	-2.0%	8.5%
Sunflower oil 2ℓ	42.29	39.57	38.03	-3.9%	-10.1%
Sunflower oil 4ℓ	87.12	82.66	77.49	-6.3%	-11.1%
Sunflower oil 500mℓ	15.16	14.21	14.24	0.2%	-6.1%
Sunflower oil 750mℓ	22.51	22.29	22.49	0.9%	-0.1%
Average				**-1.8%**	**-2.2%**
Domestic price of sunflower seed	**4,489.60**	**4,724.74**	**4,621.10**	**-2.2%**	**2.9%**

Source: Stats SA, 2018

Table A.4: Processed vegetables

Processed vegetables	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Baked beans - tinned 410g	9.34	9.55	9.91	3.8%	6.1%
Beans - dried 1kg	39.58	39.07	37.52	-4.0%	-5.2%
Beans - dried 2kg	66.40	59.82	59.30	-0.9%	-10.7%
Beans - dried 500g	20.12	19.61	19.39	-1.1%	-3.6%
Average				**-0.5%**	**-3.4%**

Source: Stats SA, 2018

Table A.5: Fresh vegetables

Fresh vegetables	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Beetroot - fresh per kg	12.59	10.78	10.64	-1.3%	-15.5%
Broccoli - fresh per kg	37.74	50.05	39.62	-20.8%	5.0%
Cabbage - fresh each	15.03	13.31	13.75	3.3%	-8.5%
Cabbage - fresh per kg	11.22	14.99	10.62	-29.1%	-5.3%
Carrots - fresh per kg	-	8.79	9.79	11.4%	
Cauliflower - fresh per kg	41.38	41.56	41.99	1.0%	1.5%

Fresh vegetables	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Onions - fresh per kg	11.17	13.17	13.88	5.4%	24.3%
Potatoes - fresh per kg	12.00	11.93	12.03	0.8%	0.2%
Pumpkin - fresh per kg	10.44	10.84	9.61	-11.3%	-8.0%
Sweet potatoes - fresh per kg	18.13	18.24	17.71	-2.9%	-2.3%
Tomatoes - fresh per kg	18.35	15.09	18.03	19.5%	-1.7%
Average				**-2.2%**	**-1.0%**

Source: Stats SA, 2018

Table A.6: Processed meat

Processed meat	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Bacon per kg	31.16	37.99	36.51	-3.9%	17.2%
Corned beef 300g	22.06	23.90	23.24	-2.8%	5.3%
Ham 500g	34.59	37.45	37.23	-0.6%	7.6%
Polony per kg	43.37	43.59	40.50	-7.1%	-6.6%
Sausage 500g	43.42	46.26	44.11	-4.6%	1.6%
Average				**-3.8%**	**5.0%**

Source: Stats SA, 2018

Table A.7: Unprocessed meat

Unprocessed meat	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Beef brisket - fresh per kg	79.68	85.96	86.67	0.8%	8.8%
Beef chuck - fresh per kg	81.20	88.08	88.72	0.7%	9.3%
Beef fillet - fresh per kg	187.85	196.63	195.37	-0.6%	4.0%
Beef mince - fresh per kg	74.62	80.52	83.64	3.9%	12.1%
Beef offal - fresh per kg	41.58	50.28	34.40	-31.6%	-17.3%
Beef rump steak - fresh per kg	126.42	128.13	127.85	-0.2%	1.1%
Beef sirloin - fresh per kg	127.46	136.09	137.33	0.9%	7.7%
Beef stew - per kg	72.46	79.20	78.03	-1.5%	7.7%
Beef T-bone - fresh per kg	97.13	104.16	103.78	-0.4%	6.8%
Chicken giblets per kg	30.38	35.14	34.85	-0.8%	14.7%
Chicken portions - fresh per kg	56.15	58.80	58.69	-0.2%	4.5%
Chicken portions frozen - non IQF average per kg	44.82	49.44	49.00	-0.9%	9.3%
Chicken portions frozen - non IQF per kg (real)	42.03	48.21	49.00	1.6%	16.6%
IQF chicken portions - 1,5kg	55.96	63.43	63.43	0.0%	13.3%
IQF chicken portions - 1,8kg	52.24	58.29	59.59	2.2%	14.1%

Unprocessed meat	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
IQF chicken portions - 1kg	18.73	32.99	32.99	0.0%	76.1%
IQF chicken portions - 2kg	62.26	68.98	69.06	0.1%	10.9%
IQF chicken portions - 4kg	156.20	157.13	132.75	-15.5%	-15.0%
IQF chicken portions - 5kg	157.31	171.12	172.00	0.5%	9.3%
Lamb - fresh per kg	123.83	140.94	145.41	3.2%	17.4%
Lamb - leg per kg	123.21	139.98	135.33	-3.3%	9.8%
Lamb - loin chop per kg	140.82	161.82	158.19	-2.2%	12.3%
Lamb - neck per kg	99.51	119.53	118.31	-1.0%	18.9%
Lamb - offal per kg	42.13	49.35	49.46	0.2%	17.4%
Lamb - rib chop per kg	135.99	155.56	155.35	-0.1%	14.2%
Lamb - stew per kg	95.00	109.62	108.61	-0.9%	14.3%
Pork - ribs per kg	82.21	83.23	77.73	-6.6%	-5.4%
Pork chops - fresh per kg	78.61	83.07	78.19	-5.9%	-0.5%
Whole chicken - fresh per kg	44.03	45.52	46.41	2.0%	5.4%
Average				**-1.9%**	**10.3%**

Source: Stats SA, 2018

Table A.8: Eggs and dairy products

Eggs & dairy products	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Cheddar cheese per kg	100.98	109.96	107.17	-2.5%	6.1%
Eggs 0.5 dozen	15.07	16.50	16.56	0.4%	9.9%
Eggs 1,5 dozen	38.60	45.53	44.37	-2.5%	14.9%
Eggs 2 dozen	41.73	-	53.99		29.4%
Eggs 2.5 dozen	52.50	63.72	61.83	-3.0%	17.8%
Full cream milk - fresh 1ℓ	13.54	13.97	14.21	1.7%	4.9%
Full cream milk - fresh 250mℓ	6.49	6.62	6.74	1.8%	3.9%
Full cream milk - fresh 2ℓ	25.47	25.57	25.95	1.5%	1.9%
Full cream milk - fresh 500mℓ	9.86	10.09	10.39	3.0%	5.4%
Full cream milk - long life 1ℓ	13.84	13.94	13.96	0.1%	0.9%
Full cream milk - long life 500mℓ	9.00	8.53	8.83	3.5%	-1.9%
Full cream milk - long life 6x1ℓ	75.15	75.42	73.87	-2.1%	-1.7%
Low fat milk - fresh 1ℓ	15.09	15.27	15.46	1.2%	2.5%
Low fat milk - fresh 2ℓ	25.94	26.05	26.74	2.6%	3.1%
Low fat milk - long life 1,5ℓ	18.47	19.99	19.79	-1.0%	7.1%
Low fat milk - long life 1ℓ	13.64	13.79	13.83	0.3%	1.4%
Low fat milk - long life 6x1ℓ	-	85.24	84.99	-0.3%	
Powdered milk 250g	37.99	38.59	39.62	2.7%	4.3%
Powdered milk 400g	63.45	65.49	67.13	2.5%	5.8%

Powdered milk 500g	52.44	54.42	57.16	5.0%	9.0%
Powdered milk 900g	137.94	139.62	138.34	-0.9%	0.3%
Average				**0.7%**	**6.2%**

Source: Stats SA, 2018

Table A.9: Fruits

Fruits	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Apples - fresh per kg	19.34	18.59	20.38	9.6%	5.4%
Bananas - fresh per kg	17.54	14.44	14.92	3.3%	-14.9%
Naartjies - fresh per kg	26.56	30.24	32.16	6.3%	21.1%
Nectarines - fresh per kg	34.82	33.62	38.49	14.5%	10.5%
Oranges - fresh per kg	25.42	20.38	23.35	14.6%	-8.1%
Peaches - fresh per kg	29.32	29.12	31.32	7.6%	6.8%
Pears - fresh per kg	19.04	22.69	20.08	-11.5%	5.5%
Average				**6.3%**	**3.7%**

Source: Stats SA, 2018

Table A.10: Fish Products

Tinned fish products	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Fish (excl. tuna) - tinned 155g	10.55	10.84	11.05	1.9%	4.7%
Fish (excl. tuna) - tinned 215g	13.56	13.71	13.90	1.4%	2.5%
Fish (excl. tuna) - tinned 400g	17.75	17.87	18.40	3.0%	3.7%
Tuna - tinned 170g	17.36	19.18	20.55	7.1%	18.4%
Average				**3.4%**	**7.3%**

Source: Stats SA, 2018

Table A.11: Other products

Other products	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Cold Cereals 375g	33.98	38.99	38.16	-2.1%	12.3%
Cold Cereals 400g	32.31	37.12	36.46	-1.8%	12.8%
Cold Cereals 450g	25.37	24.54	24.71	0.7%	-2.6%
Cold Cereals 500g	32.17	32.46	33.60	3.5%	4.4%
Cold Cereals 750g	44.55	43.04	46.10	7.1%	3.5%
Ceylon/black tea 125g	24.71	24.98	25.39	1.6%	2.8%
Ceylon/black tea 200g	15.94	20.74	20.99	1.2%	31.7%
Ceylon/black tea 250g	31.36	33.57	34.01	1.3%	8.5%
Ceylon/black tea 500g	52.23	60.34	62.19	3.1%	19.1%
Ceylon/black tea 62.5g	14.47	14.76	14.89	0.9%	2.9%
Instant coffee 100g	25.84	25.93	24.87	-4.1%	-3.8%

Other products	Price level			Percentage Change	
	Apr-17	**Jan-18**	**Apr-18**	**Apr-18 vs Jan-18**	**Apr-18 vs Apr-17**
Instant coffee 200g	77.86	81.76	81.96	0.2%	5.3%
Instant coffee 250g	35.55	35.02	35.85	2.4%	0.8%
Instant coffee 500g	55.70	56.79	58.34	2.7%	4.7%
Instant coffee 750g	79.20	78.98	78.07	-1.2%	-1.4%
Peanut butter 250g	19.87	20.67	20.82	0.7%	4.8%
Peanut butter 400g	27.22	27.31	28.27	3.5%	3.9%
Peanut butter 800g	51.49	50.93	52.21	2.5%	1.4%
Rice 10kg	116.49	115.20	123.06	6.8%	5.6%
Rice 1kg	18.26	19.41	18.69	-3.7%	2.4%
Rice 2kg	26.04	25.58	25.36	-0.9%	-2.6%
Rice 500g	8.34	8.08	8.16	1.0%	-2.2%
Rice 5kg	66.34	64.70	64.88	0.3%	-2.2%
White sugar 10kg	158.08	160.49	160.49	0.0%	1.5%
White sugar 1kg	18.75	18.86	18.64	-1.2%	-0.6%
White sugar 2.5kg	39.42	38.16	37.49	-1.8%	-4.9%
White sugar 250g	5.49	5.57	5.95	6.8%	8.4%
White sugar 2kg	30.49	26.24	27.99	6.7%	-8.2%
White sugar 500g	10.26	10.23	10.24	0.1%	-0.2%
White sugar 5kg	82.58	80.42	78.39	-2.5%	-5.1%
Average				**1.1%**	**3.4%**

Source: Stats SA, 2018

APPENDIX B: DATA ON RURAL FOOD PRICE TRENDS

Table B.1: Wheat products

Wheat products	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Loaf of brown bread 600g	9.96	10.36	10.33	-0.3%	3.7%
Loaf of brown bread 700g	11.47	11.51	11.62	1.0%	1.3%
Loaf of white bread 600g	10.29	10.68	10.46	-2.0%	1.7%
Loaf of white bread 700g	12.46	12.51	12.70	1.5%	1.9%
Average				**0.0%**	**2.2%**

Source: Stats SA, 2018

Table B.2: Maize products

Maize products	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Special maize 1kg	10.67	9.84	9.26	-5.9%	-13.2%
Special maize 2.5kg	24.06	20.43	20.66	1.1%	-14.2%
Special maize 5kg	42.99	33.58	34.33	2.2%	-20.2%
Super maize 1kg	12.64	11.24	10.70	-4.8%	-15.4%
Super maize 2.5kg	27.37	23.06	21.56	-6.5%	-21.3%
Super maize 5kg	50.12	40.75	40.05	-1.7%	-20.1%
Average				**-2.6%**	**-17.4%**

Source: Stats SA, 2018

Table B.3: Sunflower products

Sunflower products	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Brick margarine 125g	9.14	9.86	9.30	-5.7%	1.7%
Brick margarine 250g	14.63	14.47	14.52	0.3%	-0.7%
Brick margarine 500g	21.94	22.24	21.08	-5.2%	-4.0%
Margarine spread (tub) 1kg	40.11	39.15	38.31	-2.2%	-4.5%
Margarine spread (tub) 500g	21.33	27.76	26.89	-3.1%	26.1%
Sunflower oil 2ℓ	40.62	38.32	38.06	-0.7%	-6.3%
Sunflower oil 500mℓ	14.40	13.89	14.24	2.6%	-1.1%
Sunflower oil 750mℓ	18.13	17.71	17.46	-1.4%	-3.7%
Average				**-1.9%**	**0.9%**

Source: Stats SA, 2018

Table B.4: Dairy products

Dairy products	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Eggs 1/2 dozen	9.49	11.48	10.98	-4.4%	15.7%
Full cream milk - fresh 1ℓ	12.92	13.20	13.45	1.9%	4.1%
Full cream milk - fresh 2ℓ	25.77	26.25	26.22	-0.1%	1.8%
Full cream milk - fresh 500mℓ	10.01	9.85	9.95	1.1%	-0.6%
Full cream milk - long life 1ℓ	14.43	14.67	14.62	-0.3%	1.3%
Full cream milk - long life 500mℓ	10.30	10.30	10.46	1.5%	1.5%
Low fat milk - fresh 1ℓ	15.16	13.76	14.16	2.9%	-6.6%
Low fat milk - fresh 2ℓ	27.39	27.99	28.55	2.0%	4.2%
Average				**0.6%**	**2.7%**

Source: Stats SA, 2018

Table B.5: Tea and coffee

Tea and coffee	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Ceylon/black tea 125g	20.19	20.77	20.99	1.1%	4.0%
Ceylon/black tea 200g	27.99	27.99	32.66	16.7%	16.7%
Ceylon/black tea 250g	28.30	29.64	30.84	4.1%	9.0%
Ceylon/black tea 62.5g	12.10	12.27	11.85	-3.5%	-2.1%
Instant coffee 100g	19.23	19.50	19.27	-1.2%	0.2%
Instant coffee 250g	37.52	37.42	38.67	3.3%	3.1%
Instant coffee 750g	77.99	78.28	80.55	2.9%	3.3%
Average				**3.3%**	**4.9%**

Source: Stats SA, 2018

Table B.6: Beans

Beans	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Beans dried 1kg	33.46	30.99	31.23	0.8%	-6.7%
Beans dried 2kg	50.91	46.19	49.23	6.6%	-3.3%
Beans dried 500g	16.90	15.68	16.29	3.9%	-3.6%
Average				**3.7%**	**-4.5%**

Source: Stats SA, 2018

Table B.7: White sugar

Sugar	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
White sugar 1kg	18.59	19.23	19.10	-0.7%	2.7%
White sugar 2.5kg	41.15	41.25	41.49	0.6%	0.8%

White sugar 500g	85.99	95.00	95.00	0.0%	10.5%
Average				**0.0%**	**4.7%**

Source: Stats SA, 2018

Table B.8: Meat & Fish

Meat & Fish	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Beef brisket - fresh per kg	76.97	83.08	83.63	0.7%	8.6%
Beef chuck - fresh per kg	77.02	83.58	83.29	-0.3%	8.1%
Beef fillet - fresh per kg	145.38	149.38	151.78	1.6%	4.4%
Beef rump steak -fresh per kg	102.27	112.85	116.35	3.1%	13.8%
Beef T-bone - fresh per kg	90.19	96.25	100.35	4.3%	11.3%
Fish (excl. tuna) - tinned 155g	10.85	10.79	10.91	1.1%	0.5%
Fish (excl. tuna) - tinned 425g	18.00	18.00	18.00	0.0%	0.0%
Average				**1.5%**	**6.7%**

Source: Stats SA, 2018

Table B.9: Rice

Rice	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Rice 1kg	16.01	15.63	15.66	0.2%	-2.2%
Rice 2kg	25.52	25.48	25.80	1.3%	1.1%
Rice 500g	8.78	8.70	8.67	-0.3%	-1.2%
Average				**0.4%**	**-0.8%**

Source: Stats SA, 2018

Table B.10: Peanut butter

Peanut butter	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Peanut butter 270g	23.64	22.74	23.34	2.6%	-1.3%
Peanut butter 400g	29.17	28.95	29.27	1.1%	0.4%
Peanut butter 800g	53.90	53.10	52.97	-0.2%	-1.7%
Average				**1.2%**	**-0.9%**

Source: Stats SA, 2018

Table B.11: Sorghum Meal

Sorghum Meal	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Sorghum meal (e.g. mabella) 1kg	18.99	17.99	18.99	5.6%	0.0%
Average				**5.6%**	**0.0%**

Source: Stats SA, 2018

Table B.12: Fruit & Vegetables

Fruit & Vegetables	Price level			Percentage Change	
	Apr-17	Jan-18	Apr-18	Apr-18 vs Jan-18	Apr-18 vs Apr-17
Apples - fresh per kg	18.64	20.77	19.69	-5.2%	5.6%
Bananas - fresh per kg	16.35	14.50	13.96	-3.7%	-14.6%
Onions - fresh per kg	11.06	12.36	12.46	0.8%	12.7%
Oranges - fresh per kg	26.49	27.16	16.19	-40.4%	-38.9%
Potatoes - fresh per kg	11.92	11.54	11.11	-3.7%	-6.8%
Potatoes - fresh 10kg	49.19	70.00	69.66	-0.5%	41.6%
Tomatoes - fresh per kg	19.00	16.35	18.77	14.8%	-1.2%
Average				**-5.4%**	**-0.2%**

Source: Stats SA, 2018

APPENDIX C: COMMODITY AND PRODUCT PRICE TRENDS

C.1 Wheat price trends

Apr 2018 vs. Apr 2017:

International wheat price increased by 28.8%

Domestic price of wheat decreased by 12.7%

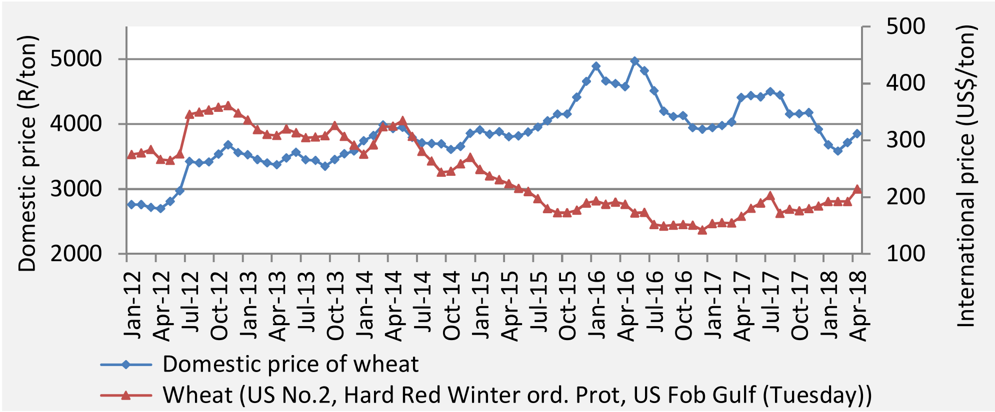

Figure C.1: Domestic market price vs global market price of wheat
Source: FAO and SAFEX, 2018

Domestic wheat price followed the import parity price of wheat closely. Apr 2018 vs. Apr 2017:
Wheat import parity price decreased by 1.3%;
Wheat export parity price increased by 5.6%

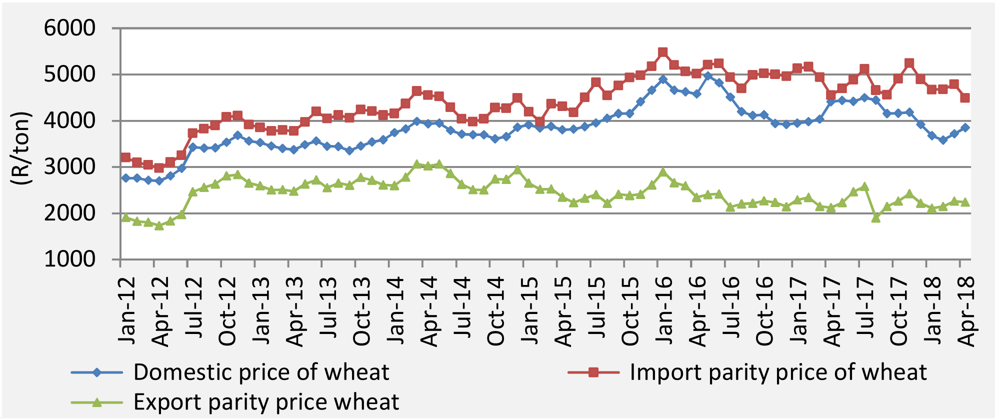

Figure C.2: Import parity, export parity and domestic prices of wheat
Source: SAGIS and SAFEX, 2018

Apr 2018 vs. Apr 2017:

Domestic wheat price decreased by 12.7%

Brown bread 700g price decreased by 6%

White bread 700g price decreased by 3.3%

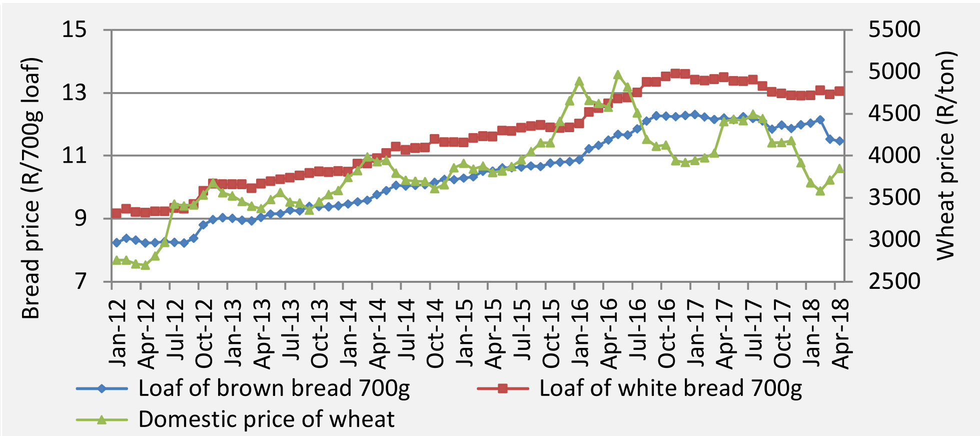

Figure C.3: Domestic wheat price and bread price trends
Source: Stats SA and SAFEX, 2018

C.2 Maize price trends

Apr 2018 vs. Apr 2017:

International price of yellow maize increased by 12.3%

Domestic price of yellow maize decreased by 1.1%

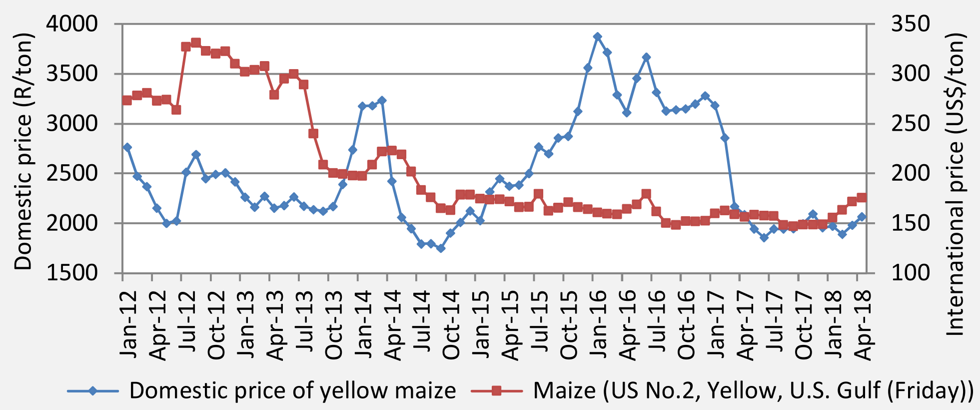

Figure C.4: Domestic market price vs global market price of yellow maize
Source: FAO and SAFEX, 2018

Apr 2018 vs. Apr 2017:

Export parity price of domestic maize decreased by 3.7%

Import parity price of domestic maize increased by 17.3%

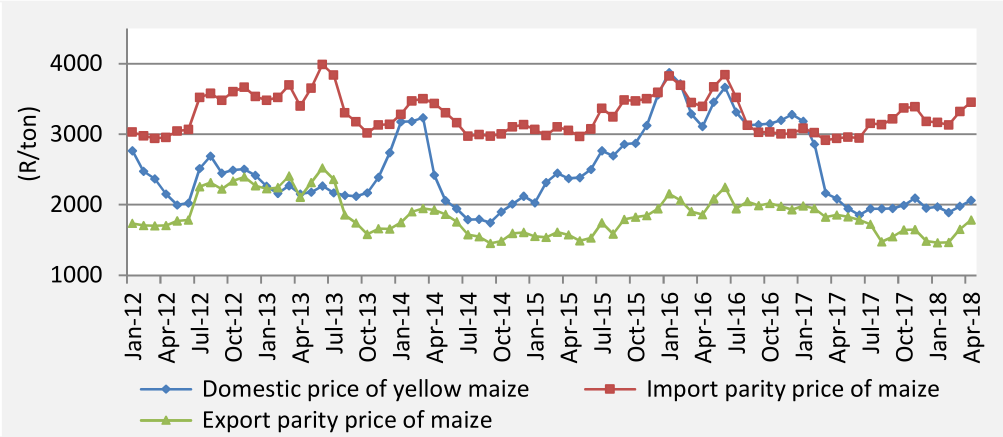

Figure C.5: Import parity, export parity and domestic prices of yellow maize
Source: SAFEX and SAGIS, 2018

Apr 2018 vs. Apr 2017:

Super maize meal 2.5 kg price decreased by 21.8%;
Special maize meal 2.5 kg decreased by 23.5%;
Domestic price of white maize decreased by 1.9%

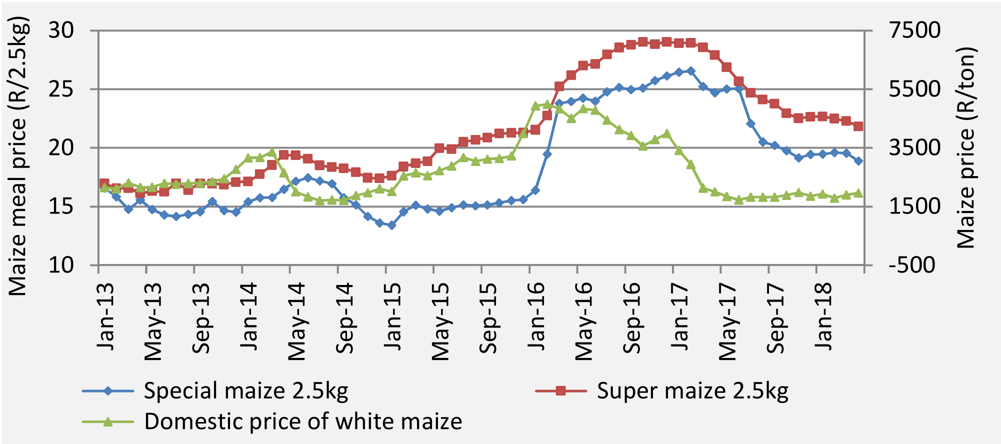

Figure C.6: White maize price and maize meal price trends
Source: SAFEX and Stats SA, 2018

C.3 Sunflower seeds price trends

Apr 2018 vs. Apr 2017:

International sunflower seed price increased by 6%

Domestic price of sunflower seed increased by 2.9%

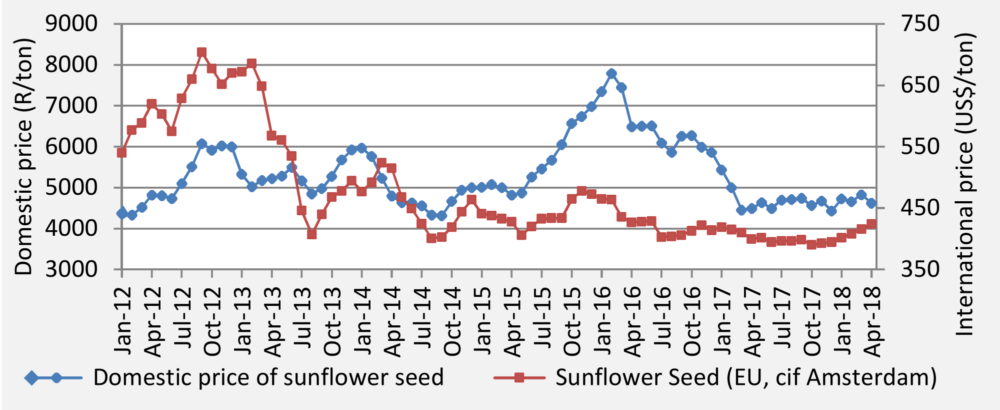

Figure C.7: Domestic market price of sunflower seeds vs global market price
Source: FAO and SAFEX, 2018

Apr 2018 vs. Apr 2017:

Domestic price of sunflower seed increased by 2.9%

Sunflower oil 750 ml decreased by 0.1%

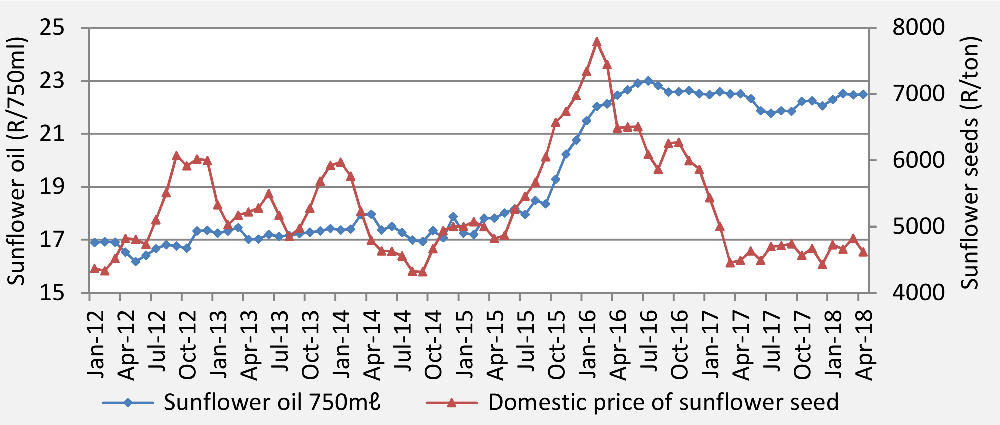

Figure C.8: Sunflower seeds price and sunflower oil price trends
Source: SAFEX and Stats SA, 2018

C.4 Dairy price trends

Apr 2018 vs. Apr 2017:

International skimmed milk powder decreased by 1.9%

International whole milk powder increased by 9.3%

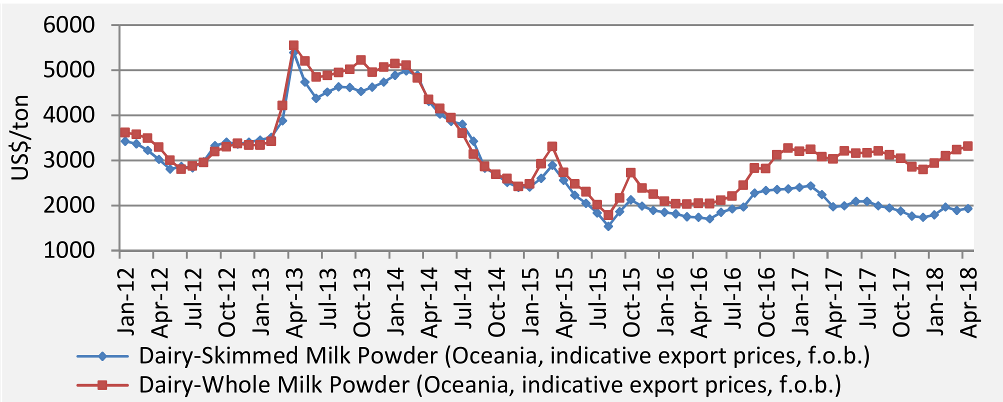

Figure C.9: Skim milk powder and whole milk powder price trends
Source: FAO, 2018

Apr 2018 vs. Apr 2017:

Milk producer price decreased by 3.1%; full cream milk – fresh 1ℓ increased by 4.9%; full cream milk – long life 1ℓ increased by 0.9%

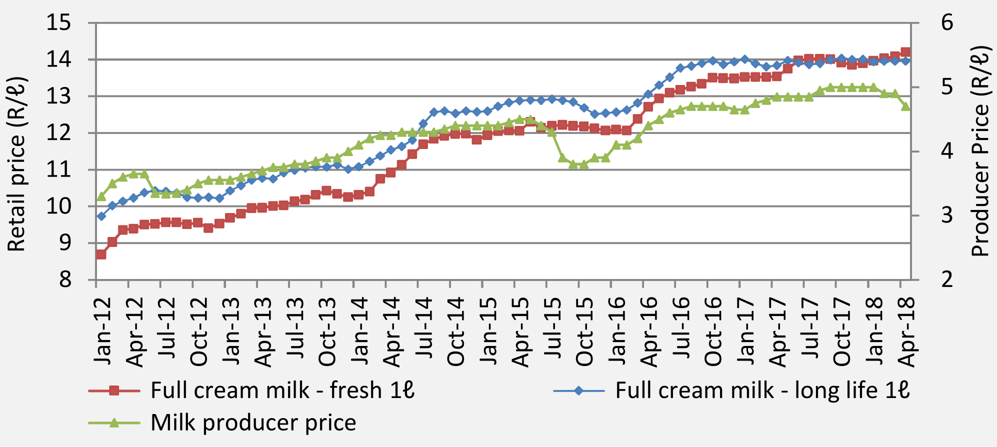

Figure C.10: Domestic producer price and retail prices of milk
Source: MPO and Stats SA, 2018

C.5 Meat price trends

The price of beef at **retail** level showed an annual average increase of 4.5% for the different cuts, Apr 2018 vs. Apr 2017

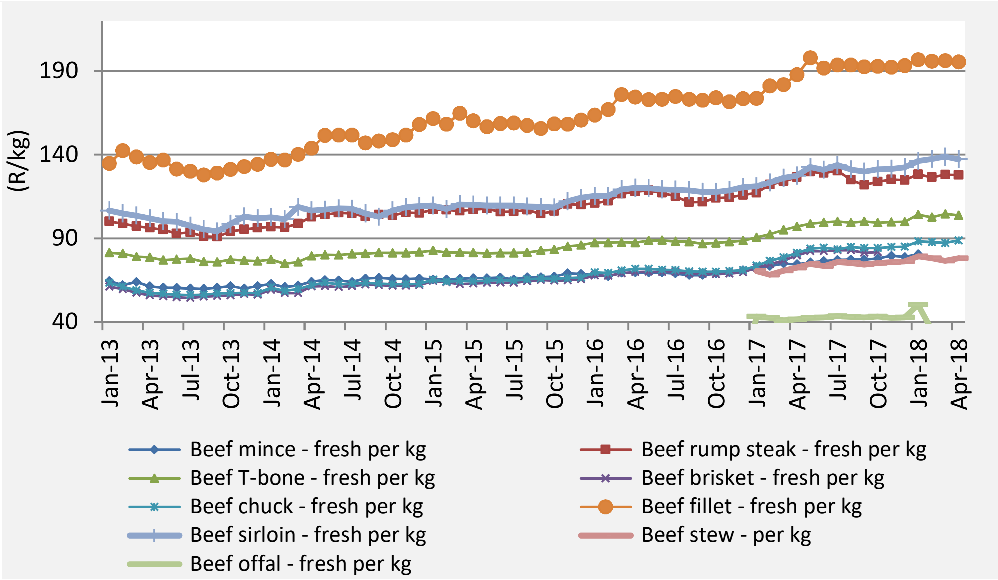

Figure C.11: Retail prices of beef cuts
Source: Stats SA, 2018

Apr 2018 vs. Apr 2017:

Chicken portions – fresh per kg (**retail**) price increased by 4.5% per kg

Pork chops per kg **retail** price decreased by 0.5%

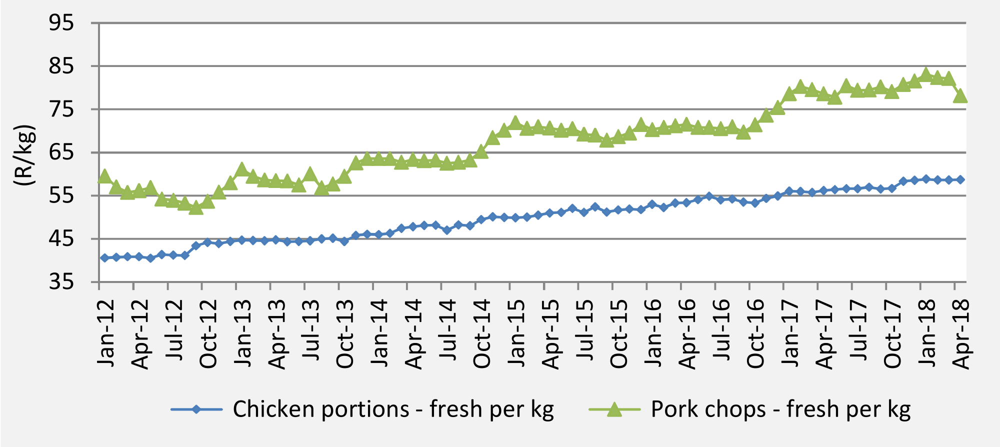

Figure C.12: Retail prices of pork chops and chicken portions – fresh per kg
Source: Stats SA, 2018

Apr 2018 vs. Apr 2017: Producer prices for frozen chicken per kg increased by 2.2%; for fresh chicken per kg increased by 1%; and for IQF chicken portions per kg increased by 1.8%

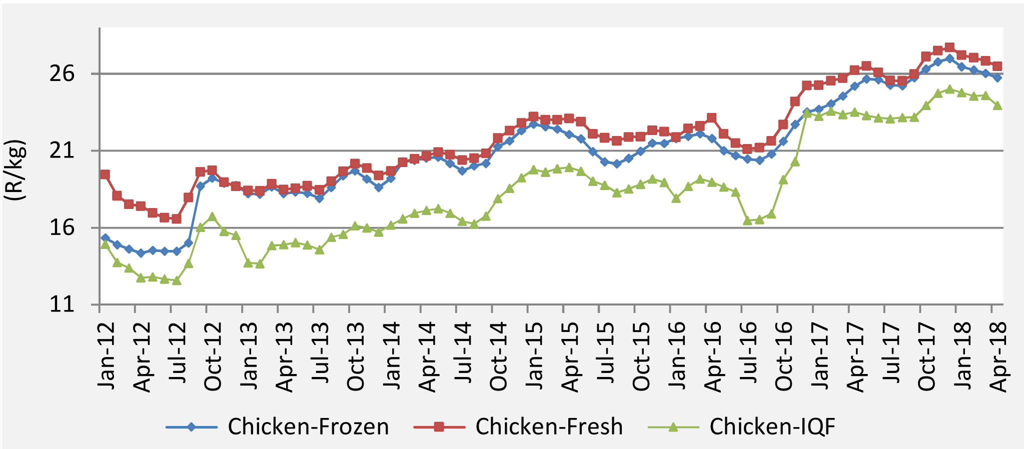

Figure C.13: Producer prices of various chicken pieces
Source: AMT, 2018

Apr 2018 vs. Apr 2017:

Porker producer price (R/kg) decreased by 19.6%

Baconer producer price (R/kg) decreased by 29.1%

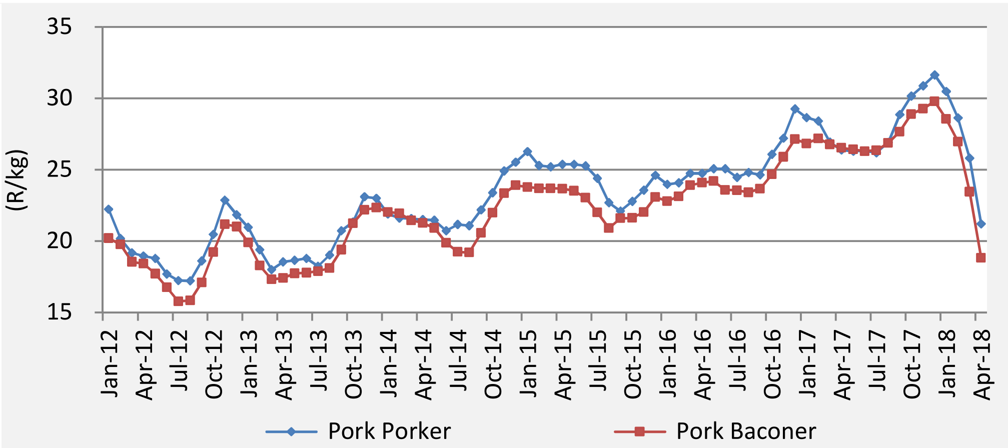

Figure C.14: Producer prices of pork
Source: AMT, 2018

Apr 2018 vs. Apr 2017:

Producer prices of Beef class A2/A3 increased by 0.7%, class B2/B3 increased by 11%, and class C2/C3 increased by 11.2%

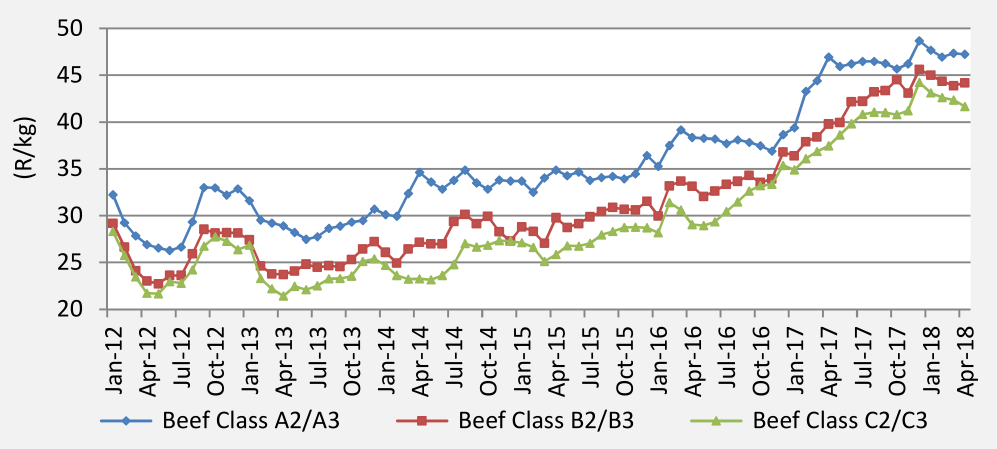

Figure C.15: Producer prices of beef
Source: AMT, 2018

Apr 2018 vs. Apr 2017:

Producer prices of lamb-class A2/A3 (R/kg) increased by 8.7%, class B2/B3 increased by 19.9% and the price of class C2/C3 increased by 16.6%

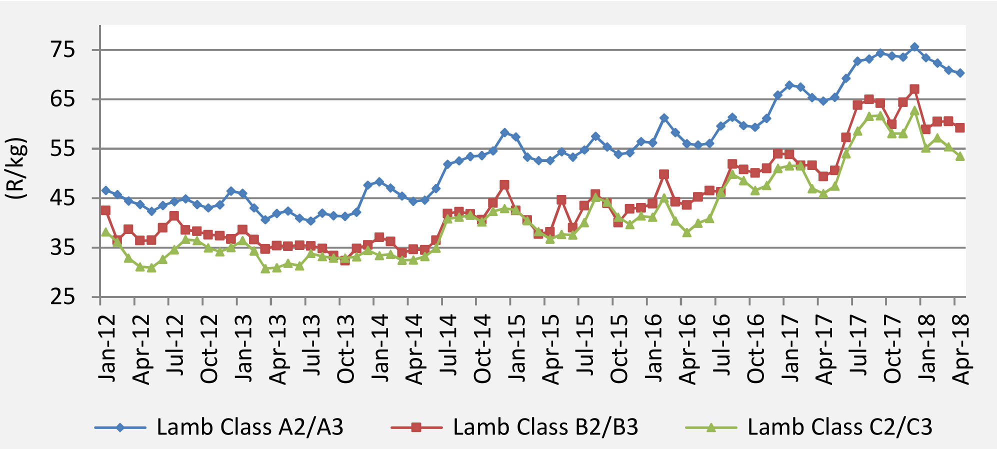

Figure C.16: Producer prices of lamb
Source: AMT, 2018

APPENDIX D: DATA COLLECTION

Urban food prices reported on in this media release are obtained from Statistics South Africa (Stats SA) and AC Nielsen. The prices obtained are regarded as being representative of changes in food prices in South Africa for the following reasons:

- Stats SA price data on all products are sampled from approximately 800 different data collections points across the country on a monthly basis. Food price data is not collected from all the data collection points since some stores that are sampled do not necessarily sell food. In addition, certain food prices are not sampled in all provinces. Food price data collection by Stats SA also involves fieldwork where price collectors visit stores to collect data, after which such data undergoes a rigorous process to ensure its integrity. The basket of food products included was derived from the Income and Expenditure Survey of 2014/15' compiled by Stats SA to ensure that the basket is representative of consumer spending on food. For more detailed information on the methodological process involved in the collection of prices visit the Stats SA website: http://www.StatsSA.gov.za/.
- This media release also reports food prices in deep rural areas. Rural food prices were collected from 190 outlets/shops by field workers on a monthly basis.

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