National Agricultural Marketing Council
Promoting market access for South African agriculture

Markets and Economic Research Centre

Food Price Monitor

Issue May/2015

MEDIA RELEASE

FOOD PRICE MONITOR:

May 2015

EXECUTIVE SUMMARY

In April 2015, the Consumer Price Index (CPI) released by Statistics South Africa (StatsSA) indicated that the headline CPI and the food and non-alcoholic beverage price index were 4.5% and 5%, respectively. Figure 1 shows trends of the year-on-year headline CPI and food and non-alcoholic beverage inflation rates from January 2010 to April 2015.

Prices were compared for selected food items in rural and urban areas, in April 2015. Food items showing the largest price differences between urban and rural areas, in April 2015, were margarine 500g at a R2.91 difference, sunflower oil 750mℓ at a difference of R0.90, Ceylon/black tea 62.5g at a difference of R0.58, a loaf of brown bread 700g at a difference of R0.35, and a loaf of white bread 700g at a difference of R0.33. This indicates that urban consumers paid more for these food items than their rural counterparts. On the other hand, the price of full cream milk – long life 1ℓ, was a difference of R0.03 more expensive in the rural areas during the month of April 2015.

In April 2015 the FAO Food Price Index averaged 128.44 points and 19.39% below its level in April 2014. Dairy prices indicated the largest decline, while sugar, cereals and vegetable oil prices also declined. By contrast, meat values rose in April 2015, their first increase since August 2014. The April 2015 average puts the FAO Food Price Index at its lowest level since June 2010.

From April 2014 to April 2015 the cost of this basic food basket increased by about R23 (+4.7%) in nominal terms from R491 to R514 (compared to a somewhat higher increase of 6.0% from January 2013 to January 2014 (the previous Food Price Monitor analysis period).

When comparing April 2014 to April 2015, a significant price inflation (6% or more) was experienced for many products within the food basket: bananas, Ceylon/black tea, full cream milk long life, chicken portions frozen, baked beans, tomatoes, brown bread, cabbage, chicken portions fresh, apples, white bread, instant coffee. This could have a negative impact on household food security in South Africa affecting the affordability of selected staple foods (bread) as well as various food items making a contribution to dietary diversity. When comparing the inflation rates for April 2014 versus April 2015, with January 2014 versus January 2015 (i.e. the previous Food Price Monitor analysis period) the rate of inflation was lower for most food groups, except for vegetables and fats/oils.

Moderate food price inflation can be expected over the next three months. High administered prices and a weaker exchange rate can potentially be off-set by lower commodity prices driven by lower international prices for commodities such as wheat. Key factors to watch out for will however be the decision of NERSA to allow Eskom an additional increase of 25.3% and a rapid depreciation on the exchange rate.

Table of Contents

1. Introduction

In April 2015, the Consumer Price Index (CPI) released by Statistics South Africa (StatsSA) indicated that the headline CPI and the food and non-alcoholic beverage price index were 4.5% and 5%, respectively. **Figure 1** shows trends of the headline CPI and food and non-alcoholic beverage inflation rates o a monthly basis, from January 2010 to April 2015.

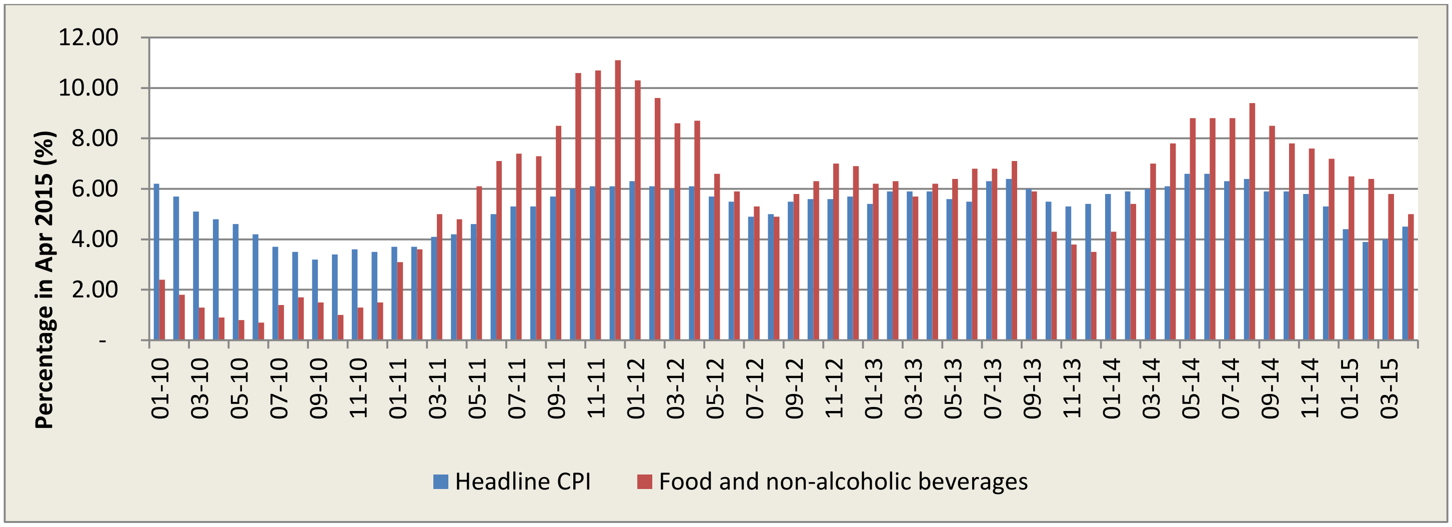

Figure 1: Headline CPI and food and non-alcoholic beverage CPI
Source: StatsSA, 2015

Figure 2 presents the components of food and non-alcoholic beverage inflation rates**.** The following components in the food and non-alcoholic beverages index change year-on-year, from April 2014 to April 2015: sugar and sweets (8.6%), milk, eggs and cheese (8.4%), fruit (7.7%), meat (6.4%), other food (6.1%), fish (5.7%), processed foods (5.3%), unprocessed foods (4.5%), bread and cereals (2.4%), vegetables (2.2%) whereas oils and fats decreased by 2.2%. Also indicated in Figure 2 is the month-on-month percentage change from March 2015 to April 2015.

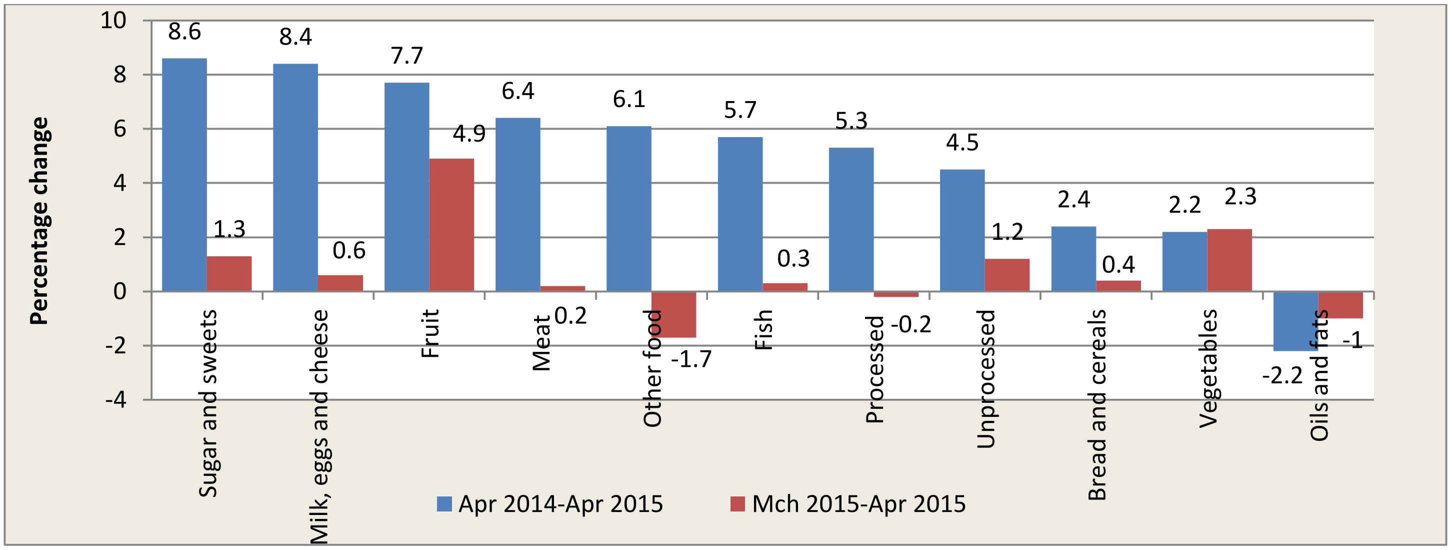

Figure 2: Year-on-year (April 2014-April 2015) and month-on-month (March 2015-April 2015) percentage change for different food categories
Source: StatsSA, 2015

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

Table 1 shows the year-on-year overall inflation and food inflation rates for April 2015 for South Africa and other selected countries. South Africa's overall inflation for April 2015 was 4.5%. Food inflation was at 5.0% during the same period. The food categories that contributed to South African food inflation are fruits, vegetables, sugar and sweets. The Zambian overall inflation for April 2015 was at 7.2% while the food inflation rate was 7.6%. Botswana's inflation was 3.1% while food inflation was 1.5% during the same period. Turkey's overall inflation for April 2015 was 7.9% compared to the food inflation of 14.4%. Considering inflation in the BRIC countries, Russia had the highest overall inflation rate of 16.4% and the highest food inflation of 24.4%, followed by Brazil, which had an overall inflation rate of 8.2% and food inflation of 8.0%. From the BRIC group, China recorded the lowest year-on-year inflation of 1.5% and food inflation of 2.7%.

Table 1: Overall inflation and food inflation during April 2015

Country	Overall inflation (%)	Inflation on food and non-alcoholic beverages (%)
South Africa	4.5	5.0
Botswana	3.1	1.5
Zambia	7.2	7.6
Turkey	7.9	14.4
Namibia	2.9	5.2
United States	-0.2	2.0
United Kingdom	-0.10	-2.5
Brazil	8.2	8.0
Russia	16.4	24.4
India	4.9	5.4
China	1.5	2.7

Source: Central banks and statistics reporting institutions of these countries, as well as the press, 2015

3. Urban and rural food price trends: April 2014 – April 2015

Appendix C ranks the food items included in this report into urban and rural areas, according to the various inflation rates. The food products highlighted in **Table C.1** (Appendix C) are those with annual **urban** inflation rates that exceed the South African Reserve Bank's (SARB) inflation upper band of 6%. Instant coffee 750g (6.12%), loaf of white bread 700g (6.22%), brick margarine 1kg (6.31%), white sugar 500g (6.37%), white sugar 1kg (6.38%), spaghetti 500g (6.46%), white sugar 2.5kg (6.49%), apples – fresh per kg (6.63%), chicken portions – fresh per kg (6.66%), cabbage – fresh each (7.01%), instant coffee 500g (7.10%), cheddar cheese per kg (7.25%), margarine spread 500g (7.51%), loaf of brown bread 700g (7.57%), white sugar 2kg (7.64%), fish (excluding tuna) – tinned 215g (7.82%), white sugar 5kg (7.99%), tomatoes – fresh per kg (8.81%), powdered milk 400g (8.97%), baked beans – tinned 410g (9.01%), white sugar 10kg (9.08%), full cream milk – fresh 2ℓ (9.55%), Ceylon/black tea 250g (9.78%), powdered milk 500g (9.79%), powdered milk 900g (9.94%), chicken portions – frozen per kg (10.28%), full cream milk - fresh 500mℓ (10.30%), Ceylon/black tea 500g (10.36%), full cream milk - fresh 1ℓ (10.44%), full cream milk - long life 500mℓ (10.88%), Ceylon/black tea 125g (11.51%), pork chops - fresh per kg (11.54%), full cream milk - long life 1ℓ (11.61%), polony per kg (12.03%), bacon 1kg (14.59%), pumpkin - fresh per kg (15.37%), Ceylon/black tea 62.5g (16.45%), margarine spread 250g (17.82%), fish (excluding tuna) - tinned 155g (18.29%), eggs 1/2 dozen (19.24%), instant coffee 200g (20.89%), bananas - fresh per kg (21.75%) and instant coffee 100g (32.86%).

Table C.2 is the products which exceed the SARB annual inflation rate in the **rural** areas are as follows: instant coffee 250g (6.66%), white sugar 2.5kg (6.82%), loaf of white bread 700g (7.04%), margarine 500g (7.16%), baked beans - tinned 410g (8.09%), loaf of brown bread 700g (8.16%), white sugar 1kg (9.48%), Ceylon/black tea 250g (10.15%), Ceylon/black tea 62.5g (10.61%), fish (excluding. tuna) - tinned 425g (10.80%), margarine 250g (11.83%), milk - long life 1ℓ (11.98%), milk - long life 500mℓ (12.30%), fish (excluding. tuna) - tinned 155g (18.83%) and instant coffee 100g (38.01%).

A closer look at food price trends: April 2014 – April 2015

During the period, April 2014 – April 2015, the international price of wheat (US No.2, Hard Red Winter ord. Prot, US Fob Gulf) decreased by 29.08%, while the domestic wheat prices decreased by 3.20%. Urban consumers paid 7.57% more for a loaf of brown bread (700g) and 6.22% more for a loaf of white bread (700g) during the same period. During the same period, domestic yellow maize prices decreased by 2.01%, while international yellow maize prices decreased by 22.83%, super maize meal (2.5kg) decreased by 2.78% and special maize meal (2.5kg) decreased by 10.08%. During this period, the urban price of sunflower oil (750ml) decreased by 0.83%, and the April 2015 domestic price of sunflower seed was R4 819.82/ton compared to R4 799.42/ton price of April 2014 (increase of 0.42%).

During this period, the average meat prices experienced an increasing trend. The average producer prices of class A2/A3 (R/kg), class B2/B3 (R/kg) and C2/C3 (R/kg) beef increased by 0.70%, 10.26% and 10.14%, respectively. Lamb/mutton class A2/A3 (R/kg), class B (R/kg), class C2/C3 (R/kg), producer prices increased by 17.95%, 8.89% and 12.06% respectively. Fresh chicken portions increased by 11.74% during the same period.

4. Comparison between urban and rural prices: April 2015

Table 2 compares prices of selected food items in rural and urban areas for April 2015. Food items showing the largest price differences between urban and rural areas, in April 2015, were margarine 500g at a R2.91 difference, sunflower oil 750mℓ at a difference of R0.90, Ceylon/black tea 62.5g at a difference of R0.58, loaf of brown bread 700g at a difference of R0.35, and a loaf of white bread 700g at a difference of R0.33. This indicates that urban consumers paid more for these food items than their rural counterparts. On the other hand, the price of full cream milk – long life 1ℓ, was a difference of R0.03 more expensive in the rural areas during the month of April 2015.

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

Product	Rural Food Prices April 2015	Urban Food Prices April 2015	Price difference R/unit
Full cream milk - long life 1ℓ	12.91	12.88	-0.03
Loaf of brown bread 700g	10.16	10.51	0.35
Loaf of white bread 700g	11.28	11.61	0.33
Special maize 2.5kg	14.79	14.81	0.02
Super maize 2.5kg	18.86	18.86	0.00
Margarine spread 500g	19.13	22.04	2.91
Peanut butter 400g	22.53	22.74	0.21
Rice 2kg	23.20	23.34	0.14
Sunflower oil 750mℓ	16.92	17.82	0.90
Ceylon/black tea 62.5g	9.33	9.91	0.58
White sugar 2.5kg	27.92	27.88	-0.04
Average			**0.49**

Source: **StatsSA, 2015**

5. 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 3a** shows the overall **real** food price index and **Figure 3b** shows the price indices for the five food categories in **real** terms. With the exception of the FAO Meat Price Index, those of the other indexes included, decreased in April 2015.

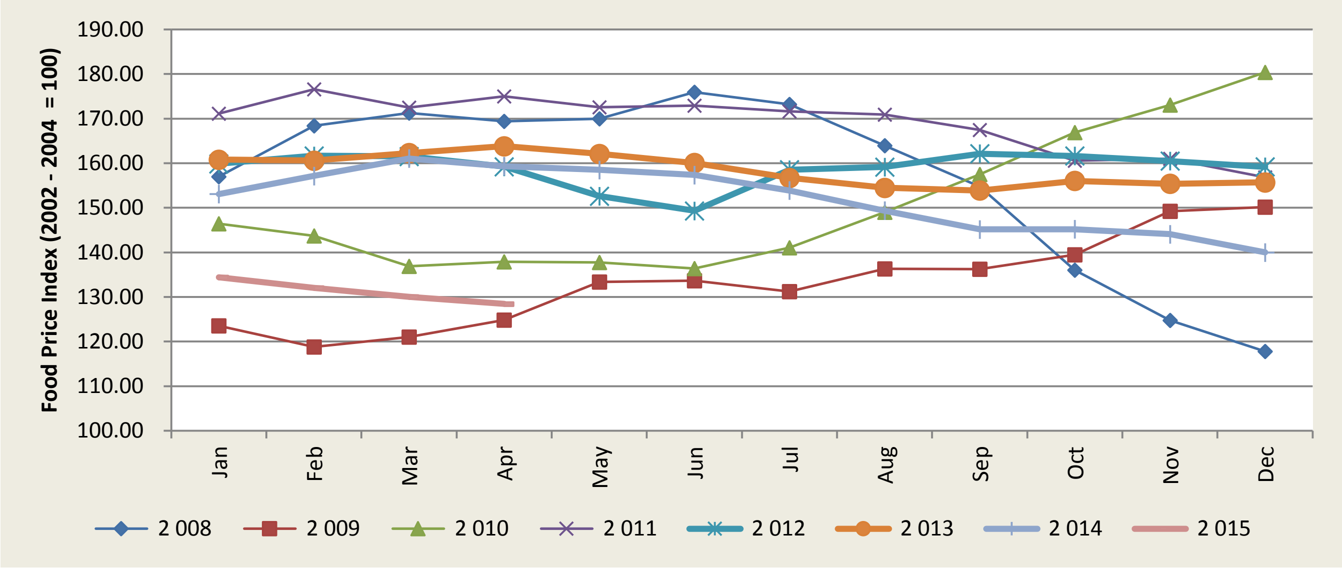

Figure 3a: International real food price index
Source: FAO, 2015

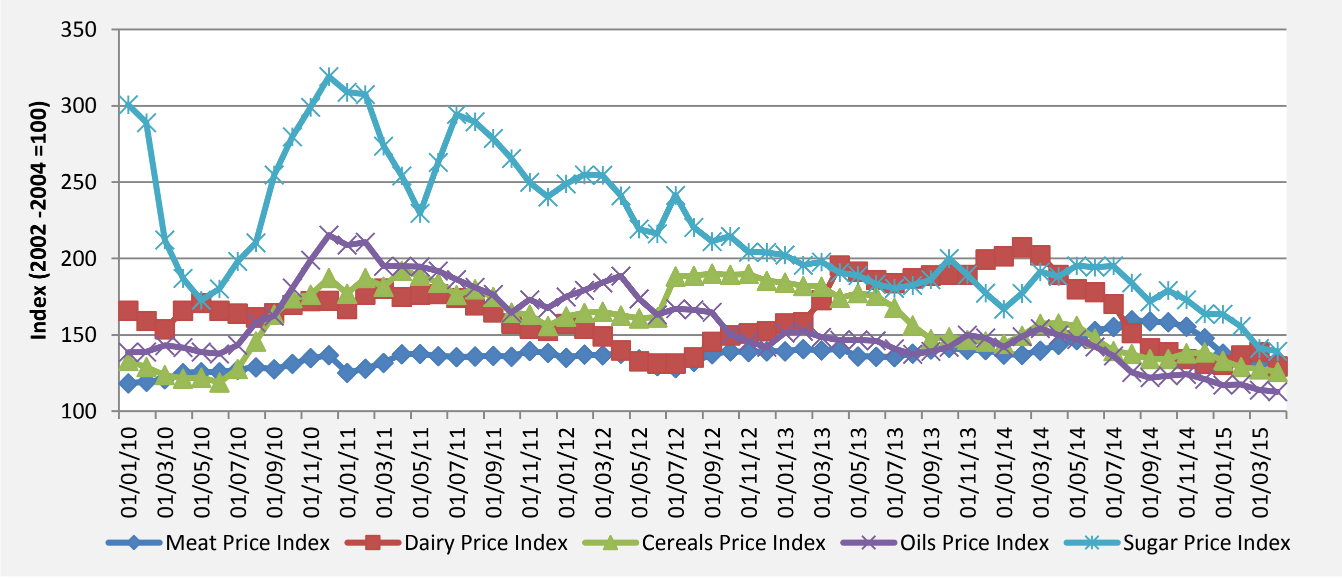

Figure 3b: Real price indices for five food categories
Source: FAO, 2015

In April 2015 the FAO Food Price Index averaged 128.44 points, down 30.90 points (19.39%) below its level in April 2014, but down only 1.58 point (1.21%) from March 2015. Dairy prices indicated the largest decline, while sugar, cereals and vegetable oils prices also declined. By contrast, meat values rose in April 2015, their first increase since August 2014. The April 2015 average puts the FAO Food Price Index at its lowest level since June 2010.

The FAO Cereals Price Index averaged 125.88 points in April 2015, down 1.67 points (1.31%) from March 2015. Wheat prices continued their decline in April, influenced by large supplies and slow trade activity, as many buyers await in expectation of even lower prices in the coming months. Maize quotations changed little compared to March, with stronger import demand being offset by prospects for more than ample supplies. Rice prices moved marginally lower, on subdued demand. At its current value, the FAO Cereals Price Index has fallen to its lowest and is now as much as 82.66 points (39.64%) below its peak (208.53 points) in June 2008.

The FAO Dairy Price Index averaged 129.51 points in April 2015, down 9.36 points (6.74%) from March 2015. Milk powders and butter were the main commodities affected. The price weakness affecting the sector reflects a favourable opening to the April-March dairy year in the EU, combined with the abolition of the milk quota system, which raised expectations of abundant export supplies. Dairy prices were also influenced by uncertainty over the level of China's purchases during 2015 and continued import prohibitions imposed by the Russian Federation.

The FAO Sugar Price Index averaged 139.37 points in April 2015, a slight decrease of 1.79 points (1.27%) from March 2015 and reaching its lowest level since March 2000 (in real terms). The decrease was mainly fuelled by reports of higher than expected sugarcane harvesting in Brazil, the world's largest producer and exporter of sugar. Also, India's recent announcement that would raise sugar import tariffs from 25% to 40%, in a bid to support falling domestic prices, weighed on international sugar quotations. Persistent weakness in the Brazilian currency (real) against the US dollar also kept the FAO Sugar Price Index under pressure.

The FAO Meat Price Index[1] averaged 133.70 points in April 2015, up 2.22 points (1.69%) from its revised March 2015 value. The main causes of the rise were higher prices for bovine and ovine meat from Oceania, where herd rebuilding restricted exports. Pork prices also showed some upward movement, while those of poultry were lower. For meat overall, moderately higher import demand in China, Japan, the United States and Vietnam is the main factor underpinning the market.

The FAO Vegetable Oil Price Index averaged 112.84 points in April 2015, down 1.09 points (0.96%) from March 2015. The slide was driven by palm oil, the key commodity in the index. International palm oil quotations continued to ease as higher than expected output in Indonesia and Malaysia coincided with weak global import demand. Global soy oil prices, on the other hand, increased slightly, reflecting concerns about slower than usual farmer selling and renewed strikes in South America. Prices for sunflower seed oil strengthened amid falling world production and export supplies.

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 the first part of this section is based on the cost of a basic food basket[2] (as compiled by the Food Price Monitoring

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

[2] Composition of food basket: apples (1kg), bananas (1kg), beef chuck (1kg), brick margarine (500g), baked beans - tinned (410g), cabbage (1kg), ceylon/black tea (62.5g), chicken portions fresh (1kg), chicken portions frozen (1kg), eggs (1.5 dozen), canned fish (excluding tuna) (425g), full cream milk long life (1ℓ), instant coffee (750g), loaf of brown bread (700g), loaf of white bread (700g), maize meal super (5kg), onions (1kg), oranges (1kg), peanut butter (400g), potatoes (1kg), rice (2kg), sunflower oil (750mℓ), tomatoes (1kg). *Due to data limitations butter beans was substituted with tinned baked beans in the analysis.*

Committee in 2003), based on monthly average food price data for the period April 2014 to April 2015. In this particular analysis oranges have been excluded due to price data limitations associated with product seasonality.

From April 2014 to April 2015 the cost of this basic food basket increased by about R23 (+4.7%) in nominal terms from R491 to R514 (compared to a somewhat higher increase of 6.0% from January 2013 to January 2014 (the previous Food Price Monitor analysis period).

The cost of this food basket expressed as a share of the average monthly income[3] of the poorest 30% of the population increased from 45.9% in April 2014 to 48.1% in April 2015 during this analysis period (see **Figure 4**). The cost of the food basket expressed as a share of the average monthly income of the wealthiest 30% of the population increased from 1.8% to 1.9%.

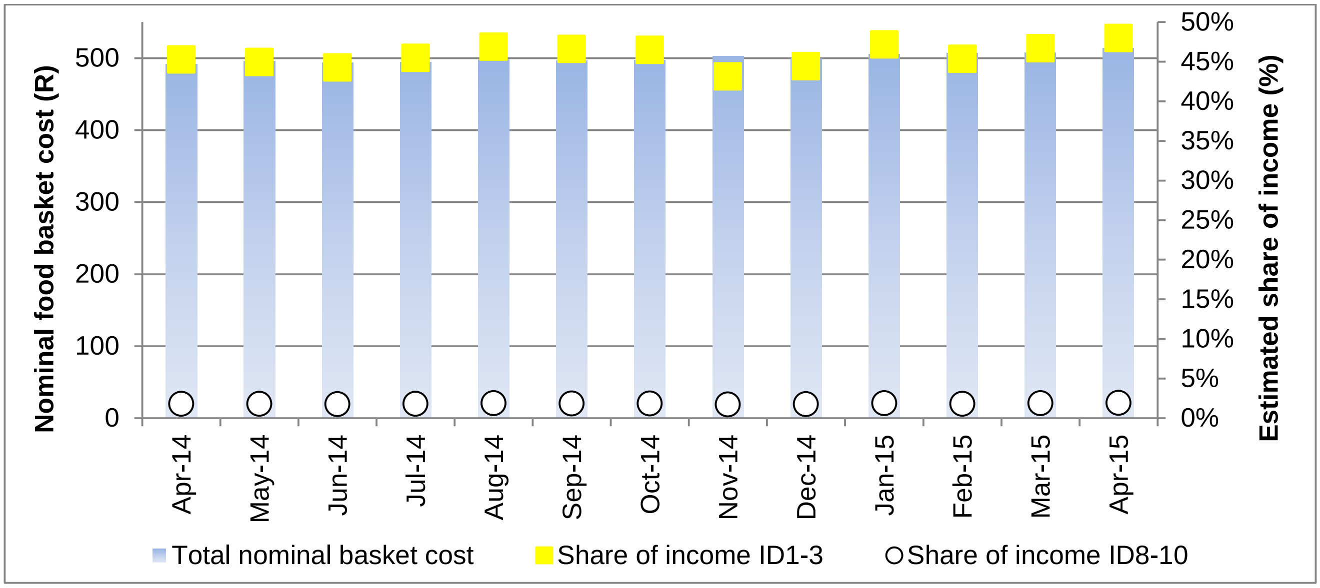

Figure 4: The cost of a typical consumer food basket for the period April 2014 to April 2015, expressed in nominal terms and as share of the average income of the poorest 30% of households (Income Deciles [ID] 1 to 3) and the wealthiest 30% of households (ID 8 to 10)
Source: BFAP calculations, based on StatsSA monitored price data for urban areas

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 2014 to April 2015. As could be expected **Figure 5** illustrates the dominance of animal protein foods, as well as breads and cereals within the cost of the basic food basket. Comparing April 2014 to April 2015 prices, the following food categories experienced significant inflation: fruit, coffee/tea, dairy/eggs, animal protein foods. The various food groups within this food basket are presented in more detail in **Table 3** below.

[3] 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 2010/2011' *(calculations excludes imputed rent on owned dwelling)*

Table 3: Overview of inflation contributing foods within the basic food basket, April 2014 to April 2015

Food group:	Overall inflation rate: April 2014 to April 2015	Overall inflation rate: January 2014 to January 2015*	Major contributors to inflation in this category:	Minor contributors to inflation in this category:	Non-contributors to inflation in this category:	Comments:
Animal protein	+5.8%	+8.0%	Chicken portions frozen (+10.3%) Chicken portions fresh (+6.7%)	Fish (excluding tuna) – tinned (+4.4%) Beef chuck (+3.6%)	None	Inflation on all meat protein food options.
Bread and cereals	-0.8%	-0.9%	White bread (+6.2%) Brown bread (+7.6%)	Rice (+1.4%)	Maize meal (-7.0%)	High inflation on bread. Some inflation on rice.
Vegetables	+2.4%	-1.9%	Cabbage (+7.0%) Tomatoes (+8.8%)	Potatoes (+2.1%)	Onions (-12.4%)	High inflation on cabbages in particular, but also on tomatoes.
Fruit	+13.2%	14.5%	Bananas (+21.7%) Apples (+6.6%)	None	None	Significant inflation on apples and bananas.
Dairy	+11.6%	+13.6%	Full cream milk - long life 1ℓ (+11.6%)	None	None	High inflation on the price of long life milk and on the price of eggs.
Eggs	+5.5%	+10.7	Eggs 1.5 dozen (+5.5%)	None	None	
Fats and oils	+2.4%	+2.1%	Brick margarine (+5.6%)	None	Sunflower oil (-0.8%)	Some inflation on margarine.
Bean products	+1.7%	+5.3%	Baked beans (+9.0%)	None	Peanut butter (-0.7%)	Inflation on baked beans.
Coffee and tea	+7.3%	+9.3%	Ceylon/black tea (+16.5%) Instant coffee (+6.1%)	None	None	Inflation on coffee and tea.

Source: BFAP calculations, based on StatsSA monitored price data for urban areas

** Previous Food Price Monitor analysis period prior to April 2014 / April 2015 comparison.*

Thus, when comparing April 2014 to April 2015, the significant price inflation (6% or more) experienced for many products within the food basket: Bananas, Ceylon/black tea, full cream milk long life, chicken portions frozen, baked beans, tomatoes, brown bread, cabbage, chicken portions fresh, apples, white bread, instant coffee. This could have a negative impact on household food security in South Africa affecting the affordability of selected staple foods (bread) as well as various food items making a contribution to dietary diversity. When comparing the inflation rates for April 2014 versus April 2015, with January 2014 versus January 2015 (i.e. the previous Food Price Monitor analysis period) the rate of inflation was lower for most food groups, except for vegetables and fats/oils.

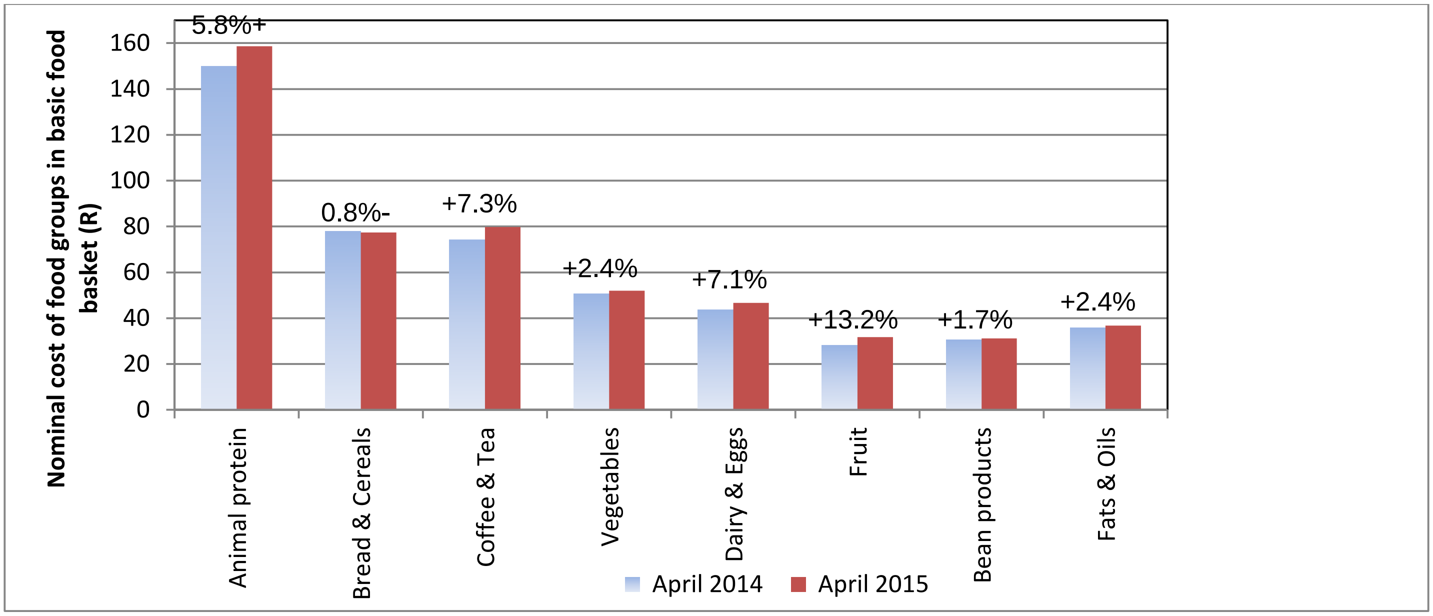

Figure 5: Nominal monthly cost of specific food groups within the basic food basket, comparing April 2014 and April 2015

Source: BFAP calculations, based on StatsSA monitored price data for urban areas

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[4]; Oldewage-Theron et al, 2005[5]). **Figure 6** illustrates the estimated portion costs for these foods, calculated from monthly food price data for April 2014 and April 2015. 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 55% more in this case for April 2015). 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 2015 versus April 2014 prices the results in **Figure 6** indicated inflation of about 5.0% (from R4.85 to R5.09 for the selection of portions). Significant inflation on full cream milk (+11.6%), tea (16.3%), brown bread (+7.6%) and white sugar (+6.5%) contributed to the inflation observed on this 'food plate'. Even though the entire food basket experienced inflation of 4.7% when comparing April 2015 with April 2014, the typical basic daily food selection for poor consumers revealed somewhat higher inflation (5.0% as previously mentioned), suggesting a more severe impact on poorer consumers.

[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

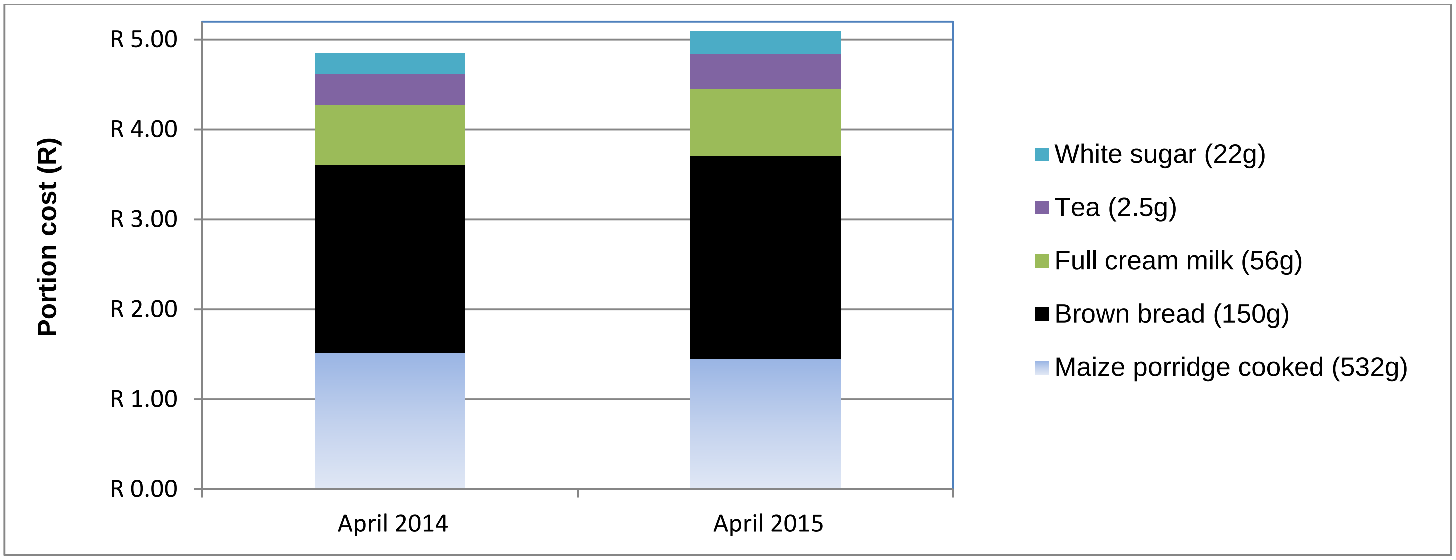

Figure 6: Average nominal cost for the typical portions of the five food items most widely consumed by very poor consumers in South Africa, for April 2014 and April 2015
Source: BFAP calculations, based on StatsSA monitored price data for urban areas

7. June 2015 – August 2015 outlook

Food inflation decreased in March 2015 to 5.8%, from slightly higher levels, of around 6.5%, experienced in preceding months. This slowdown is largely attributable to the decrease in fuel prices experienced since October 2014. This has filtered through the processing and distribution levels of the various food supply chains and manifested in the food inflation rate for March being marginally lower.

The factors contributing to the lower rates mentioned above were short-lived, however. Fuel prices in April increased significantly on the back of higher global oil prices and a significant increase in the fuel levy (by 80.5 cents per litre). The second round impact of this on retail food prices will probably start to show towards the middle of 2015. Higher food price inflation will be further supported by a weaker rand and increases in administered prices. The latter may be very significant if the additional tariff increase, as proposed by Eskom, is accepted by the National Energy Regulator (NERSA).

In terms of specific food product prices, there will be some downward pressure on beef prices due to an expected increase in slaughters over the outlook period. This will be driven by reduced winter grazing capacity as a result of dry conditions experienced earlier in the season. Beef prices also tend to follow a cyclical trend where prices decline during winter due to lower demand for beef. Vegetable prices such as cabbage will tend upward as a result of seasonal factors. This could potentially be intensified by a strong demand for lower cost vegetables and staples due to increasing pressures on consumers' disposable income. With initial market sentiments around the drought having stabilised, white maize prices have returned to a current level of around R2 800 per ton. White maize prices are expected to remain stable over the outlook period with a rapid change from white to yellow maize in the feed market, which implies that the projected stock levels are not as tight as initially anticipated. There could still be a squeeze in the market towards the end of the marketing season, but for this outlook period of only three months, prices of staple maize are expected to remain relatively stable. Favourable harvests of wheat around the globe along with reduced tension in the Ukraine are pushing import parity prices for wheat lower. Bread prices for the outlook period could potentially move sideways as a result of this.

Based on the above, moderate food price inflation can be expected over the next three months. High administered prices and a weaker exchange rate can potentially be off-set by lower commodity prices driven by lower international prices for commodities such as wheat. Key factors to watch out for however, will be the decision of NERSA to allow Eskom an additional increase of 25.3% and a rapid depreciation on the exchange rate.

APPENDIX A: DATA ON URBAN FOOD PRICE TRENDS

Table A.1: Wheat products

Wheat products	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Cake flour 1kg	11.47	11.54	12.10	4.85%	5.49%
Cake flour 2.5kg	22.63	21.99	22.57	2.64%	-0.27%
Cake flour 5kg	45.70	45.73	46.39	1.44%	1.51%
Loaf of brown bread 600g	6.82	6.38	6.34	-0.63%	-7.04%
Loaf of brown bread 700g	9.77	10.29	10.51	2.14%	7.57%
Loaf of brown bread 800g	12.77	12.89	13.35	3.57%	4.54%
Loaf of white bread 600g	7.50	6.98	7.18	2.87%	-4.27%
Loaf of white bread 700g	10.93	11.42	11.61	1.66%	6.22%
Macaroni 500g	10.55	10.67	11.00	3.09%	4.27%
Spaghetti 500g	10.21	10.58	10.87	2.74%	6.46%
Average				**2.44%**	**2.45%**
Wheat (R/ton)	3 927.89	3 909.05	3 802.23	**-2.73%**	**-3.20%**

Data from StatsSA

Table A.2: Maize products

Maize products	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Special maize 1kg	7.18	5.53	5.86	5.97%	-18.38%
Special maize 2.5kg	16.47	13.43	14.81	10.28%	-10.08%
Super maize 1kg	8.55	8.06	8.41	4.34%	-1.64%
Super maize 2.5kg	19.40	17.64	18.86	6.92%	-2.78%
Super maize 5kg	35.62	33.73	34.13	1.19%	-4.18%
Average				**5.74%**	**-7.41%**
Maize (R/ton)	5 076.50	2 026.82	2 372.32	**17.05%**	**-53.27%**

Data from StatsSA

Table A.3: Sunflower products

Sunflower products	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Brick margarine 125g	7.58	7.43	7.54	1.48%	-0.53%
Brick margarine 1kg	37.54	37.93	39.91	5.22%	6.31%
Brick margarine 250g	11.99	12.10	12.61	4.21%	5.17%
Brick margarine 500g	17.98	18.47	18.99	2.82%	5.62%
Margarine spread 1kg	36.41	35.32	36.79	4.16%	1.04%
Margarine spread 250g	18.24	20.89	21.49	2.87%	17.82%
Margarine spread 500g	20.50	21.68	22.04	1.66%	7.51%
Sunflower oil 2ℓ	36.04	32.79	33.48	2.10%	-7.10%
Sunflower oil 4ℓ	72.74	71.56	68.99	-3.59%	-5.16%
Sunflower oil 500mℓ	12.56	11.89	12.67	6.56%	0.88%

Sunflower oil 750mℓ	17.97	17.25	17.82	3.30%	-0.83%
Average				**2.80%**	**2.79%**
Sunflower (R/ton)	4 799.42	2 019.14	2 560.18	**26.80%**	**-46.66%**

Data from StatsSA

Table A.4: Processed vegetables

Processed vegetables	Price level			Percentage change	
	Apr-14	**Jan-15**	**Apr-15**	**Jan-15 to Apr-15**	**Apr-14 to Apr-15**
Baked beans - tinned 225g	7.20	7.00	7.38	5.43%	2.50%
Baked beans - tinned 410g	7.77	8.58	8.47	-1.28%	9.01%
Average				**2.07%**	**5.75%**

Data from StatsSA

Table A.5: Fresh vegetables

Fresh vegetables	Price level			Percentage change	
	Apr-14	**Jan-15**	**Apr-15**	**Jan-15 to Apr-15**	**Apr-14 to Apr-15**
Cabbage - fresh each	10.70	11.29	11.45	1.42%	7.01%
Cabbage - fresh per kg	11.24	12.15	11.23	-7.57%	-0.09%
Carrots - fresh per kg	16.20	14.01	15.11	7.85%	-6.73%
Cauliflower - fresh per kg	42.57	39.49	41.84	5.95%	-1.71%
Lettuce - fresh per kg	48.02	34.83	34.08	-2.15%	-29.03%
Onions -fresh per kg	11.33	9.66	9.92	2.69%	-12.44%
Potatoes - fresh per kg	9.98	10.33	10.19	-1.36%	2.10%
Pumpkin - fresh per kg	14.77	16.46	25.51	54.98%	72.71%
Tomatoes - fresh per kg	18.73	16.11	20.38	26.51%	8.81%
Average				**9.81%**	**4.51%**

Data from StatsSA

Table A.6: Processed meat

Processed meat	Price level			Percentage change	
	Apr-14	**Jan-15**	**Apr-15**	**Jan-15 to Apr-15**	**Apr-14 to Apr-15**
Bacon 1kg	110.86	126.73	127.04	0.24%	14.59%
Polony per kg	31.43	36.43	35.21	-3.35%	12.03%
Average				**-1.55%**	**13.31%**

Data from StatsSA

Table A.7: Unprocessed meat

Unprocessed meat	Price level			Percentage change	
	Apr-14	**Jan-15**	**Apr-15**	**Jan-15 to Apr-15**	**Apr-14 to Apr-15**
Beef brisket - fresh per kg	12.23	14.20	14.89	4.86%	21.75%
Beef chuck - fresh per kg	61.30	64.43	62.98	-2.25%	2.74%
Beef mince - fresh per kg	62.08	65.24	64.30	-1.44%	3.58%
Beef rump steak -fresh per kg	64.15	65.49	66.17	1.04%	3.15%
Beef t-bone - fresh per kg	102.85	107.08	107.04	-0.04%	4.07%
Chicken portions - fresh per kg	47.76	49.85	50.94	2.19%	6.66%

Chicken portions - frozen per kg	26.45	28.28	29.17	3.15%	10.28%
Pork chops - fresh per kg	63.36	71.87	70.67	-1.67%	11.54%
Whole chicken - fresh per kg	37.79	39.56	39.38	-0.46%	4.21%
Average				**0.60%**	**7.55%**

Data from StatsSA

Table A.8: Eggs and dairy products

Eggs & dairy product	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Eggs 1.5 dozen	32.05	33.30	33.81	1.53%	5.49%
Eggs 1/2 dozen	10.55	12.30	12.58	2.28%	19.24%
Eggs 2.5 dozen	43.84	43.66	45.13	3.37%	2.94%
Cheddar cheese per kg	108.07	117.00	115.90	-0.94%	7.25%
Full cream milk - fresh 1ℓ	10.92	11.94	12.06	1.01%	10.44%
Full cream milk - fresh 2ℓ	21.46	23.34	23.51	0.73%	9.55%
Full cream milk - fresh 500mℓ	7.96	8.56	8.78	2.57%	10.30%
Full cream milk - long life 1ℓ	11.54	12.59	12.88	2.30%	11.61%
Full cream milk - long life 500mℓ	7.63	8.46	8.46	0.00%	10.88%
Powdered milk 250g	33.90	35.97	35.91	-0.17%	5.93%
Powdered milk 400g	50.59	54.84	55.13	0.53%	8.97%
Powdered milk 500g	46.49	51.21	51.04	-0.33%	9.79%
Powdered milk 900g	109.18	119.61	120.03	0.35%	9.94%
Average				**1.02%**	**9.41%**

Data from StatsSA

Table A.9: Fruits

Fruits	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Apples - fresh per kg	15.83	17.83	16.88	-5.33%	6.63%
Bananas - fresh per kg	12.23	14.20	14.89	4.86%	21.75%
Average				**-0.23%**	**14.19%**

Data from StatsSA

Table A.10: Fish products

Fish – tinned	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Fish (excluding tuna) - tinned 155g	7.60	8.51	8.99	5.64%	18.29%
Fish (excluding tuna) - tinned 215g	10.36	10.61	11.17	5.28%	7.82%
Fish (excluding tuna) - tinned 400g	15.49	15.62	16.12	3.20%	4.07%
Fish (excluding tuna) - tinned 425g	13.72	13.87	14.32	3.24%	4.37%
Tuna - tinned 170g	16.05	16.16	16.02	-0.87%	-0.19%
Average				**3.30%**	**6.87%**

Data from StatsSA

Table A.11: Other products

Other products	Price level			Percentage change	
	Apr-14	**Jan-15**	**Apr-15**	**Jan-15 to Apr-15**	**Jan-15 to Apr-16**
Cereals 375g	30.14	30.64	31.10	1.50%	3.19%
Cereals 400g	33.49	31.56	31.28	-0.89%	-6.60%
Cereals 450g	22.06	21.51	22.42	4.23%	1.63%
Cereals 500g	28.82	27.92	28.85	3.33%	0.10%
Cereals 750g	37.23	38.97	38.77	-0.51%	4.14%
Ceylon/black tea 125g	15.46	16.06	17.24	7.35%	11.51%
Ceylon/black tea 500g	40.24	42.38	44.41	4.79%	10.36%
Ceylon/black tea 62.5g	8.51	9.68	9.91	2.38%	16.45%
Fizzy drinks - can 330 mℓ	7.29	7.58	7.70	1.58%	5.62%
Instant coffee 100g	19.20	24.89	25.51	2.49%	32.86%
Instant coffee 200g	53.56	63.68	64.75	1.68%	20.89%
Instant coffee 250g	28.73	30.34	30.30	-0.13%	5.46%
Instant coffee 500g	43.08	45.39	46.14	1.65%	7.10%
Instant coffee 750g	65.84	70.57	69.87	-0.99%	6.12%
Peanut butter 400g	22.91	22.06	22.74	3.08%	-0.74%
Peanut butter 800g	42.90	43.06	43.98	2.14%	2.52%
Rice 10kg	106.10	106.49	109.60	2.92%	3.30%
Rice 1kg	14.85	15.47	15.63	1.03%	5.25%
Rice 2kg	23.01	23.45	23.34	-0.47%	1.43%
Rice 500g	7.39	7.48	7.48	0.00%	1.22%
Rice 5kg	55.89	56.24	56.93	1.23%	1.86%
White sugar 10kg	103.89	105.10	113.32	7.82%	9.08%
White sugar 1kg	13.48	13.88	14.34	3.31%	6.38%
White sugar 2.5kg	26.18	26.31	27.88	5.97%	6.49%
White sugar 250g	4.43	4.49	4.37	-2.67%	-1.35%
White sugar 2kg	19.49	20.39	20.98	2.89%	7.64%
White sugar 500g	7.22	7.32	7.68	4.92%	6.37%
White sugar 5kg	54.05	55.03	58.37	6.07%	7.99%
Average				**2.38%**	**6.30%**

Data from StatsSA

APPENDIX B: DATA ON RURAL FOOD PRICE TRENDS

Table B.1: Wheat products

Wheat products	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Loaf of brown bread 700g	21.42	23.66	23.59	-0.28%	10.15%
Loaf of white bread 600g	8.44	9.27	9.33	0.68%	10.61%
Loaf of white bread 700g	7.56	8.41	8.99	6.86%	18.83%
Average				**2.42%**	**13.20%**

Data from StatsSA

Table B.2: Maize products

Maize products	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Special maize 1kg	14.36	14.65	14.86	1.46%	3.48%
Special maize 2.5kg	22.79	23.03	23.20	0.72%	1.81%
Special maize 5kg	7.43	7.41	7.46	0.67%	0.36%
Super maize 2.5kg	7.07	5.54	5.96	7.58%	-15.68%
Super maize 5kg	16.22	13.53	14.79	9.37%	-8.81%
Samp 1kg	7.44	8.40	8.36	-0.54%	12.30%
Average				**3.21%**	**-1.09%**

Data from StatsSA

Table B.3: Sunflower products

Sunflower products	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Margarine 125g	13.70	13.44	15.18	12.95%	10.80%
Margarine 250g	18.73	25.13	25.85	2.88%	38.01%
Margarine 500g	28.77	30.62	30.68	0.19%	6.66%
Average				**5.34%**	**18.49%**

Data from StatsSA

Table B.4: Dairy products

Dairy products	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Milk - long life 1ℓ	6.99	6.37	6.40	0.39%	-8.53%
Milk - long life 500mℓ	9.39	9.94	10.16	2.22%	8.16%
Average				**1.31%**	**-0.19%**

Data from StatsSA

Table B.5: Tea and coffee

Tea and coffee	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Instant coffee 100g	14.81	14.92	14.99	0.47%	1.22%
Ceylon/black tea 62.5g	7.81	8.55	8.44	-1.33%	8.09%
Average				**-0.43%**	**4.65%**

Data from StatsSA

Table B.6: Beans

Beans	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Baked beans - tinned 410g	4.43	4.49	4.37	-2.67%	-1.35%
Baked beans - tinned 420g	19.49	20.39	20.98	2.89%	7.64%
Beans 1kg	7.22	7.32	7.68	4.92%	6.37%
Beans 500g	54.05	55.03	58.37	6.07%	7.99%
Butter beans - tinned 410g	37.79	39.56	39.38	-0.46%	4.21%
Average				**2.15%**	**4.97%**

Data from StatsSA

Table B.7: White sugar

Sugar	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
White sugar 1kg	29.63	24.72	26.13	5.70%	-11.82%
White sugar 2.5kg	35.85	32.84	33.63	2.41%	-6.19%
Average				**4.05%**	**-9.01%**

Data from StatsSA

Table B.8: Pilchards

Pilchard	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Fish (excluding. tuna) - tinned 425g	27.58	29.53	28.35	-4.00%	2.79%
Average				**-4.00%**	**2.79%**

Data from StatsSA

Table B.9: Rice

Rice	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Rice 1kg	12.15	12.90	13.59	5.31%	11.83%
Rice 2kg	17.85	18.57	19.13	3.05%	7.16%
Rice 500g	11.53	12.57	12.91	2.64%	11.98%
Average				**3.67%**	**10.33%**

Data from StatsSA

Table B.10: Peanut butter

Peanut butter	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Peanut butter 270g	7.46	7.11	7.28	2.36%	-2.46%
Peanut butter 400g	10.54	11.01	11.28	2.41%	7.04%
Peanut butter 800g	7.63	7.37	7.24	-1.76%	-5.07%
Average				**1.00%**	**-0.16%**

Data from StatsSA

Table B.11: Sorghum meal

Sorghum meal	Price level			Percentage change	
	Apr-14	Jan-15	Apr-15	Jan-15 to Apr-15	Apr-14 to Apr-15
Sorghum meal (e.g. Mabela) 1 kg	22.78	22.03	22.53	2.24%	-1.09%
Sorghum meal (e.g. Mabela) 500g	42.48	44.09	44.63	1.22%	5.05%
Average				**1.73%**	**1.98%**

Data from StatsSA

APPENDIX C: SUMMARY OF INFLATION FOR SELECTED FOOD ITEMS BETWEEN APRIL 2014 AND APRIL 2015

Table C.1: Food items in the urban areas ranked according to price changes (April 2014 to April 2015)

Grain and grain products	%	Meat and meat products and dairy and dairy products	%	Fresh and processed fruits and vegetables	%
Special maize 1kg	-18.38%	Tuna - tinned 170g	-0.19%	Lettuce - fresh per kg	-29.03%
Special maize 2.5kg	-10.08%	Beef t-bone - fresh per kg	2.60%	Onions -fresh per kg	-12.44%
Sunflower oil 2ℓ	-7.10%	Beef brisket - fresh per kg	2.74%	Carrots - fresh per kg	-6.73%
Loaf of brown bread 600g	-7.04%	Eggs 2.5 dozen	2.94%	Cauliflower - fresh per kg	-1.71%
Cereals 400g	-6.60%	Beef mince - fresh per kg	3.15%	White sugar 250g	-1.35%
Sunflower oil 4ℓ	-5.16%	Beef chuck - fresh per kg	3.58%	Cabbage - fresh per kg	-0.09%
Loaf of white bread 600g	-4.27%	Fish (excluding tuna) - tinned 400g	4.07%	Potatoes - fresh per kg	2.10%
Super maize 5kg	-4.18%	Beef rump steak -fresh per kg	4.07%	Baked beans - tinned 225g	2.50%
Super maize 2.5kg	-2.78%	Whole chicken - fresh per kg	4.21%	Instant coffee 250g	5.46%
Super maize 1kg	-1.64%	Fish (excluding tuna) - tinned 425g	4.37%	Fizzy drinks - can 330 mℓ	5.62%
Sunflower oil 750mℓ	-0.83%	Eggs 1.5 dozen	5.49%	Instant coffee 750g	6.12%
Peanut butter 400g	-0.74%	Powdered milk 250g	5.93%	White sugar 500g	6.37%
Brick margarine 125g	-0.53%	Chicken portions - fresh per kg	6.66%	White sugar 1kg	6.38%
Cake flour 2.5kg	-0.27%	Cheddar cheese per kg	7.25%	White sugar 2.5kg	6.49%
Cereals 500g	0.10%	Fish (excluding tuna) - tinned 215g	7.82%	Apples - fresh per kg	6.63%
Sunflower oil 500mℓ	0.88%	Powdered milk 400g	8.97%	Cabbage - fresh each	7.01%
Margarine spread 1kg	1.04%	Full cream milk - fresh 2ℓ	9.55%	Instant coffee 500g	7.10%
Rice 500g	1.22%	Powdered milk 500g	9.79%	White sugar 2kg	7.64%
Rice 2kg	1.43%	Powdered milk 900g	9.94%	White sugar 5kg	7.99%
Cake flour 5kg	1.51%	Chicken portions - frozen per kg	10.28%	Tomatoes - fresh per kg	8.81%
Cereals 450g	1.63%	Full cream milk - fresh 500mℓ	10.30%	Baked beans - tinned 410g	9.01%
Rice 5kg	1.86%	Full cream milk - fresh 1ℓ	10.44%	White sugar 10kg	9.08%
Peanut butter 800g	2.52%	Full cream milk - long life 500mℓ	10.88%	Ceylon/black tea 250g	9.78%
Cereals 375g	3.19%	Pork chops - fresh per kg	11.54%	Ceylon/black tea 500g	10.36%
Rice 10kg	3.30%	Full cream milk - long life 1ℓ	11.61%	Ceylon/black tea 125g	11.51%
Cereals 750g	4.14%	Polony per kg	12.03%	Pumpkin - fresh per kg	15.37%
Macaroni 500g	4.27%	Bacon 1kg	14.59%	Ceylon/black tea 62.5g	16.45%
Loaf of brown bread 800g	4.54%	Fish (excluding tuna) - tinned 155g	18.29%	Instant coffee 200g	20.89%
Brick margarine 250g	5.17%	Eggs 1/2 dozen	19.24%	Bananas - fresh per kg	21.75%
Rice 1kg	5.25%			Instant coffee 100g	32.86%
Cake flour 1kg	5.49%				
Brick margarine 500g	5.62%				
Loaf of white bread 700g	6.22%				
Brick margarine 1kg	6.31%				
Spaghetti 500g	6.46%				
Margarine spread 500g	7.51%				
Loaf of brown bread 700g	7.57%				
Margarine spread 250g	17.82%				

Source: StatsSA, 2015

Note: 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 (April 2014 and April 2015)

Grain and grain products	%	Other products	%
Special maize 1kg	-15.68%	Peanut butter 400g	-1.09%
Special maize 5kg	-11.82%	Beans 500g	1.22%
Special maize 2.5kg	-8.81%	Beans 1kg	2.79%
Loaf of brown bread 600g	-8.53%	Peanut butter 800g	5.05%
Sunflower oil 2ℓ	-6.19%	White sugar 500g	5.18%
Super maize 5kg	-6.08%	Instant coffee 250g	6.66%
Margarine 125g	-5.07%	White sugar 2.5kg	6.82%
Sunflower oil 750mℓ	-3.27%	Baked beans - tinned 410g	8.09%
Super maize 2.5kg	-2.82%	White sugar 1kg	9.48%
Loaf of white bread 600g	-2.46%	Ceylon/black tea 250g	10.15%
Super maize 1kg	-0.66%	Ceylon/black tea 62.5g	10.61%
Rice 500g	0.36%	Fish (excluding. tuna) - tinned 425g	10.80%
Rice 2kg	1.81%	Milk - long life 1ℓ	11.98%
Rice 1kg	3.48%	Milk - long life 500mℓ	12.30%
Loaf of white bread 700g	7.04%	Fish (excluding. tuna) - tinned 155g	18.83%
Margarine 500g	7.16%	Instant coffee 100g	38.01%
Loaf of brown bread 700g	8.16%		
Margarine 250g	11.83%		

Source: StatsSA, 2015

Note: 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 2014 and April 2015:

International wheat price decreased by 29.08%

Domestic price of wheat decreased by 3.20%

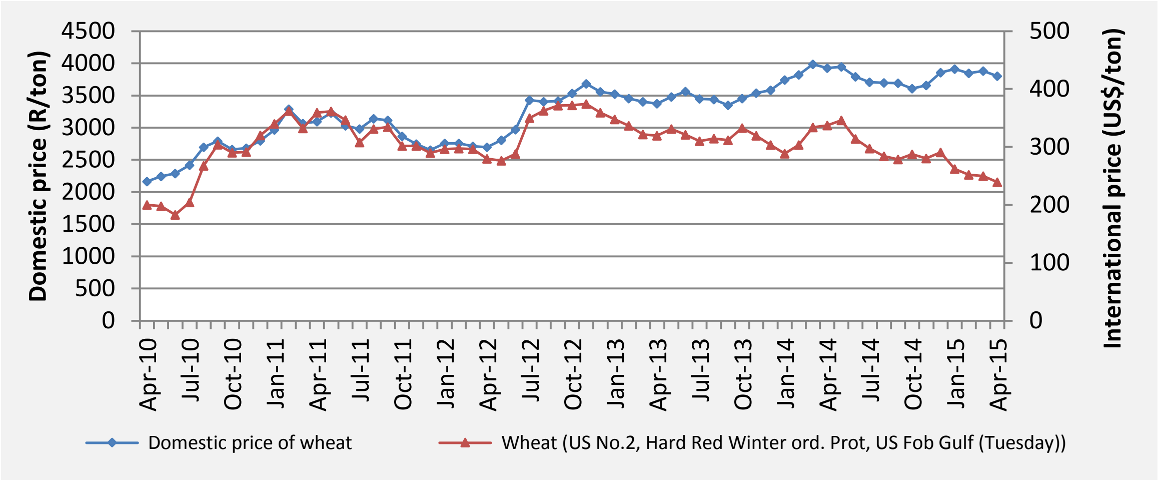

Figure D.1: Domestic market price vs global market price of wheat
Source: FAO and SAFEX, 2015

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

Between April 2014 to April 2015:

Wheat import parity price decreased by 5.35%

Wheat export parity price decreased by 22.23%

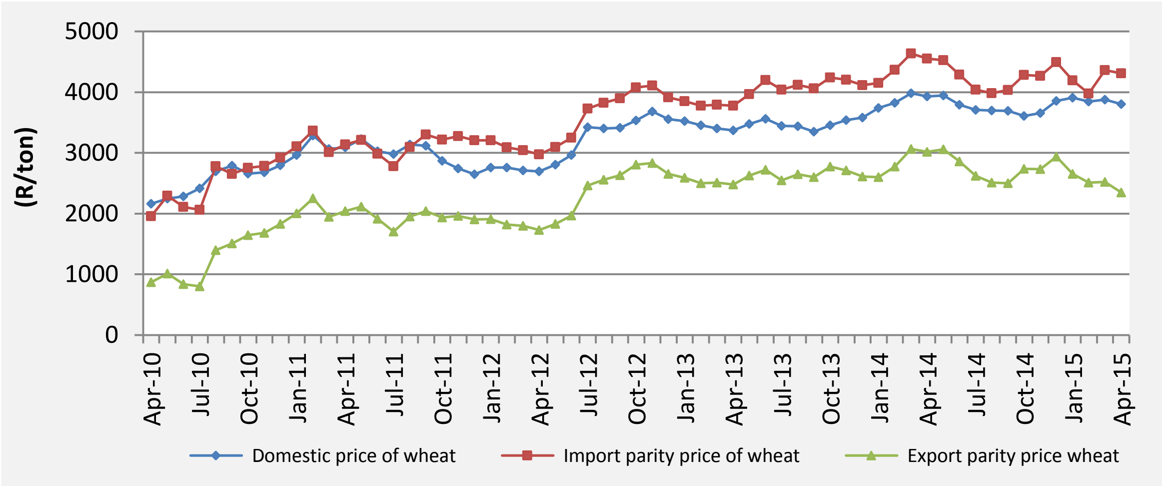

Figure D.2: Import parity, export parity and domestic prices of wheat
Source: SAGIS and SAFEX, 2015

Between April 2014 and April 2015:

Domestic wheat price decreased by 3.20%

Brown bread 700g price increased by 7.57%

White bread 700g price increased y 6.22%

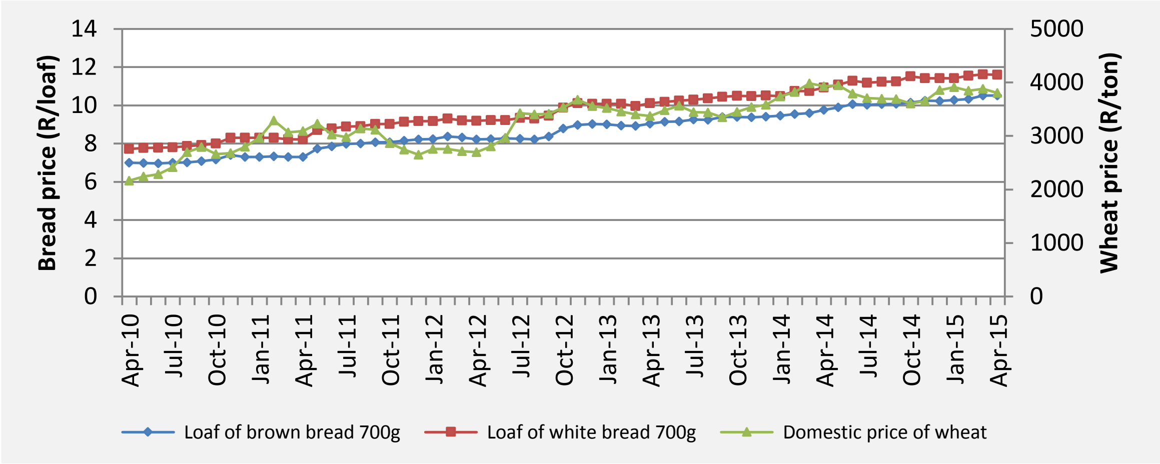

Figure D.3: Domestic wheat price and bread price trends
Source: StatsSA and SAFEX, 2015

D.2 Maize price trends

Between April 2014 and April 2015:

International price of yellow maize decreased by 22.83%

Domestic price of yellow maize decreased by 2.01%

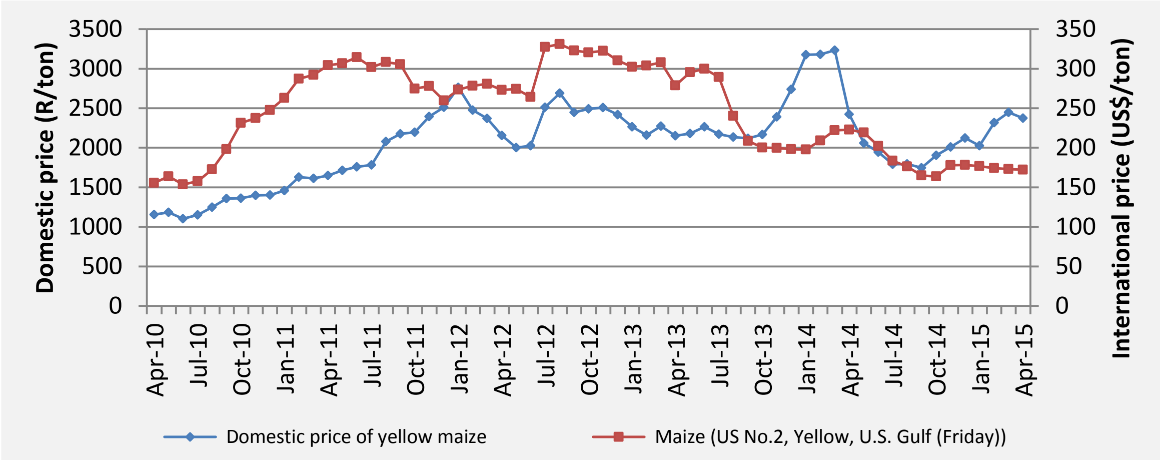

Figure D.4: Domestic market price vs global market price of maize
Source: FAO and SAFEX, 2015

Between April 2014 and April 2015:

Export parity price of maize decreased by 18.24%

Import parity price of maize decreased by 11.21%

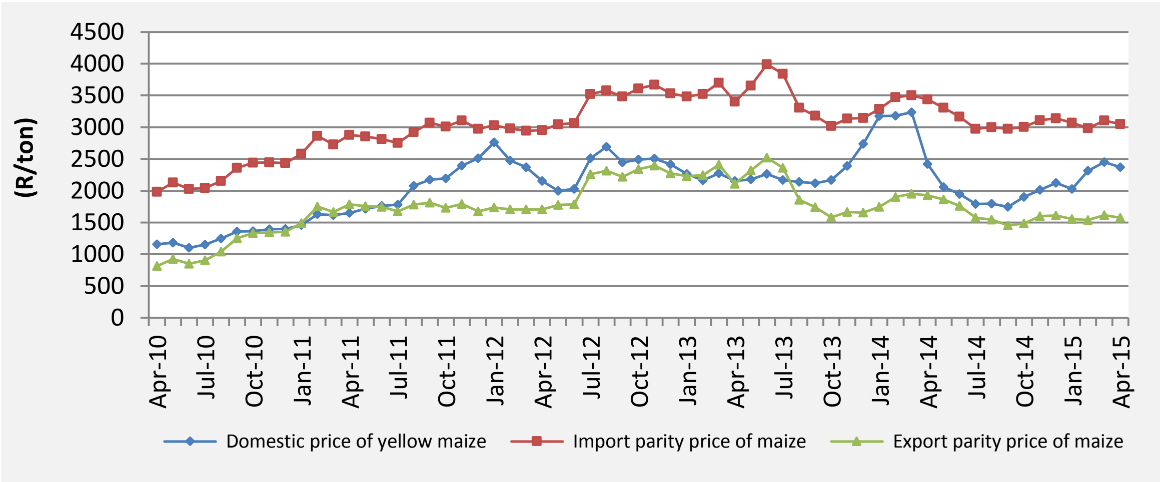

Figure D.5: Import parity, export parity and domestic prices of maize
Source: SAFEX and SAGIS, 2015

Between April 2014 and April 2015:

Super maize meal 2.5kg price decreased by 2.78%

Special maize meal decreased by 10.08%

Domestic price of white maize decreased by 3.59%

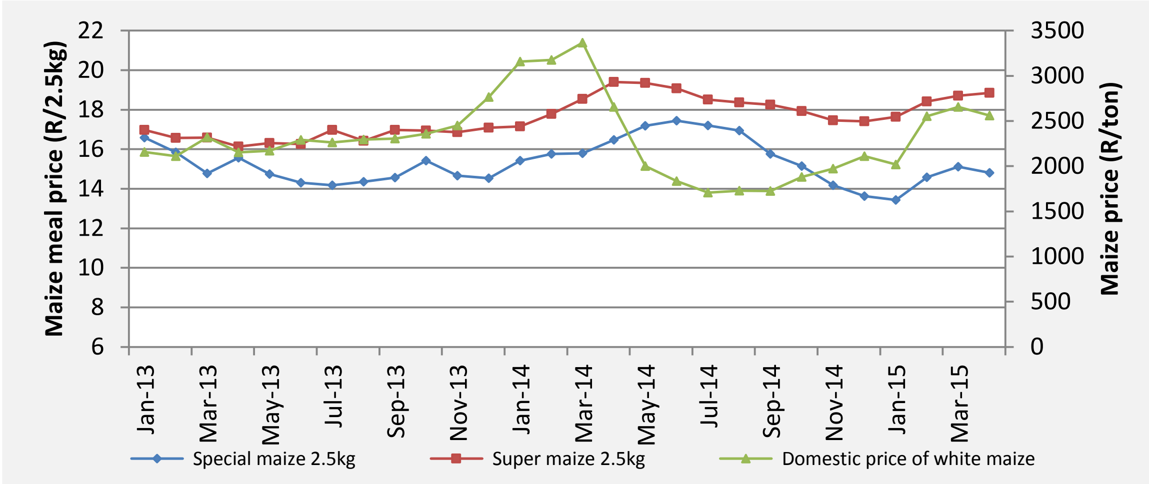

Figure D.6: Maize price and maize meal price trends
Source: SAFEX and StatsSA, 2015

D.3 Sunflower seeds price trends

Between April 2014 and April 2015:

International Sunflower seed price for October 2014 was 419US$/ton

Domestic price of sunflower increased by 0.42%

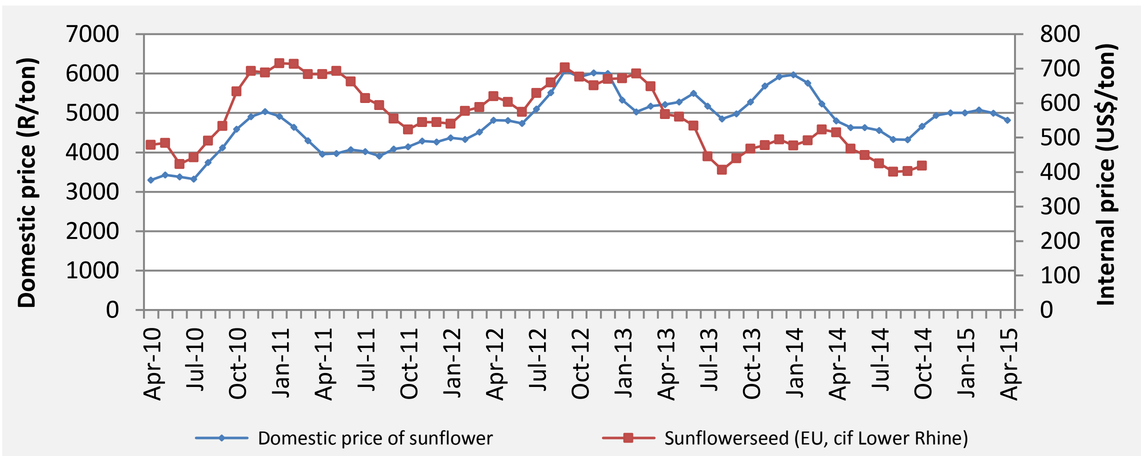

Figure D.7: Domestic market price of sunflower seeds vs global market price
Source: FAO and SAFEX, 2015

Between April 2014 and April 2015:

Domestic price of sunflower increased by 0.42%

Sunflower oil 750ml decreased by 0.83%

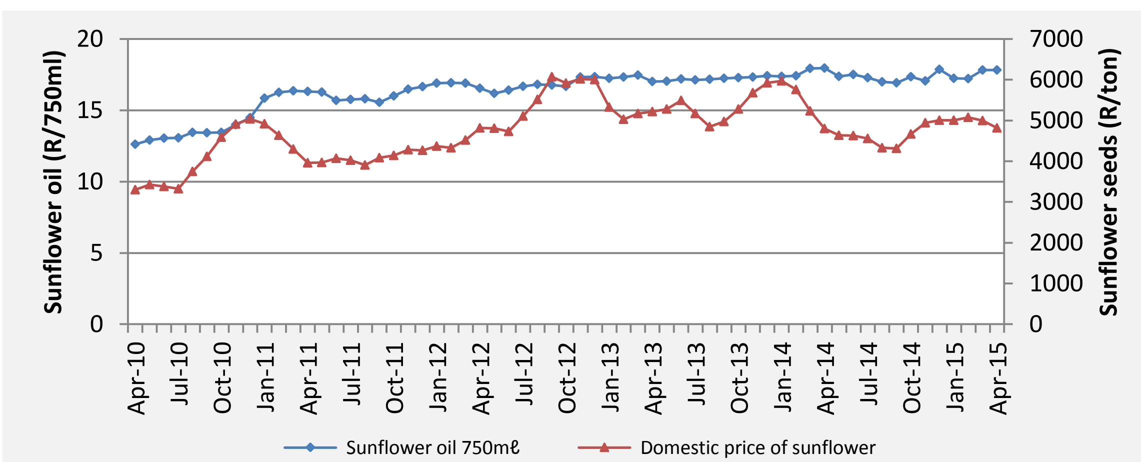

Figure D.8: Sunflower seeds price and sunflower oil price trends
Source: SAFEX and StatsSA, 2015

D.4 Dairy price trends

Between April 2014 and April 2015:

Skim milk powder decreased by 46.01%

Whole milk powder decreased by 40.18%

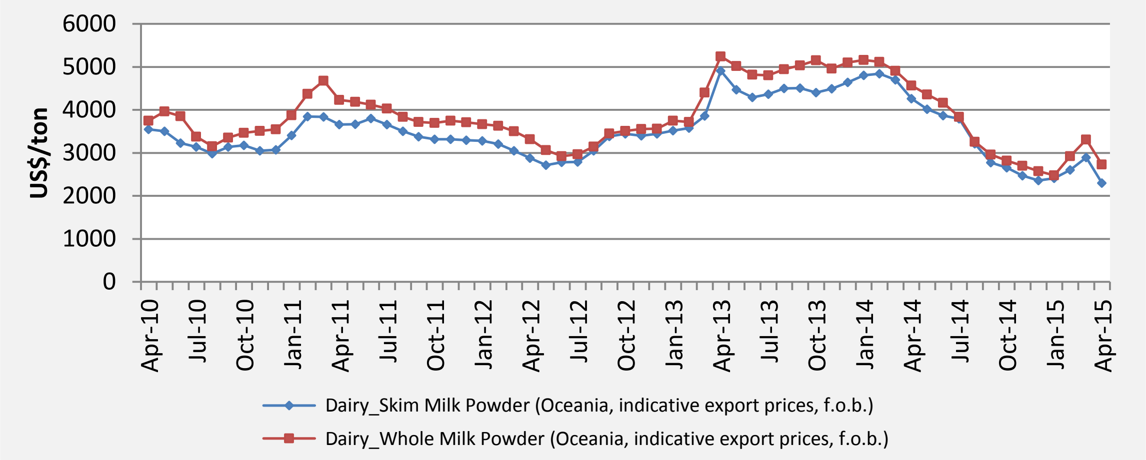

Figure D.9: Skim milk powder and whole milk powder price trends
Source: FAO, 2015

Between April 2014 and April 2015:

Milk producer price increased by 4.71%

Full cream milk – fresh 1ℓ increased by 10.44%

Full cream milk – long life 1ℓ increased by 11.61%

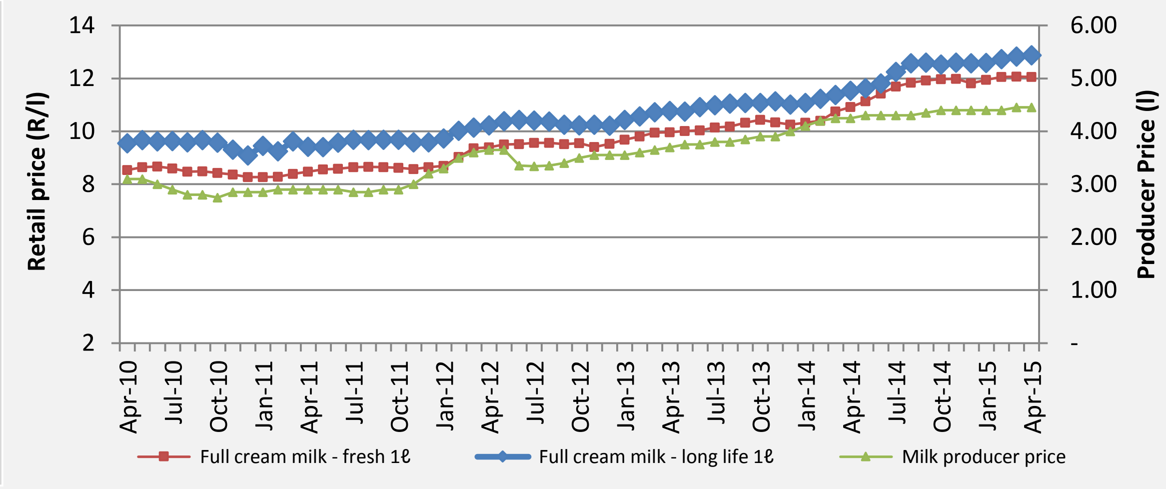

Figure D.10: Domestic producer price and retail prices of milk
Source MPO and StatsSA, 2015

D.5 Meat price trends

The price of beef at retail level showed an average increase of 3.23% for the five different cuts between April 2014 and April 2015

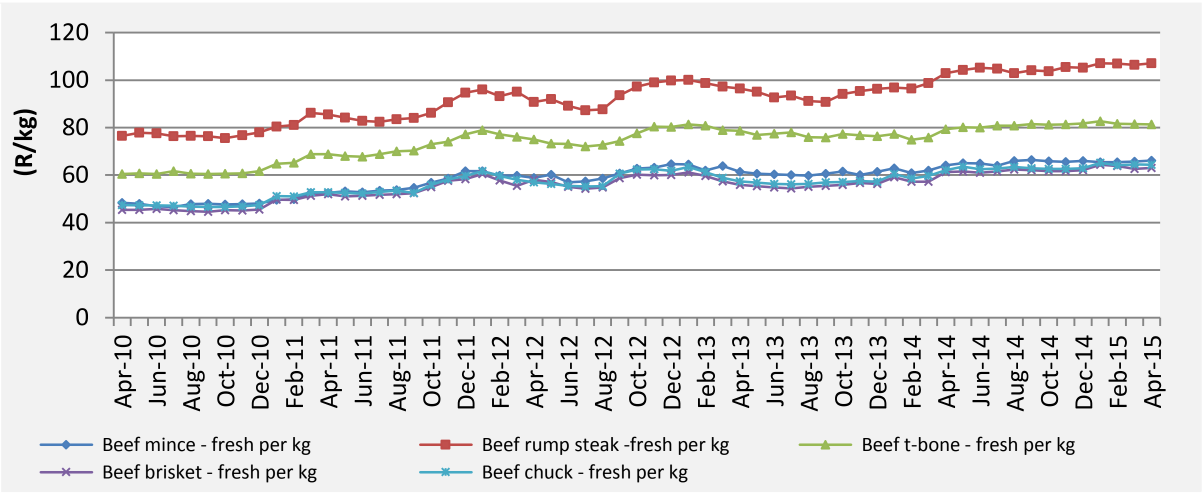

Figure D.11: Retail prices of beef cuts
Source: StatsSA, 2015

Between April 2014 and April 2015:

Fresh chicken portions price increased by 6.66% per kilogram

Pork chops per kg increased by 11.54%

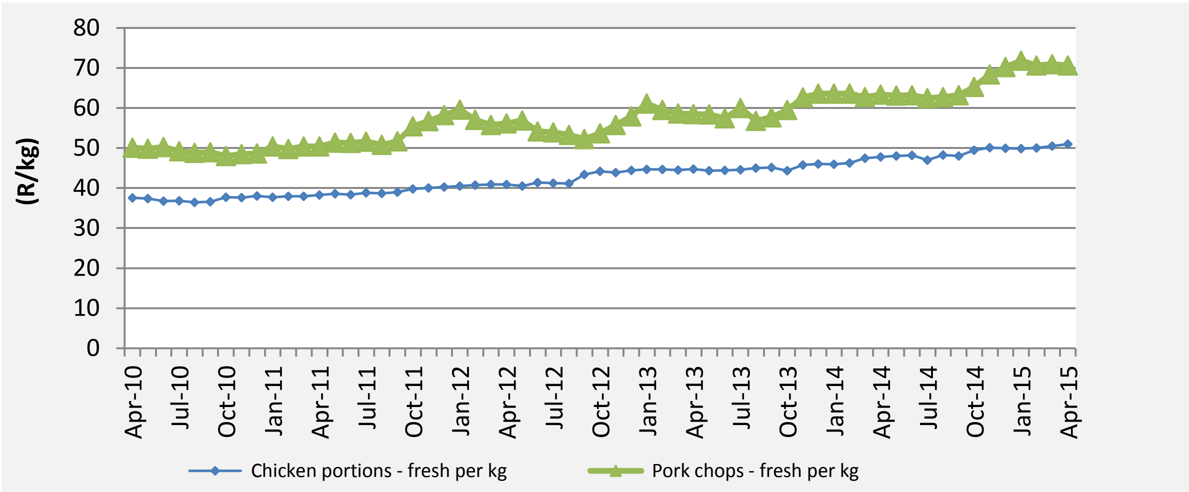

Figure D.12: Retail prices of pork chops and chicken portions – fresh per kg
Source: StatsSA, 2015

Between April 2014 and April 2015:

Producer price for fresh chicken increased by 11.74%

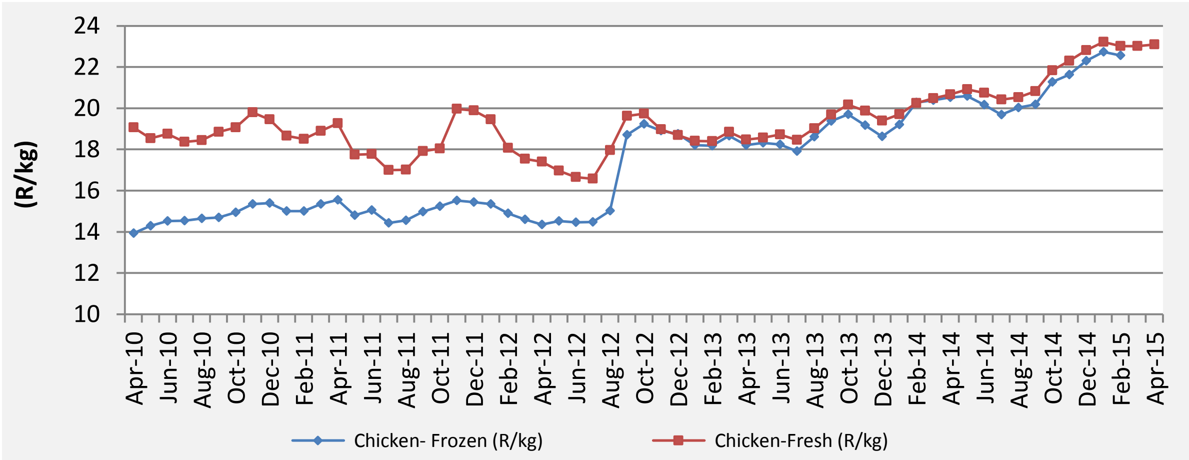

Figure D.13: Producer prices of chicken
Source: AMT, 2015

Between April 2014 and April 2015:

Porker price

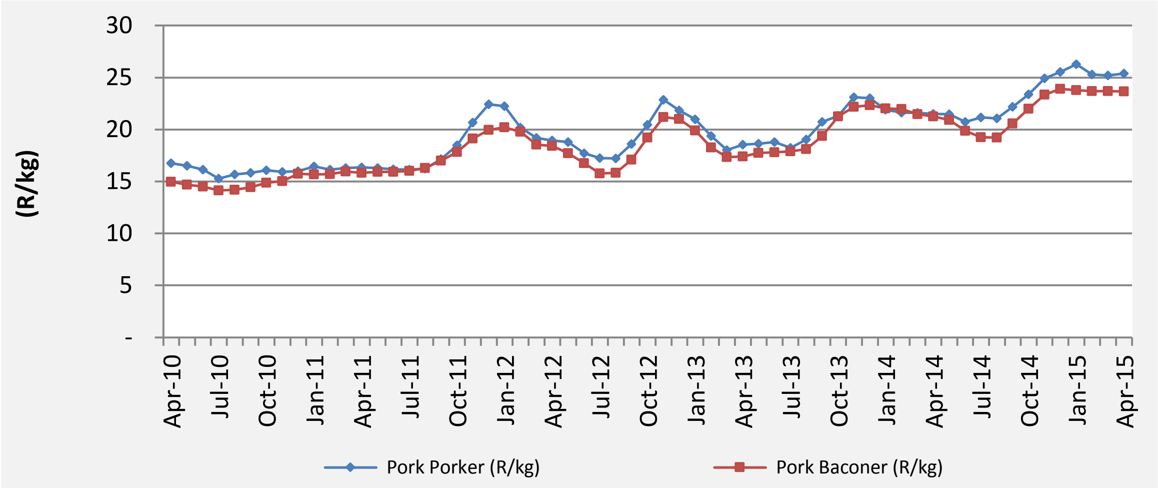

Figure D.14: Producer prices of pork
Source: AMT, 2015

Between April 2014 and April 2015:

Producer price of Beef class A2/A3 increased by 0.70%

Prices of beef class B2/B3 increased by 10.26% and class C2/C3 increased by 10.14%

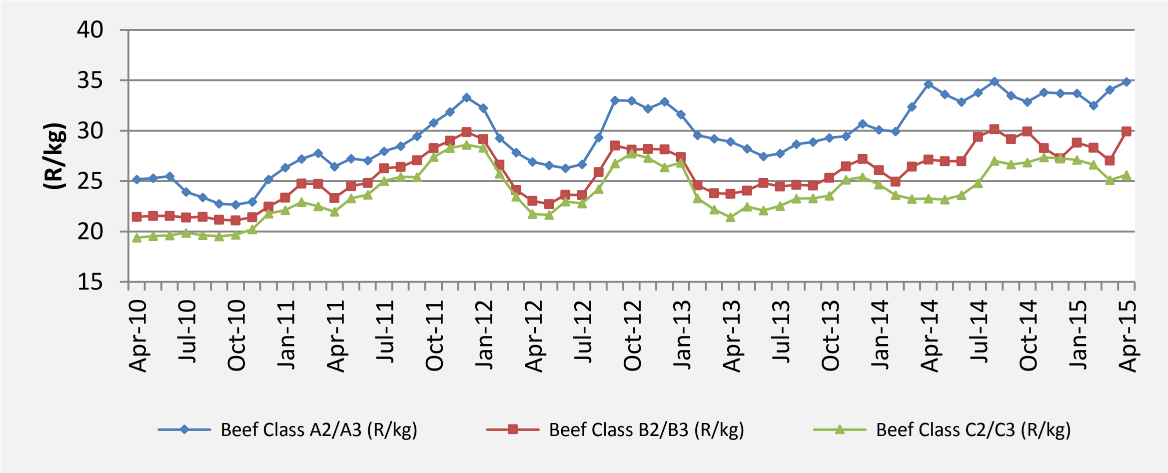

Figure D.15: Producer prices of beef
Source: AMT, 2015

Between April 2014 and April 2015:

Prices of lamb-class A2/A3 (R/kg)increased by 17.95%, class B increased by 8.89% and the price of class C2/C3 increased by 12.06%

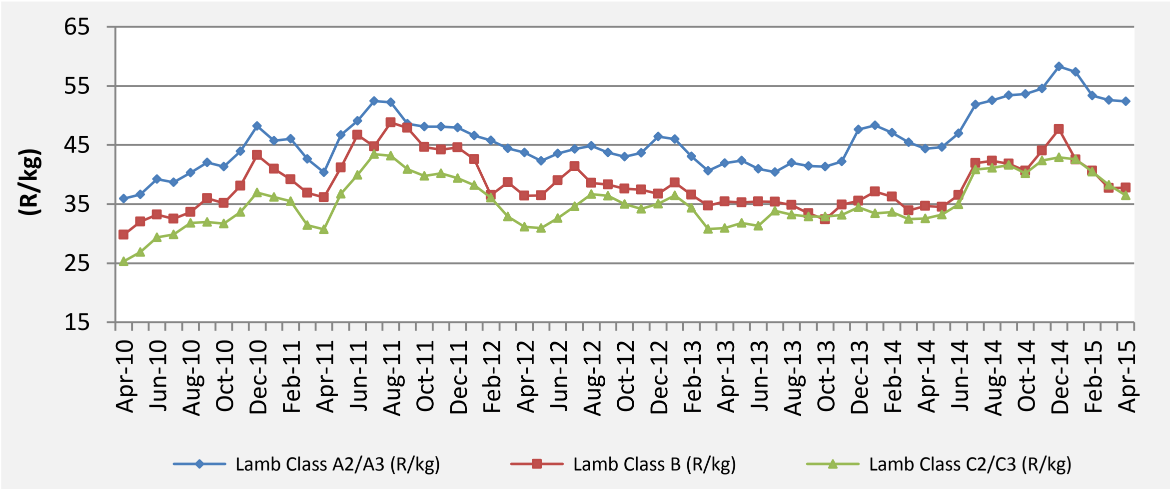

Figure D.16: Producer prices of lamb
Source: AMT, 2015

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 2014 and April 2015:

The real farm-to-retail price spread of brown bread increased by 12.68%

The real farm value share of brown bread decreased by 6.95%

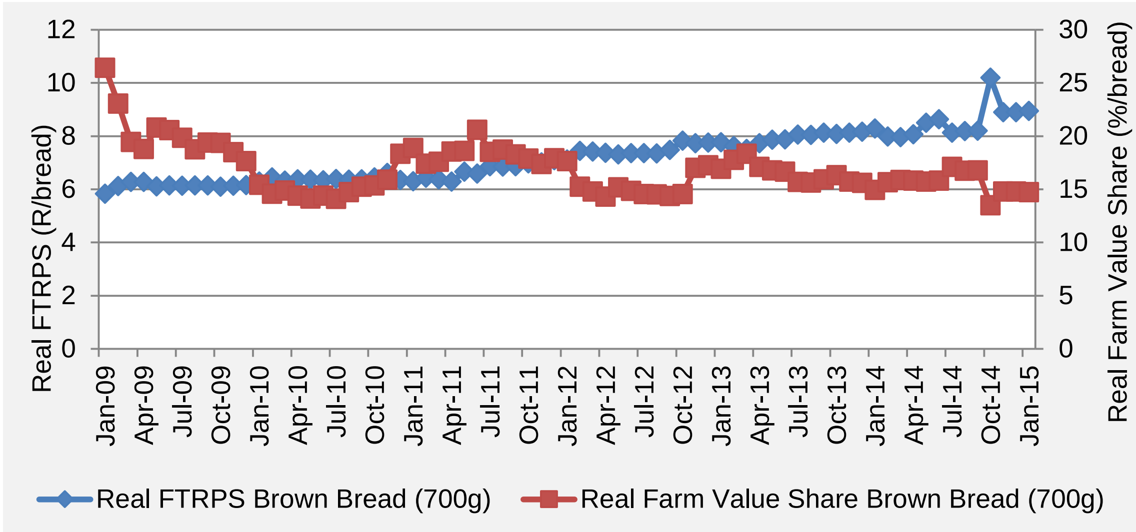

Figure E.1: Real farm to retail price spread and real farm value share of brown bread.
Source: SAFEX, StatsSA and own calculations, 2015

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

Between April 2014 and April 2015:

The real farm-to-retail price spread of white bread increased by 6.02%

The real farm value share of white bread decreased by 1.47%

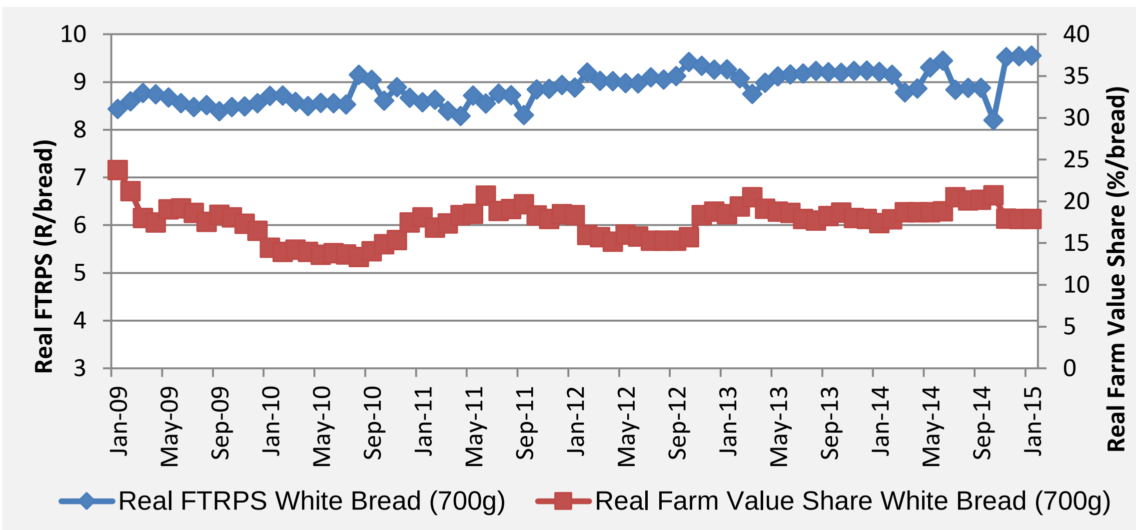

Figure E.2: Real farm to retail price spread and real farm value share of white bread.
Source: SAFEX and own calculations, 2015

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

Between April 2014 and April 2015:

The real farm-to-retail price spread of super maize meal increased by 24.62%

The real farm value share of super maize meal decreased by 23.07%

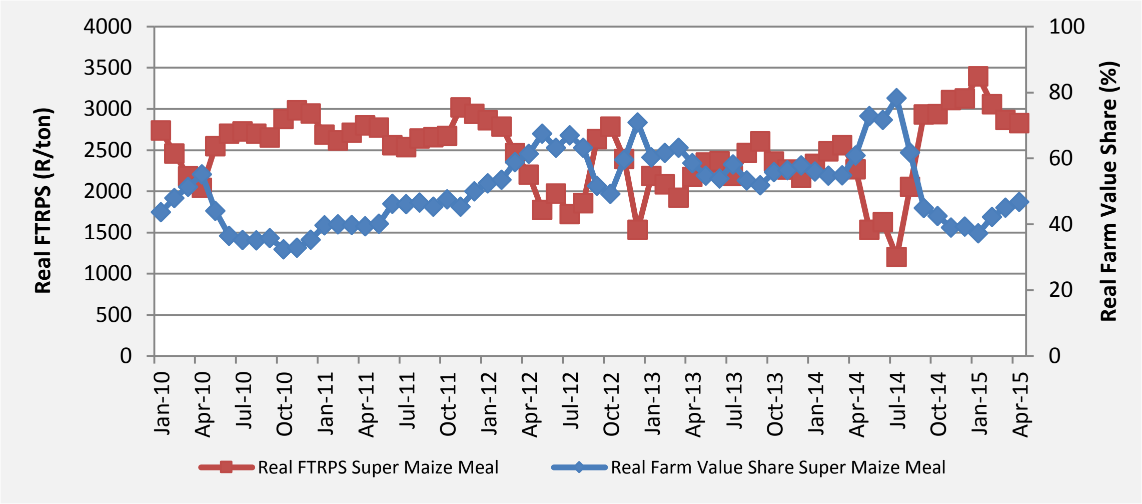

Figure E.4: Real farm to retail price spread and real farm value share of special maize meal
Source: SAFEX and own calculations, 2015

APPENDIX F: DATA COLLECTION

Urban food prices reported on in this media release are obtained from Statistics South Africa (StatsSA). The prices obtained from these two sources are regarded as being representative of changes in food prices in South Africa for the following reasons:

- StatsSA 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 StatsSA 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 2005/06 compiled by StatsSA 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.

Compiled by:

Price trends and discussion on selected topics:
Rika Verwey
Ndidzulafhi Nenngwekhulu
Hester Vermeulen
Christo Joubert

Outlook:
Ferdi Meyer

Enquiries: Simphiwe Ngqangweni or Christo Joubert: +27 12 341-1115

StatsSA is acknowledged for assistance provided to the NAMC in terms of food price data.