MEDIA RELEASE

FOOD PRICE MONITOR:

May 2010

EXECUTIVE SUMMARY

The Consumer Price Index (CPI) released by Statistics South Africa (Stats SA) in May 2010 indicates that food price increased by 0.9 % from April 2009 to April 2010. The annual increase of 0.9 % is well below the lower limit of the South African Reserve Bank's target inflation bracket. Food price inflation decreased on a monthly basis by 0.4 percentage points. Headline CPI annual inflation decreased by 0.3 percentage points from March 2010 (5.1 %) to April 2010 (4.8 %).

South Africa's food inflation and overall inflation are substantially lower than the food inflation and overall inflation reported for some African countries and most of the developing countries reviewed in this report. South Africa's food inflation in April 2010 are at comparable levels, and even lower to the levels of food inflation in some developed countries, e.g. the United States experienced annual food inflation of 0.5 % and the United Kingdom experienced annual food inflation of 2.9 % for the period ending April 2010.

Domestic prices of wheat, white maize and yellow maize continued to decrease while the price of sunflower seeds and the milk producer price increased for the period April 2009 to April 2010. Sugar, sweets, desserts and fruit showed the most significant price increases for the period under review in urban areas, while coffee and tea showed the most significant price increases in rural areas. Processed food product prices increased by 2.2 % and unprocessed food product prices decreased by 1.5 % year-on-year from April 2009.

Consumers in rural areas continued to pay higher prices for food than consumers in urban areas. In April 2010 consumers in rural areas paid R17.78 more for the same food basket than consumers in urban areas. From April 2009 to April 2010 the cost of the basic food basket decreased by about R3.57 (1 %) in nominal terms. The cost of the food basket expressed as a share of the average monthly income of the poorest 30 % of the population decreased slightly from 33.4 % in April 2009 to 33.0% in April 2010.

A comparison of 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 2010 versus April 2009 prices, indicate a minimal deflation of about 0.3 % (to R3.06), in particular due to deflation in staple foods.

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QUARTERLY FOOD PRICE MONITOR
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1. Foreword

The Consumer Price Index (CPI) released by Statistics South Africa (Stats SA) in May 2010 shows an annual food and non-alcoholic beverages inflation rate of 0.9 % for April 2010. The annual food inflation rate for April 2010 decreased by 0.4 percentage points from the annual food inflation rate reported for March 2010 (1.3 %). Food inflation has been slowing significantly since the beginning of the year, i.e. 2.4 % in January, 1.8 % in February 2010, 1.3 % in March 2010 and 0.9 % in April 2010.

The headline CPI annual inflation for April 2010 was 4.8 %; 0.3 percentage points lower than the headline CPI annual inflation rate of 5.1 % reported in March 2010. The year-on-year percentage change of headline CPI excluding food and non-alcoholic beverages was 5.9 % in both March and April 2010. Food and non-alcoholic beverages contributed 0.1 % to the annual percentage change in the CPI. In January 2010 food and non-alcoholic beverages contributed 0.4 %, in February 2010 0.3 %, and in March 2010 only 0.2 %. Stats SA reported that the major contributors to the annual percentage change in CPI were housing and utilities, with a 1.5 % contribution, and miscellaneous goods and services, with a contribution of 1.2 %. Transport contributed 0.7 % to the annual percentage change in headline CPI for April 2010.

At a disaggregated level, Stats SA reported that the annual inflation rate for food in April 2010 was 0.3 %, while the annual inflation rate for non-alcoholic beverages was 7.6 %. The annual inflation rate for April 2010 was 3.3 % for hot beverages and 9.1 % for cold beverages. Sugar, sweets and desserts, fruit and other food prices showed the largest annual increases of 6.8 %, 6.5 % and 5.5 %, respectively. Prices of oils and fats decreased by 9.2 % from April 2009 to April 2010. Prices of unprocessed foods decreased by 1.5 % from April 2009 to April 2010, while the prices of processed foods increased by 2.2 % for the same period.

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

Table 1 shows the overall inflation and food inflation rates for South Africa and selected countries for April 2010. Overall inflation was on average higher in African countries and other developing countries than in the developed countries covered in this report. India continued to experience a high overall inflation rate and an even higher food inflation rate of 16.9 %, with the price of pulses, milk and fuel respectively, 30.4 %, 22 % and 17.8 % higher in April 2010 than in April 2009. The overall consensus of inflation reports of the various countries was that high food prices and fuel prices were the main contributors to the inflation rates in both developed and developing countries.

Botswana's overall inflation rate grew from a 6.1 % annual increase in January to a 7.1 % annual increase in April, while during this time, food price inflation increased from 3.6 % in January to only 3.8 % in April. In contrast to Botswana, Tanzania felt some relief in inflation in April; overall inflation decreased from 10.9 % in January to 9.4 % in April, while food inflation decreased from 11.3 % in January to 9.8 % in April. Since last reported, both Turkey and Brazil have seen some significant increases in overall inflation and food inflation. Turkey's overall inflation increased from 8.2 % in January to 10.2 % in April, and food inflation increased from 9.4 % in January to 11.8 % in April. Brazil experienced an increase of 0.5 percentage points in overall inflation and an increase of 3.1 percentage points in food inflation from January to April this year. The United Kingdom also shows higher inflation rates; the annual increase in overall inflation from January to April was 0.3 percentage points, and food inflation increased by 1 percentage point. The United States shows the lowest rate of overall inflation and food inflation. Overall inflation for the

United States decreased from 2.6 % in January 2010 to 2.2 % in April 2010, while food inflation increased by 0.9 percentage points between January and April.

Table 1: Overall inflation and food inflation

Country	Month	Overall inflation (%)	Inflation of food and non alcoholic beverages (%)
South Africa	April 2010	4.8	0.9
Botswana	April 2010	7.1	3.8
Tanzania	April 2010	9.4	9.8
Zambia	April 2010	9.2	7.3
Turkey	April 2010	10.2	11.8
India	April 2010	9.6	16.9
Brazil	April 2010	5.0	5.8
United States	April 2010	2.2	0.5
United Kingdom	April 2010	3.7	2.9

Source: Central banks and statistics reporting institutions of these countries, as well as press

3. Urban and rural food price trends: April 2009 – April 2010

This section reports the price trends for 65 different food items that are sold in urban areas across South Africa, and 39 food items sold in rural areas. Detailed price data on the selected food items in urban and rural areas are presented in Appendix A and Appendix B, respectively. Price changes are reported between January 2010 and April 2010, as well as on a year-on-year basis.

Appendix C shows food items in urban and rural areas whose year-on-year price changes were lower than the South African Reserve Bank's 6 % inflation target. Food items in urban areas whose inflation averaged above the South African Reserve Bank's 6 % inflation target included: picnic ham 300g (6.75 %), butter 500g (7.55 %), meatballs in gravy 400g (7.93 %), fish (excl. tuna) - tinned 155g (10.55 %), cheddar cheese per kg (11.28 %), sliced beans 1kg (6.08 %), apples - fresh per kg (6.28 %), baby carrots 1kg (7.07 %), butter beans - tinned 410g (9.01 %), carrots - fresh per kg (9.01 %), chopped peeled tomatoes 410g (10.37 %), bananas - fresh per kg (10.74 %), baked beans - tinned 420g (11.56 %), cauliflower - fresh per kg (18.97 %), oranges - fresh per kg (32.74 %) and lettuce - fresh per kg (34.70 %).

The following food items in the rural areas showed an annual price increase higher than 6 % in April 2010 namely, margarine 500g (8.64 %), maize meal 2.5kg (14.30 %), white sugar 2.5kg (7.14 %), tinned fish 155g (7.98 %), peanut butter 400g (11.96 %), instant coffee 250g (13.79 %), Ceylon/black tea 250g (14.88 %), full-cream long-life milk 1l (16.29 %), butter beans 420g (19.32 %), instant coffee 100g (21.33 %) and Ceylon/black tea 62.5g (38.64 %).

Looking in more detail at trends

The prices of agricultural commodities continued to decrease. The domestic price of wheat decreased by 14.29 % between April 2009 and April 2010. International wheat prices decreased by 17.10 % during the same period. The domestic price of white maize decreased significantly for the period April 2009 to April 2010, i.e. a decrease of 32.32 %. Yellow maize prices decreased by 19.24 % year-on-year. The drop in prices can largely be attributed to the decrease in international prices and the record crop expected in the domestic market. The international price of yellow maize decreased by 8.41 % for the period April 2009 to April 2010. Domestic prices of sunflower seeds increased by 12.60 % for the period April 2009 to April 2010.

Wheat products in urban areas continued to experience price decreases. The average price decrease for the 12-month period ending in April 2010 was 4.70 %, which is close to the 4.93 % average price decrease reported for January 2010. Maize products in the urban areas showed a 1.66 % annual increase for the period ending April 2010. In rural areas wheat products experienced average price decreases of 1.65 %, while maize product prices decreased, on average, by 6.45 % for the period April 2009 to April 2010. Prices of sunflower products decreased on average by 9.63 % in urban areas and 8.45 % in rural areas annually for the period ending April 2010.

Average dairy product prices increased by 9.57 % in the rural areas while the average price of dairy products in the urban areas increased by 1.47 % for the period April 2009 to April 2010. The Food Price Monitor for February reported the opposite for the period January 2009 to January 2010, when prices of dairy products in urban areas increased, on average, by 7.96 % while in rural areas dairy product prices decreased, on average, by 2.33 %. The milk producer price remained constant at R 3.00 per litre for December 2009, January 2010 and February 2010 and increased to R3.10 per litre for March 2010 and April 2010.

Tea and coffee prices increased substantially from April 2009 to April 2010 in the rural areas. The average price for tea and coffee increased by 22.16 % for the twelve month period in rural areas. In urban areas, tea and coffee prices increased by 2.6 % and 2.95 %, respectively.

In the urban areas, processed vegetables and processed meat products experienced average price increases of 5.44 % and 4.27 %, respectively, during the twelve month period ending April 2010. The price of fresh vegetables increased on average by 3.72 % for the period under review, while the prices of fresh fruit products increased by 16.59 %. Oranges were the main contributor to the increase in fresh fruit prices, with a price increase of 32.74 %. The price of apples increased by 6.28 % and the price of bananas by 10.74 %.

The majority of food items in the food basket monitored by the NAMC experienced price decreases or price increases of less than 6 %, especially in the rural areas (see Appendix C).

4. Comparison between the urban and rural prices

This section compares food prices of selected food items in the rural and urban areas for April 2009, January 2010 and April 2010. Table 2 shows that in April 2010 consumers in the rural areas paid R5.61 more for 2kg rice than consumers in the urban areas. Consumers in rural areas also paid R3.00 more for 5kg of maize meal and R2.82 more for 2.5kg of white sugar. Full-cream long-life milk, margarine, peanut butter and Ceylon/black tea were also more expensive in rural areas than in urban areas.

A loaf of brown bread and sunflower cooking oil were the only items that cost more in the urban areas than in the rural areas. Table 2 further shows that in April 2010 rural consumers paid R17.78 more than urban consumers for the same food basket. This is lower than the cost difference in January 2010 that amounted to R21.01, but still much higher than the cost difference in April 2009. The reasons for the higher food prices in the rural areas are discussed in detail in the South African Food Cost Review: 2008, which is available at http://www.namc.co.za (*See what's new*).

Table 2: Comparison between urban and rural food prices (selected food items)

Product	Rural food prices (R)			Urban food prices (R)			Price difference (Apr-09)	Price difference (Jan-10)	Price difference (Apr-10)
	Apr-09	Jan-10	Apr-10	Apr-09	Jan-10	Apr-10	R/unit	R/unit	R/unit
Full Cream Long Life Milk 1L	9.44	10.28	10.97	9.20	10.11	9.09	0.23	0.17	1.88
Loaf Of Brown Bread 700g	6.92	6.78	6.93	7.17	6.97	7.00	-0.25	-0.19	-0.07
Loaf Of White Bread 700g	7.61	7.56	7.73	7.87	7.83	7.72	-0.26	-0.27	0.01
Maize Meal 5kg	28.36	29.09	25.45	22.20	23.64	22.45	6.17	5.44	3.00
Margarine 500g	14.04	14.61	15.25	13.84	12.88	12.68	0.20	1.73	2.57
Peanut Butter 410g	21.76	16.37	14.44	15.26	15.48	15.66	-0.05	1.69	1.37
Rice 2kg	29.53	28.58	27.33	26.28	23.14	21.72	3.25	5.44	5.61
Sunflower Oil 750ml	14.47	17.20	12.14	14.30	12.81	12.61	0.17	4.39	-0.47
Ceylon/Black Tea 62.5g	5.89	7.06	8.17	6.92	7.02	7.10	-1.03	0.04	1.07
White Sugar 2.5kg	20.29	20.72	21.74	17.65	18.15	18.92	2.64	2.57	2.82
Total							**11.07**	**21.01**	**17.78**

5. Price trends (week 4 of each month)

Prices normally cited in the FPM are obtained from Stats SA and AC Nielsen (see Appendix F for more detail on how the prices are collected). An important issue to note is that Stats SA and AC Nielsen do their price collection during the first three weeks of the month. During the 4th week of each month, retailers usually have specials on various items they sell, which is why prices are not collected during week 4. In an effort to include food price trends during week 4 for six retail chains, data was obtained from Adcheck. Table 3 shows the annual percentage change in the prices of selected food items during week 4 at the different retailers. The majority of products listed for each retailer show a decrease in prices compared to April 2009. The cheapest standard sliced white bread (700g), the cheapest cooking oil (750g) and rice (2kg) show the largest price decreases of 14.12 %, 13.69 % and 13.61 %, respectively, on average, for the different retailers. The only product in Table 3 that shows a price increase for the period is the cheapest full-cream long-life milk (1L). On average, this was 0.67 % more expensive. The Food Price Monitor of February 2010 reported that, for the period January 2009 to January 2010, three products showed price increases: full-cream long-life milk, milk sachets and lamb shoulder/braai chops. Two of these three products show price decreases for the period April 2009 to April 2010, i.e. the price of milk sachets and lamb shoulder/braai chops decreased by 4.06 % and 1.98 %, respectively.

Table 3: April 2009 to April 2010 inflation of selected food items for various retailers (in %)

	Retailer A	Retailer B	Retailer C	Retailer D	Retailer E	Retailer F	Retailers average
Cheapest Bread Brown Unsliced 700g	-6.95	-13.35	9.65	-1.94	-15.49	-1.09	-4.86
Cheapest Cooking Oil 750ml	-10.79	-13.09	-13.27	-16.66	-11.16	-17.16	-13.69
Cheapest Milk Sachet 1lt	-5.02	-5.08	-3.73	1.46	-8.67	-3.33	-4.06
Cheapest Boerewors Per Kg	5.26	1.49	-10.29	7.94	-4.25	-4.96	-0.80
Lamb Shoulder/Braai Chops Per Kg	0.69	3.88	1.70	-11.67	-9.28	2.78	-1.98
Pork Loin Chops Per Kg	-10.17	-2.83	-3.01	-4.38	-1.18	-1.95	-3.92
Cheapest Chicken Frozen Whole p/kg	-4.04	-4.15		-20.44	9.33	-12.62	-6.38
Cheapest Milk Long Life Full Cream Uht 1lt	1.03	1.46	0.29	-8.05	4.85	4.44	0.67
Cheapest Maize Meal 5kg	-7.44	-8.78	-2.58	-3.71	-4.76	-10.38	-6.28
Rice 2kg	-15.03	-15.21	-12.09	-10.16	-4.73	-24.41	-13.61
Cheapest Bread White Sliced Standard 700g	-8.05	-16.92	-15.06	-18.43	-19.48	-6.78	-14.12

Source: Adcheck, 2010.

6. 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 the first part of this section is based on the cost of a basic food basket[1] (as compiled by the Food Price Monitoring Committee in 2003), and on monthly food price data for the period April 2009 to April 2010. From April 2009 to April 2010, the cost of a basic food basket decreased by about R3.57 (1 %) in nominal terms.

The cost of the food basket expressed as a share of the average monthly income[2] of the poorest 30 % of the population decreased slightly from 33.4 % in April 2009 to 33.0 % in April 2010. This is also lower than the figure quoted in the previous Food Price Monitor (February, 2010) for January 2009; i.e. 33.2 %. The cost of the food basket expressed as a share of the average monthly income of the wealthiest 30 % of the population remained constant at 2.6 % over the same period.

[1] Composition of food basket: loaf of white bread (700g), loaf of brown bread (700g), super maize meal (5kg), special maize meal (5kg), rice (2kg), tinned butter beans (410g), onions (1kg), cabbage (1kg), potatoes (1kg), tomatoes (1kg), apples (1kg), bananas (1kg), orange (1kg), whole fresh chicken, stewing beef, long life full cream milk (1L), extra large eggs (1.5 dozen), sunflower oil (750ml), brick margarine (500g), peanut butter (400g), instant coffee regular (750g), black / Ceylon tea - tagless tea bags (62.5g) and canned tuna *(replacing canned pilchards due to data limitations).*

[2] The cost of the typical food basket was expressed as a share of estimated average monthly income of Income Deciles 1 to 3, the poorest 30 % of the population, as calculated from the STATS SA survey: 'Income & Expenditure of households 2005/2006' *(calculations exclude imputed rent on owned dwelling)*

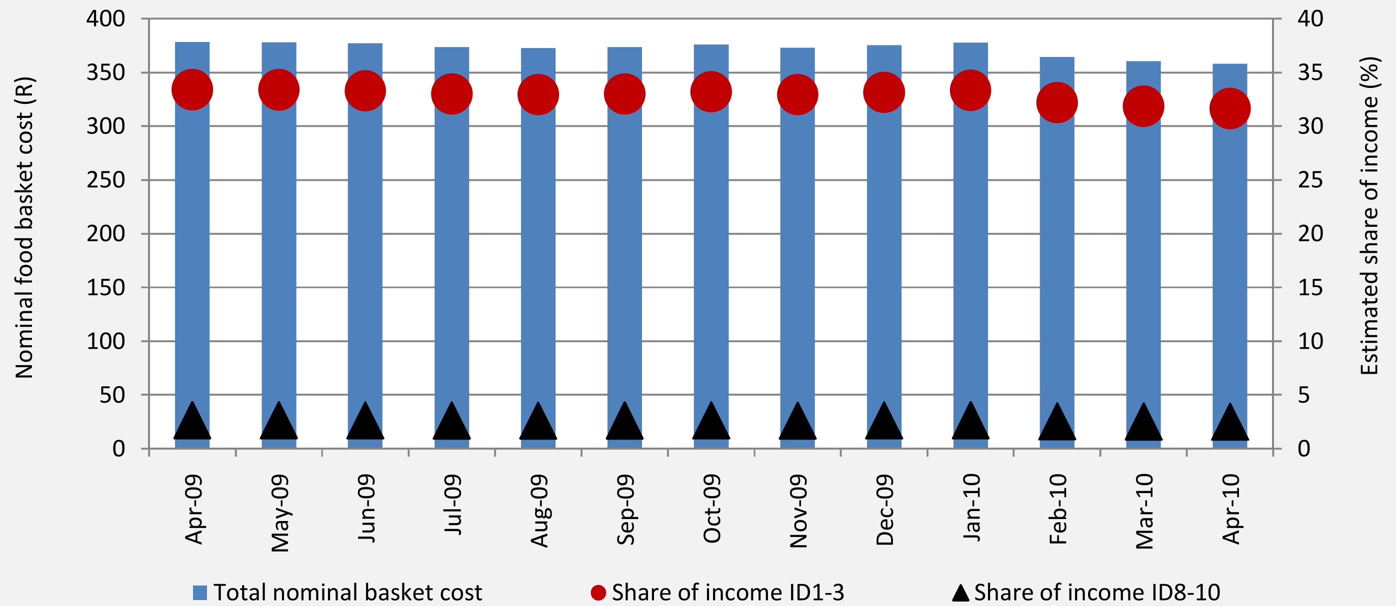


Figure 1: The monthly cost of a typical consumer food basket for the period April 2009 to April 2010, expressed in nominal terms and as share of the average income of the poorest 30% of households (Income Deciles [ID] 1 to 3) and the wealthiest 30% of households (ID 8 to 10)

To further explore the impact of inflation on consumers, Figure 2 presents an illustration of the average annual nominal cost of specific food groups within the basic food basket, for the period April 2009 to April 2010. Figure 2 illustrates that animal protein foods, and breads and cereals are the dominant items in the food basket. It is clear that from April 2009 to April 2010, among the dominant food groups, bread and cereals experienced deflation (-5 %), which will benefit vulnerable groups. From April 2009 to April 2010, the highest inflation rate was observed for the fruit category within this particular food basket (15 %), followed by dairy, eggs and bean products (5 %).

Interestingly, the vegetable, fats/oils and animal protein categories experienced deflation from April 2009 to April 2010, which could also benefit vulnerable groups.

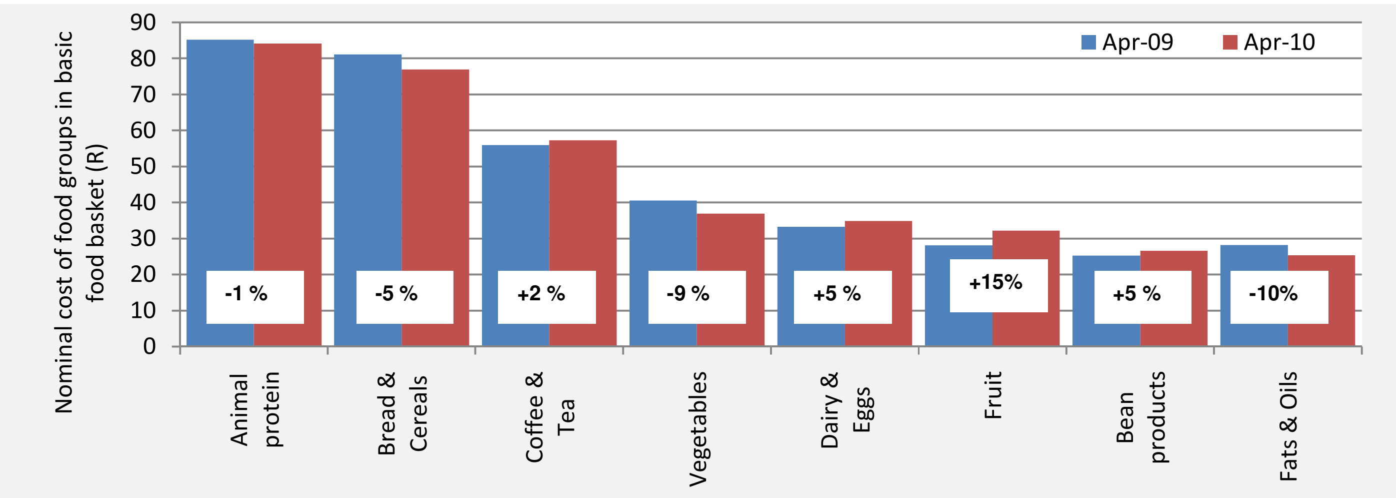


Figure 2: Nominal monthly cost of specific food groups within the basic food basket (comparing April 2009 and April 2010)

The impact of inflation on very poor consumers is further explored, 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[3]; Oldewage-Theron *et al.*, 2005[4]). Figure 3 illustrates the estimated portion costs for these foods, calculated from monthly food price data for April 2009 and April 2010. 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 is emphasised by the results in Figure 3. Furthermore, despite the relatively low actual food weight contribution of bread to this 'food plate', the bread component costs significantly more than the maize porridge component. 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 2010 versus April 2009 prices, the results in Figure 3 indicate a minimal deflation of about 0.3 % (to R3.06), in particular due to staple food deflation.

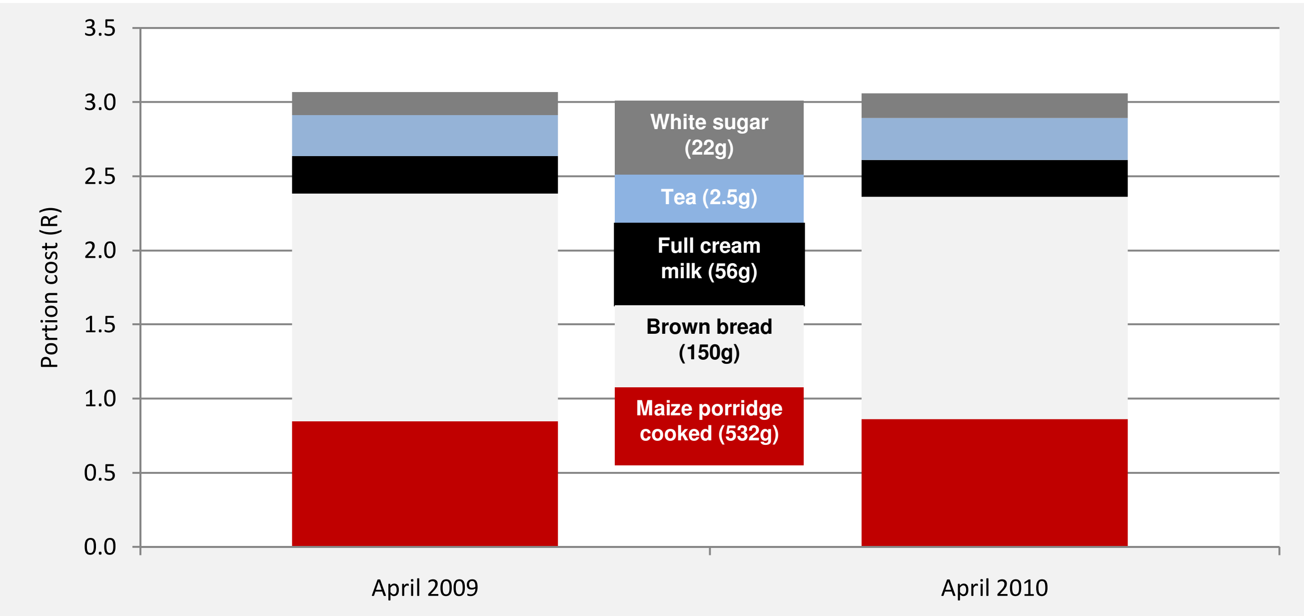


Figure 3: Average nominal cost for the typical portions of the five food items most widely consumed by very poor consumers in South Africa, for January 2009 and January 2010

7. June 2010 – August 2010 Outlook

General food price inflation for April 2010 decreased to just below 1 %. This is significantly lower than an inflation rate of 2-3 % projected in the FPM of February 2010. Two of the main contributing factors that supported the general slowdown in food price inflation were a relatively strong exchange rate that led to cheaper imports of processed food items and producer prices that remained soft for most agricultural commodities. Furthermore, the retail sector is still experiencing the aftershocks of the recession and the latest wave of uncertainties in European financial markets and the political unrest in the Korean peninsula are having an adverse affect on the general confidence in a solid recovery of the world economy.

[3] 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
[4] 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

As was anticipated in the FPM of February 2010, commodity prices have remained relatively soft and stable in the past quarter. A number of bearish fundamentals have recently emerged on international and local markets that could affect commodity prices over the period covered by this outlook. With the winter grain crop in the Northern Hemisphere remaining broadly favourable, world stocks of grains and oilseeds remain at relatively ample levels. US dollar-based commodity prices are declining on the back of the strengthening currency. The global demand for meat is affected by much uncertainty in European and Asian markets. This also affects the demand for feed, which is expected to grow by only 4 million tons in the coming year.

Weaker international markets are affecting local agricultural markets. The relatively strong exchange rate has also exacerbated the impact of cheaper imports or export realisations. There are, however, some indications that the exchange rate might be moving into a new trading band over the outlook period, after trading at levels around R8/USD in the past week. The Crop Estimates Committee increased the forecast local maize crop to 13.3 million tons, which implies that this will be the second largest maize crop in the history of maize farming in the country. Recent estimates by the BFAP sector model project that, for the current marketing year, at least 2.3 million tons of maize exports will have to coincide with a significant reduction in plantings in order to have some positive effect on maize prices in the coming season. A significant reduction in intentions to plant wheat will not affect wheat prices because South Africa remains a net importer of wheat.

All agricultural exporting sectors (like the wine and fruit industries) are not only adversely affected by the relative strength of the exchange rate, but also by the strikes affecting the transportation and handling of their produce in and to the country's harbours.

Generally, fresh produce markets have been trading sideways. Potato prices have been stable, with expectations of a relatively large crop in most of the production regions of the country. However, the harshness of the winter in the Northern growing regions will dictate the movement of potato prices over the period covered by this outlook.

Beef prices displayed a strong bullish trend over the Easter season. Although historic trends suggest that beef prices typically decrease during winter time, the Soccer World Cup could reverse this typical trend and provide another "festive season" for meat markets. Yet the production of meat is expected to grow in the second half of the year due to significantly lower feed costs, which could force bearish fundamentals into meat markets.

APPENDIX A: DATA ON URBAN FOOD PRICE TRENDS

Table A.1: Wheat products

Wheat Products	Price level			Percentage change	
	Apr-09	Jan-10	Apr-10	Jan-10 to Apr-10	Apr-09 to Apr-10
Loaf of Brown Bread 700 g	7.17	6.97	7.00	0.43%	-2.37%
Loaf of White Bread 700 g	7.87	7.83	7.72	-1.40%	-1.91%
Cake Flour 2.5 kg	18.23	16.57	15.74	-5.01%	-13.66%
Spaghetti 500 g	10.41	10.37	10.16	-2.03%	-2.40%
Macaroni Plain 500 g*	7.97	8.44	7.71	-8.62%	-3.18%
Average				**-3.33%**	**-4.70%**
Wheat (R/ton)	2526.17	2073.65	2165.11	**4%**	**-14%**

*Data from AC Nielsen

Table A.2: Maize products

Maize Products	Price level			Percentage change	
	Apr-09	Jan-10	Apr-10	Jan-10 to Apr-10	Apr-09 to Apr-10
Maize Special 5kg*	17.62	17.91	18.01	0.58%	2.19%
Maize Super 5kg*	22.20	23.64	22.45	-5.05%	1.13%
Average				**-2.24%**	**1.66%**
White Maize (R/ton)	1630.22	1404.90	1103.26	**-21%**	**-32%**

*Data from AC Nielsen

Table A.3: Sunflower products

Sunflower products	Price level			Percentage change	
	Apr-09	Jan-10	Apr-10	Jan-10 to Apr-10	Apr-09 to Apr-10
Sunflower Oil 750ml	14.30	12.81	12.61	-1.56%	-11.82%
Medium Fat Spread 1kg Tub*	21.28	21.01	19.43	-7.54%	-8.68%
Brick Margarine 500g	13.84	12.88	12.68	-1.55%	-8.38%
Average				**-3.55%**	**-9.63%**
Sunflower (R/ton)	2802.28	3176.60	3155.85	**-1%**	**13%**

*Data from AC Nielsen

Table A.4: Processed vegetables

Processed Vegetables	Price level			Percentage change	
	Apr-09	Jan-10	Apr-10	Jan-10 to Apr-10	Apr-09 to Apr-10
Baked Beans - Tinned 420g	6.75	7.56	7.53	-0.40%	11.56%
Butter Beans - Tinned 410g	9.99	10.64	10.89	2.35%	9.01%
Chopped Peeled Tomato 410g*	9.70	10.66	10.71	0.41%	10.37%
Tomato & Onion Mix 410g*	7.60	8.99	7.99	-11.07%	5.18%
Canned Peas 410g*	7.06	6.93	6.79	-2.01%	-3.86%
Baby Carrots 1kg*	29.30	31.63	31.37	-0.80%	7.07%
Green Peas 1kg*	24.14	27.73	23.65	-14.71%	-2.03%
Sliced Beans 1kg*	27.64	28.64	29.32	2.40%	6.08%
Super Juicy Corn 1kg*	27.59	28.85	29.14	1.00%	5.62%
Average				**-2.54%**	**5.44%**

*Data from AC Nielsen

Table A.5: Fresh vegetables

Fresh Vegetables	Price level			Percentage change	
	Apr-09	Jan-10	Apr-10	Jan-10 to Apr-10	Apr-09 to Apr-10
Carrots - Fresh per kg	10.43	9.64	11.37	17.95%	9.01%
Onions -Fresh per kg	8.09	7.87	7.65	-2.80%	-5.44%
Potatoes Fresh per kg	8.67	9.78	8.91	-8.90%	2.77%
Tomatoes - Fresh per kg	15.36	13.35	12.84	-3.82%	-16.41%
Sweet Potatoes - Fresh per kg	9.60	10.93	9.50	-13.08%	-1.04%
Cabbage - Fresh per kg	8.39	7.53	7.46	-0.93%	-11.08%
Lettuce - Fresh per kg	16.83	18.80	22.67	20.59%	34.70%
Pumpkin - Fresh per kg	9.86	10.57	10.06	-4.82%	2.03%
Cauliflower - Fresh per kg	22.62	22.71	26.91	18.49%	18.97%
Average				**2.52%**	**3.72%**

Table A.6: Processed meat

Processed meat	Price level			Percentage change	
	Apr-09	Jan-10	Apr-10	Jan-10 to Apr-10	Apr-09 to Apr-10
Meatballs in Gravy 400g*	12.34	13.19	13.31	0.90%	7.93%
Picnic Ham 300g*	24.29	25.91	25.93	0.08%	6.75%
Pork Sausage per kg	50.67	52.86	53.50	1.21%	5.59%
Polony per kg	26.75	26.40	25.90	-1.89%	-3.18%
Average				**0.07%**	**4.27%**

*Data from AC Nielsen

Table A.7: Unprocessed meat

Unprocessed meat	Price level			Percentage change	
	Apr-09	**Jan-10**	**Apr-10**	**Jan-10 to Apr-10**	**Apr-09 to Apr-10**
Pork Chops - Fresh per kg	53.02	50.08	50.13	0.10%	-5.45%
Lamb - Fresh per kg	69.85	72.86	72.50	-0.49%	3.79%
Beef Brisket - Fresh per kg	45.85	45.39	45.40	0.02%	-0.98%
Beef Chuck - Fresh per kg	47.21	47.13	47.35	0.47%	0.30%
[redacted]ce - Fresh per kg	47.88	47.96	48.38	0.88%	1.04%
[redacted]p Steak -Fresh per kg	75.70				

D.3 Sunflower seeds price trends

Between April 2009 and April 2010: Domestic price of sunflower seeds ↑12.60 %

Between March 2009 and March 2010: International price of sunflower seeds ↑32.30 %

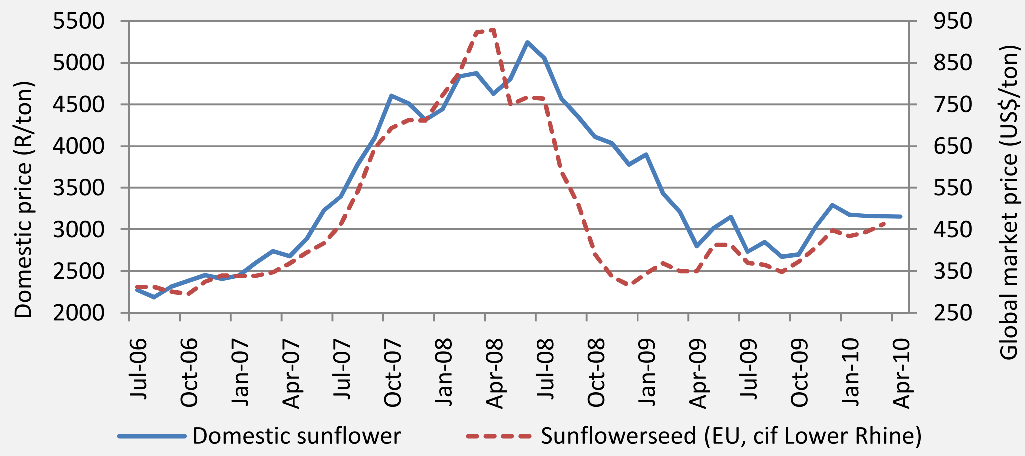


Figure D.7: Domestic market price of sunflower seeds against global market price
***Source:* FAO and SAFEX**

Between April 2009 and April 2010:

Sunflower price ↑12.60 %

Sunflower oil price ↓ 11.80 %

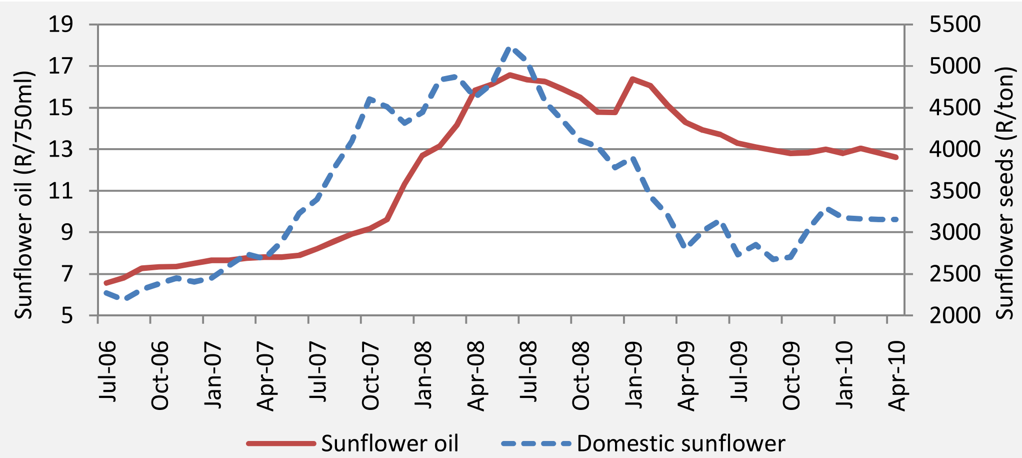


Figure D.8: Sunflower seeds price and sunflower oil price trends
***Source:* SAFEX and Stats SA**

D.4 Dairy price trends

Between Mar 2009 and Mar 2010:

Skim milk powder ↑ 58.60%

Whole milk powder ↑ 65%

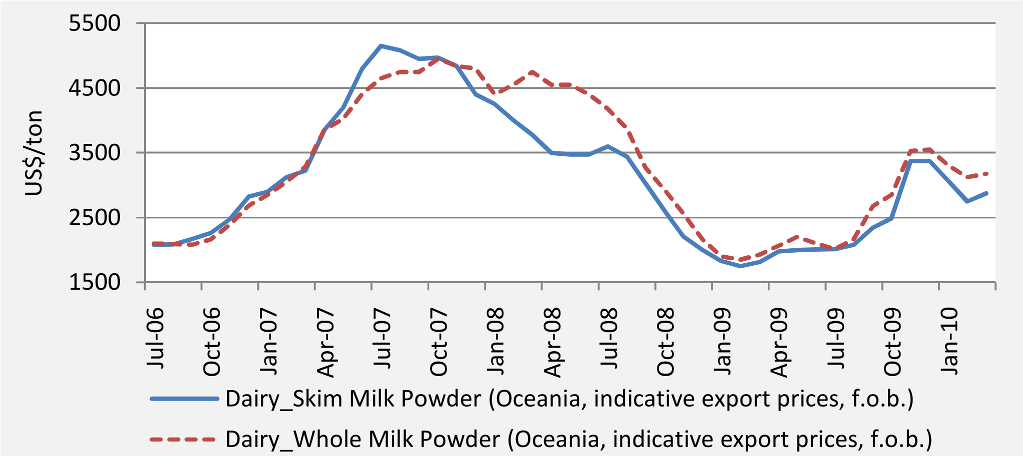


Figure D.9: Skim milk powder and whole milk powder price trends
***Source:* FAO**

Between April 2009 and April 2010:

Milk producer price ↑ 5.1 %

Full cream milk price ↓1.37 %

Low fat milk price ↓5.57 %

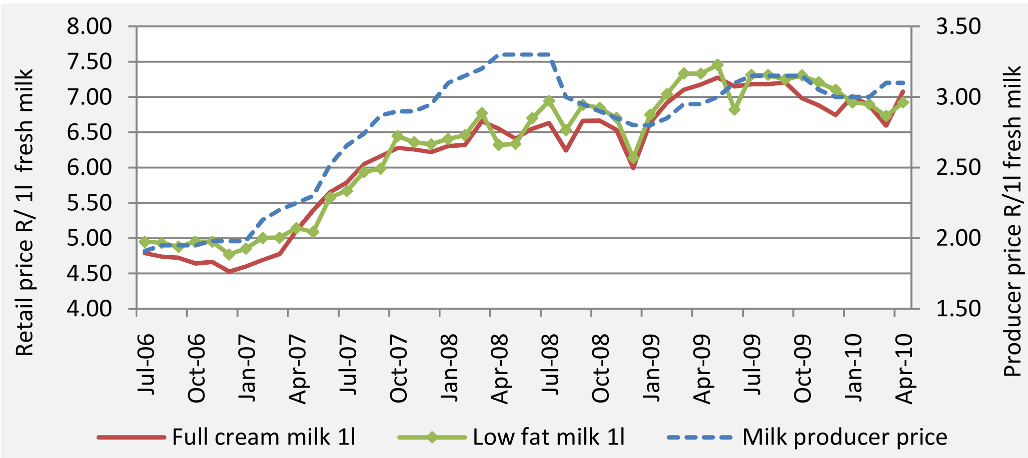
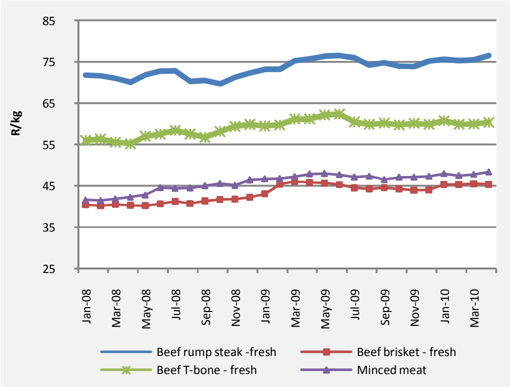


Figure D.10: Domestic producer price and retail price of milk
***Source:* MPO and AC Nielsen**

D.5 Meat price trends

Prices at retail level for most fresh meat categories showed slowing price increases from April 2009 to April 2010, except pork which shows a decrease for the period.



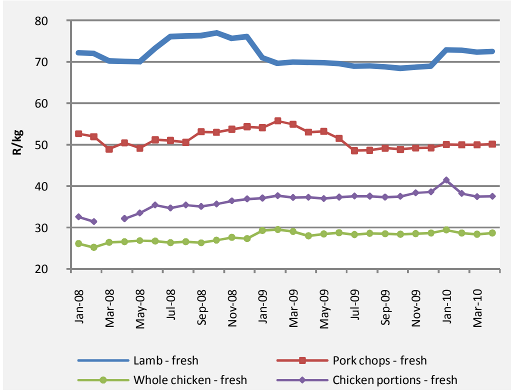


Figure D.11: Retail prices of beef, pork chops, chicken portions, whole chicken and lamb
***Source:* Stats SA**

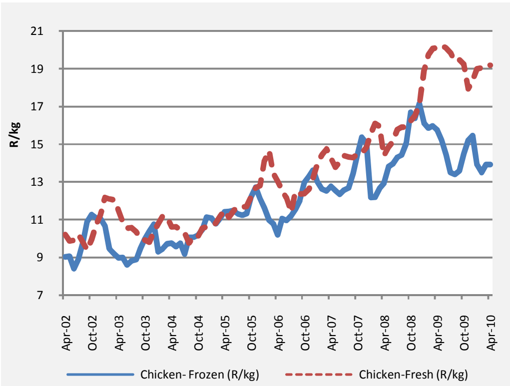
Between April 2009 and April 2010:

Producer price for fresh chicken ↓4 %

Frozen chicken price ↓ 11.56 %

Porker price ↓ 3.18 %

Baconer price ↓ 7.60 %



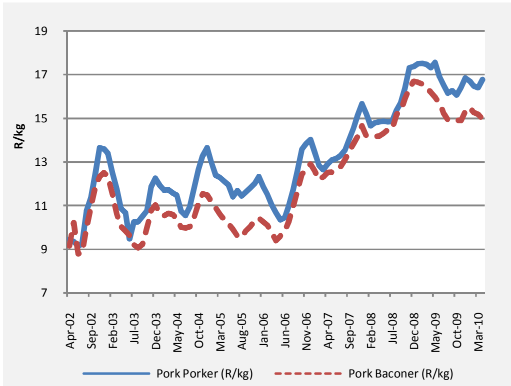


Figure D.12: Producer prices of chicken and pork
***Source:* AMT**

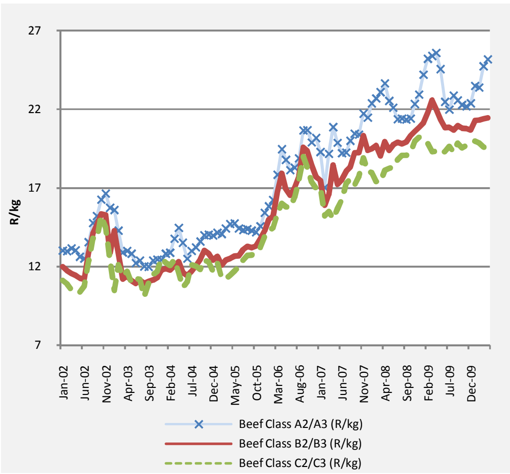
Between April 2009 and April 2010:

Producer price of Beef-class A2/A3 ↓1.6 %

Prices of beef class B2/B3 ↓2.5 % and class C2/C3 ↑ 0.31 %

Price of lamb-class A2/A3 and class B ↑10.66 % and 6.7 %, respectively

Prices of class C2/C3 ↑ 11.56 %



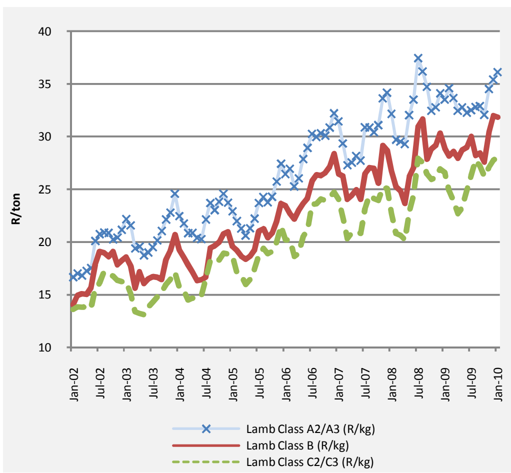


Figure D.13: Producer prices of beef and lamb
***Source:* AMT**

APPENDIX E: FARM-TO-RETAIL PRICE SPREADS (FTRPS) AND FARM VALUE SHARES (FVS) FOR SELECTED FOOD ITEMS

E.1 Wheat

FTRPS for both brown and white bread increased drastically since January 2008 and started moving sideways in 2009

Between April 2009 and April 2010:

FTRPS for brown bread ↓ 4 %

FTRPS for white bread ↓ 3 %

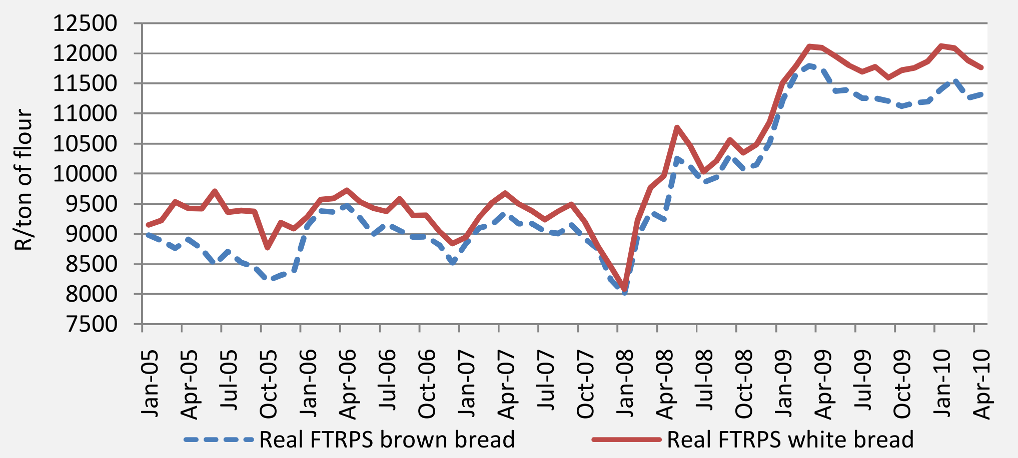


Figure E.1: Trends in the real farm-to-retail price spread for brown bread and white bread
Source: **SAFEX, Stats SA and own calculations**

FVS ↓ between April 2009 and April 2010

FVS for brown bread ↓ 16 %

FVS for white bread ↓ 17 %

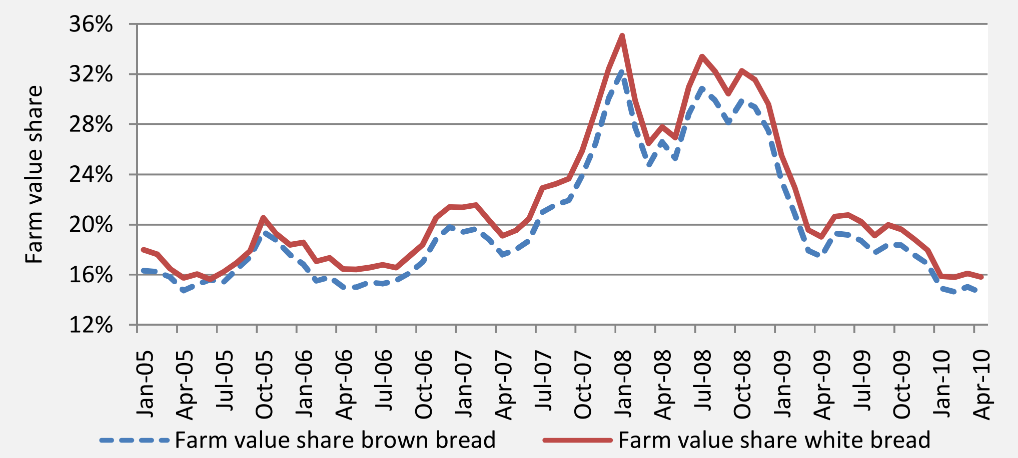


Figure E.2: Trends in the farm value shares of brown bread and white bread
Source: **SAFEX, Stats SA and own calculations**

E.2 Maize

FTRPS for maize fluctuated drastically and shows a downward trend since the beginning of 2010

Between April 2009 and April 2010:

FTRPS for super maize meal ↑ 2 %

FTRPS for special maize meal ↑ 2 %

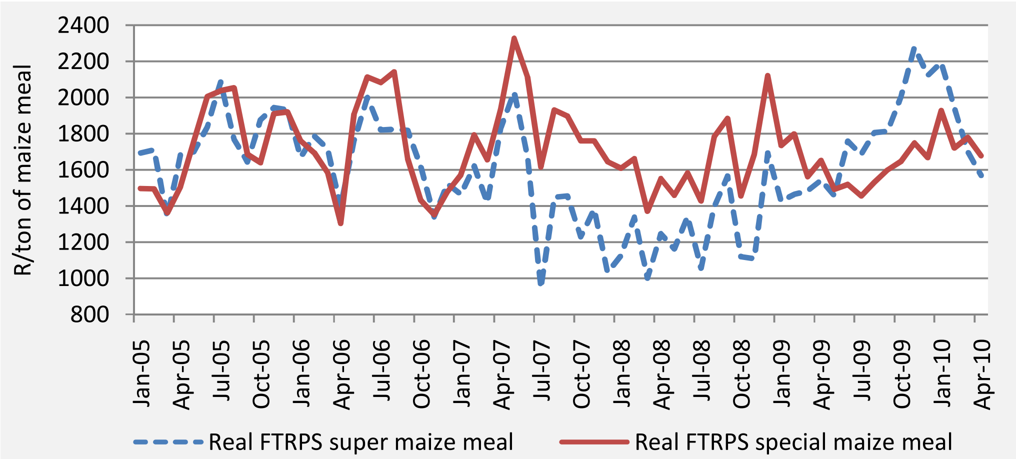


Figure E.3: Trends in the farm-to-retail price spread for super maize meal and special maize meal
***Source:* SAFEX, Stats SA and own calculations**

Between April 2009 and April 2010:

FVS for super maize meal ↓ 3 %

FVS for special maize meal ↓ 4 %

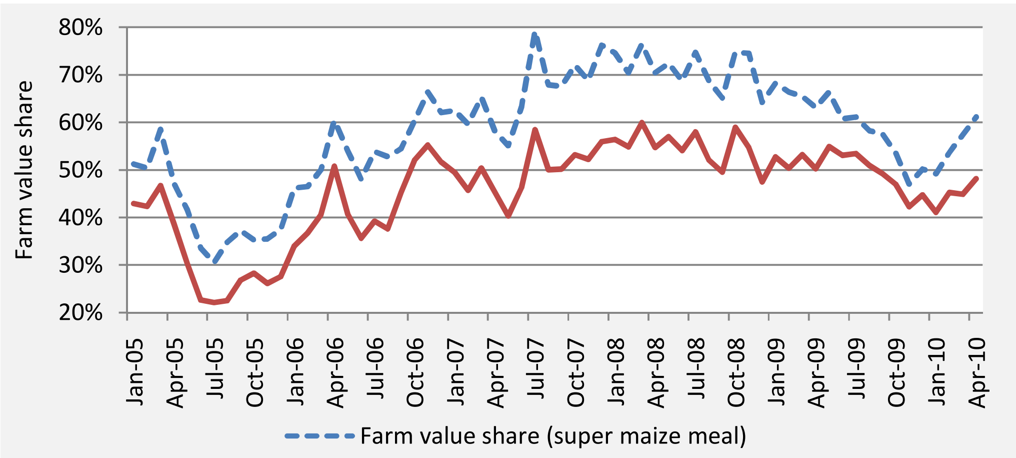


Figure E.4: Trend in the farm value shares of super maize meal and special maize meal
***Source:* SAFEX, Stats SA and own calculations**

E.3 Dairy

From April 2009 to April 2009:

FTRPS for full cream milk ↓ 10 %

FTRPS for low fat ↓ 14 %

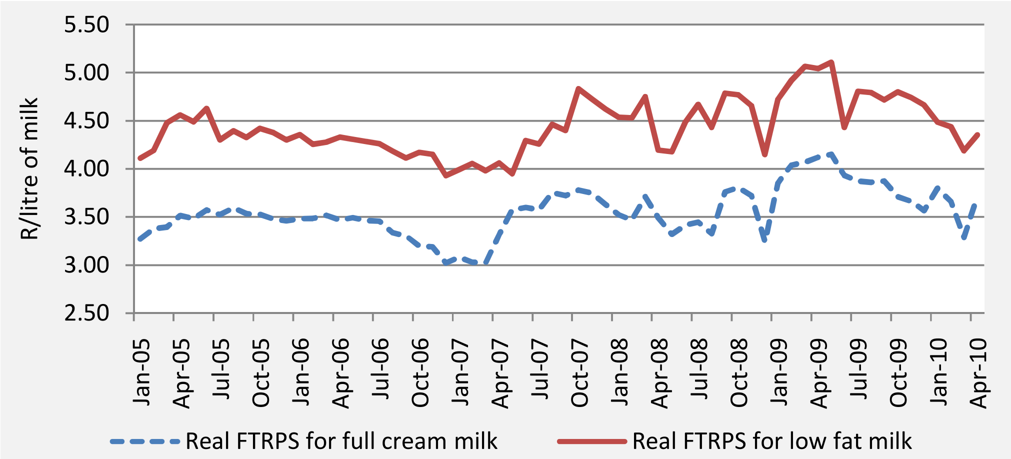


Figure E.6: Trends in the FTRPS for full cream milk and low fat milk
***Source:* MPO, AC Nielsen and own calculations**

From April 2009 to April 2009:

FVS for full cream milk ↑ 7 %

FVS for low fat milk ↑ 11 %

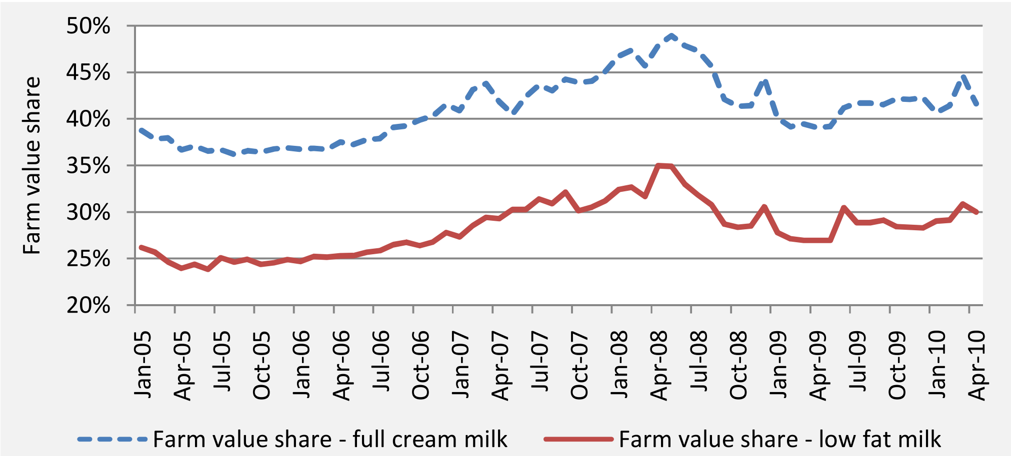


Figure E.6: Trends in the Farm Value Shares of full cream milk and low fat milk
***Source:* MPO and AC Nielsen**

APPENDIX F: DATA COLLECTION

Urban food prices reported by in this media release are obtained from Statistics South Africa (Stats SA) and AC Nielsen. These prices obtained from these two sources are regarded as being representative of changes in food prices in South Africa due to:

- 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. For example, the price of cheddar cheese is collected from Gauteng, Western Cape, Eastern Cape, KwaZulu-Natal, Free State, Northern Cape, North West and Mpumalanga. Food price data collection by Stats SA also involves field work where price collectors visit stores to collect data, after which such data undergoes a rigorous process to ensure the integrity of the data. The basket of food products that are included was derived from the Income and Expenditure Survey of 2005/06 that was 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 http://www.statssa.gov.za/cpi/documents/CPI_Sources_Methods.pdf.
- AC Nielsen collects food price data on a monthly basis from approximately 1000 large food chain stores across the country. Food prices are collected through scanners at the tellers in the big food chain stores after which it undergoes a rigorous process to ensure the integrity of the data. As is the case for Stats SA not all prices are collected in all provinces. For example, potato prices are collected from the core urban areas of Gauteng, KwaZulu-Natal, Eastern Cape, Western Cape and Free State provinces.

This media release also reports food prices in deep rural areas. Rural food prices are collected from 190 outlets/shops by field workers of the different provincial departments of agriculture on a monthly basis. The number of outlets/shops per province are as follows: 28 outlets in the Free State, 27 in KwaZulu-Natal, 21 in Mpumalanga, 18 in the Northern Cape, 17 in the Eastern Cape, 16 in Gauteng, 21 in Limpopo, 23 in North West and 19 in the Western Cape.

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Stats SA, AC Nielsen and the rural food price monitoring respondents are acknowledged for assistance provided to the NAMC in terms of food price data.

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Although everything has been done to ensure the accuracy of the information in this Food Price Monitor *the NAMC does not take responsibility for the accuracy or the opinions contained in this publication. Results of actions based on this information, will not be the responsibility of the NAMC.*