National Agricultural Marketing Council

Promoting market access for South African agriculture

Markets and Economic Research Centre

Food Price Monitor

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FOOD PRICE MONITOR

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EXECUTIVE SUMMARY

During January 2019, 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% and 3%, respectively, compared to the 4.5% and 3% reported in December 2018.

Prices were compared for selected food items in rural and urban areas for January 2019. Food items showing the largest price differences between urban and rural areas in January 2019 include: sunflower oil (750mℓ) at a difference of R4.57, Ceylon/black tea (62.5g) at R2.86 difference, and rice (2kg) at a difference of R0.32. 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. peanut butter (400g), white sugar (2.5kg), and full cream long life milk (1ℓ)), than their urban counterparts.

The FAO Food Price Index (FFPI) averaged 164.8 points in January 2019, up almost 3 points (1.8%) from December 2018 but still 3.7 points (2.2%) below the corresponding month last year. After three successive months of relatively stable levels, the increase in January was largely driven by a sharp rebound in dairy price quotations as well as firmer prices of vegetable oils and sugar.

During January 2019, the nominal cost of the NAMC's 28-item urban food basket amounted to R869.89 compared to the R849.44 as reported in December 2018, resulting in a month-on month (m-o-m) percentage increase of 2.4%. When compared to January 2018, a year-on-year (y-o-y) percentage decrease of 0.6% was reported.

Comparing January 2019 vs. January 2018 retail prices, higher price increases (6% or more) were observed for the following products within the NAMC's 28-item food basket: tomatoes, apples, potatoes, Ceylon/black tea, beef mince, onions, canned pilchards and oranges. When comparing price changes for January 2019 vs. January 2018 with October 2018 vs. October 2017, higher price increases were reported for bread & cereals, vegetables, fruit, fat & oils, coffee & tea and sugar.

Over the next three months, there are several factors that present an upside risk to the moderate food inflation trends of late. The first is local and global factors that impact exchange rate dynamics. Over the short term, the situation around Eskom and South Africa's precarious fiscal position could have a depreciating effect on the currency. Secondly, employment and growth indicators in the US seem to support interest rate hikes during the remainder of 2019 in the US. This could also serve to weaken the rand. Lastly, there seems to be a general consensus amongst economists of bullish oil markets for the remainder of the year. This, along with exchange rate depreciation and 29 cents increase in the fuel levy in April 2019,will greatly impact manufacturing and distribution cost and could support food inflation to higher levels in the second quarter of 2019.

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1. Introduction

During January 2019, 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% and 3%, respectively. The same indices were at 4.5% and 3% respectively, during December 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 January 2019.

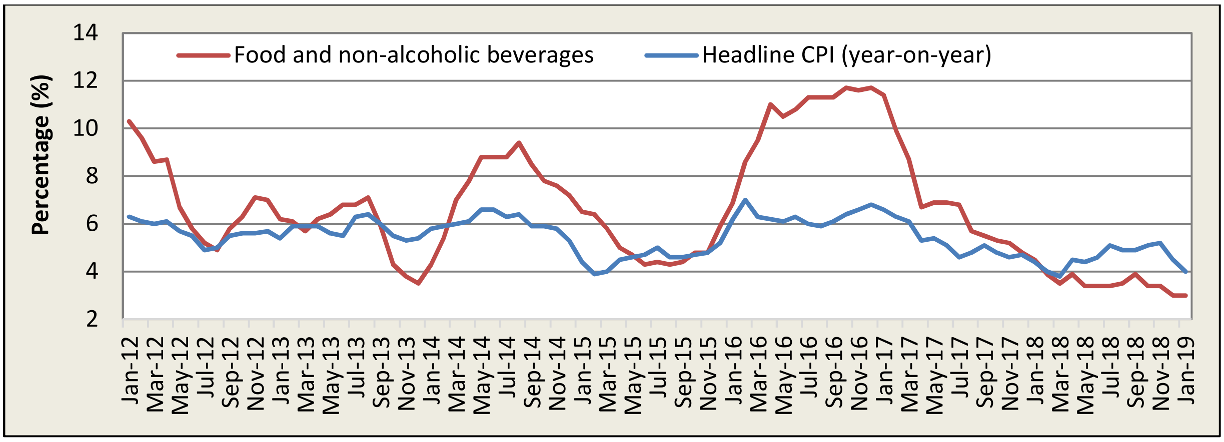

Figure 1: Headline CPI and food and non-alcoholic beverage CPI
Source: Stats SA, 2019

Figure 2 presents the components of the food and non-alcoholic beverage index changes. During January 2019 vs. January 2018, the following changes, in descending order, were reported: vegetables (11.1%), fish (5.9%), processed foods (3.8%), sugary foods (3.4%), other food items (2.9%), bread & cereals (2.8%), oils & fats (1.6%), unprocessed foods (1.2%), milk, eggs and cheese (0.9%), meat (0.8%), and fruit (0.4%). The monthly percentage changes are also illustrated.

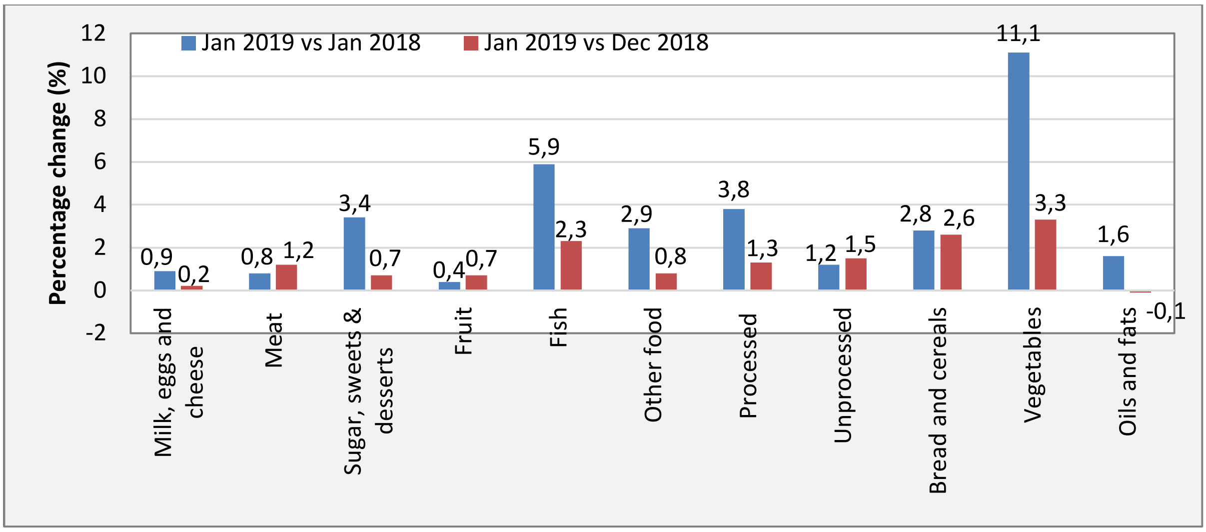

Figure 2: Y-o-y (January 2019 vs. January 2018) and m-o-m (January 2019 vs. December 2018) CPI changes for different food categories
Source: Stats SA, 2019

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 January 2019 for South Africa and other selected countries. South Africa's overall inflation for January 2019 reached 4% with food inflation reaching 3%. The food categories with the largest annual contribution to South African food inflation include vegetables, fish and processed products. The Zambian overall inflation rate for January 2019 reached 7.9%, with food inflation at 8.2%. Botswana's overall inflation rate reached 3.1%, compared to their food inflation of 0.4%, during January 2019. Turkey's overall inflation rate reached 20.4%, compared to their food inflation rate of 31%. Considering inflation rates of the BRIC countries, Russia reported the highest overall inflation rate of 5%, with food inflation of 5.5%, while China recorded the lowest annual inflation of 1.7%, with food inflation of 1.9%.

Table 1: Overall inflation and food inflation during November 2018 to January 2019

	November 2018		December 2018		January 2019	
Country	**Overall inflation (%)**	**Food inflation (%)**	**Overall inflation (%)**	**Food inflation (%)**	**Overall inflation (%)**	**Food inflation (%)**
Botswana	3.8	-0.8	3.5	-0.2	3.1	0.4
Brazil	4.1	4.1	3.8	4.0	3.8	4.2
China	2.2	2.5	1.9	2.5	1.7	1.9
India	2.3	-2.6	2.2	-2.5	2.1	-2.2
Namibia	5.6	4.7	5.1	5.2	4.7	5.7
Russia	3.8	3.9	4.3	5.3	5.0	5.5
South Africa	5.2	3.4	4.5	3.0	4.0	3.0
Turkey	21.6	25.7	20.3	25.1	20.4	31.0
United Kingdom	2.3	0.5	2.1	0.7	1.8	0.9
United States (US)	2.2	1.4	1.9	1.6	1.6	1.6
Zambia	7.8	8.4	7.9	8.1	7.9	8.2

Sources: Central banks and statistics reporting institutions of these countries, 2019

3. Urban and rural food price trends: January 2019 vs. January 2018

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 (January 2019 vs. January 2018)

Grain and grain products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Loaf of brown bread (each)	-25.6%	Beef offal - fresh per kg	-31.9%	Cabbage - fresh per kg	-8.8%
Special maize 10kg	-11.1%	Eggs 2.5 dozen	-12.1%	Beans - dried 1kg	-7.2%
Super maize 5kg	-8.0%	IQF chicken portions - 4kg	-9.3%	Pears - fresh per kg	-2.8%
Macaroni 1kg	-7.8%	Powdered milk 400g	-9.2%	Beans - dried 2kg	-2.4%
Loaf of white bread (each)	-6.6%	IQF chicken portions - 2kg	-7.4%	Beans - dried 500g	-0.7%

Grain and grain products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Super maize 2.5kg	-6.0%	Corned beef 300g	-7.0%	Bananas - fresh per kg	4.5%
Special maize 5kg	-5.6%	Pork - ribs per kg	-6.9%	Baked beans - tinned 410g	5.2%
Sunflower oil 4ℓ	-5.2%	IQF chicken portions - 5kg	-6.7%	Oranges - fresh per kg	6.2%
Spaghetti 1kg	-5.1%	Eggs 1.5 dozen	-6.6%	Onions - fresh per kg	6.9%
Special maize 2.5kg	-4.4%	IQF chicken portions - 1,8kg	-4.8%	Beetroot - fresh per kg	7.5%
Super maize 1kg	-4.2%	Cheddar cheese per kg	-4.6%	Cauliflower - fresh per kg	9.0%
Margarine spread 500g	-3.1%	Chicken portions frozen - non IQF average per kg	-4.4%	Peaches - fresh per kg	11.6%
Macaroni 500g	-2.7%	Pork chops - fresh per kg	-3.9%	Potatoes - fresh per kg	12.7%
Brick margarine 250g	-2.7%	Bacon 250g	-2.8%	Nectarines - fresh per kg	13.9%
Rice 1kg	-2.2%	Beef fillet - fresh per kg	-2.3%	Pumpkin - fresh per kg	15.3%
Spaghetti 500g	-1.3%	Chicken portions frozen - non IQF per kg (real)	-1.9%	Cabbage - fresh each	16.1%
Special maize 1kg	-1.0%	Chicken giblets per kg	-1.5%	Sweet potatoes - fresh per kg	17.9%
Brick margarine 500g	-0.8%	Beef stew - per kg	-1.4%	Apples - fresh per kg	18.1%
Margarine spread 1kg	0.2%	Lamb - loin chop per kg	-1.1%	Tomatoes - fresh per kg	35.7%
Peanut butter 400g	0.3%	Beef sirloin - fresh per kg	-1.0%		
Peanut butter 800g	0.5%	Full cream milk - long life 6x1ℓ	-0.8%		
Brick margarine 1kg	0.5%	Lamb - leg per kg	-0.8%	**Other**	**%**
Brick margarine 125g	0.6%	Powdered milk 900g	-0.4%	Ceylon/black tea 200g	-9.6%
Loaf of brown bread 700g	1.1%	Lamb - offal per kg	-0.3%	Instant coffee 750g	-5.3%
Peanut butter 250g	1.6%	Full cream milk - long life 1ℓ	0.3%	Instant coffee 100g	-5.3%
Pasta 500g	2.4%	Beef rump steak - fresh per kg	0.4%	Instant coffee 200g	-1.4%
Instant noodles 78g	2.4%	Beef brisket - fresh per kg	0.5%	White sugar 5kg	2.4%
Sunflower oil 750mℓ	3.0%	Beef chuck - fresh per kg	0.7%	Instant coffee 250g	2.7%
Sunflower oil 2ℓ	3.0%	Low fat milk - long life 1,5ℓ	0.9%	White sugar 10kg	3.3%
Cake flour 1kg	3.2%	Low fat milk - long life 1ℓ	1.0%	White sugar 1kg	3.8%
Cold cereals 450g	3.4%	Lamb - rib chop per kg	1.6%	White sugar 2.5kg	3.9%
Cold cereals 400g	3.5%	Beef T-bone - fresh per kg	1.8%	White sugar 500g	6.0%
Loaf of white bread 700g	4.1%	Full cream milk - long life 500mℓ	1.8%	Ceylon/black tea 62.5g	7.0%
Cake flour 5kg	4.2%	Lamb - neck per kg	2.0%	Ceylon/black tea 250g	7.0%
Rice 2kg	4.2%	Full cream milk - fresh 1ℓ	2.1%	Instant coffee 500g	8.0%
Rice 500g	4.7%	Low fat milk - fresh 2ℓ	2.7%	Ceylon/black tea 500g	8.5%
Rice 5kg	4.9%	Chicken portions - fresh per kg	2.8%	Ceylon/black tea 125g	11.6%
Loaf of brown bread 600g	5.3%	Sausage 500g	3.2%	White sugar 2kg	13.5%
Cake flour 2.5kg	5.6%	Full cream milk - fresh 2ℓ	3.2%		
Instant noodles 73g	6.1%	Powdered milk 500g	3.3%		
Instant noodles 85g	6.9%	Low fat milk - fresh 1ℓ	3.5%		
Rice 10kg	6.9%	Eggs 0.5 dozen	4.0%		
Cold cereals 500g	7.3%	IQF chicken portions - 1,5kg	4.2%		
Loaf of white bread 600g	8.4%	Powdered milk 250g	4.2%		
Cold cereals 750g	12.5%	Fish (excl. tuna) - tinned 215g	4.4%		
Instant noodles 75g	13.8%	Tuna - tinned 170g	4.4%		
Sunflower oil 500mℓ	64.5%	Full cream milk - fresh 250mℓ	4.5%		
		Ham 500g	4.6%		
		Whole chicken - fresh per kg	4.8%		
		Polony per kg	4.9%		

Grain and grain products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
		Lamb - stew per kg	5.6%		
		Fish (excl. tuna) - tinned 400g	6.3%		
		Fish (excl. tuna) - tinned 155g	6.6%		
		Beef mince - fresh per kg	6.9%		
		Full cream milk - fresh 500mℓ	7.0%		
		IQF chicken portions - 1kg	30.3%		

Source: Stats SA, 2019

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 (January 2019 vs. January 2018)

Grain and grain products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Special maize 2.5kg	-10.3%	Full cream milk - fresh 2ℓ	-0.4%	Beans dried 1kg	-4.2%
Super maize 5kg	-9.0%	Fish (excl. tuna) - tinned 425g	0.0%	Onions - fresh per kg	-1.5%
Super maize 2.5kg	-7.7%	Low fat milk - fresh 2ℓ	0.0%	Bananas - fresh per kg	-0.1%
Special maize 1kg	-5.1%	Full cream milk - long life 1ℓ	1.5%	Oranges - fresh per kg	1.6%
Special maize 5kg	-4.2%	Beef chuck - fresh per kg	1.6%	Potatoes - fresh 10kg	3.5%
Super maize 1kg	-3.6%	Full cream milk - long life 500mℓ	2.1%	Beans dried 500g	5.3%
Brick margarine 125g	-1.5%	Beef brisket - fresh per kg	2.6%	Apples - fresh per kg	6.5%
Margarine spread (tub) 500g	-0.8%	Fish (excl. tuna) - tinned 155g	2.8%	Potatoes - fresh per kg	9.0%
Loaf of white bread 600g	-0.8%	Full cream milk - fresh 1ℓ	3.9%	Beans dried 2kg	12.3%
Brick margarine 500g	-0.7%	Beef fillet - fresh per kg	5.0%	Tomatoes - fresh per kg	16.4%
Sunflower oil 2ℓ	0.4%	Full cream milk - fresh 500mℓ	5.5%		
Loaf of brown bread 600g	0.6%	Eggs 1/2 dozen	6.1%		
Rice 500g	1.0%	Beef T-bone - fresh per kg	6.8%	**Other products**	**%**
Rice 1kg	1.4%	Beef rump steak -fresh per kg	7.5%	White sugar 500g	-10.5%
Margarine spread (tub) 1kg	1.8%	Low fat milk - fresh 1ℓ	10.2%	Instant coffee 750g	-2.6%
Sunflower oil 500mℓ	2.2%			Instant coffee 250g	-1.8%
Brick margarine 250g	2.3%			White sugar 1kg	1.1%
Peanut butter 800g	3.1%			Ceylon/black tea 125g	1.3%
Rice 2kg	3.4%			White sugar 2.5kg	1.7%
Sunflower oil 750mℓ	3.8%			Instant coffee 100g	1.8%
Peanut butter 400g	4.8%			Ceylon/black tea 62.5g	5.4%
Peanut butter 270g	5.6%			Ceylon/black tea 250g	5.9%
Loaf of white bread 700g	6.2%			Ceylon/black tea 200g	29.3%
Loaf of brown bread 700g	6.4%				

Source: Stats SA, 2019

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: January 2019 vs. January 2018

During the period January 2019 vs. January 2018, the international price of wheat (US No.2, Hard Red Winter ord. Prot., US FOB Gulf) increased by 9.2%, while the domestic wheat prices increased by 20.7%. Urban consumers paid 1.1% and 4.1% more for a loaf of brown and white bread (700g), respectively. Domestic yellow maize prices increased by 38.9%, while international yellow maize prices increased by 7%. Super and special maize meal prices (2.5kg) decreased by 6% and 4.4%, respectively, in urban areas. During the same period, the urban prices of sunflower oil (750mℓ) increased by 3%. Domestic prices of sunflower seed increased by 20.1% annually, whilst the international sunflower seed prices decreased by 3%.

During January 2019 vs. January 2018, the average beef producer prices (R/kg) of classes A2/A3, B2/B3 and C2/C3 decreased by 10.7%, 12.1% and 8.9%, respectively. Lamb/mutton producer prices (R/kg) of classes A2/A3 and C2/C3 decreased by 9.5% and 1.8%, respectively, whilst class B2/B3 increased by 1.1%. Producer prices of frozen, fresh and individually quick frozen (IQF) chicken portions (R/kg) decreased by 6.4%, 6.2% and 7%, respectively. Porker and baconer producer prices (R/kg) decreased by 6.2% and 5.1%, respectively.

4. Comparison between urban and rural prices: January 2019

Table 4 compares prices of selected food items in rural and urban areas for January 2019. Food items showing the largest price differences between urban and rural areas in January 2019 were: sunflower oil (750mℓ) at a difference of R4.57, Ceylon/black tea (62.5g) at R2.86 difference, and rice (2kg), at a difference of R0.32. 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. peanut butter (400g), white sugar (2.5kg), and full cream long life milk (1ℓ)), than their urban counterparts.

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

Product	Urban Food Prices January 2019	Rural Food Prices January 2019	Price difference R/unit
Full cream milk – long life 1ℓ	13.98	14.89	-0.91
Loaf of brown bread 700g	12.17	12.24	-0.07
Loaf of white bread 700g	13.45	13.28	0.17
Special maize 2.5 kg	18.62	18.32	0.30
Super maize 2.5 kg	21.34	21.29	0.05
Margarine spread 500g	27.05	27.52	-0.47
Peanut butter 400g	27.38	30.35	-2.97
Rice 2kg	26.66	26.34	0.32
Sunflower oil 750mℓ	22.96	18.39	4.57
Ceylon/black tea 62.5g	15.79	12.93	2.86
White sugar 2.5kg	39.63	41.95	-2.32
Average			**0.14**

Source: **Stats SA, 2019**

5. International food prices

The Food and Agricultural Organization (FAO) of the United Nations (UN) publishes its Food Price Index (FPI) on a monthly basis. The FPI 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 FPI from 2014 to 2019, with January 2019 reaching an index level of 136.71 percentage points.

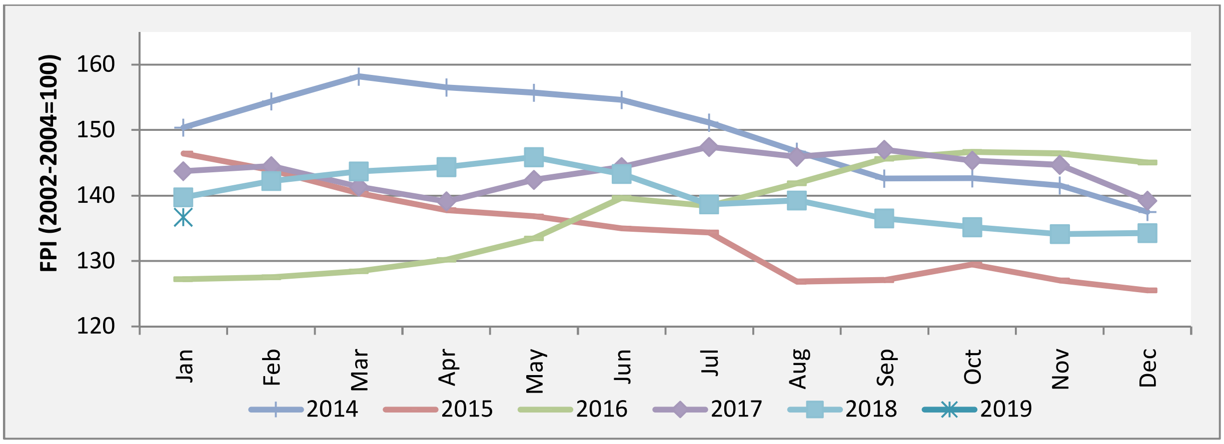

Figure 3: International monthly real FPI
Source: FAO, 2019

Figure 4 shows the price indices (real terms) for five food categories, in real terms. The monthly (January 2019 vs. December 2018) growth percentages indicate an increasing trend for most indices with the exception of Meat. The annual (January 2019 vs. January 2018) growth percentages indicate a decreasing trend for most indices, with the exceptions of Dairy and Cereals. The Dairy Index reflected the largest monthly growth of 7.2%, whilst the Oils Price Index reflected the largest annual decrease of 19.6%.

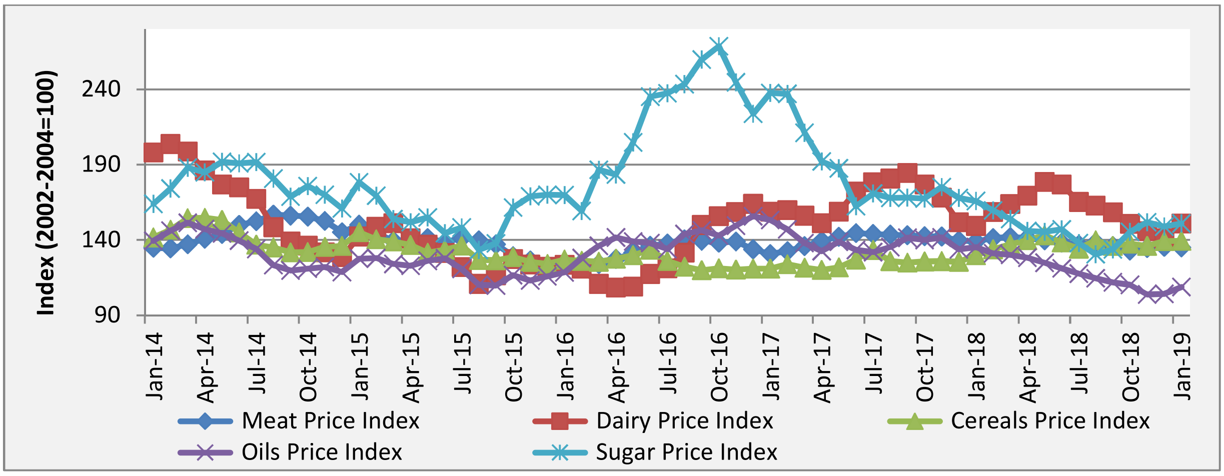

Figure 4: Real price indices for five food categories
Source: FAO, 2019

The **FAO Food Price Index (FFPI)[1]**, in nominal terms, averaged 164.8 points in January 2019, up almost 3 points (1.8%) from December 2018 but still 3.7 points (2.2%) below the corresponding month last year. After three successive months of relatively stable levels, the increase in January was largely driven by a sharp rebound in dairy price quotations as well as firmer prices of vegetable oils and sugar.

The **FAO Cereal Price Index**, in nominal terms, averaged 168.1 points in January 2019, up marginally from December 2018 and almost 11.5 points (7.3%) above its January 2018 level. Except for rice, the prices of other major cereals remained generally firm, supported by the decline in global production in 2018, tightening export supplies and robust world demand. January 2019, however, was a particularly quiet month for wheat and maize markets, in part due to the absence of several key reports in the United States because of the US Government shutdown. Nonetheless, grain prices were up during the month, with maize values rising the most, in reaction to adverse weather conditions in South America. International rice prices also increased, primarily owing to upbeat demand for Japonica supplies and a firmer Thai Baht.

The **FAO Vegetable Oil Price Index,** in nominal terms, averaged 131.2 points in January 2019, rising 5.4 points (or 4.3%) from the previous month and marking the second consecutive increase after a protracted fall. The rise mainly reflects additional gains in palm oil values, underpinned by a seasonal decline of production in the major producing countries and a firm global import demand. International soy oil prices also rose, largely reflecting robust demand for South American supplies.

The **FAO Dairy Price Index,** in nominal terms, averaged 182.1 points in January 2019, up 12.2 points (7.2%) from December 2018. The sharp rebound followed seven months of falling prices. All dairy products represented in the index registered higher prices in January 2019, with Skim Milk Powder (SMP) quotations rising by as much as 16.5% m-o-m. The sharp increase resulted from limited export supplies from Europe, due to strong internal demand, and expectations of a seasonal tightening of export availability from Oceania in the coming months. Notwithstanding this price rise, the Index is only slightly above its level in the corresponding month last year.

The **FAO Meat Price Index**, in nominal terms, averaged 162.9 points in January 2019, almost unchanged from December 2018. In view of the non-availability of data from official sources in the United States because of the Government shutdown, the January value of the Index was calculated assuming stable prices for meat products in the United States. Elsewhere, international price quotations for bovine, pig and poultry meat remained steady. However, ovine meat prices declined by as much as 8.4% m-o-m, pressured by ample exportable supplies in Oceania.

The **FAO Sugar Price Index,** in nominal terms, averaged 181.9 points in January 2019, up 2.4 points (1.3%) from December 2018. International sugar prices were largely influenced by movements in the Brazilian currency (real), which gained strength against the United States dollar. A stronger Real supports sugar prices because it limits the supply of Brazilian sugar to the world market, as domestic producers process sugarcane into ethanol for local sale. Firmer crude oil prices lent further support to international sugar price quotations.

[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.*

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 cost of a NAMC's 28-item food basket[2] (originally compiled by the Food Price Monitoring Committee in 2003, revised in January 2017), based on monthly average food price data for the period January 2019 vs. January 2018.

During January 2019, the nominal cost of the NAMC's 28-item urban food basket amounted to **R869.89**, increasing by 2.4% from December 2018 (m-o-m) and decreasing by 0.6% from January 2018 (y-o-y). The cost of this food basket expressed as a share of the average monthly income[3] of the poorest 30% of the population was 58.5% in January 2019, and 58.8% in January 2018. 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 January 2019 and in January 2018 (**Figure 5**).

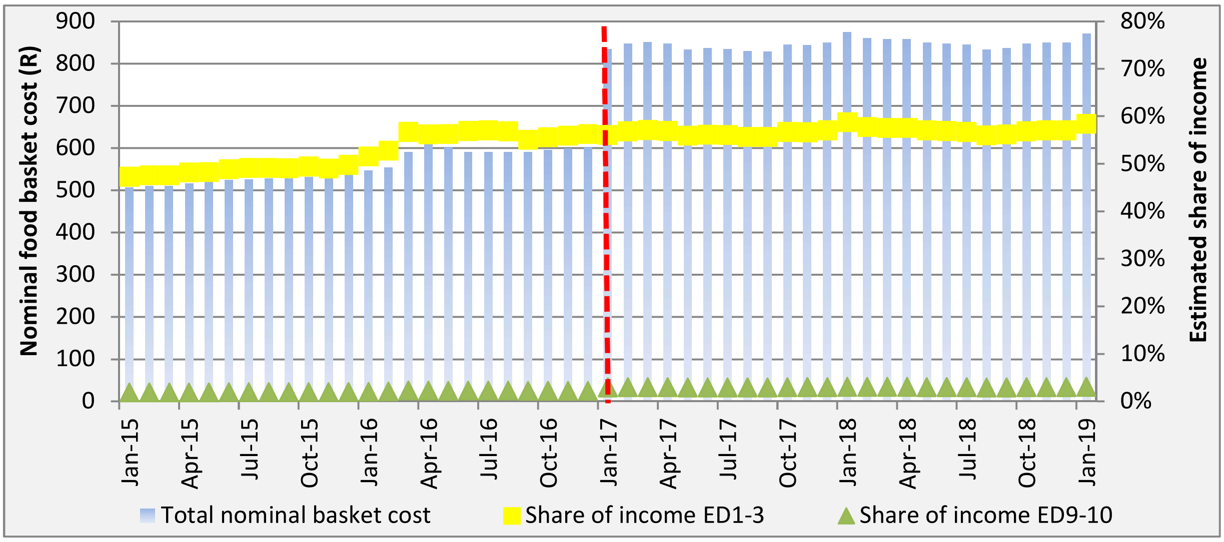

Figure 5: The cost of a typical consumer food basket for the period January 2015 to January 2019, expressed in nominal terms and as share of the average income of the poorest 30% of households (Expenditure Deciles [ED] 1-3) and the wealthiest 20% of households (ED 9-10)

Sources: BFAP calculations, Stats SA, 2019

**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 NAMC's 28-item food basket, comparing the periods January 2019 vs. January 2018 (y-o-y) and January 2019 vs. December 2018 (m-o-m). The following food

[2]*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).*

[3]*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).*

categories in this basket experienced higher price increases: fresh products (fruit and vegetables, coffee & tea, sugar, fats & oils and bean products.

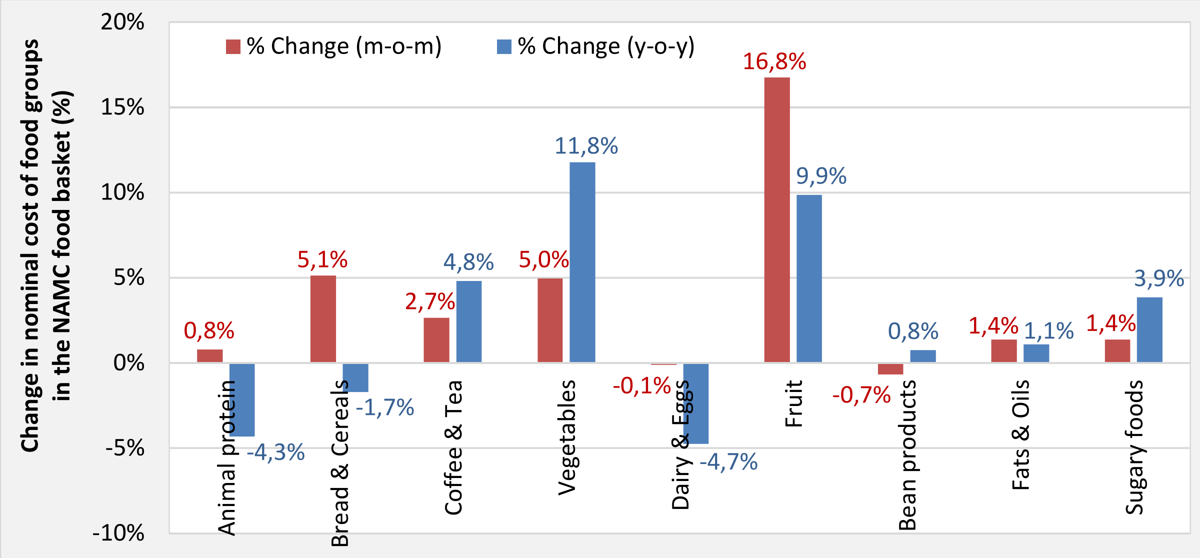

Figure 6: Nominal cost growth of specific food groups within the NAMC's 28-item food basket, comparing January 2019 vs. January 2018 and January 2019 vs. December 2018
Sources: BFAP & NAMC calculations, Stats SA, 2019

The various food groups within the NAMC's 28-item food basket are discussed in more detail in **Table 5** below.

Table 5: Overview of contributions to annual food price increases within the 28-item NAMC food basket, January 2019 vs. January 2018

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
	Jan 2019 vs. Jan 2018	Oct 2018 vs. Oct 2017*				
Animal protein	-4.3%	-1.8%	Beef mince (+6.9%) Tinned fish (+6.3%) Polony (+4.9%)	None	Beef offal (-31.9%) IQF chicken portions (-7.4%) Chicken giblets (-1.5%)	Inflation on beef mince, tinned fish, and polony.
Bread and cereals	-1.7%	-6.0%	Rice (+4.2%) White bread (+4.1%)	Brown bread (+1.1%)	Maize meal (-8%)	Some inflation on bread and rice, deflation on maize meal.
Vegetables	+11.8%	+10.6%	Tomatoes (+35.7%) Potatoes (+12.7%) Onions (+6.9%)	None	Cabbage (-8.8%)	High inflation on tomatoes and potatoes.
Fruit	+9.9%	+3.4%	Apples (+18.1%) Oranges (+6.2%) Bananas (+4.5%)	None	None	High inflation on all fruit options.
Dairy	-2.2%	-0.8%	*None*	*Full cream milk (+0.3%)*	*Cheddar cheese (-4.6%)*	*General price deflation.*
Eggs	-6.6%	+6.6%	*None*	*None*	*Eggs (-6.6%)*	
Fats and oils	+1.1%	+0.04%	Sunflower oil (+3%)	None	Brick margarine (-0.8%)	Low inflation on sunflower oil and deflation on margarine.
Bean products	+0.8%	+1.6%	Baked beans (+5.2%)	Peanut butter (+0.3%)	Dried beans (-0.7%)	Inflation on baked beans.
Coffee and tea	+4.8%	+4.2%	Ceylon/black tea (+7%) Instant coffee (+2.7%)	None	None	Inflation on tea, with some inflation on coffee.
Sugary foods	+3.9%	+0.8%	White sugar (+3.9%)	None	None	Inflation on sugar.

Sources: BFAP & NAMC calculations, Stats SA, 2019

**Note: Previous Food Price Monitor analysis period prior to January 2019 vs. January 2018 comparison*

When comparing January 2019 vs. January 2018 retail prices, higher price increases (6% or more) were observed for the following products within the NAMC's 28-item food basket (in order from highest to lowest): tomatoes, apples, potatoes, Ceylon/black tea, beef mince, onions, canned pilchards and oranges. Despite relief in staple food prices, the items with high inflation could have negative implication in terms of dietary diversity. When comparing price changes for January 2019 vs. January 2018 with October 2018 vs. October 2017 (i.e. the previous Food Price Monitor analysis period), higher price increases were reported for bread & cereals, vegetables, fruit, fat & oils, coffee & tea and sugar.

The impact of inflation on very poor consumers is based on the typical portion sizes of very poor consumers with regards to 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[4]; Oldewage-Theron et al, 2005[5]). **Figure 8** illustrates the estimated portion costs for these foods, calculated from food price data for January 2019 vs. January 2018. The significant cost contribution of maize meal and bread to the typical basic daily food selection of poor consumers, are emphasised by the results in **Figure 8.**

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 60% more in this case, for January 2019). When comparing the costs associated with the typical portion sizes of very poor consumers with regards to the five most widely consumed food items in South Africa, based on January 2019 vs. January 2018 prices, the results in **Figure 8** indicated deflation of approximately 1.3% (from R5.83 to R5.75 for the portion selections). Significant deflation on maize meal contributed to the overall deflation observed on this 'food plate'. Comparing January 2019 vs. December 2018, the costs associated with the typical portion sizes of very poor consumers with regards to the five most widely consumed food items in South Africa, increased by 4.1%.

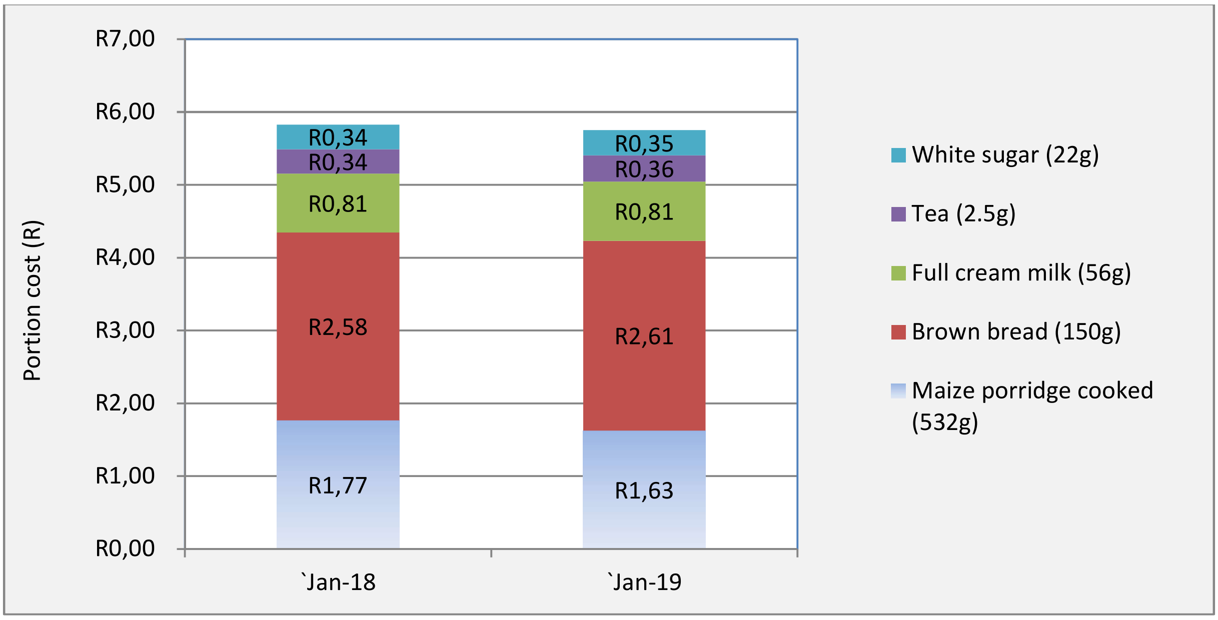

Figure 7: Average nominal cost for the typical portions of the five food items, most widely consumed by very poor consumers in South Africa, January 2019 vs. January 2018
Sources: BFAP calculations, Stats SA, 2019

[4]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.
[5]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

Y-o-y food inflation rates remained constant, at 3%, between December 2018 and January 2019. This is slightly lower than 3.4% reported for October and November and somewhat surprising since inflation usually exhibits an increasing trend associated with strong(er) festive season demand. The main contributors to inflation in January were vegetables (which recorded a double-digit inflation of 11.1%), breads & cereals (2.8%) and sugar and confectionary (3.5%) with most other classes exhibiting relatively subdued inflation. Subdued inflation, specifically in meat, could be attributed to the recent foot and mouth disease outbreak that might lead to an increase in local supply due to export bans, as well as the slowdown in meat prices after the festive season.

Although the annual (y-o-y) increase for maize meal is negative, the m-o-m movement in the price of a 2.5kg packet increased by approximately 7%. This could signal that the increase in prices of white maize, apparent during late December 2018 and early January 2019 are starting to manifest in retail prices. Due to dry conditions during the last quarter of 2018, planting was extremely delayed. Improved rainfall in February 2019 pushed futures prices lower. It is however still too early for certainty on yield levels, and as a result, there exists a significant upside risk to maize prices as late rains could affect yields significantly. These dynamics are therefore expected to support maize meal prices over the outlook period. Wheat prices, in turn, have been moving sideways over the past couple of months but exchange rate movements could impact on this over the next quarter. Brown bread prices have shown a moderate m-o-m increase and are expected to experience upward pressures due to probable increases in manufacturing and distributional cost.

In terms of meat, as expected with established seasonal patterns, there has been a slight decrease in poultry producer prices between December 2018 and January 2019. If a y-o-y effect is considered, this decreasing trend is even more amplified, with producer prices for IQF pieces in January 2019 being almost 10% lower compared to January 2018. The expectation is that the sideways movement in poultry prices will continue over the next 3 months with the possibility of some upward movements based on higher input costs associated with grain prices in the last quarter of 2018. As mentioned above, however, red meat prices declined significantly on a m-o-m and y-o-y basis due to the foot and mouth disease outbreak. It is expected that inflationary pressures for meat will remain subdued for the remainder of 2019, as South Africa works to regain access into lost foreign markets. Based on this, general meat inflation is expected to be marginal over the next three months.

With regards to fresh produce, fruit inflation was relatively benign in January 2019. Vegetables were however the largest contributors to inflation, continuing upward inflationary trends since October 2018. Potatoes recorded a y-o-y increase of 12.3%, whilst m-o-m increases amounted to just over 6%. This upward trend is attributable to the drought and heat wave that the northern part of South Africa experienced in the last two months of 2018. It is also expected that there is demand price support for vegetables, due to their relative affordability compared to other food product categories.

Over the next three months there are several factors that present an upside risk to the moderate food inflation trends of late. The first is local and global factors that impact exchange rate dynamics. Over the short term, the situation around Eskom and South Africa's precarious fiscal position could have a depreciating effect on the currency. Secondly, employment and growth indicators in the US seems to support interest rate hikes during the remainder of 2019 in the US. This could also serve to weaken the rand. Lastly, there seems to be a general consensus amongst economists of bullish oil markets for the remainder of the year. This, along with exchange rate depreciation and 29 cents increase in the fuel levy in

April 2019,will greatly impact manufacturing and distribution cost and could support food inflation to higher levels in the second quarter of 2019.

APPENDIX A: DATA ON URBAN FOOD PRICE TRENDS

Table A.1: Wheat products

Wheat products	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Cake flour 1kg	12.64	12.46	13.05	4.7%	3.2%
Cake flour 2.5kg	25.16	25.78	26.58	3.1%	5.6%
Cake flour 5kg	55.57	54.93	57.88	5.4%	4.2%
Instant noodles 73g	4.90	4.98	5.20	4.4%	6.1%
Instant noodles 75g	4.43	4.65	5.04	8.4%	13.8%
Instant noodles 78g	4.67	4.54	4.78	5.3%	2.4%
Instant noodles 85g	3.92	3.99	4.19	5.0%	6.9%
Loaf of brown bread (each)	12.09	-	8.99		-25.6%
Loaf of brown bread 600g	7.19	7.11	7.57	6.5%	5.3%
Loaf of brown bread 700g	12.04	11.69	12.17	4.1%	1.1%
Loaf of white bread (each)	11.10	12.05	10.37	-13.9%	-6.6%
Loaf of white bread 600g	7.72	8.06	8.37	3.8%	8.4%
Loaf of white bread 700g	12.92	13.14	13.45	2.4%	4.1%
Macaroni 1kg	27.85	25.14	25.69	2.2%	-7.8%
Macaroni 500g	12.61	11.69	12.27	5.0%	-2.7%
Pasta 500g	17.41	17.39	17.82	2.5%	2.4%
Spaghetti 1kg	26.39	24.21	25.04	3.4%	-5.1%
Spaghetti 500g	13.15	12.27	12.98	5.8%	-1.3%
Average				**3.4%**	**0.8%**
Domestic price of wheat	**3,676.96**	**4,392.35**	**4,437.43**	**1.0%**	**20.7%**

Source: Stats SA, 2019

Table A.2: Maize products

Maize products	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Special maize 10kg	64.48	56.04	57.32	2.3%	-11.1%
Special maize 1kg	7.93	7.43	7.85	5.7%	-1.0%
Special maize 2.5kg	19.47	17.50	18.62	6.4%	-4.4%
Special maize 5kg	37.44	32.58	35.36	8.5%	-5.6%
Super maize 1kg	10.64	9.96	10.19	2.3%	-4.2%
Super maize 2.5kg	22.70	20.63	21.34	3.4%	-6.0%
Super maize 5kg	41.52	36.17	38.21	5.6%	-8.0%
Average				**4.9%**	**-5.7%**
Domestic price of yellow maize	**1,973.05**	**2,395.87**	**2,740.61**	**14.4%**	**38.9%**
Domestic price of white maize	**1,931.95**	**2,373.35**	**2,988.91**	**25.9%**	**54.7%**

Source: Stats SA, 2019

Table A.3: Sunflower products

Sunflower products	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Brick margarine 125g	7.90	7.99	7.95	-0.5%	0.6%
Brick margarine 1kg	44.30	44.41	44.53	0.3%	0.5%
Brick margarine 250g	13.88	13.48	13.51	0.2%	-2.7%
Brick margarine 500g	22.89	22.19	22.71	2.3%	-0.8%
Margarine spread 1kg	40.55	39.79	40.65	2.2%	0.2%
Margarine spread 500g	27.92	26.94	27.05	0.4%	-3.1%
Sunflower oil 2ℓ	39.57	40.72	40.77	0.1%	3.0%
Sunflower oil 4ℓ	82.66	84.19	78.35	-6.9%	-5.2%
Sunflower oil 500mℓ	14.21	17.12	23.37	36.5%	64.5%
Sunflower oil 750mℓ	22.29	22.49	22.96	2.1%	3.0%
Average				**3.7%**	**6.0%**
Domestic price of sunflower seed	**4,724.74**	**5,102.87**	**5,672.35**	**11.2%**	**20.1%**

Source: Stats SA, 2019

Table A.4: Processed vegetables

Processed vegetables	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Baked beans - tinned 410g	9.55	10.05	10.05	0.0%	5.2%
Beans - dried 1kg	39.07	36.85	36.24	-1.7%	-7.2%
Beans - dried 2kg	59.82	58.06	58.36	0.5%	-2.4%
Beans - dried 500g	19.61	19.32	19.47	0.8%	-0.7%
Average				**-0.1%**	**-1.3%**

Source: Stats SA, 2019

Table A.5: Fresh vegetables

Fresh vegetables	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Beetroot - fresh per kg	10.78	10.99	11.59	5.5%	7.5%
Cabbage - fresh each	13.31	13.73	15.45	12.5%	16.1%
Cabbage - fresh per kg	14.99	12.15	13.67	12.5%	-8.8%
Cauliflower - fresh per kg	41.56	42.76	45.32	6.0%	9.0%
Onions - fresh per kg	13.17	15.46	14.08	-8.9%	6.9%
Potatoes - fresh per kg	11.93	12.11	13.45	11.1%	12.7%
Pumpkin - fresh per kg	10.84	13.13	12.50	-4.8%	15.3%
Sweet potatoes - fresh per kg	18.24	18.65	21.51	15.3%	17.9%
Tomatoes - fresh per kg	15.09	19.07	20.48	7.4%	35.7%
Average				**6.3%**	**12.5%**

Source: Stats SA, 2019

Table A.6: Processed meat

Processed meat	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Bacon 250g	37.99	35.27	36.91	4.6%	-2.8%
Corned beef 300g	23.90	21.58	22.23	3.0%	-7.0%
Ham 500g	37.45	37.42	39.17	4.7%	4.6%
Polony per kg	43.59	42.46	45.74	7.7%	4.9%
Sausage 500g	46.26	46.44	47.72	2.8%	3.2%
Average				**4.6%**	**0.6%**

Source: Stats SA, 2019

Table A.7: Unprocessed meat

Unprocessed meat	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Beef brisket - fresh per kg	85.96	85.83	86.40	0.7%	0.5%
Beef chuck - fresh per kg	88.08	87.06	88.71	1.9%	0.7%
Beef fillet - fresh per kg	196.63	187.48	192.03	2.4%	-2.3%
Beef mince - fresh per kg	80.52	85.14	86.11	1.1%	6.9%
Beef offal - fresh per kg	50.28	35.88	34.24	-4.6%	-31.9%
Beef rump steak - fresh per kg	128.13	124.01	128.70	3.8%	0.4%
Beef sirloin - fresh per kg	136.09	133.78	134.71	0.7%	-1.0%
Beef stew - per kg	79.20	76.95	78.08	1.5%	-1.4%
Beef T-bone - fresh per kg	104.16	103.59	105.99	2.3%	1.8%
Chicken giblets per kg	35.14	34.22	34.60	1.1%	-1.5%
Chicken portions - fresh per kg	58.80	59.32	60.43	1.9%	2.8%
Chicken portions frozen - non IQF average per kg	49.44	46.66	47.28	1.3%	-4.4%
Chicken portions frozen - non IQF per kg (real)	48.21	46.66	47.28	1.3%	-1.9%
IQF chicken portions - 1,5kg	63.43	67.34	66.08	-1.9%	4.2%
IQF chicken portions - 1,8kg	58.29	55.99	55.49	-0.9%	-4.8%
IQF chicken portions - 1kg	32.99	46.39	42.99	-7.3%	30.3%
IQF chicken portions - 2kg	68.98	64.60	63.87	-1.1%	-7.4%
IQF chicken portions - 4kg	157.13	-	142.46		-9.3%
IQF chicken portions - 5kg	171.12	164.33	159.68	-2.8%	-6.7%
Lamb - leg per kg	139.98	138.36	138.88	0.4%	-0.8%
Lamb - loin chop per kg	161.82	162.14	159.96	-1.3%	-1.1%
Lamb - neck per kg	119.53	122.71	121.87	-0.7%	2.0%
Lamb - offal per kg	49.35	52.46	49.21	-6.2%	-0.3%
Lamb - rib chop per kg	155.56	157.85	158.01	0.1%	1.6%
Lamb - stew per kg	109.62	112.84	115.71	2.5%	5.6%

Unprocessed meat	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Pork - ribs per kg	83.23	74.38	77.49	4.2%	-6.9%
Pork chops - fresh per kg	83.07	76.51	79.83	4.3%	-3.9%
Whole chicken - fresh per kg	45.52	47.82	47.70	-0.3%	4.8%
Average				**0.2%**	**-0.9%**

Source: Stats SA, 2019

Table A.8: Eggs and dairy products

Eggs & dairy products	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Cheddar cheese per kg	109.96	105.47	104.89	-0.5%	-4.6%
Eggs 0.5 dozen	16.50	18.60	17.16	-7.7%	4.0%
Eggs 1.5 dozen	45.53	42.76	42.53	-0.5%	-6.6%
Eggs 2 dozen	-	53.99	52.74	-2.3%	
Eggs 2.5 dozen	63.72	59.96	56.02	-6.6%	-12.1%
Full cream milk - fresh 1ℓ	13.97	14.49	14.26	-1.6%	2.1%
Full cream milk - fresh 250mℓ	6.62	6.82	6.92	1.5%	4.5%
Full cream milk - fresh 2ℓ	25.57	26.00	26.39	1.5%	3.2%
Full cream milk - fresh 500mℓ	10.09	10.67	10.80	1.2%	7.0%
Full cream milk - long life 1ℓ	13.94	13.92	13.98	0.4%	0.3%
Full cream milk - long life 500mℓ	8.53	8.68	8.68	0.0%	1.8%
Full cream milk - long life 6x1ℓ	75.42	74.49	74.82	0.4%	-0.8%
Low fat milk - fresh 1ℓ	15.27	15.85	15.80	-0.3%	3.5%
Low fat milk - fresh 2ℓ	26.05	26.80	26.75	-0.2%	2.7%
Low fat milk - long life 1.5ℓ	19.99	20.16	20.16	0.0%	0.9%
Low fat milk - long life 1ℓ	13.79	13.86	13.93	0.5%	1.0%
Powdered milk 250g	38.59	41.64	40.21	-3.4%	4.2%
Powdered milk 400g	65.49	62.39	59.44	-4.7%	-9.2%
Powdered milk 500g	54.42	52.57	56.21	6.9%	3.3%
Powdered milk 900g	139.62	138.49	139.03	0.4%	-0.4%
Average				**-0.8%**	**0.2%**

Source: Stats SA, 2019

Table A.9: Fruits

Fruits	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Apples - fresh per kg	18.59	19.75	21.95	11.1%	18.1%
Bananas - fresh per kg	14.44	12.73	15.09	18.5%	4.5%
Nectarines - fresh per kg	33.62	-	38.28		13.9%
Oranges - fresh per kg	20.38	14.44	21.64	49.9%	6.2%
Peaches - fresh per kg	29.12	-	32.49		11.6%

Pears - fresh per kg	22.69	20.87	22.06	5.7%	-2.8%
Average				**21.3%**	**8.6%**

Source: Stats SA, 2019

Table A.10: Fish Products

Tinned fish products	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Fish (excl. tuna) - tinned 155g	10.84	10.73	11.56	7.7%	6.6%
Fish (excl. tuna) - tinned 215g	13.71	14.04	14.31	1.9%	4.4%
Fish (excl. tuna) - tinned 400g	17.87	18.05	18.99	5.2%	6.3%
Tuna - tinned 170g	19.18	20.23	20.03	-1.0%	4.4%
Average				**3.5%**	**5.4%**

Source: Stats SA, 2019

Table A.11: Other products

Other products	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Cold Cereals 400g	37.12	41.96	38.42	-8.4%	3.5%
Cold Cereals 450g	24.54	25.29	25.38	0.4%	3.4%
Cold Cereals 500g	32.46	34.76	34.84	0.2%	7.3%
Cold Cereals 750g	43.04	46.12	48.40	4.9%	12.5%
Ceylon/black tea 125g	24.98	27.74	27.87	0.5%	11.6%
Ceylon/black tea 200g	20.74	-	18.74		-9.6%
Ceylon/black tea 250g	33.57	34.93	35.92	2.8%	7.0%
Ceylon/black tea 500g	60.34	65.04	65.49	0.7%	8.5%
Ceylon/black tea 62.5g	14.76	16.05	15.79	-1.6%	7.0%
Instant coffee 100g	25.93	23.24	24.55	5.6%	-5.3%
Instant coffee 200g	81.76	76.78	80.61	5.0%	-1.4%
Instant coffee 250g	35.02	35.97	35.97	0.0%	2.7%
Instant coffee 500g	56.79	59.74	61.32	2.6%	8.0%
Instant coffee 750g	78.98	76.12	74.76	-1.8%	-5.3%
Peanut butter 250g	20.67	20.41	21.01	2.9%	1.6%
Peanut butter 400g	27.31	27.87	27.38	-1.8%	0.3%
Peanut butter 800g	50.93	52.50	51.17	-2.5%	0.5%
Rice 10kg	115.20	122.25	123.20	0.8%	6.9%
Rice 1kg	19.41	18.91	18.98	0.4%	-2.2%
Rice 2kg	25.58	25.56	26.66	4.3%	4.2%
Rice 500g	8.08	8.40	8.46	0.7%	4.7%
Rice 5kg	64.70	67.18	67.85	1.0%	4.9%
White sugar 10kg	160.49	162.74	165.74	1.8%	3.3%
White sugar 1kg	18.86	19.33	19.57	1.2%	3.8%
White sugar 2.5kg	38.16	39.01	39.63	1.6%	3.9%

Other products	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
White sugar 2kg	26.24	27.74	29.79	7.4%	13.5%
White sugar 500g	10.23	10.78	10.84	0.6%	6.0%
White sugar 5kg	80.42	79.81	82.31	3.1%	2.4%
Average				**1.2%**	**3.7%**

Source: Stats SA, 2019

APPENDIX B: DATA ON RURAL FOOD PRICE TRENDS

Table B.1: Wheat products

Wheat products	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Loaf of brown bread 600g	10.36	10.35	10.42	0.7%	0.6%
Loaf of brown bread 700g	11.51	11.81	12.24	3.7%	6.4%
Loaf of white bread 600g	10.68	10.69	10.60	-0.9%	-0.8%
Loaf of white bread 700g	12.51	12.87	13.28	3.2%	6.2%
Average				**1.7%**	**3.1%**

Source: Stats SA, 2019

Table B.2: Maize products

Maize products	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Special maize 1kg	9.84	8.81	9.34	6.0%	-5.1%
Special maize 2.5kg	20.43	16.98	18.32	7.9%	-10.3%
Special maize 5kg	33.58	30.33	32.16	6.0%	-4.2%
Super maize 1kg	11.24	10.59	10.83	2.3%	-3.6%
Super maize 2.5kg	23.06	21.18	21.29	0.5%	-7.7%
Super maize 5kg	40.75	38.97	37.09	-4.8%	-9.0%
Average				**3.0%**	**-6.6%**

Source: Stats SA, 2019

Table B.3: Sunflower products

Sunflower products	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Brick margarine 125g	9.86	9.43	9.71	3.0%	-1.5%
Brick margarine 250g	14.47	14.70	14.81	0.7%	2.3%
Brick margarine 500g	22.24	21.94	22.08	0.7%	-0.7%
Margarine spread (tub) 1kg	39.15	40.40	39.85	-1.3%	1.8%
Margarine spread (tub) 500g	27.76	28.09	27.52	-2.0%	-0.8%
Sunflower oil 2ℓ	38.32	37.96	38.46	1.3%	0.4%
Sunflower oil 500mℓ	13.89	14.72	14.19	-3.6%	2.2%
Sunflower oil 750mℓ	17.71	18.00	18.39	2.1%	3.8%
Average				**0.1%**	**0.9%**

Source: Stats SA, 2019

Table B.4: Dairy products

Dairy products	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Eggs 0.5 dozen	11.48	12.42	12.18	-2.0%	6.1%

Full cream milk - fresh 1ℓ	13.20	14.20	13.72	-3.4%	3.9%
Full cream milk - fresh 2ℓ	26.25	26.43	26.13	-1.1%	-0.4%
Full cream milk - fresh 500mℓ	9.85	10.22	10.39	1.6%	5.5%
Full cream milk - long life 1ℓ	14.67	14.76	14.89	0.8%	1.5%
Full cream milk - long life 500mℓ	10.30	10.44	10.51	0.7%	2.1%
Low fat milk - fresh 1ℓ	13.76	15.16	15.16	0.0%	10.2%
Low fat milk - fresh 2ℓ	27.99	27.99	27.99	0.0%	0.0%
Average				**-0.4%**	**3.6%**

Source: Stats SA, 2019

Table B.5: Tea and coffee

Tea and coffee	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Ceylon/black tea 125g	20.77	20.36	21.04	3.3%	1.3%
Ceylon/black tea 200g	27.99	35.19	36.19	2.8%	29.3%
Ceylon/black tea 250g	29.64	31.38	31.39	0.0%	5.9%
Ceylon/black tea 62.5g	12.27	12.84	12.93	0.7%	5.4%
Instant coffee 100g	19.50	19.93	19.86	-0.3%	1.8%
Instant coffee 250g	37.42	37.27	36.73	-1.4%	-1.8%
Instant coffee 750g	78.28	79.99	76.26	-4.7%	-2.6%
Average				**0.1%**	**5.6%**

Source: Stats SA, 2019

Table B.6: Beans

Beans	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Beans dried 1kg	30.99	29.46	29.69	0.8%	-4.2%
Beans dried 2kg	46.19	54.45	51.87	-4.7%	12.3%
Beans dried 500g	15.68	15.97	16.52	3.4%	5.3%
Average				**-0.2%**	**4.5%**

Source: Stats SA, 2019

Table B.7: White sugar

Sugar	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
White sugar 1kg	19.23	19.20	19.43	1.2%	1.1%
White sugar 2.5kg	41.25	41.88	41.95	0.2%	1.7%
White sugar 500g	95.00	89.99	84.99	-5.6%	-10.5%
Average				**-1.4%**	**-2.6%**

Source: Stats SA, 2019

Table B.8: Meat & Fish

Meat & Fish	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Beef brisket - fresh per kg	83.08	83.36	85.21	2.2%	2.6%
Beef chuck - fresh per kg	83.58	83.82	84.92	1.3%	1.6%
Beef fillet - fresh per kg	149.38	156.78	156.78	0.0%	5.0%
Beef rump steak -fresh per kg	112.85	113.30	121.35	7.1%	7.5%
Beef T-bone - fresh per kg	96.25	99.26	102.80	3.6%	6.8%
Fish (excl. tuna) - tinned 155g	10.79	11.20	11.09	-1.0%	2.8%
Fish (excl. tuna) - tinned 425g	18.00	18.00	18.00	0.0%	0.0%
Average				**1.9%**	**3.7%**

Source: Stats SA, 2019

Table B.9: Rice

Rice	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Rice 1kg	15.63	15.76	15.84	0.5%	1.4%
Rice 2kg	25.48	25.75	26.34	2.3%	3.4%
Rice 500g	8.70	8.75	8.78	0.4%	1.0%
Average				**1.0%**	**1.9%**

Source: Stats SA, 2019

Table B.10: Peanut butter

Peanut butter	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Peanut butter 270g	22.74	24.16	24.02	-0.6%	5.6%
Peanut butter 400g	28.95	29.49	30.35	2.9%	4.8%
Peanut butter 800g	53.10	54.18	54.72	1.0%	3.1%
Average				**1.1%**	**4.5%**

Source: Stats SA, 2019

Table B.11: Fruit & Vegetables

Fruit & Vegetables	Price level			Percentage Change	
	Jan-18	Oct-18	Jan-19	Jan-19 vs Oct-18	Jan-19 vs Jan-18
Apples - fresh per kg	20.77	19.54	22.12	13.2%	6.5%
Bananas - fresh per kg	14.50	13.16	14.49	10.0%	-0.1%
Onions - fresh per kg	12.36	13.51	12.17	-9.9%	-1.5%
Oranges - fresh per kg	27.16	16.82	27.59	64.0%	1.6%
Potatoes - fresh per kg	11.54	12.09	12.58	4.0%	9.0%
Potatoes - fresh 10kg	70.00	54.50	72.45	32.9%	3.5%
Tomatoes - fresh per kg	16.35	18.93	19.03	0.5%	16.4%
Average				**16.4%**	**5.0%**

Source: Stats SA, 2019

APPENDIX C: COMMODITY AND PRODUCT PRICE TRENDS

C.1 Wheat price trends

Jan 2019 vs. Jan 2018:

International wheat price increased by 9.2%

Domestic price of wheat increased by 20.7%

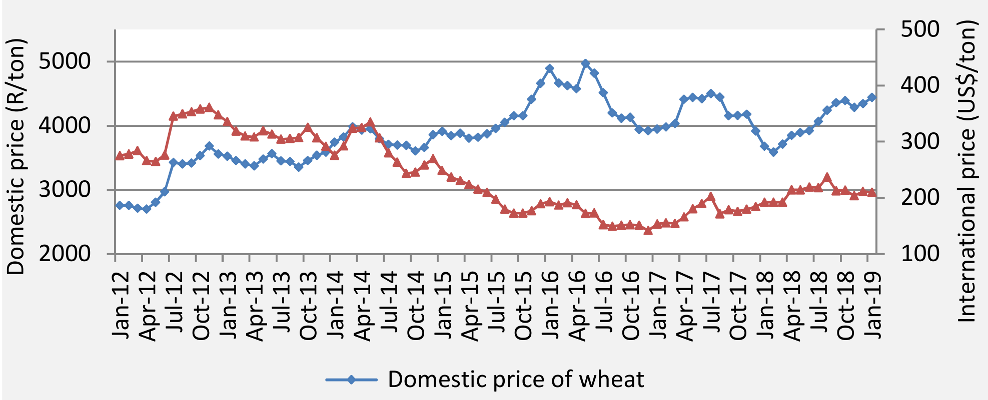

Figure C.1: Domestic market price vs global market price of wheat
Source: FAO and SAFEX, 2019

Jan 2019 vs. Jan 2018:

Wheat import parity price increased by 0.1%

Wheat export parity price increased by 30.9%

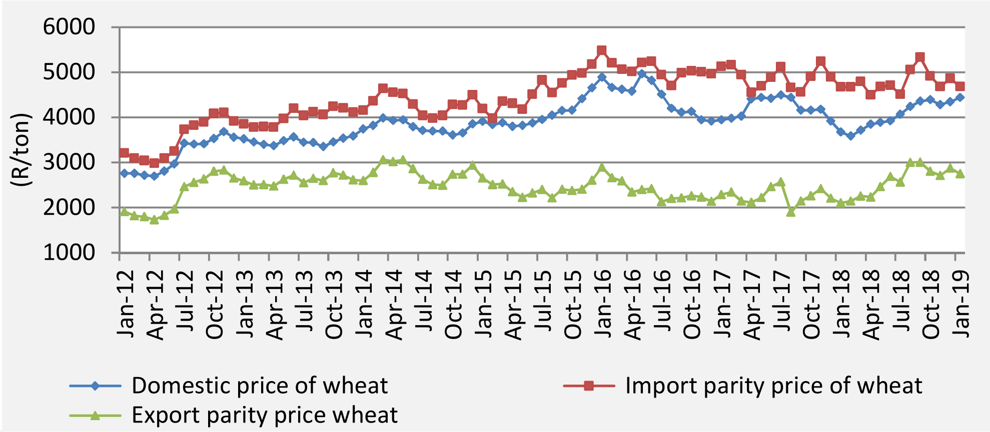

Figure C.2: Import parity, export parity and domestic prices of wheat
Source: SAGIS and SAFEX, 2019

Jan 2019 vs. Jan 2018:

Domestic wheat price increased by 20.7%

Brown bread 700g price decreased by 1.1%

White bread 700g price increased by 4.1%

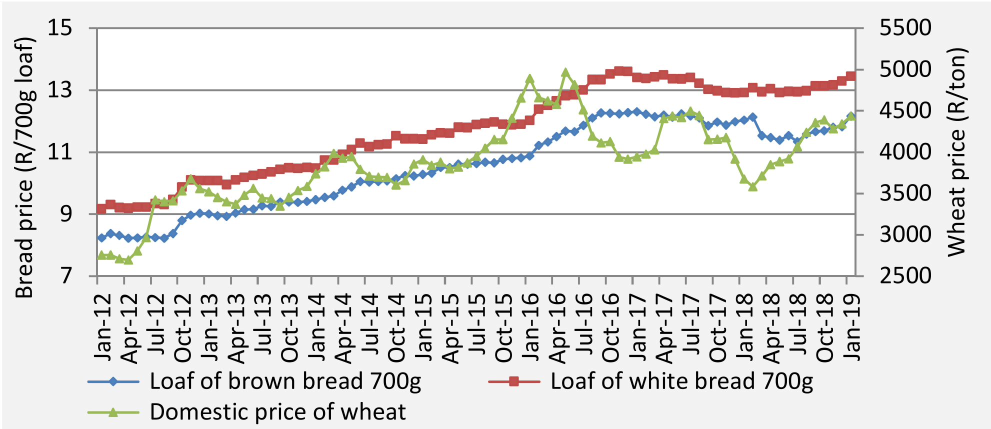

Figure C.3: Domestic wheat price and bread price trends
Source: Stats SA and SAFEX, 2019

C.2 Maize price trends

Jan 2019 vs. Jan 2018:

International price of yellow maize increased by 7%

Domestic price of yellow maize increased by 38.9%

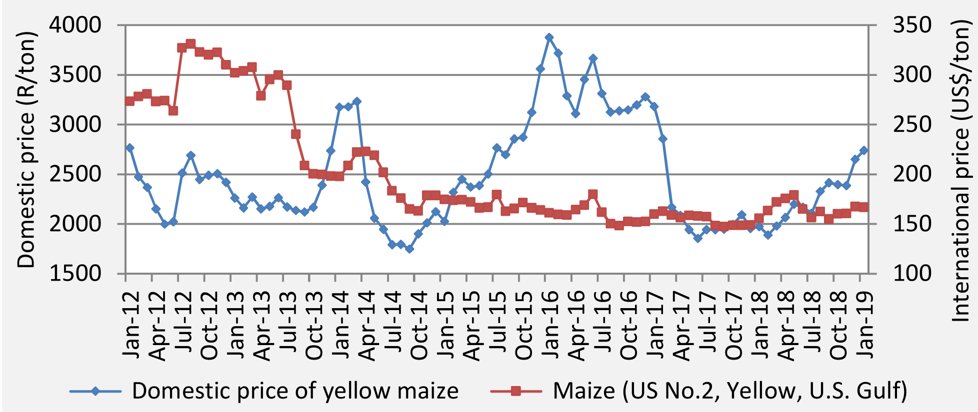

Figure C.4: Domestic market price vs global market price of yellow maize
Source: FAO and SAFEX, 2019

Jan 2019 vs. Jan 2018:

Export parity price of domestic maize increased by 34.3%

Import parity price of domestic maize increased by 8.2%

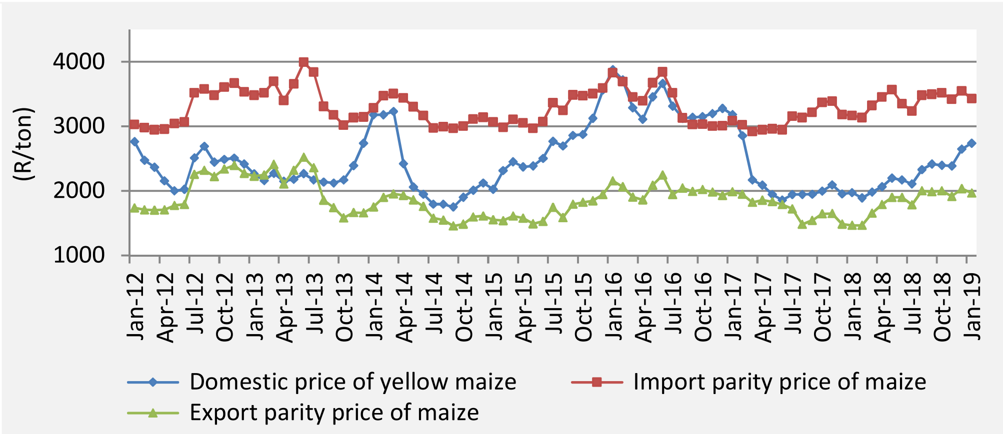

Figure C.5: Import parity, export parity and domestic prices of yellow maize
Source: SAFEX and SAGIS, 2019

Jan 2019 vs. Jan 2018:

Super maize meal 2.5 kg price decreased by 6%;
Special maize meal 2.5 kg decreased by 4.4%;
Domestic price of white maize increased by 54.7%

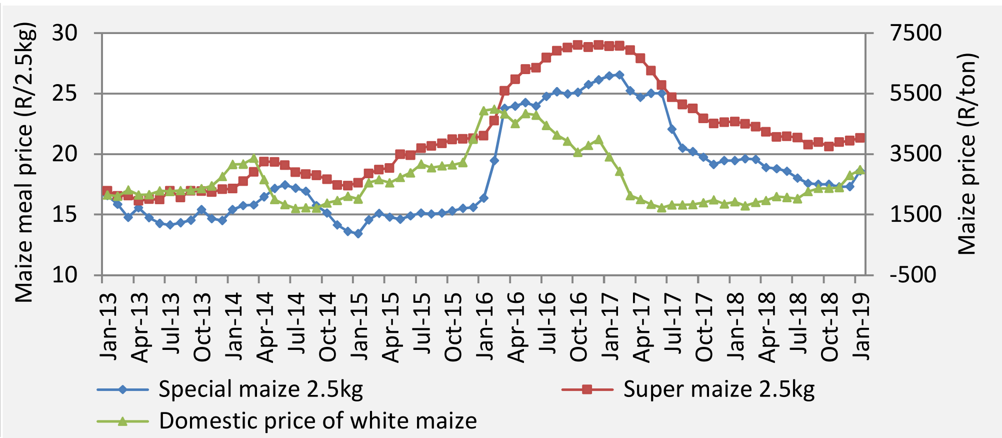

Figure C.6: White maize price and maize meal price trends
Source: SAFEX and Stats SA, 2019

C.3 Sunflower seeds price trends

Jan 2019 vs. Jan 2018:

International sunflower seed price decreased by 3%

Domestic price of sunflower seed increased by 20.1%

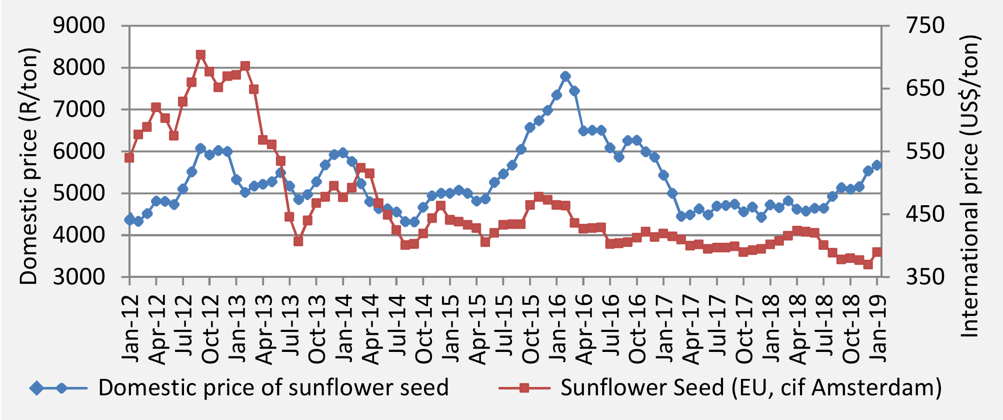

Figure C.7: Domestic market price of sunflower seeds vs global market price
Source: FAO and SAFEX, 2019

Jan 2019 vs. Jan 2018:

Domestic price of sunflower seed increased by 20.1%

Sunflower oil 750 ml increased by 3%

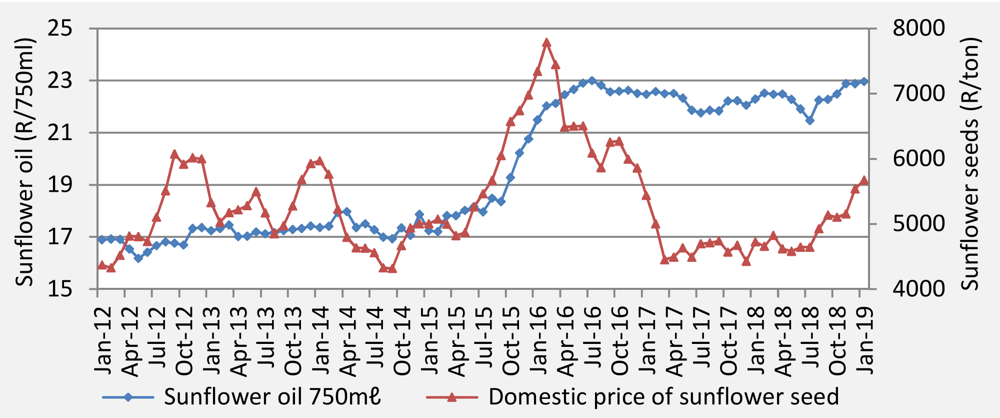

Figure C.8: Sunflower seeds price and sunflower oil price trends
Source: SAFEX and Stats SA, 2019

C.4 Dairy price trends

Jan 2019 vs. Jan 2018:

International skimmed milk powder increased by 25.4%

International whole milk powder decreased by 7.7%

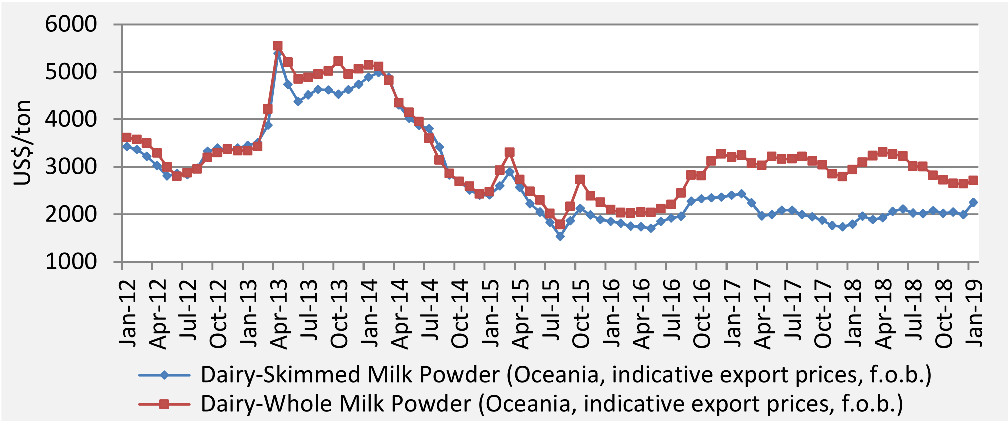

Figure C.9: Skim milk powder and whole milk powder price trends
Source: FAO, 2019

Jan 2019 vs. Jan 2018:

Milk producer price decreased by 20%; full cream milk – fresh 1ℓ increased by 2.1%; full cream milk – long life 1ℓ increased by 0.3%

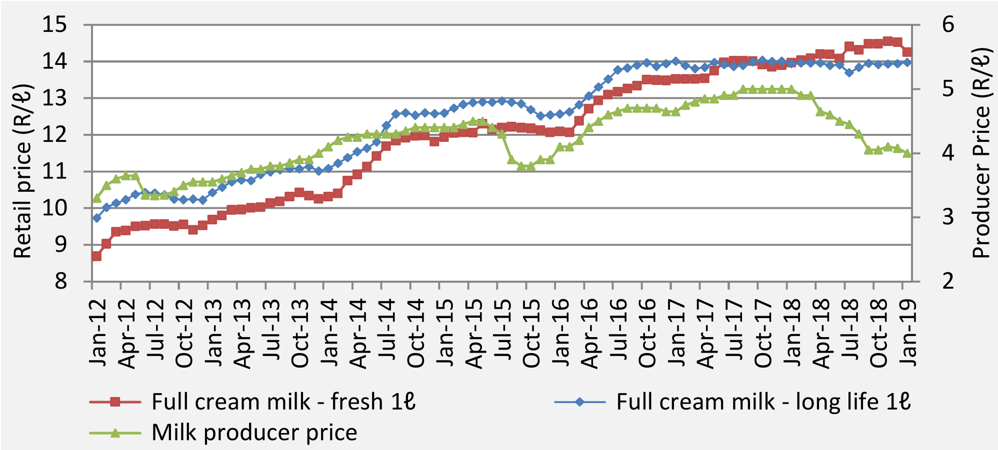

Figure C.10: Domestic producer price and retail prices of milk
Source: MPO, AMT and Stats SA, 2019

C.5 Meat price trends

The price of beef at **retail** level showed an annual average decrease of 2.9% for the nine different cuts, Jan 2019 vs. Jan 2018

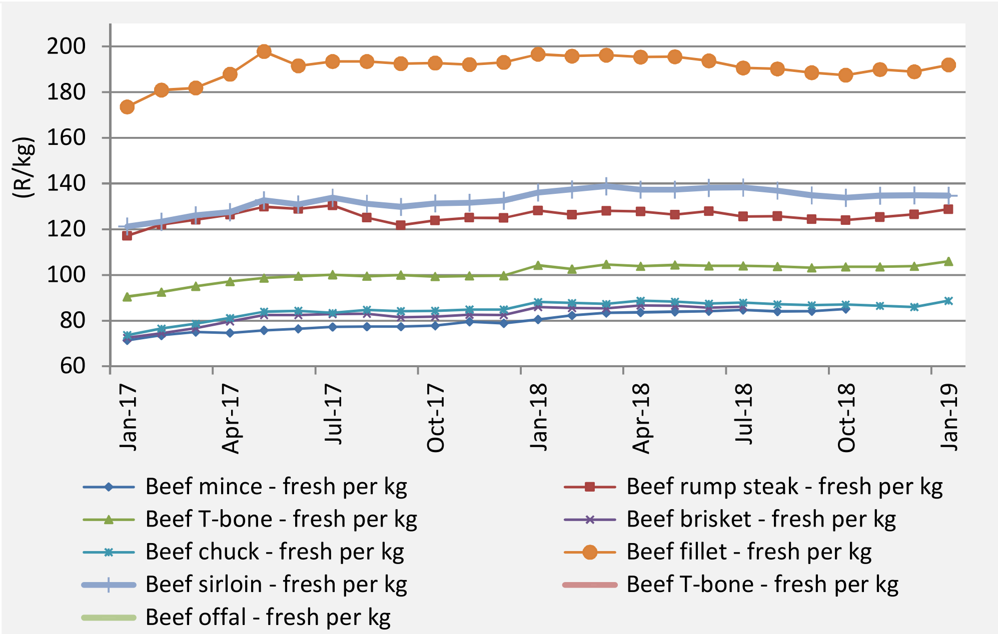

Figure C.11: Retail prices of beef cuts
Source: Stats SA, 2019

Jan 2019 vs. Jan 2018:

Chicken portions – fresh per kg (**retail**) price increased by 2.8% per kg

Pork chops per kg **retail** price decreased by 3.9%

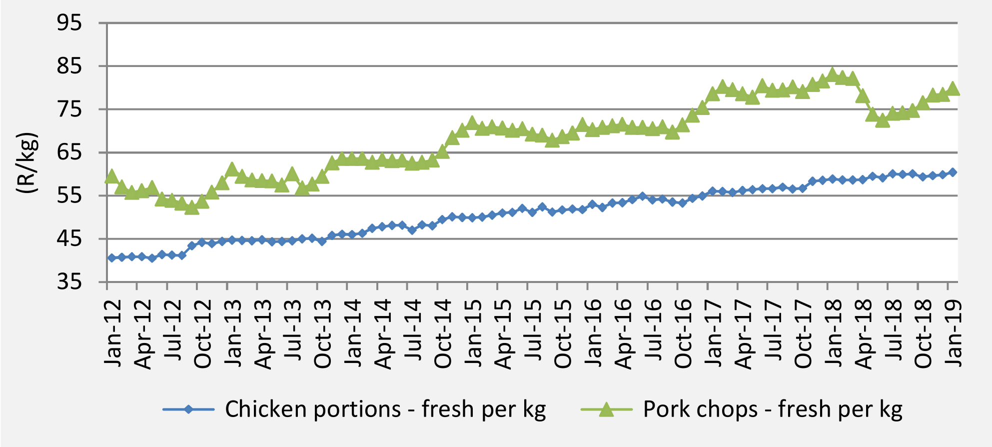

Figure C.12: Retail prices of pork chops and chicken portions – fresh per kg
Source: Stats SA, 2019

Jan 2019 vs. Jan 2018: Producer prices for frozen chicken per kg decreased by 6.4%; fresh chicken per kg decreased by 6.2%; IQF chicken portions per kg decreased by 7%

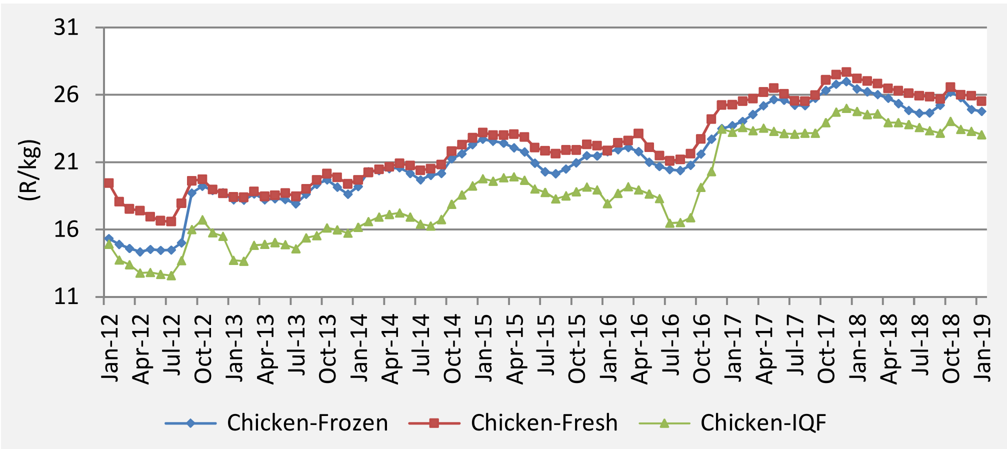

Figure C.13: Producer prices of various chicken pieces
Source: AMT, 2019

Jan 2019 vs. Jan 2018:

Porker producer price (R/kg) decreased by 6.2%

Baconer producer price (R/kg) decreased by 5.1%

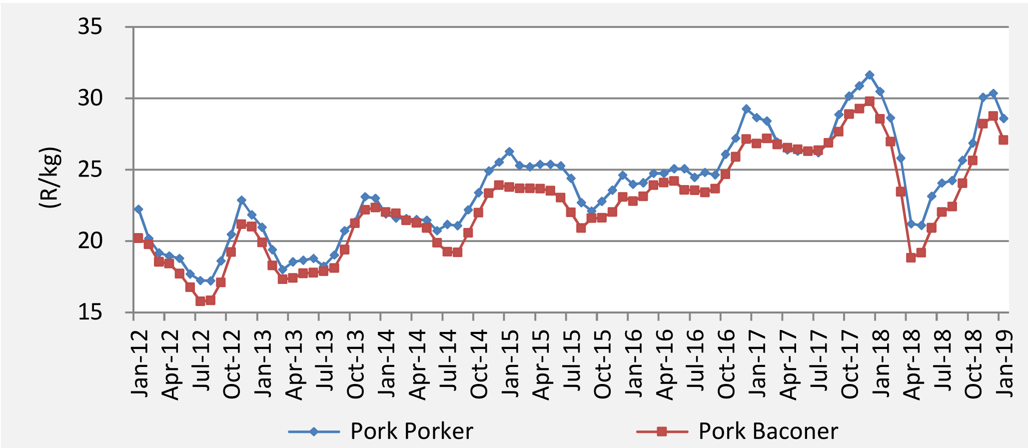

Figure C.14: Producer prices of pork
Source: AMT, 2019

Jan 2019 vs. Jan 2018:

Producer prices of Beef class A2/A3 decreased by 10.7%, class B2/B3 decreased by 12.1%, and class C2/C3 decreased by 8.9%

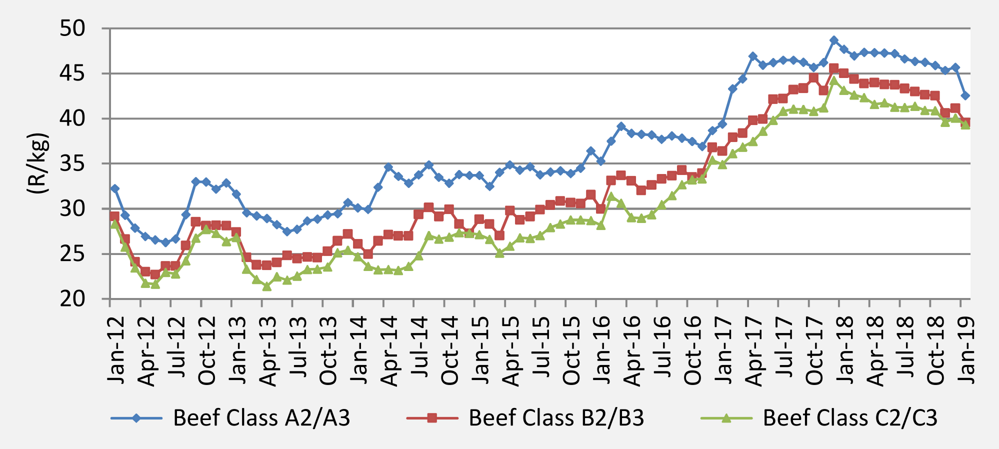

Figure C.15: Producer prices of beef
Source: AMT, 2019

Jan 2019 vs. Jan 2018:

Producer prices of lamb-class A2/A3 (R/kg) decreased by 9.5%, class B2/B3 increased by 1.1% and the price of class C2/C3 decreased by 1.8%

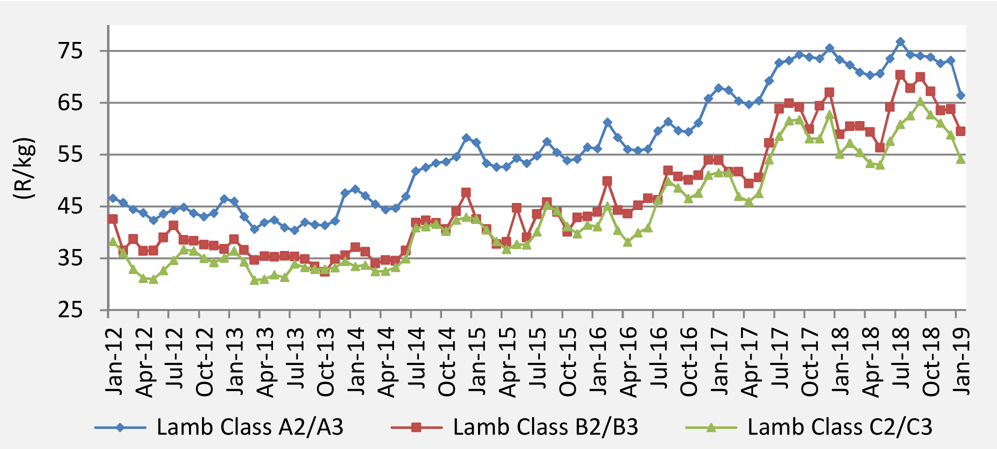

Figure C.16: Producer prices of lamb
Source: AMT, 2019

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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