


MEDIA RELEASE

FOOD PRICE MONITOR:

May 2013

EXECUTIVE SUMMARY

The April 2013 Consumer Price Index (CPI) released by Statistics South Africa (Stats SA) showed that the headline CPI was 5.9 % between April 2012 and April 2013. The previous Food Price Monitor (FPM) of February 2013 reported that the food and non-alcoholic beverage index increased by 6.2 % between January 2012 and January 2013. Since the last report, the food and non-alcoholic beverage inflation almost stabilised on a year-on-year basis increasing by 6.3 % in February 2013 and 5.7 % in March 2013. **Inflation rate for food and non-alcoholic beverages increased to 6.2 % in April 2013.**

The price of white sugar (2.5kg) and rice (2kg) were respectively R 2.42 and R 2.41 more expensive in the rural areas compared to the urban areas. Consumers in rural areas paid R 0.18 more for full cream long life milk 1L than urban consumers. Rural consumers paid R 1.65 less for sunflower oil (750ml) than urban consumers in April 2013. For a loaf of brown bread (700g), consumers in the rural areas paid R 1.01 less than urban consumers.

From April 2012 to April 2013 the cost of the basic food basket increased by about R17 (+3.9%) in nominal terms from R427 to R444 (compared to a higher increase of 6.4% from January 2012 to January 2013 (the previous Food Price Monitor analysis period). The cost of the food basket expressed as a share of the average monthly income[1] of the poorest 30% of the population increased from 37.7% in April 2012 to 39.2% in April 2013 during this analysis period. The cost of the food basket expressed as a share of the average monthly income of the wealthiest 30% of the population increased from 3.0% to 3.1%.

When comparing the costs associated with the typical portion sizes of very poor consumers for the five most widely consumed food items in South Africa, based on April 2013 versus April 2012 prices the results indicate an inflation rate of about 1.0% (from R4.22 to R4.26 for the selection of portions). There was significant inflation on brown bread, white sugar and milk, which was largely offset by significant price deflation on maize meal.

1. Foreword

The April 2013 Consumer Price Index (CPI) released by Statistics South Africa (Stats SA) showed that the inflation rate for food and non-alcoholic beverages was 6.2 % between April 2012 and April 2013. The headline CPI was 5.9 % between April 2012 and April 2013. The previous Food Price Monitor (FPM) of February 2013 reported that the food and non-alcoholic beverage index increased by 6.2 % between January 2012 and January 2013. Since the last report, the food and non-alcoholic beverage inflation almost stabilised on a year-on-year basis increasing by 6.3 % in February 2013 and 5.7 % in March 2013. Figure 1 shows the year-on-year headline and the food and non-alcoholic beverage inflation rates from April 2012 to April 2013.

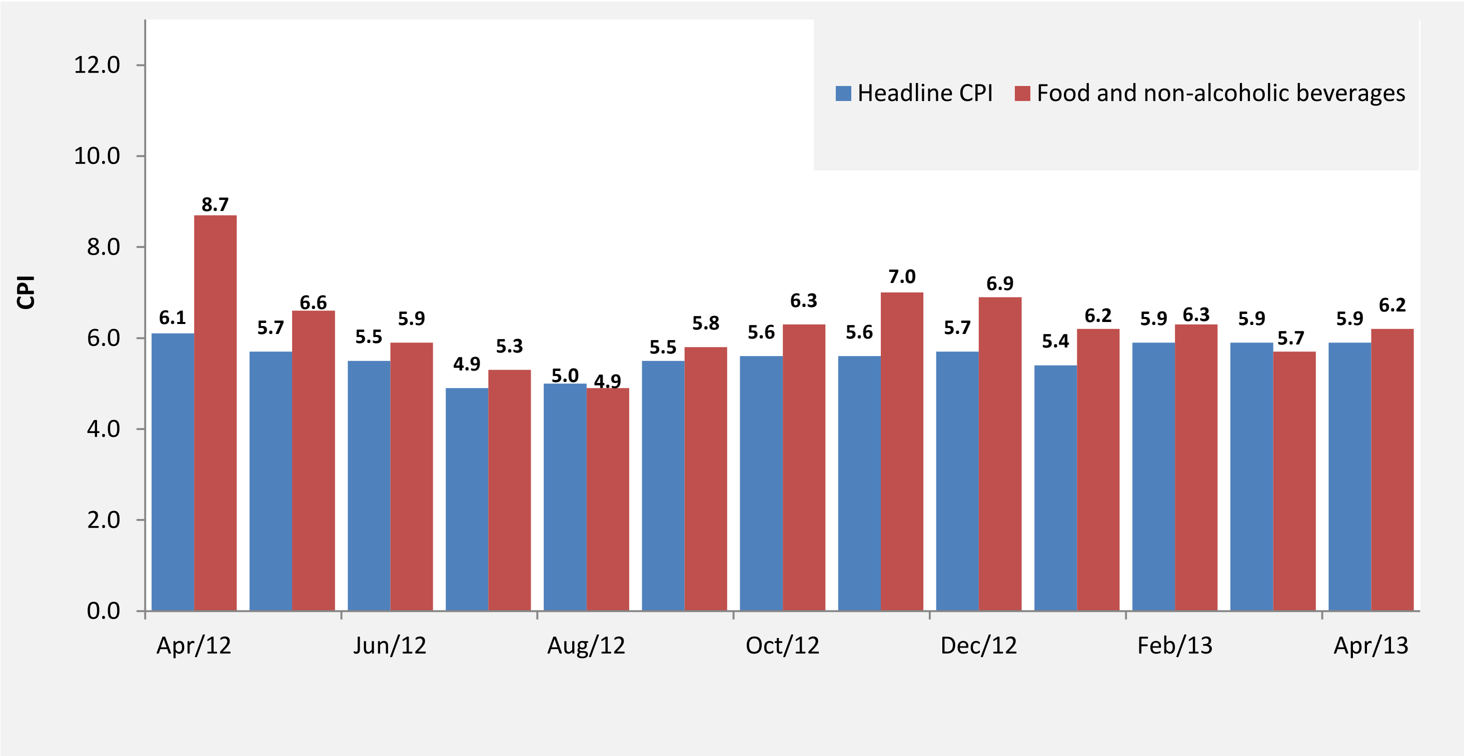


Figure 1: Headline CPI and food and non-alcoholic beverage CPI for 2012 – 2013 (year-on-year)
Source: Stats SA, 2013

Presented in Figure 2 are the components of the food and non-alcoholic beverage inflation**.** The following components in the food and non-alcoholic beverages increased: vegetables (3.2 %), fruit (1.0 %), sugar, sweets and desserts (1.0 %), fish (0.9 %), bread and cereals (0.7 %) and milk, eggs and cheese (0.2 %). The components which decreased were oils and fats (-0.1 %) and meat (-0.4%).

On a month-to-month basis, the food component which showed the largest increase was vegetables (2.7%). This is attributed to the fact that the major vegetable retail prices (per kilogram) showed a positive increase between March 2013 and April 2013 (Stats SA retail price data).

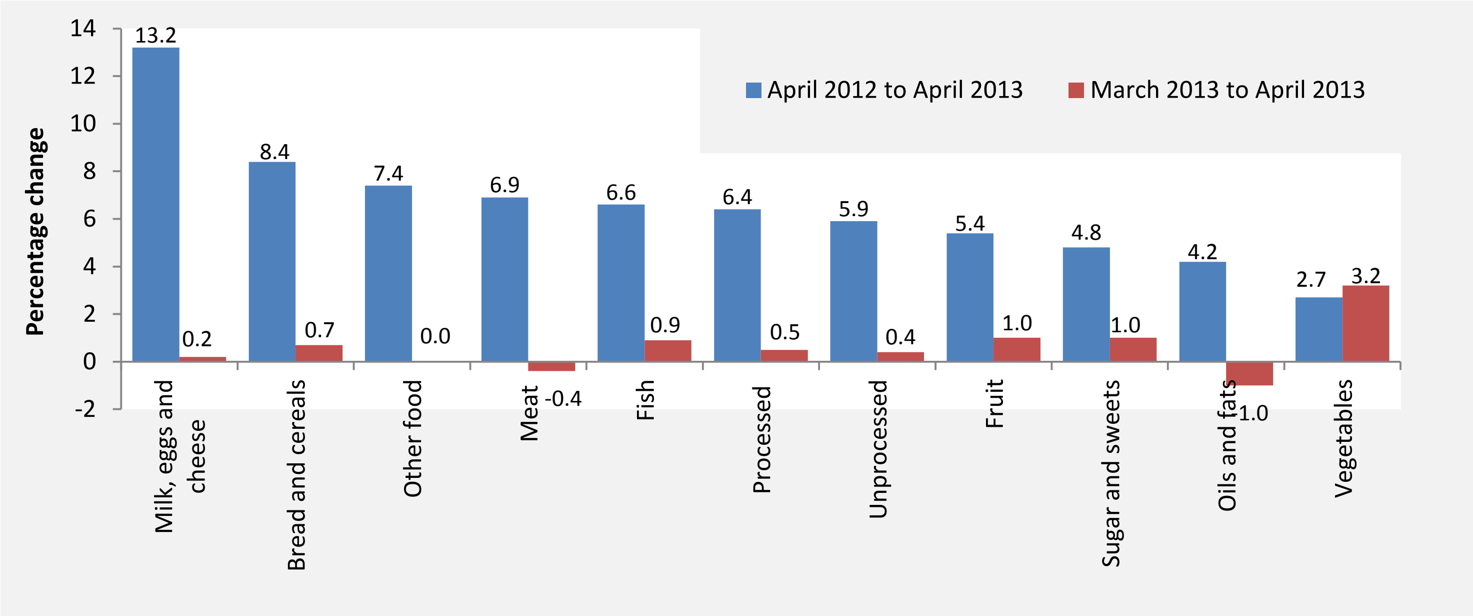


Figure 2: Year-on-year percentage change for different food categories (April 2012 – April 2013)
Source: Stats SA, 2013

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

Table 1 shows the overall inflation and food inflation rates for South Africa and selected countries for the year on year percentage change in April 2013. Botswana, Russia, Zambia and Brazil experienced the highest overall inflation, while Namibia, Turkey and Botswana have the highest inflation on food and non-alcoholic beverages respectively. The overall inflation rate for China has increased by 0.5% points from 1.9 % in January 2013 to 2.4% in April 2013. Chinese food inflation for January 2013 was 4.7% as compared to the 4.0% figure in April 2013.

Amongst the BRICS countries, Russia has the highest overall inflation while South Africa has the highest food inflation rate of 6.2%. United States, United Kingdom and China are two of the countries listed in the table with the lowest overall inflation, while United States and China boast the lowest food and non-alcoholic beverages inflation.

Table 1: Overall inflation and food inflation during April 2013

Country	Overall inflation (%)	Inflation on food and non alcoholic beverages (%)
South Africa	5.9	6.2
Botswana	7.2	6.8
Zambia	6.5	6.1
Turkey	6.1	6.8
Namibia	6.1	6.8
United States	1.1	1.5
United Kingdom	2.4	4.6
Brazil	6.5	5.7
Russia	7.2	-
India	4.9	6.1
China	2.4	4.0

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

3. Urban and rural food price trends: April 2012 – April 2013

Appendix C ranks the food items included in this report in the urban and rural areas, according to the inflation experienced. The food products highlighted in Table C.1 are those with annual inflation rates that exceeded the South African Reserve Bank's (SARB) inflation upper band of 6 %. Food items in urban areas with an annual inflation rate of higher than 6 % were the following: beef rump steak -fresh per kg (6.15%), potatoes bag 10 kg (6.31%), canned peas 410g* (6.31%), chopped peeled tomato 410g* (6.68%), skimmed powder milk 1kg* (8.24%), white sugar 2.5kg (8.26%), tomato & onion mix 410g* (8.82%), fish (excl tuna) - tinned 155g (8.82%), whole chicken - fresh per kg (8.96%), fresh milk low fat 2lt* (9.03%), bull brand meatballs in gravy 400g* (9.39%), chicken portions - fresh per kg (9.47%), chicken portions - frozen per kg (9.64%), cabbage - fresh per kg (9.75%), loaf of brown bread 700 g (9.84%), eggs 1.5 dozen (9.88%), loaf of white bread 700 g (10.01%), fish (excl tuna) - tinned 425g (10.75%), cheddar cheese per kg (11.34%), cauliflower - fresh per kg (11.46%), cake flour 2.5 kg (11.88%), enterprise picnic ham 300g* (12.01%), tomatoes - fresh per kg (16.18%), carrots - fresh per kg (16.47%), pumpkin - fresh per kg (21.95%), tuna - tinned 170g (23.35%), onions -fresh per kg (27.44%) and lettuce - fresh per kg (35.38%)

A closer look at food price trends:

The international price of wheat (US No.2, Hard Red Winter ord. Prot, US Fob Gulf) increased by 11.63% while domestic wheat prices increased by 24.12% in a period of a year (April 2012–April 2013). Urban consumers paid 9.84% more for a loaf of brown bread (700 g) and 7.07% less for a loaf of white (700 g) bread between April 2012 and April 2013.

Domestic yellow maize prices had a negative growth rate of 0.16% from April 2012 to April 2013. International yellow maize prices, however, increased by 2.13% during the same period. Super maize meal decreased by 4.36% and special maize meal increased by 3.71% between April 2012 and April 2013.

Retail prices of sunflower oil (750 ml) increased by 2.90 % from April 2012 to April 2013. On the other hand, the price of sunflower seeds traded at R5 223.94 /ton and this price rose by 8.12 % between April 2012 and April 2013.

Beef rump steak had the highest price increase of all beef cuts, increasing by 6.15% between April 2012 and April 2013. Retail prices of beef t-bone and mince increased by 4.80 % and 4.23 % respectively between April 2012 and April 2013. The price of fresh lamb decreased by 14.61%, between April 2012 and April 2013. The price of fresh chicken portions increased by 9.47% between April 2012 and April 2013. The price of frozen chicken portions increased by 9.64 % during the same period.

4. Comparison between urban and rural prices

This section compares prices of selected food items in the rural and urban areas for January 2013 and April 2013. Table 2 shows that in April 2013, rural consumers paid R 0.37 more than urban consumers for the same food basket.

Food items showing the largest price difference in January 2013 were white sugar (2.5 kg) and rice (2 kg). The price of white sugar (2.5 kg) and rice (2 kg) were respectively R 2.42 and R 2.41 more expensive in the rural areas compared to the urban areas. Consumers in rural areas paid R 0.18 more for full cream-long life milk 1 L than urban consumers. Rural consumers paid R 1.65 less for sunflower oil (750 ml) than urban consumers in April 2013. For a loaf of brown bread (700 g), consumers in the rural areas paid R 1.01 less than urban consumers. 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.

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

Product	Rural food prices (R)		Urban food prices (R)		Price difference (Jan-13)	Price difference (April-13)
	Jan-13	Apr-13	Jan-13	Apr-13	R/unit	R/unit
Full Cream Long Life Milk 1L	11.68	10.61	10.43	10.93	1.25	0.18
Loaf Of Brown Bread 700g	8.97	8.02	9.03	9.04	-0.06	-1.01
Loaf Of White Bread 700g	9.29	9.28	10.09	10.11	-0.80	-0.81
Maize Meal 5kg	33.27	31.13	31.07	29.76	2.20	0.06
Margarine 500g	19.23	19.04	18.97	16.49	0.26	0.07
Rice 2kg	22.39	23.62	21.21	21.01	1.18	2.41
Sunflower Oil 750ml	14.98	15.60	17.25	17.02	-2.27	-1.65
Ceylon/Black Tea 62.5g	8.97	6.50	7.80	8.00	1.17	-1.30
White Sugar 2.5kg	26.98	26.40	23.98	24.65	3.00	2.42
					5.93	**0.37**

Source: Stats SA, 2013

5. Price trends (week 4 of each month)

Prices normally cited in the FPM are obtained from Stats SA and AC Nielsen (see Appendix G for more details 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 fourth week of each month, retailers usually have specials on various items they sell, which is the reason why prices are not collected during that week. In an effort to include food price trends during week 4 for five retail chains, data was obtained from Adcheck.

Table 3 shows the percentage change in prices of selected food items during week 4 at the different retailers. The average price changes for all the retailers show that the largest increase was in the price of chicken braiicuts 2kg. On average, the price of chicken braiicuts increased by 10.22 %. The price of sunflower oil 750ml increased by 5.09 % between January 2013 and April 2013.

Table 3: January 2013 to April 2013 inflation of selected food items for various retailers (in %).

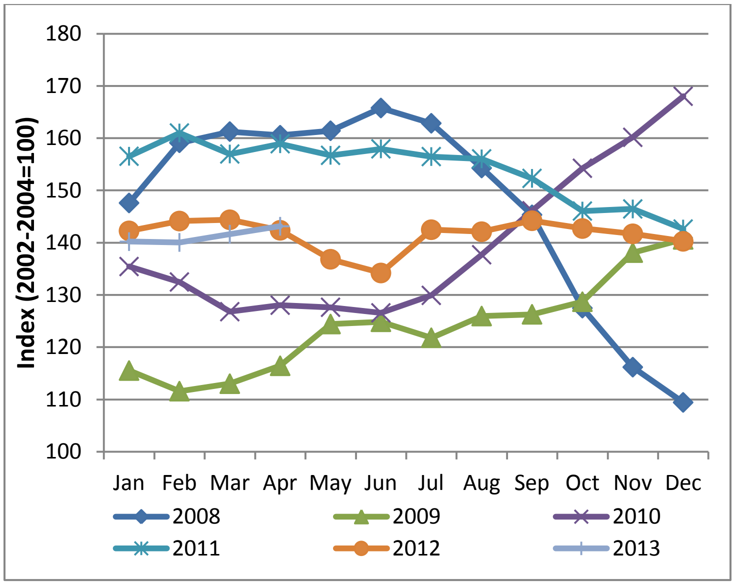
Products	Retailer A	Retailer B	Retailer C	Retailer D	Retailers Average
Cheapest Chicken Braaicuts 2Kg	13.58	34.27	-2.11	-4.88	10.22
Cheapest Maize Meal 5Kg	-3.59	-10.38	-9.93	-5.49	-7.35
Long Life Milk Full Cream 1Lt	-0.56	5.93	-2.31	0.86	0.98
White Sugar 2Kg	2.73	8.49	-1.91	1.09	2.60
Ceylon Teabags Tagless 100Ea	-14.63	-0.85	4.15	0.56	-2.70
Sunflower Oil 2L	18.63	-0.80	3.11	-0.58	5.09
Margarine Brick 500g	-12.88	-6.25	-27.66	-13.81	-15.15
Rice 2Kg	-7.17	-33.03	-24.01	-11.89	-19.02

Source: Adcheck, 2013

6. International food prices

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

On an annual basis, the FAO Food Price Index averaged 143.1 points in April 2013, 0.77 points (0.5%) up from the 142.4 points of April 2012. The monthly April increase was largely caused by the sharp increase in the dairy quotations, as meat prices rose slightly while those of other food commodities fell.



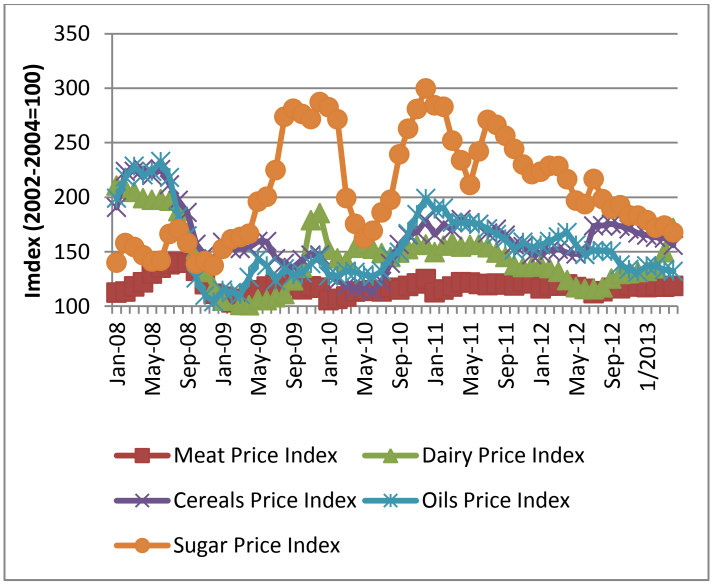


Figure 3: Price indices for five food categories and international real food price index
Source: FAO, 2013

The oils/fats price index averaged 155.8 points in April, down 1.4 points (1.0 %) from March 2013. The decline was mainly led by palm and soy oil. Palm oil prices eased further reflecting abundant stocks held both by exporting and importing countries, and an expected acceleration in production. The decrease in soy oil prices reflects good progress in South America's record soybean harvest, larger than anticipated inventory levels in the United States and initial forecasts of a record US soybean crop later this year. Furthermore, weakening energy prices and persistent global macroeconomic concerns continued to weigh on the vegetable oil complex as a whole. On an annual basis, the oils/fats price index declined by 35.6 index points (21.2%) from April 2012.

The dairy price index averaged 171.9 points in April, a sharp rise of 22.3 points (14.9%) from March. The main cause of the price surge seen in recent months is a steep decline in New Zealand's milk production, following an abnormally prolonged dry period at the start of the year leading to farmers drying off or culling milk cows early, which in turn caused a reduction in the processing of dairy products. The leap in prices is partly a reflection of the absence of commercial stocks to cater for such an unexpected reduction in availability, rather than a more profound shortage of supplies, as New Zealand's overall output for the 2012/2013 (June-May) production year is projected to finish at record levels. In Europe, warmer weather during April has allowed cumulative milk production to return to the seasonal average in some countries. The dairy index increased by 47.78 points (38.5%) between April 2012 and April 2013.

The meat price index averaged 118.7 points in April, a level which it has maintained since the latter part of 2012. The sugar price index averaged 167.8 points in April, down 6.2 points (3.6 percent) from March. After rebounding in March, prices fell sharply in April mostly on expectation of a significant recovery in cane crop for the new crushing season in Brazil, the world's largest exporter. With larger production of sugar expected to enter the world market and weaker import demand, sugar export prices were put under downward pressure. Annually, the sugar price index decreased by 48.76 points (22.5%) between April 2012 and April 2013.

7. 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), based on monthly average food price data for the period April 2012 to April 2013. From April 2012 to April 2013 the cost of this basic food basket increased by about R17 (+3.9%) in nominal terms from R427 to R444 (compared to a higher increase of 6.4% from January 2012 to January 2013 (the previous Food Price Monitor analysis period). The cost of this food basket expressed as a share of the average monthly income[2] of the poorest 30% of the population increased from 37.7% in April 2012 to 39.2% in April 2013 during this analysis period. The cost of the food basket expressed as a share of the average monthly income of the wealthiest 30% of the population increased from 3.0% to 3.1%.

[1] Composition of food basket: Apples (1kg), Bananas (1kg), Beef chuck (1kg), Brick margarine (500g), Butter beans - tinned (410g), Cabbage (1kg), Ceylon/black tea (62.5g), Chicken

[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 STATSSA survey: 'Income & Expenditure of households 2005/2006' *(calculations excludes imputed rent on owned dwelling)*

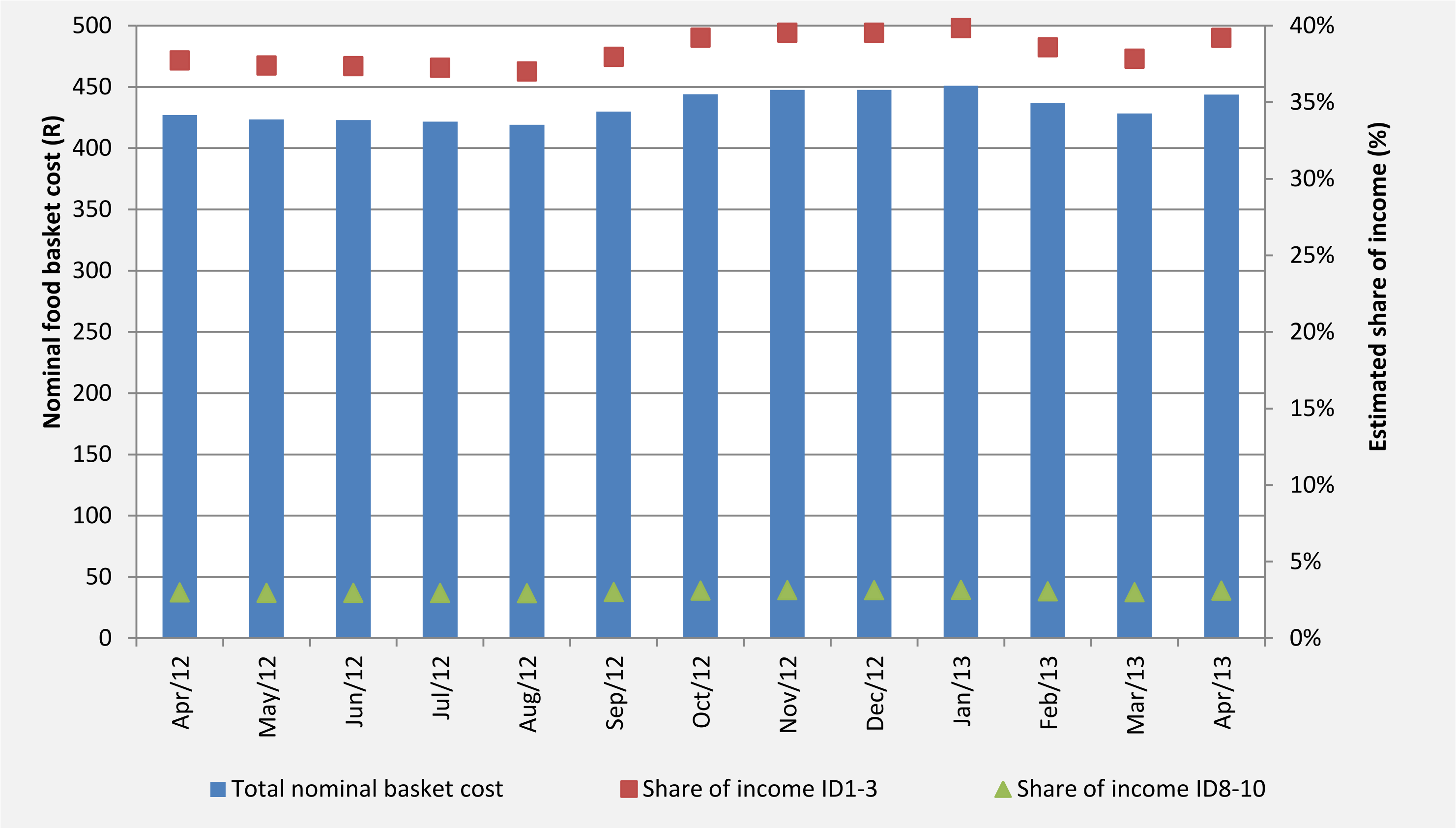


Figure 4: The monthly cost of a typical consumer food basket for the period April 2012 to April 2013, expressed in nominal terms and as share of the average income of the poorest 30 % of households (Income Deciles [ID] 1 to 3) and the wealthiest 30 % of households (ID 8 to 10).

To further explore the impact of inflation on consumers, Figure 5 presents an illustration of the average annual nominal cost of specific food groups within the basic food basket, for the period April 2012 to April 2013. As could be expected Figure 2 illustrates the dominance of animal protein foods, as well as breads and cereals within the cost of the basic food basket. Comparing April 2012 to April 2013 prices, many of the food groups within this particular food basket experienced inflation, with the highest inflation within the following categories: vegetables, eggs, bean products and animal protein foods. The various food groups within this food basket are discussed in more detail in Table 4 below.

Thus, when comparing April 2012 to April 2013, the significant price inflation (8% or more) experienced for many products within the food basket: Onions, tomatoes, canned fish (excl tuna), eggs, brown bread, cabbage, fresh and frozen chicken portions. The affordability of one important staple food (brown bread) as well as food items making a major contribution to dietary diversity could affect household food security in South Africa. When comparing the inflation rates for April 2012 versus April 2013, with January 2012 versus January 2013 (i.e. the previous Food Price Monitor analysis period) inflation increased only for animal protein foods.

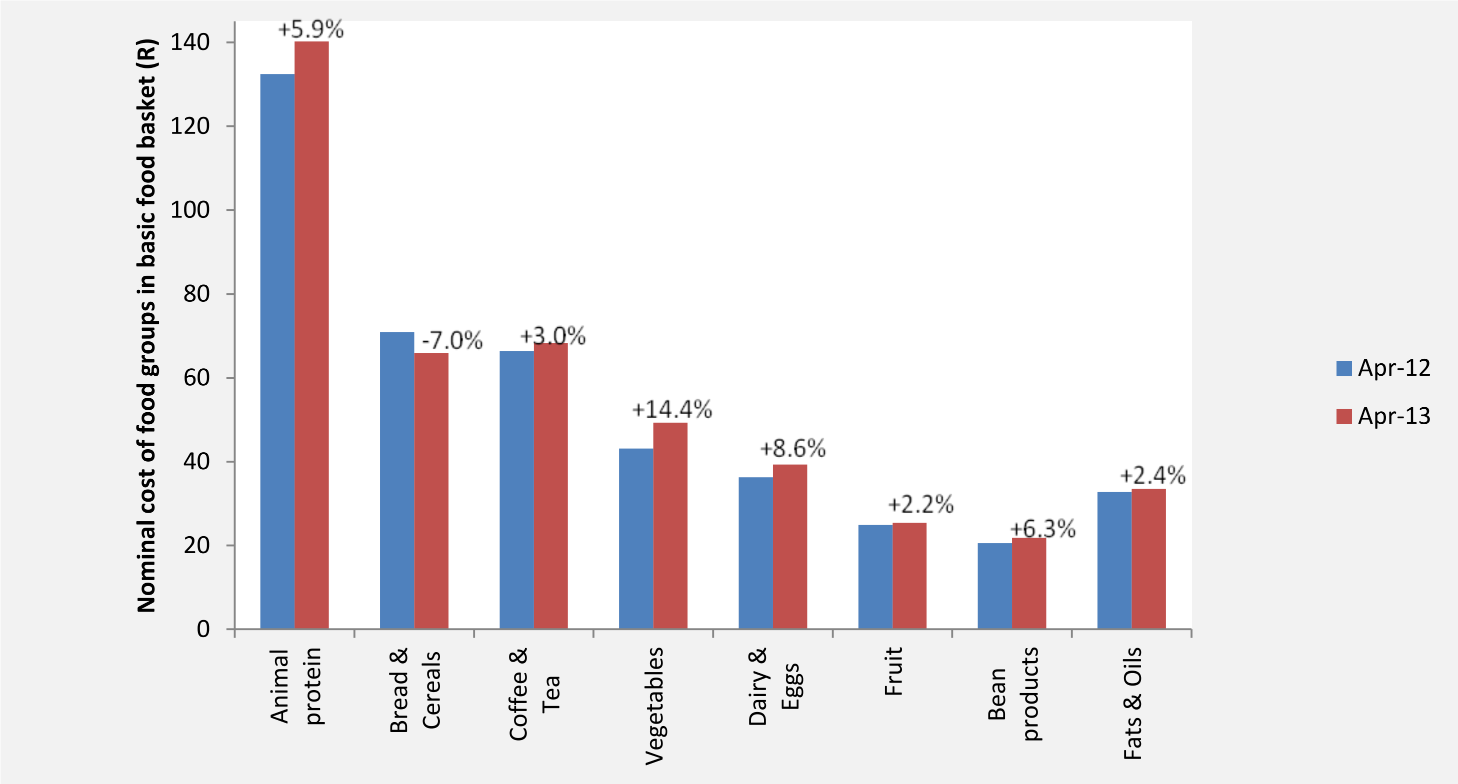


Figure 5: Nominal monthly cost of specific groups in the basic food basket, comparing April 2012 with April 2013

Table 4: Overview of inflation contributing foods in the basic food basket, April 2012 to April 2013

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:**
	April 2012 to April 2013	**January 2012 to January 2013**				
Animal protein	+5.9%	+5.7%	Canned fish (+10.8%) Chicken portions frozen (+9.6%) Chicken portions fresh (+9.5)	Beef chuck (+0.8%)	None	Significant inflation on canned fish and chicken portions (fresh and frozen).
Bread and cereals	-7.0%	-5.6%	Brown bread (+9.8%)	None	Maize meal (-14.2%) White bread (-7.1%) Rice (-2.9%)	Significant inflation on brown bread, but decreasing prices observed for maize meal, white bread and rice..
Vegetables	+14.4%	+21.1%	Onions (+27.4%) Tomatoes (+16.2%) Cabbage (+9.8%) Potatoes (+6.3%)	None	None	All vegetables in the basket experienced significant inflation.
Fruit	+2.2%	+7.5%	None	Apples (+3.2%) Bananas (+1.0%)	None	Minor inflation on apples and bananas.
Dairy	+5.3%	+7.2%	Full cream long life milk (+5.3%)	None	None	High inflation on the price of long life milk and even higher inflation on the price of eggs.
Eggs	+9.9%	+13.4%	Eggs (+9.9%)	None	None	
Fats and oils	+2.4%	+7.8%	None	Sunflower oil (+2.9%) Margarine (+2.0%)	None	Minor inflation on sunflower oil and margarine.

Bean products	+6.3%	+8.7%	Peanut butter (+6.3%)	None	None	Significant inflation on peanut butter.
Coffee and tea	+3.0%	+6.9	Ceylon/black tea (+4.2%)	Coffee (+2.8%)	None	Inflation on tea more prominent.

Source: Stats SA, 2013 and own calculations

The impact of inflation on very poor consumers is further explored below, based on the typical portion sizes of very poor consumers of the five most widely consumed food items in South Africa represented by maize porridge, brown bread, sugar, tea and full cream milk (National Food Consumption Survey - Steyn & Labadarios, 2000[3]; Oldewage-Theron et al, 2005[4]). Figure 6 illustrates the estimated portion costs for these foods, calculated from monthly food price data for April 2012 and April 2013. Similar to other Food Price Monitor analysis periods, the significant cost contribution of maize meal and bread to the typical basic daily food selection for poor consumers are emphasised by the results in Figure 6. 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 (about 67% more in this case for April 2013). When comparing the costs associated with the typical portion sizes of very poor consumers for the five most widely consumed food items in South Africa, based on April 2013 versus April 2012 prices the results in Figure 6 indicated inflation of about 1.0% (from R4.22 to R4.26 for the selection of portions). Significant inflation on brown bread, white sugar and milk was largely offset by significant price deflation on maize meal.

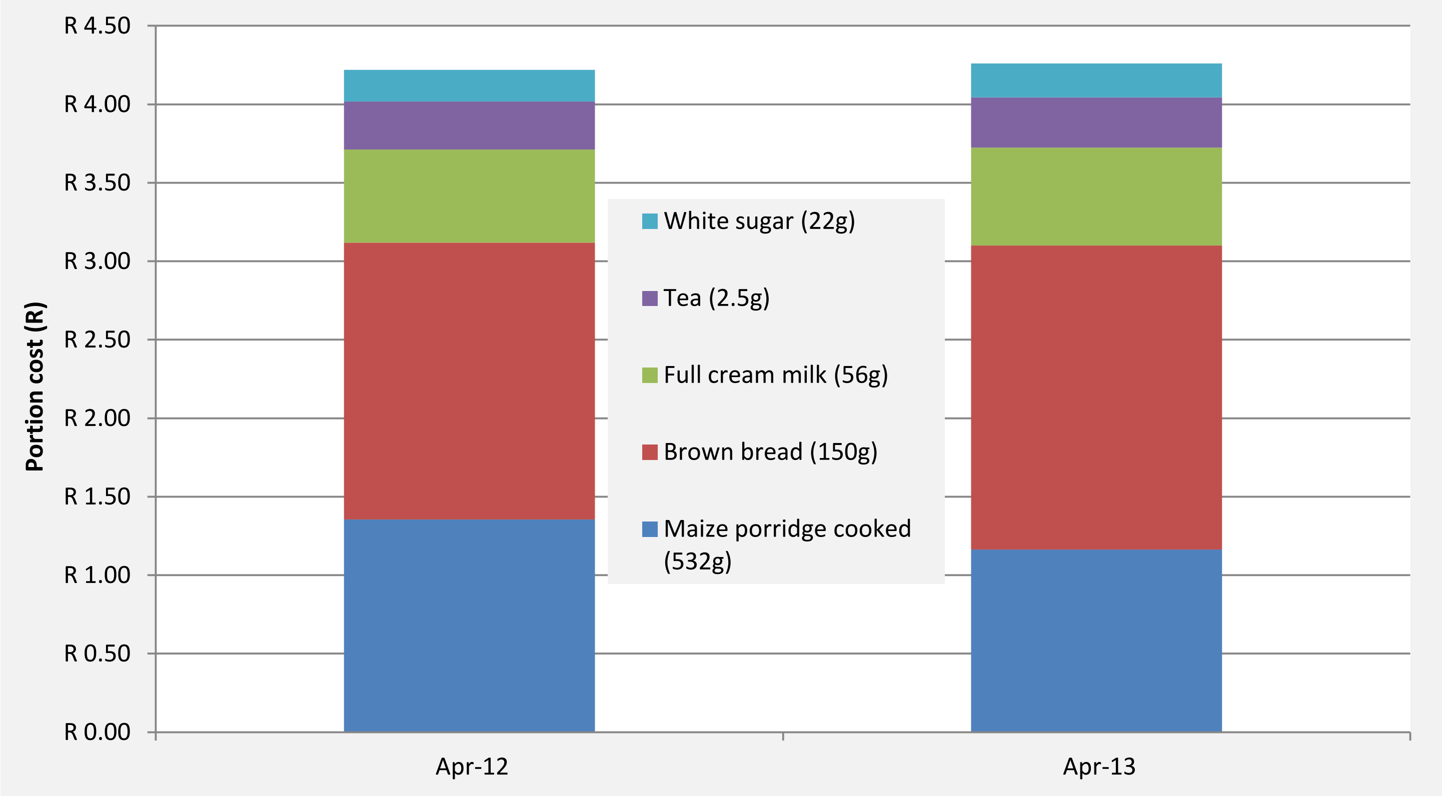


Figure 6: Average nominal cost for the typical portions of the five food items most widely consumed by very poor consumers in South Africa, for April 2012 and April 2013

[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

8. June 2013– August 2013 outlook

Just as the local maize market was bound to settle with the size of this year's maize crop set at almost 11.4 million tons and a number of export contracts washed out, renewed uncertainty surrounding the exchange rate has again fuelled significant amount of speculation on the futures markets. The sharp depreciation of the exchange rate has not only induced increased speculation on the futures market, but a weaker exchange rate inevitably leads to higher food prices in the medium to long run as a number of key drivers in the food value chain, like energy prices, are positively correlated with the exchange rate.

As was anticipated in the previous outlook report, the increase in vegetable prices led the way over the previous period of analyses and prices of items like bread, cereals and dairy products increased only marginally. Although there was a decline in meat prices at wholesale and retail level due to an increased supply of live animals out of Namibia and other drought stricken areas of Botswana and the North West Province, meat prices still remain higher than the same period last year.

For the outlook period which covers the winter season, meat prices traditionally remain weak. However, this time around more dynamics might feature in the market with meat prices that seem to have bottomed out already and the prices of live animals already finding some support in the market. It is speculated that this additional support originates from a higher demand of weaner animals. In some areas of the North-West province, where low maize yields do not even cover the costs of harvesting, farmers are curbing some of the losses by using the maize for cattle grazing. As more farmers are considering this option, the demand for live animals seems to increase, which could eventually lead to stronger support of meat prices over the outlook period. The profit margins of feedlots have increased rapidly on the back of the lower weaner prices and relatively stable feed prices. The key uncertainty for the feedlot margins will be the movement of the exchange rate that is currently the major driver behind higher commodity prices. In fact, local maize prices are currently trading below export parity and could even increase due to the weaker exchange rate, which is exactly the opposite trend compared to world commodity prices that are expected to decline on the back of the anticipated rise in the end-season stocks of more than 20% for the 2013/14 season.

Under the assumption of favourable weather patterns in the US, the depreciation of the exchange rate will have the single highest impact on the rate of food inflation over the outlook period. The first point of entry of a weaker Rand into the rate of food price inflation will be on imported food items, for example chicken meat. More than 20 percent of local chicken meat is imported and the weaker exchange rate will lead to higher import parity prices. As was already mentioned, the exchange rate will also drive other cost items in the food value chain like fuel prices.

APPENDIX A: DATA ON URBAN FOOD PRICE TRENDS

Table A.1: Wheat products

Wheat products	Price level			Percentage change	
	Apr-12	Jan-13	Apr-13	Jan-3 to April-13	April-12 to April-13
Loaf of brown bread 700 g	8.23	9.01	9.04	0.33%	9.84%
Loaf of white bread 700 g	9.19	10.09	10.11	0.20%	10.01%
Cake flour 2.5 kg	18.26	21.43	20.43	-4.67%	11.88%
Spaghetti 500 g	9.37	9.82	9.92	1.02%	5.87%
Macaroni plain 500 g*	8.39	9.11	8.43	-7.49%	0.53%
Average				**-2.12%**	**7.63%**
Wheat (R/ton)	**2713.27**	**3491.29**	**3367.75**	**-3.54%**	**24.12%**

*Data from AC Nielsen

Table A.2: Maize products

Maize products	Price level			Percentage change	
	Apr-12	Jan-13	Apr-13	Jan-3 to April-13	April-12 to April-13
Maize special 5 kg*	25.99	26.25	26.95	2.68%	3.71%
Maize super 5 kg*	31.12	30.91	29.76	-3.70%	-4.36%
Average				**-0.51%**	**-0.32%**
White Maize (R/ton)	**2073.60**	**2155.25**	**2165.81**	**0.49%**	**4.45%**

*Data from AC Nielsen

Table A.3: Sunflower products

Sunflower products	Price level			Percentage change	
	Apr-12	Jan-13	Apr-13	Jan-3 to April-13	April-12 to April-13
Sunflower oil 750 ml	16.54	17.25	17.02	-1.33%	2.90%
Medium fat spread 1 kg tub*	23.94	24.59	23.24	-5.49%	-2.91%
Brick margarine 500 g	16.17	16.51	16.49	-0.12%	1.98%
Average				**-2.31%**	**0.66%**
Sunflower (R/ton)	**4805.60**	**5295.00**	**5223.94**	**-1.34%**	**8.71%**

*Data from AC Nielsen

Table A.4: Processed vegetables

Processed vegetables	Price level			Percentage change	
	Apr-12	Jan-13	Apr-13	Jan-3 to April-13	April-12 to April-13
Chopped peeled tomato 410 g*	11.79	12.58	12.58	0.00%	6.68%
Tomato & onion mix 410 g*	9.36	10.42	10.18	-2.28%	8.82%
Canned peas 410 g*	8.90	9.43	9.46	0.35%	6.31%
Baby carrots 1 kg*	34.08	35.58	35.59	0.03%	4.45%
Average				**-0.48%**	**6.56%**

*Data from AC Nielsen

Table A.5: Fresh vegetables

Fresh vegetables	Price level			Percentage change	
	Apr-12	Jan-13	Apr-13	Jan-3 to April-13	April-12 to April-13
Carrots – fresh per kg	11.47	12.30	13.39	8.86%	16.74%
Onions – fresh per kg	7.47	8.96	9.52	6.25%	27.44%
Potatoes – fresh per kg	9.04	9.83	9.61	-2.24%	6.31%
Tomatoes – fresh per kg	15.33	19.00	17.81	-6.26%	16.18%
Sweet potatoes – fresh per kg	13.49	17.07	14.10	-17.40%	4.52%
Cabbages – fresh per kg	11.28	10.33	12.38	19.85%	9.75%
Lettuces – fresh per kg	32.56	44.53	44.08	-1.01%	35.38%
Pumpkins – fresh per kg	11.98	15.21	14.61	-3.94%	21.95%
Cauliflowers – fresh per kg	32.73	33.43	36.48	9.12%	11.46%
Average				**1.47%**	**16.64%**

Table A.6: Processed meat

Processed meat	Price level			Percentage change	
	Apr-12	Jan-13	Apr-13	Jan-3 to April-13	April-12 to April-13
Meatballs in gravy 400 g*	15.25	14.93	16.68	11.73%	9.39%
Picnic ham 300 g*	28.15	31.15	31.53	1.21%	12.01%
Polony per kg	29.18	30.95	30.06	-2.88%	3.02%
Average				**3.35%**	**8.14%**

*Data from AC Nielsen

Table A.7: Unprocessed meat

Unprocessed meat	Price level			Percentage change	
	Apr-12	Jan-13	Apr-13	Jan-3 to April-13	April-12 to April-13
Pork Chops – Fresh per kg	56.19	61.14	58.50	-4.32%	4.11%
Lamb – Fresh per kg	93.59	93.93	97.63	3.94%	4.32%
Beef Brisket – Fresh per kg	58.01	61.12	55.82	-8.67%	-3.78%
Beef Chuck – Fresh per kg	56.91	63.38	57.36	-9.50%	0.79%
Beef Mince – Fresh per kg	58.88	64.46	61.37	-4.79%	4.23%
Beef Rump Steak –Fresh per kg	90.80	100.03	96.38	-3.65%	6.15%
Beef T-Bone – Fresh per kg	75.00	81.41	78.60	-3.45%	4.80%
Whole Chicken – Fresh per kg	31.69	34.87	34.53	-0.98%	8.96%
Chicken Portions – Fresh per kg	40.88	44.67	44.75	0.18%	9.47%
Average				**-3.47%**	**4.34%**

Table A.8: Dairy products

Dairy product	Price level			Percentage change	
	Apr-12	Jan-13	Apr-13	Jan-3 to April-13	April-12 to April-13
Fresh milk full cream 1 l sachet*	7.63	7.52	7.57	0.63%	-0.86%
Fresh milk full cream 2 l*	17.75	18.00	18.63	3.51%	4.99%
Fresh milk low fat 1 l sachet*	7.84	7.77	8.06	3.76%	2.80%
Fresh milk low fat 2 l*	18.08	18.67	19.72	5.58%	9.03%
Long life milk full cream 1 l*	10.44	10.39	10.93	5.14%	4.61%
Skimmed powder milk 1 kg*	67.74	73.96	73.32	-0.87%	8.24%
Total butter 500 g*	31.13	31.34	30.83	-1.63%	-0.98%
Cheddar cheese per kg	92.22	96.63	102.68	6.26%	11.34%
Average				**2.80%**	**4.90%**

*Data from AC Nielsen

Table A.9: Fruits

Fruits	Price level			Percentage change	
	Apr-12	Jan-13	Apr-13	Jan-3 to April-13	April-12 to April-13
Apples – fresh per kg	13.37	15.41	13.80	-10.45%	3.22%
Bananas – fresh per kg	11.49	10.85	11.60	6.91%	0.96%
Average				**3.20%**	**14.31%**

Table A.10: Fish products

Fishes – tinned	Price level			Percentage change	
	Apr-12	Jan-13	Apr-13	Jan-3 to April-13	April-12 to April-13
Fish (excl tuna) – tinned 155 g	6.52	6.97	7.23	3.73%	10.89%
Fish (excl tuna) – tinned 425 g	11.76	12.17	12.98	6.66%	10.37%
Tuna – tinned 170 g	10.61	12.68	13.15	3.71%	23.94%
Average				**4.70%**	**15.07%**

Table A.11: Other products

Other products	Price level			Percentage change	
	Apr-12	Jan-13	Apr-13	Jan-3 to April-13	April-12 to April-13
King Korn 1 kg*	13.93	14.29	14.27	-0.16%	2.46%
White Sugar 2.5 kg	22.77	23.98	24.65	2.79%	8.26%
Rice 2 kg	21.63	21.21	21.01	-0.94%	-2.87%
Recovery Reg 750 g*	60.16	60.42	58.52	-3.13%	-2.72%
Ceylon/Black Tea 62.5 g	7.68	7.80	8.00	2.56%	4.17%
Imana Soya Mince Tomato & Onion 200 g*	9.78	9.64	9.50	-1.45%	-2.90%
Eggs 1.5 dozen	26.00	28.62	28.57	-0.17%	9.88%
Average				**-0.07%**	**2.33%**

*Data from AC Nielsen

APPENDIX B: DATA ON RURAL FOOD PRICE TRENDS

Table B.1: Wheat products

Wheat Products	Price level			Percentage change	
	Jan-13	Mar-13	Apr-13	Mar-13 to Apr-13	Jan-13 to Apr-13
Loaf of brown bread 600g	8.40	6.65	7.17	7.84%	-14.65%
Loaf of brown bread 700g	8.97	8.42	8.02	-4.79%	-10.58%
Loaf of white bread 600g	9.31	7.68	8.70	13.21%	-6.55%
Loaf of white bread 700g	9.29	8.86	9.28	4.77%	-0.12%
Average				**5.26%**	**-7.98%**

Table B.2: Maize products

Maize Products	Price level			Percentage change	
	Jan-13	Mar-13	Apr-13	Mar-13 to Apr-13	Jan-13 to Apr-13
Maize meal 12.5kg	69.50	67.20	67.20	0.00%	-3.31%
Maize meal 1kg	7.81	8.26	8.16	-1.24%	4.50%
Maize meal 2.5kg	17.84	17.12	16.83	-1.72%	-5.68%
Maize meal 5kg	33.27	31.24	31.13	-0.37%	-6.44%
Samp 1kg	7.31	8.50	8.50	0.00%	16.28%
Samp 2.5kg	10.60	0.00	0.00	0.00%	0.00%
Average				**-0.55%**	**0.89%**

Table B.3: Sunflower products

Sunflower Products	Price level			Percentage change	
	Jan-13	Mar-13	Apr-13	Mar-13 to Apr-13	Jan-13 to Apr-13
Sunflower Oil 2L	35.81	33.56	31.93	-4.86%	-10.84%
Sunflower Oil 500ml	10.83	11.41	11.69	2.40%	7.92%
Sunflower Oil 750ml	14.98	15.30	15.60	1.95%	4.14%
Margarine 125g	7.31	7.54	7.78	3.16%	6.42%
Margarine 250g	10.60	11.49	11.18	-2.68%	5.46%
Margarine 500g	19.23	19.04	25.54	34.11%	32.80%
Average				**5.68%**	**7.65%**

Table B.4: Dairy products

Dairy Products	Price level			Percentage change	
	Jan-13	Mar-13	Apr-13	Mar-13 to Apr-13	Jan-13 to Apr-13
Full cream long life milk 1l	11.68	10.26	10.61	3.41%	-9.13%
Full cream long life milk 500ml	7.21	7.18	7.38	2.80%	2.34%
Average				**3.11%**	**-3.39%**

Table B.5: Tea and coffee

Tea and coffee	Price level			Percentage change	
	Jan-13	Mar-13	Apr-13	Mar-13 to Apr-13	Jan-13 to Apr-13
Instant coffee 100g	14.87	13.60	14.04	3.25%	-5.56%
Instant coffee 250g	30.31	22.99	27.75	20.71%	-8.44%
Ceylon/black tea 250g	24.41	21.89	22.00	0.48%	-9.89%
Ceylon/black tea 62.5g	8.97	6.50	6.50	0.00%	-27.54%
Average				6.11%	-12.86%

Table B.6: Beans

Beans	Price level			Percentage change	
	Jan-13	Mar-13	Apr-13	Mar-13 to Apr-13	Jan-13 to Apr-13
Beans 1kg	24.37	23.08	22.35	-3.19%	-8.30%
Beans 500g	12.81	13.03	13.32	2.21%	3.96%
Average				**-0.49%**	**-2.17%**

Table B.7: White sugar

Sugar	Price level			Percentage change	
	Jan-13	Mar-13	Apr-13	Mar-13 to Apr-13	Jan-13 to Apr-13
White sugar 1kg	11.64	11.63	12.58	8.19%	8.11%
White sugar 2.5kg	26.98	25.66	26.40	2.85%	-2.17%
White sugar 500g	6.40	6.63	6.37	-3.94%	-0.48%
Average				**2.36%**	**1.82%**

Table B.8: Rice

Rice	Price level			Percentage change	
	Jan-13	Mar-13	Apr-13	Mar-13 to Apr-13	Jan-13 to Apr-13
Rice 1kg	12.87	13.42	14.03	4.60%	9.03%
Rice 2kg	22.39	23.04	23.62	2.49%	5.47%
Rice 500g	7.21	8.50	7.58	-10.85%	5.10%
Average				**-1.25%**	**6.54%**

Table B.9: Peanut butter

Peanut Butter	Price level			Percentage change	
	Jan-13	Mar-13	Apr-13	Mar-13 to Apr-13	Jan-13 to Apr-13
Peanut butter 270g	16.09	17.66	18.48	4.66%	14.87%
Peanut butter 400g	20.87	22.52	23.19	3.00%	11.13%
Average				**3.83%**	**13.00%**

APPENDIX C: SUMMARY OF INFLATION FOR SELECTED FOOD ITEMS BETWEEN April 2012, January 2013 and April 2013

Table C.1: Food items in the urban areas ranked according to price changes (April 2012 to April 2013)

Grain and grain products	%	Meat and meat products and dairy and dairy products	%	Fresh and processed fruits and vegetables	%
Maize Super 5kg*	-4.36%	Beef Brisket - Fresh per kg	-3.78%	Bananas - Fresh per kg	0.96%
Medium Fat Spread 1kg Tub*	-2.91%	Total Butter 500g*	-0.98%	Apples - Fresh per kg	3.22%
Soya Mince Tomato & Onion 200g*	-2.90%	Fresh Milk Full Cream 1Lt Sachet*	-0.86%	Baby Carrots 1kg*	4.45%
Rice 2kg	-2.87%	Beef Chuck - Fresh per kg	0.79%	Sweet Potatoes - Fresh per kg	4.52%
Coffee Reg 750g*	-2.72%	Fresh Milk Low Fat 1Lt Sachet*	2.80%	Potatoes Bag 10 kg	6.31%
Macaroni Plain 500 Gram*	0.53%	Polony per kg	3.02%	Canned Peas 410g*	6.31%
Brick Margarine 500g	1.98%	Pork Chops - Fresh per kg	4.11%	Chopped Peeled Tomato 410g*	6.68%
King Korn 1kg*	2.46%	Beef Mince - Fresh per kg	4.23%	Tomato & Onion Mix 410g*	8.82%
Sunflower Oil 750ml	2.90%	Lamb - Fresh per kg	4.32%	Cabbage - Fresh per kg	9.75%
Maize Special 5kg*	3.71%	LongLife Milk Full Cream 1Lt*	4.61%	Cauliflower - Fresh per kg	11.46%
Ceylon/Black Tea 62.5g	4.17%	Beef T-Bone - Fresh per kg	4.80%	Tomatoes - Fresh per kg	16.18%
Spaghetti 500 g	5.87%	Fresh Milk Full Cream 2Lt*	4.99%	Carrots - Fresh per kg	16.74%
White Sugar 2.5kg	8.26%	Beef Rump Steak -Fresh per kg	6.15%	Pumpkin - Fresh per kg	21.95%
Loaf Of Brown Bread 700 g	9.84%	Skimmed Powder Milk 1kg*	8.24%	Onions -Fresh per kg	27.44%
Loaf Of White Bread 700 g	10.01%	Fish (Excl Tuna) - Tinned 155g	8.82%	Lettuce - Fresh per kg	35.38%
Cake Flour 2.5 kg	11.88%	Whole Chicken - Fresh per kg	8.96%		
		Fresh Milk Low Fat 2Lt*	9.03%		
		Bull Brand Meatballs in Gravy 400g*	9.39%		
		Chicken Portions - Fresh per kg	9.47%		
		Chicken Portions - Frozen per kg	9.64%		
		Eggs 1.5 dozen	9.88%		
		Fish (Excl Tuna) - Tinned 425g	10.75%		
		Cheddar Cheese per kg	11.34%		
		Enterprise Picnic Ham 300g*	12.01%		
		Tuna - Tinned 170g	23.35%		

* Data from AC Nielsen

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

Table C.2: Food items in the rural areas ranked according to price changes (January 2013 to April 2013)

Grain and grain products	%	Other products	%
Loaf of Brown Bread 600g	-14.65	Tagless Tea Bags 62.5g	-27.54
Sunflower Oil 2L	-10.84	Tagless Tea Bags 250g	-10.32
Loaf of Brown Bread 700g	-10.58	Full Cream Long Life Milk 1L	-9.13
Loaf of White Bread 600g	-6.55	Instant Coffee 250g	-8.44
Maize Meal 5kg	-6.44	Beans 1kg	-8.30
Maize Meal 2.5kg	-5.68	Instant Coffee 100g	-5.56
Maize Meal 12.5kg	-3.31	White Sugar 2.5kg	-2.17
Loaf of White Bread 700g	-0.12	White Sugar 500g	-0.48
Samp 2.5kg	0.00	Full Cream Long Life Milk 500ml	2.34
Sunflower Oil 750ml	4.14	Beans 500g	3.96
Maize Meal 1kg	4.50	White Sugar 1kg	8.11
Rice 500g	5.10	Peanut Butter 400g	11.13
Margarine 250g	5.46	Peanut Butter 270g	14.87
Rice 2kg	5.47		
Margarine 125g	6.42		
Sunflower Oil 500ml	7.92		
Rice 1kg	9.03		
Samp 1kg	16.28		
Margarine 500g	32.80		

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

APPENDIX D: COMMODITY AND PRODUCT PRICE TRENDS

D.1 Wheat price trends

Between April 2012 and April 2013

International wheat price
↑11.63 %

Domestic price of wheat
↑24.12 %

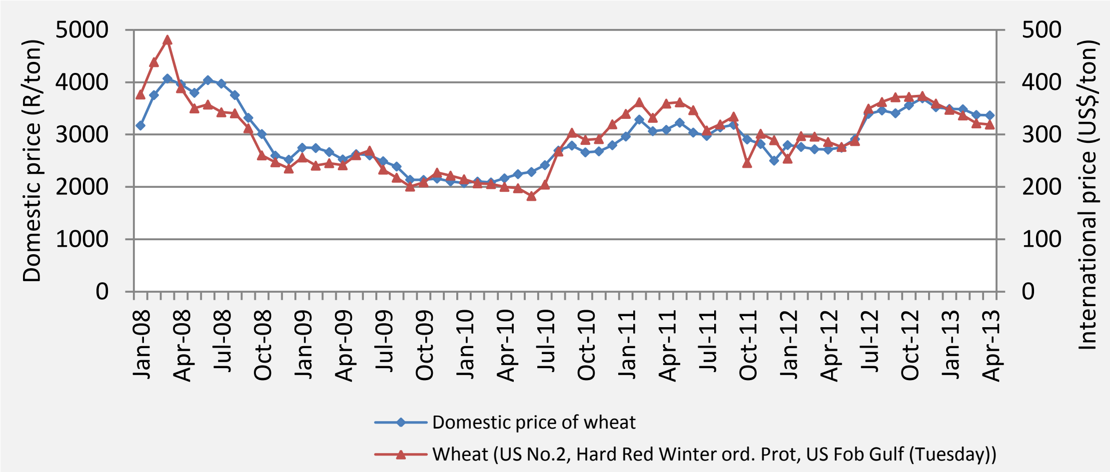


Figure D.1: Domestic market price of wheat against global market price
Source: FAO and SAFEX

Domestic wheat price followed the import parity price of wheat closely, because SA is a net importer of wheat.

Between April 2012 and April 2013:

Wheat import parity price ↑ 29.86%

Wheat export parity price ↑ 68.12%

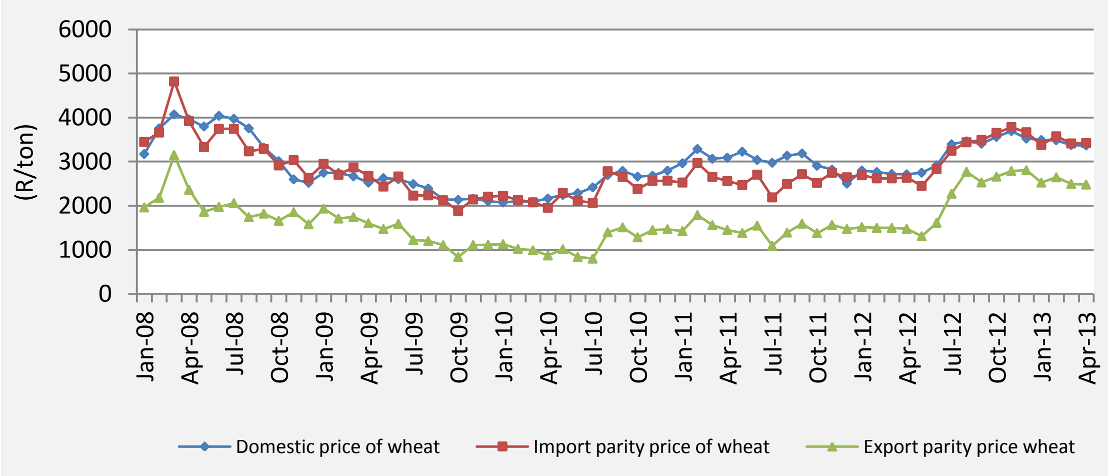


Figure D.2: Import parity, export parity and domestic prices of wheat
Source: SAGIS and SAFEX

Between April 2012 and April 2013:

Domestic wheat price
↑ 24.12 %

Brown bread price
↑ 9.84 %

White bread price
↓ 7.07 %

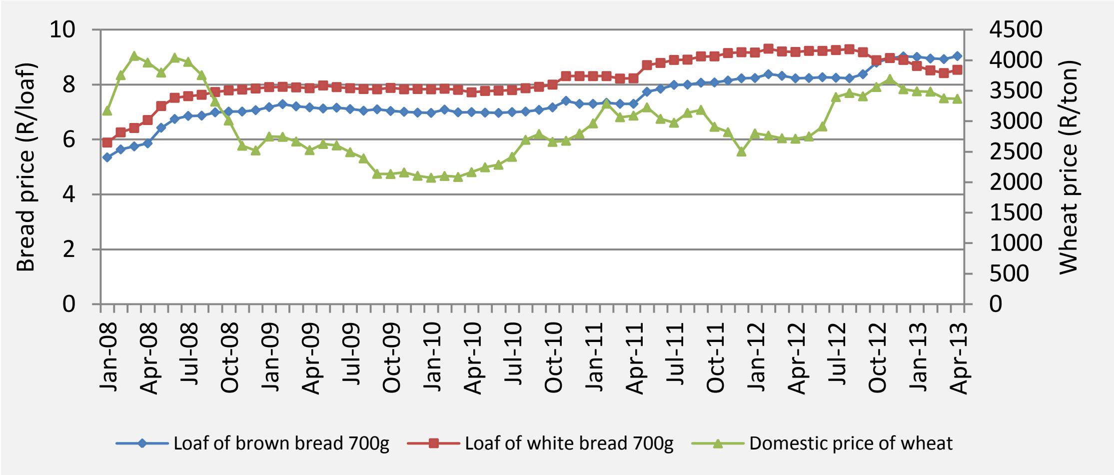


Figure D.3: Domestic market wheat price and bread price trends
Source: Stats SA and SAFEX

D.2 Maize price trends

Between April 2012 and April 2013:

International price of maize
↑ 2.13%

Domestic price of yellow maize
↓ 0.16 %

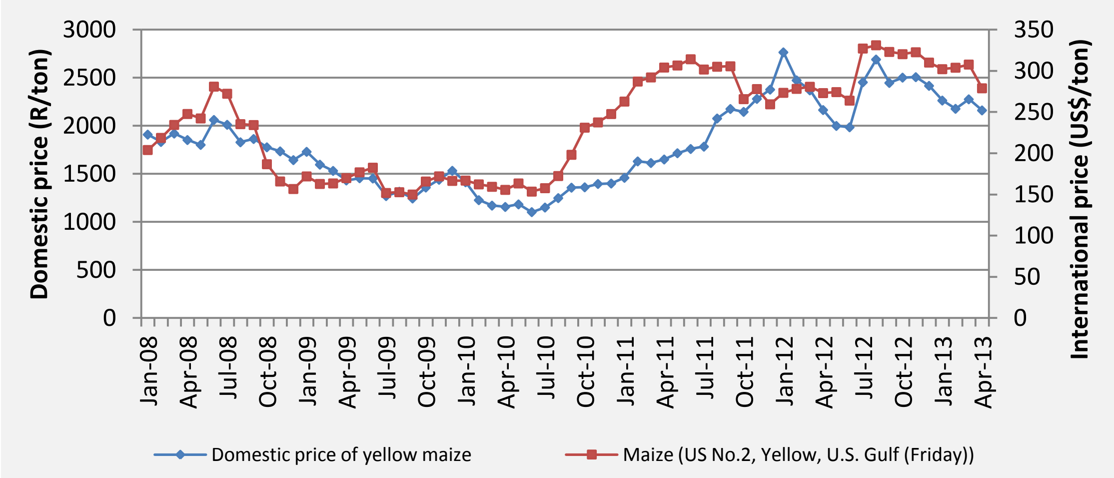


Figure D.4: Domestic market price of maize against global market price
Source: FAO and SAFEX

Between April 2012 and April 2013:

Export parity price
↑ 28.91 %

Import parity price
↑ 18.74 %

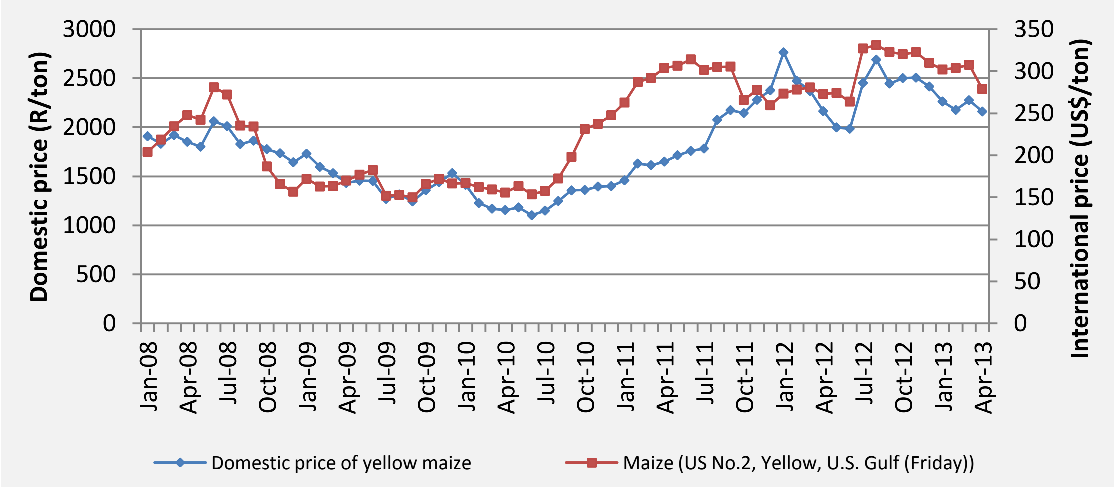


Figure D.5: Import parity, export parity and domestic prices of maize
Source: SAFEX and SAGIS

Between April 2012 and April 2013:

Super maize meal price
↓ 4.36 %

Special maize meal
↑ 3.71%

Domestic price of white maize
↓ 5.53 %

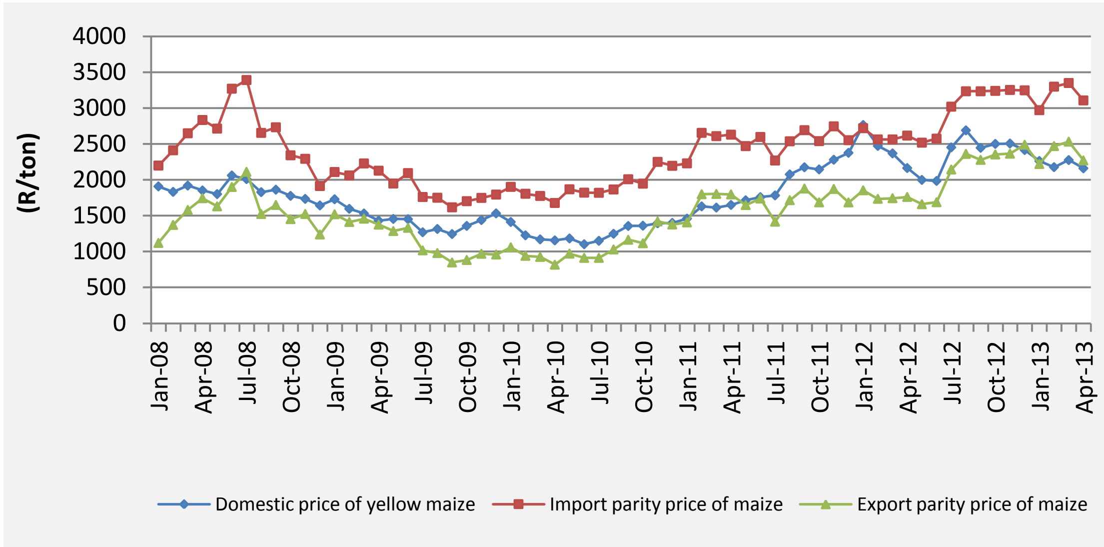


Figure D.6: Maize price and maize meal price trends
Source: SAFEX and AC Nielsen

D.3 Sunflower seeds price trends

Between April 2012 and April 2013:

Domestic price of sunflower seeds
↑ 8.12 %

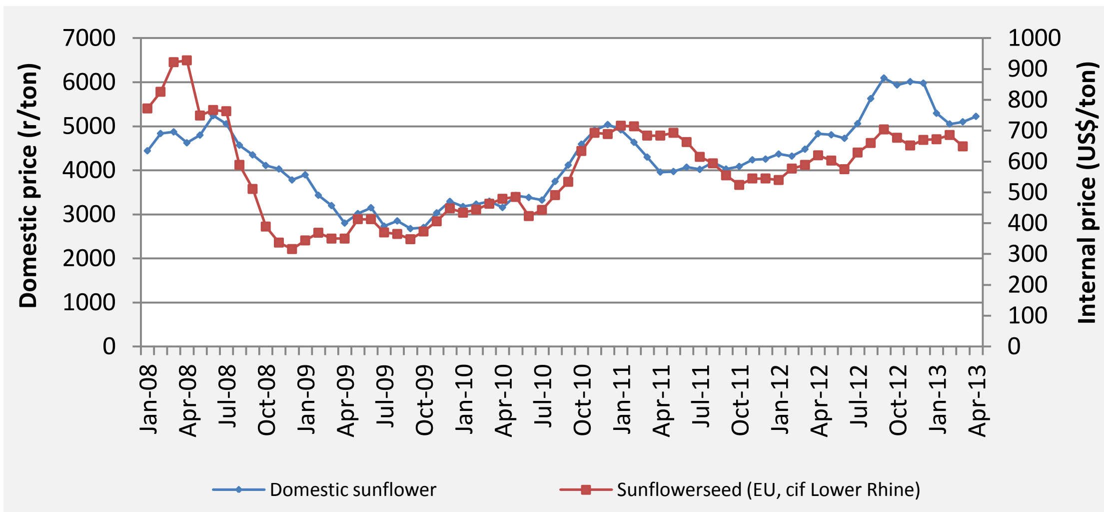


Figure D.7: Domestic market price of sunflower seeds against global market price
Source: FAO and SAFEX

Between April 2012 and April 2013:

Sunflower seed price
↑ 8.12 %

Average retail sunflower oil price
↑ 9.72 %

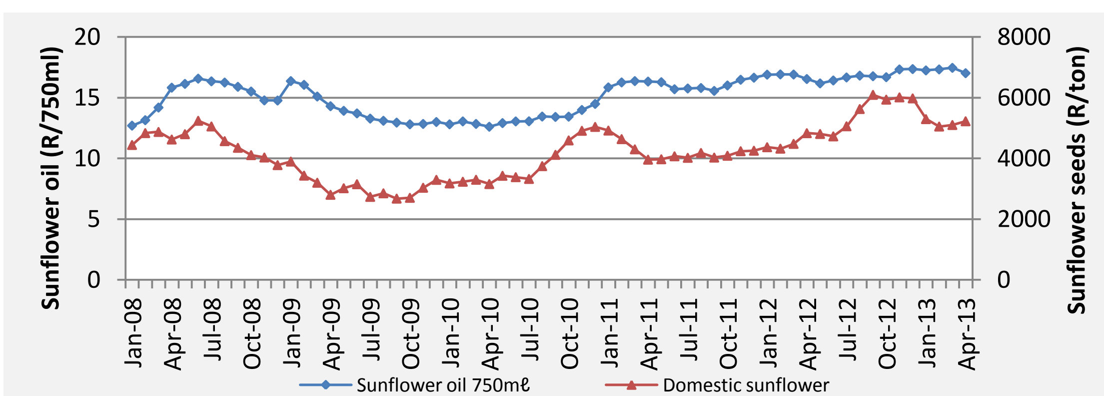


Figure D.8: Sunflower seeds price and sunflower oil price trends
Source: SAFEX and Stats SA

D.4 Dairy price trends

Between April 2012 and April 2013:

Skim milk powder
↑ 78.31 %

Whole milk powder
↑ 49.68%

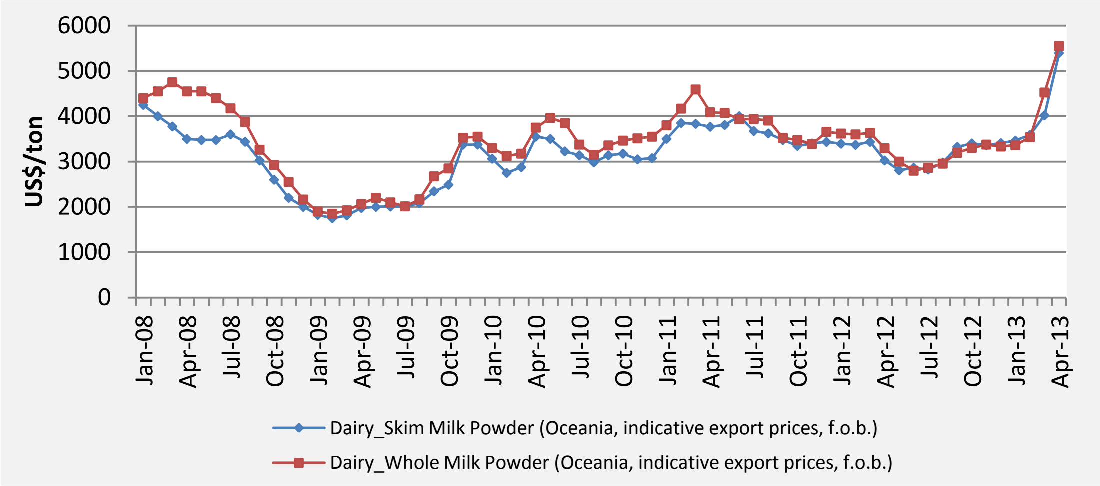


Figure D.9: Skim milk powder and whole milk powder price trends
Source: FAO

Between April 2012 and April 2013:

Milk producer price
↑ 9.71%

Full cream milk price
↑ 6.07 %

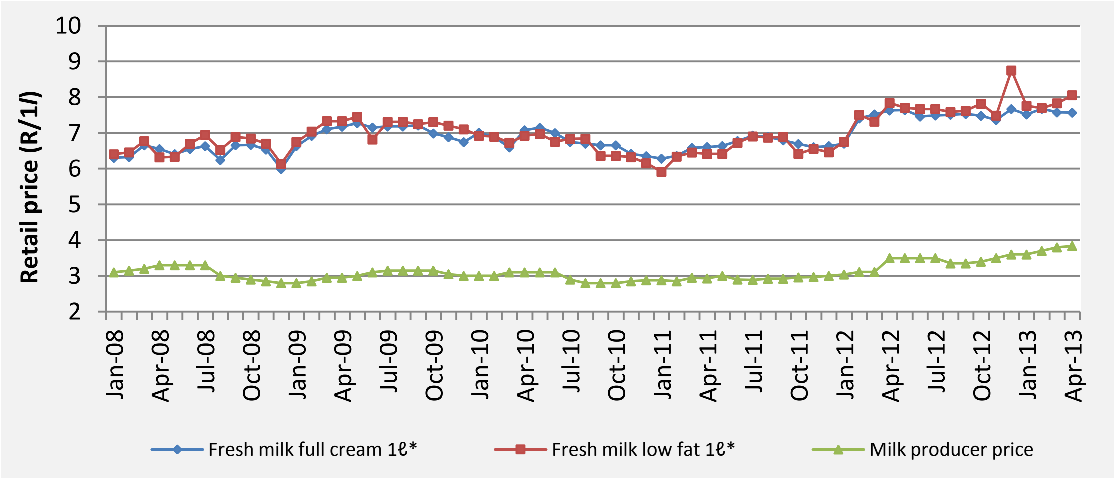


Figure D.10: Domestic producer price and retail prices of milk
Source: MPO and AC Nielsen

D.5 Meat price trends

The price of beef at retail level showed an average increase of 2.43 % for the different cuts.

Frozen chicken portions price ↑ by 9.64% per kilogram

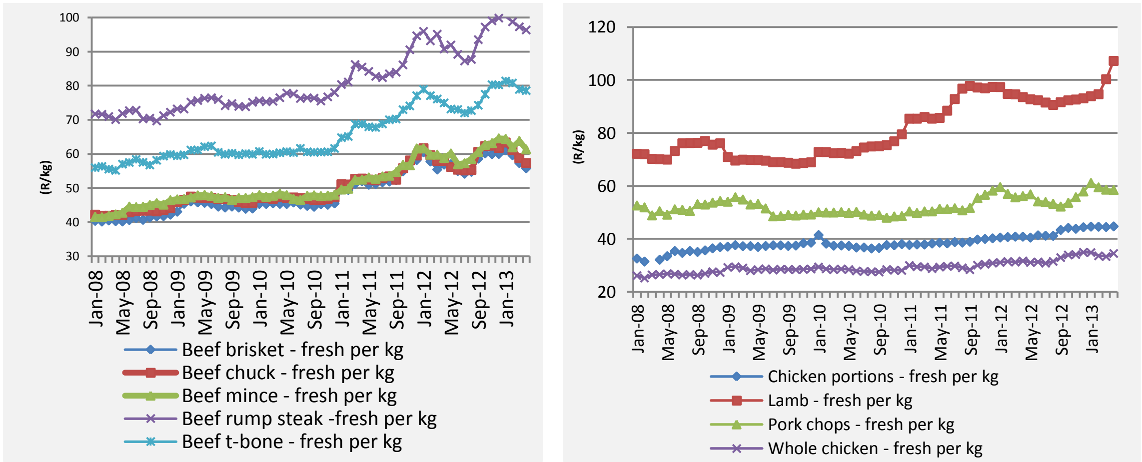


Figure D.11: Retail prices of beef, pork chops, chicken portions, whole chicken and lamb
Source: Stats SA

Between April 2012 and April 2013:

Producer price for fresh chicken ↑ 6.09 %

Frozen chicken price ↑ 26.90%

Porker price ↓1.59%

Baconer price ↓4.86%

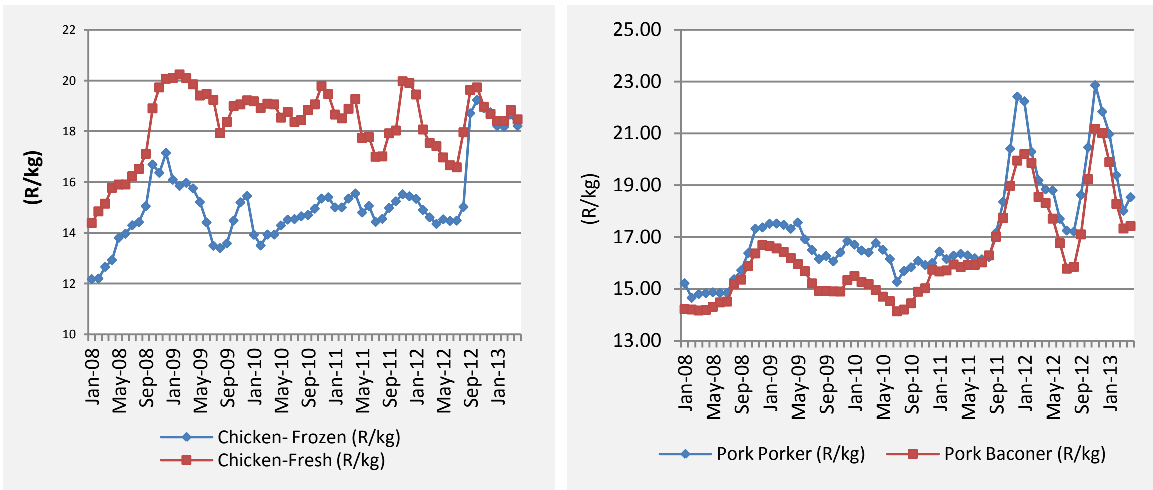


Figure D.12: Producer prices of chicken and pork
Source: AMT

Between April 2012 and April 2013:

Producer price of Beef-class A2/A3 ↑ 6.36%

Prices of beef class B2/B3 ↑ 1.80% and class C2/C3↓ 3.99 %

Prices of lamb-class A2/A3 and class B ↓ 7.26 % and ↓ 5.42 % respectively; Prices of class C2/C3 ↓ 2.68 %

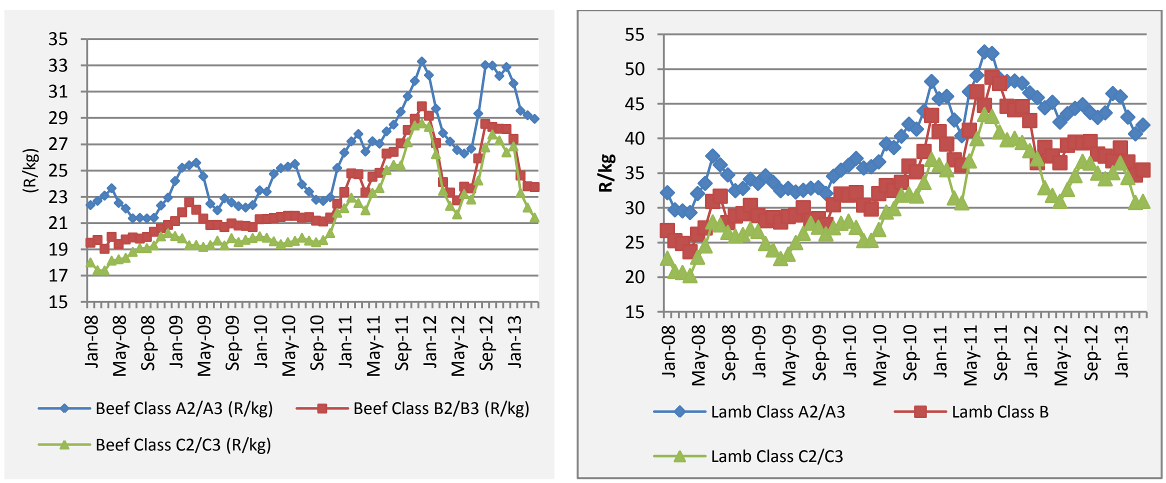


Figure D.13: Producer prices of beef and lamb
Source: AMT

APPENDIX E: REAL FARM TO RETAIL PRICES SPREAD AND FARM VALUE SHARE OF STAPLE FOOD ITEMS

E.1 Brown bread real farm-to-retail price spread and farm value share

Between April 2012 and April 2013

The real farm-to-retail price spread of brown bread ↑ 4.87 %

The real farm value share of brown bread ↑ 51.3%

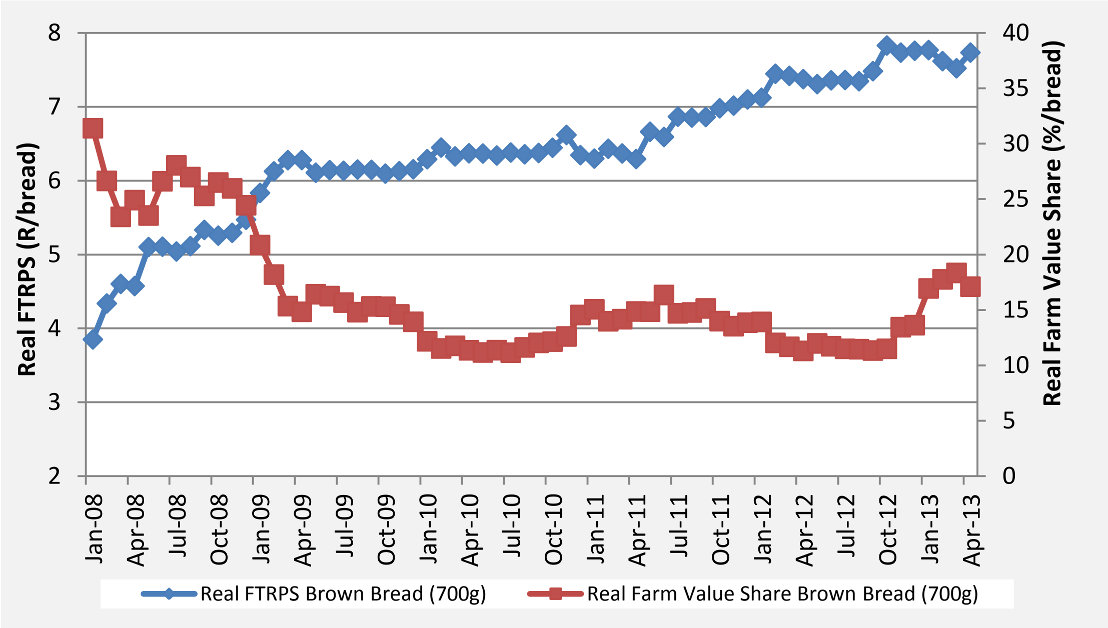


Figure E.1: Real farm to retail price spread and real farm value share of brown bread. Source: SAFEX, Stats SA and own calculations

E.2 White bread real farm-to-retail price spread and farm value share

Between April 2012 and April 2013

The real farm-to-retail price spread of white bread ↑ 26.1 %

The real farm value share of white bread ↑ 26.3%

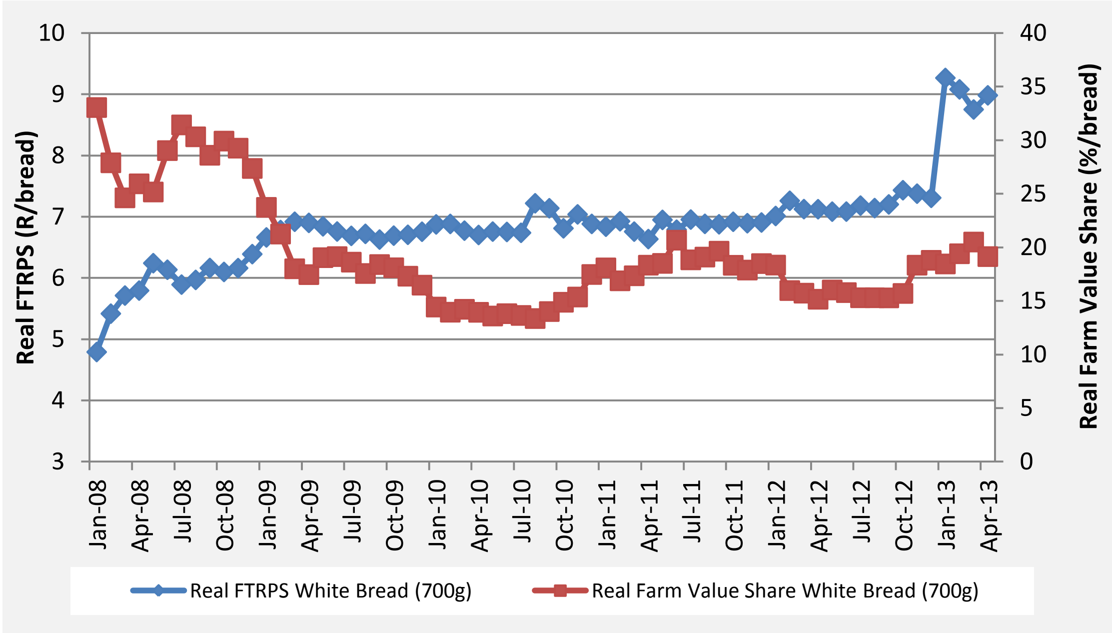


Figure E.2: Real farm to retail price spread and real farm value share of white bread. Source: SAFEX, AC Nielsen and own calculations

E.3 Super maize meal real farm to retail price spread and farm value share

Between April 2012 and April 2013

The real farm-to-retail price spread of super maize meal ↑ 19.52%

The real farm value share of super maize meal ↓2.81%

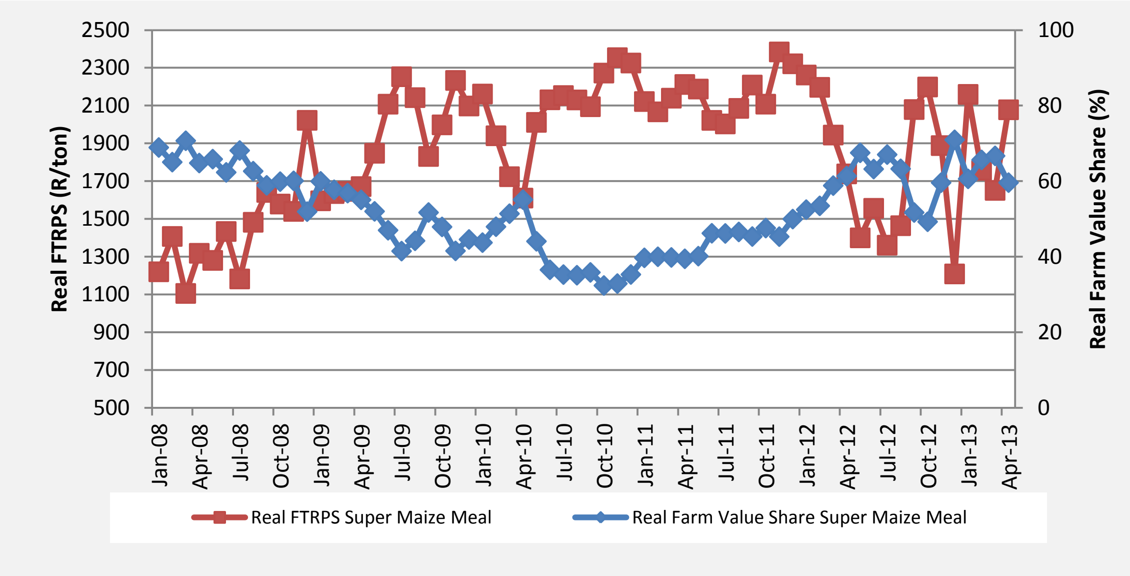


Figure E.3: Real farm to retail price spread and real farm value share of super maize meal. Source: SAFEX, AC Nielsen and own calculations

E.4 Special maize meal real farm to retail price spread and farm value share

Between April 2012 and April 2013

The real farm-to-retail price spread of special maize meal ↑ 42.84 %

The real farm value share of special maize meal ↓ 10.37 %

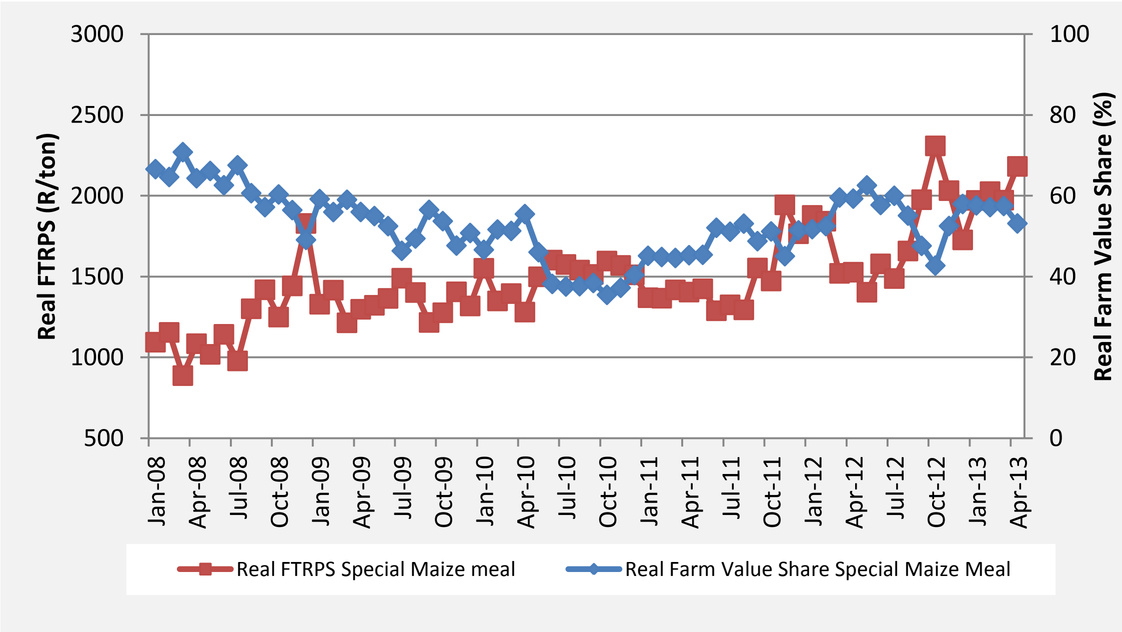


Figure E.4: Real farm to retail price spread and real farm value share of special maize meal. Source: SAFEX, AC Nielsen and own calculations

APPENDIX G: 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.

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