National Agricultural Marketing Council

Promoting market access for South African agriculture

Markets and Economic Research Centre

Food Price Monitor

Issue Aug/2015

MEDIA RELEASE

FOOD PRICE MONITOR:

August 2015

EXECUTIVE SUMMARY

In July 2015, the Consumer Price Index (CPI) figures released by Statistics South Africa (StatsSA) indicated that the headline CPI and the food and non-alcoholic beverage price indices were 5.0 % and 4.4 %, respectively. Figure 1 shows trends of the headline CPI and food and non-alcoholic beverage inflation rates on a monthly basis, from January 2010 to July 2015.

Prices were compared for selected food items in rural and urban areas, in July 2015. Food items showing the largest price differences between urban and rural areas, in July 2015, were margarine 500g at a R2.35 difference, sunflower oil 750 mℓ at a difference of R0.79, Ceylon/black tea 62.5g at a difference of R0.57, loaf of brown bread 700g at a difference of R0.38, and a loaf of white bread 700g at a difference of R0.34. This indicates that urban consumers paid more for these food items than their rural counterparts did. In some cases, however, rural consumers paid more for certain products (e.g. super maize meal, special maize meal and white sugar) than their urban counterparts.

The FAO Food Price Index, in nominal terms, averaged 164.6 points in July 2015, down 1.7 points (1.0 %) from June and almost 40 points (19.4 %) less than in July 2014. At its current level, the Index has reached its lowest monthly value since September 2009. Last month's decline reflected sharp drops in the prices of dairy products and vegetable oils, which more than offset some increases in the prices of sugar and cereals. Meat prices held steady.

From July 2014 to July 2015, the cost of this basic food basket increased by about R21 (+4.1 %) in nominal terms from R502 to R522 (compared to a somewhat higher increase of 4.7 % from April 2014 to April 2015 (the previous Food Price Monitor analysis period).

When comparing July 2014 with July 2015, significant price inflation (6 % or more) was experienced for many products within the food basket: Oranges, Ceylon/black tea, tinned fish, margarine, fresh chicken portions, bananas, frozen chicken portions, apples, white bread and brown bread. 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 July 2014 with July 2015, and April 2014 with April 2015 (i.e. the previous Food Price Monitor analysis period) the rate of inflation was lower for most food groups, except for staples, fats/oils and animal protein foods

Key factors to look out for during the next three months are the weather conditions of the main grain production areas in the world. As mentioned above, relatively dry conditions in certain regions of the European Union might provide additional upward support for wheat prices. This would impact on the price of bread. Similarly, weather conditions in the US could provide support for increased maize prices if it is dryer than expected, which will cause an upward movement in maize meal prices towards the end of the outlook period.

Table of Contents

1. Introduction 5
2. Overall inflation and food inflation: South Africa and selected countries 6
3. Urban and rural food price trends: July 2015 vs. July 2014 5
4. Comparison between urban and rural prices: July 2015 6
5. International food prices 7
6. Estimated impact of food inflation on consumers 9
7. September – November 2015 outlook 13

APPENDIX A: DATA ON URBAN FOOD PRICE TRENDS 15
APPENDIX B: DATA ON RURAL FOOD PRICE TRENDS 19
APPENDIX C: SUMMARY OF INFLATION FOR SELECTED FOOD ITEMS BETWEEN JULY 2014 AND JULY 2015 22
APPENDIX D: COMMODITY AND PRODUCT PRICE TRENDS 24
APPENDIX E: DATA COLLECTION 32

1. Introduction

In July 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 indices were 5.0 % and 4.4 %, respectively. **Figure 1** shows trends of the headline CPI and food and non-alcoholic beverage inflation rates on a monthly basis, from January 2010 to July 2015.

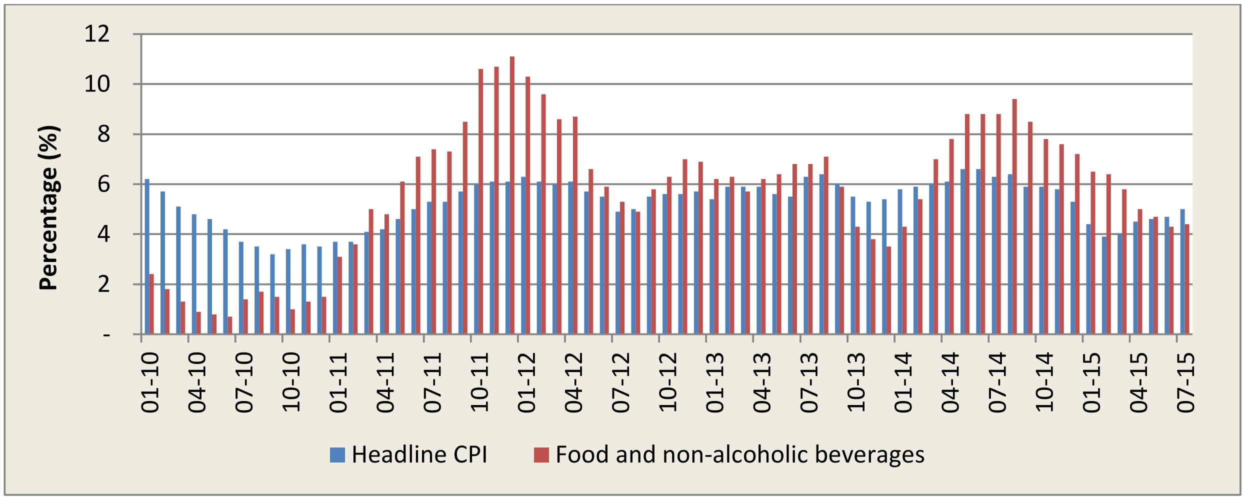

Figure 1: Headline CPI and food and non-alcoholic beverage CPI
Source: StatsSA, 2015

Figure 2 presents the components of food and non-alcoholic beverage inflation rates. The following components in the food and non-alcoholic beverages indices changed year-on-year, July 2014 vs July 2015: sugar and sweets (8.1 %), milk, eggs and cheese (5.1 %), fruit (2.6 %), meat (5.0 %), other food (5.0 %), fish (7.5 %), processed foods (4.8 %), unprocessed foods (4.0 %), bread and cereals (4.8 %), vegetables (-1.2 %) and oils and fats (2.6 %). Also indicated in **Figure 2** is the month-on-month percentage change from June 2015 to July 2015.

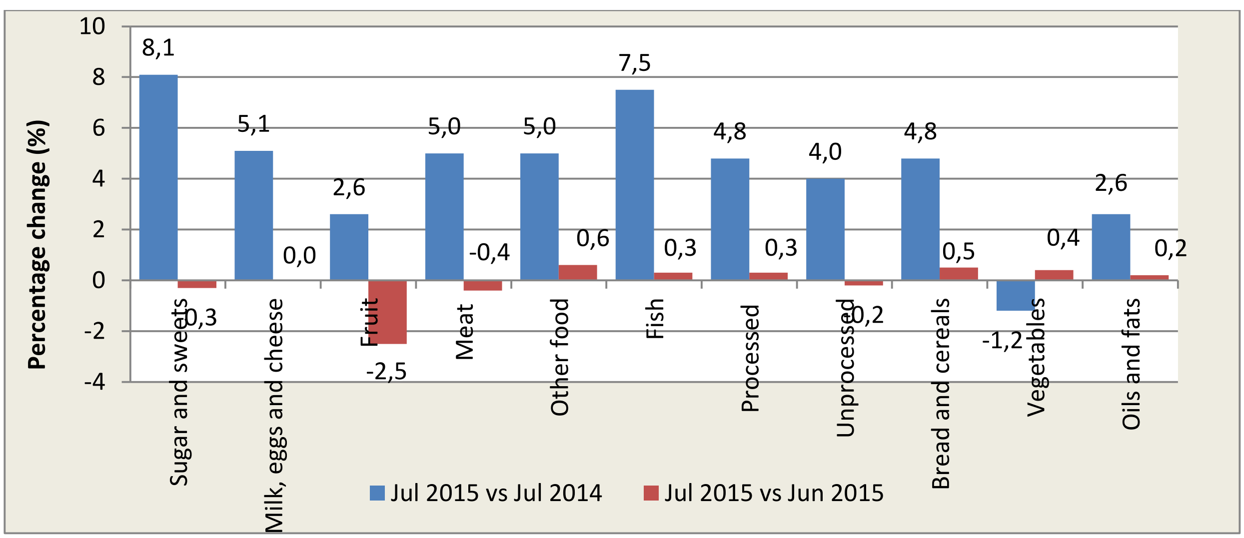

Figure 2: Year-on-year (July 2014-July 2015) and month-on-month (June 2015-July 2015) percentage change for different food categories
Source: StatsSA, 2015

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 July 2015 for South Africa and other selected countries. South Africa's overall inflation for July 2015 was 5.0 %. Food inflation was at 4.4 % during the same period. The food categories that contributed to South African food inflation are fruits, vegetables, sugar and sweets. The Zambian overall inflation rate for July 2015 was 7.1 %, while the food inflation rate was 7.8 %. Botswana's inflation rate was 3.1 %, while the food inflation rate was 1.0 % during the same period. Turkey's overall inflation rate for July 2015 was 6.8 %, compared with a food inflation rate of 9.3 %. Considering inflation in the BRIC countries, Russia had the highest overall inflation rate of 15.6 % and the highest food inflation of 20.4 %, followed by Brazil, which had an overall inflation rate of 9.6 % and a food inflation rate of 10.5 %. From the BRIC group, China recorded the lowest year-on-year inflation rate of 1.6 % and a food inflation rate of 2.7 %.

Table 1: Overall inflation and food inflation during April to July 2015

	April		May		June		July	
Country	**Overall inflation (%)**	**Inflation on food and non-alcoholic beverages (%)**	**Overall inflation (%)**	**Inflation on food and non-alcoholic beverages (%)**	**Overall inflation (%)**	**Inflation on food and non-alcoholic beverages (%)**	**Overall inflation (%)**	**Inflation on food and non-alcoholic beverages (%)**
Botswana	3.1	1.5	3.0	1.3	3.1	1.0	3.1	1.0
Brazil	8.2	8.0	8.5	8.8	8.9	8.9	9.6	10.5
China	1.5	2.7	1.2	1.6	1.4	1.9	1.6	2.7
India	4.9	5.1	5.0	4.8	5.4	5.5	3.8	2.2
Namibia	2.9	5.2	3.0	4.5	3.0	4.1	3.3	5.3
Russia	16.4	24.4	15.8	22.4	15.3	20.7	15.6	20.4
South Africa	4.5	5.0	4.6	4.7	4.7	4.3	5.0	4.4
Turkey	7.9	14.4	8.1	12.8	7.2	9.3	6.8	9.3
United Kingdom	-0.1	-2.5	0.1	-1.8	0.0	-2.2	0.1	-2.7
United States	-0.2	2.0	0.0	1.6	0.1	1.8	0.2	1.6
Zambia	7.2	7.1	6.9	7.2	7.1	7.1	7.1	7.8

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

3. Urban and rural food price trends: July 2015 vs July 2014

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 %: Ceylon/black tea 500g (6.11 %), loaf of white bread 700g (6.35 %), apples – fresh per kg (7.01 %), bacon 1 kg (7.23 %), white sugar 10 kg (7.24 %), cabbage – fresh each (7.26 %), chicken portions – frozen per kg (7.60 %), brick margarine 1 kg (7.65 %), Ceylon/black tea 125g (7.71 %), carrots – fresh per kg (7.75 %), white sugar 5 kg (7.75 %), margarine spread 1 kg (7.77 %), white sugar 500g (7.93 %), polony per kg (7.93 %), margarine spread 500g (8.27 %), cheddar cheese per kg (8.32 %), bananas – fresh per kg (8.52, %), chicken portions – fresh per kg (8.77 %), white sugar 1 kg (8.85 %), brick margarine 500g (8.86 %), rice 1 kg (9.08 %), super maize 1 kg (9.20 %), lamb – fresh per kg (9.29 %), fish (excluding tuna) – tinned 215g (9.36 %), cauliflower – fresh per kg (9.38 %), cereals 450g (9.51 %), rice 5 kg (10.63 %), super maize 2.5 kg (10.75 %), pork chops – fresh per kg (10.80 %), white sugar 2 kg (11.41 %), baked beans – tinned 225g (11.53 %), rice 10 kg (12.45 %), lettuce – fresh per kg (13.10 %), eggs 1/2 dozen (15.70 %), margarine spread 250g (15.79 %), Ceylon/black tea 62.5g (16.94 %), fish (excluding tuna) – tinned 155g (18.55 %), instant coffee 200g (20.87 %), instant coffee 100g (30.18 %) and oranges – fresh per kg (34.27 %).

Table C.2 records the products which exceed the SARB annual inflation rate of 6 % in the **rural** areas as follows: Loaf of brown bread 700g (6.11 %), loaf of white bread 700g (6.46 %), white sugar 500g (7.13 %), Ceylon/black tea 62.5g (9.47 %), super maize 1 kg (10.22 %), full cream milk – long life 500 mℓ (10.26 %), margarine 500g (10.33 %), super maize 2.5 kg (10.84 %), white sugar 1 kg (11.80 %), %), fish (excluding tuna) – tinned 425g (11.87 %), fish (excluding tuna) – tinned 155g (15.98 %) and instant coffee 100g (30.06 %).

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

During the period July 2014 – July 2015, the international price of wheat (US No 2, Hard Red Winter ord. Prot, US Fob Gulf) decreased by 29.59 %, while the domestic wheat prices increased by 6.56 %. Urban consumers paid 5.98 % more for a loaf of brown bread (700g) and 6.35 % more for a loaf of white bread (700g) during the same period. During the same period, domestic yellow maize prices increased by 54.36 %, while international yellow maize prices decreased by 2.04 %, super maize meal (2.5 kg) increased by 10.75 % and special maize meal (2.5 kg) decreased by 11.98 %. During this period, the urban price of sunflower oil (750 ml) increased by 3.94 %. The July 2015 domestic price of sunflower seed was R5 461.10/ton compared with the R4 556.00/ton price of July 2014 (increase of 19.87 %).

During this period July 2014 to July 2015, the average meat prices experienced an increasing trend. The average beef producer prices of class A2/A3 (R/kg), class B2/B3 (R/kg) and C2/C3 (R/kg) increased by 0.30 %, 1.54 % and 8.76 %, respectively. Lamb/mutton class A2/A3 (R/kg) and class B (R/kg) producer prices increased by 5.26 % and 3.42 %, respectively, while class C2/C3 (R/kg) decreased by 3.69 %. Fresh and frozen chicken portions increased by 7.0 % and 2.99 % during the same period.

4. Comparison between urban and rural prices: July 2015

Table 2 compares prices of selected food items in rural and urban areas for July 2015. The food items which showed the largest price differences between urban and rural areas in July 2015 were margarine 500g at a R2.35 difference, sunflower oil 750 mℓ at a difference of R0.79, Ceylon/black tea 62.5g at a difference of R0.57, loaf of brown bread 700g at a difference of R0.38, and a loaf of white bread 700g at a difference of R0.34. This indicates that urban consumers paid more for these food items than their rural counterparts. In some cases, however, rural consumers paid more for certain products (e.g. super maize meal, special maize meal and white sugar) than their urban counterparts.

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

Product	Rural Food Prices July 2015	Urban Food Prices July 2015	Price difference R/unit
Full cream milk – long life 1ℓ	12.92	12.92	0.00
Loaf of brown bread 700g	10.26	10.64	0.38
Loaf of white bread 700g	11.55	11.89	0.34

Product	Rural Food Prices July 2015	Urban Food Prices July 2015	Price difference R/unit
Special maize 2.5 kg	15.16	15.14	-0.02
Super maize 2.5 kg	20.54	20.50	-0.04
Margarine spread 500g	19.64	21.99	2.35
Peanut butter 400g	22.39	22.40	0.01
Rice 2 kg	23.14	23.24	0.10
Sunflower oil 750 mℓ	17.17	17.96	0.79
Ceylon/black tea 62.5g	10.06	10.63	0.57
White sugar 2.5 kg	28.60	28.48	-0.12
Average			**0.40**

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. The Meat (0.30 %), Cereals (2.05 %) and the Sugar Price (2.50 %) Indexes increased month-on-month, from June 2015 to July 2015, while the Dairy (-7.15 %) and Oils Price (-5.48 %) Indexes decreased from June 2015 to July 2015. Year-on-year, July 2014 to July 2015, all the Price indexes showed a decreasing trend.

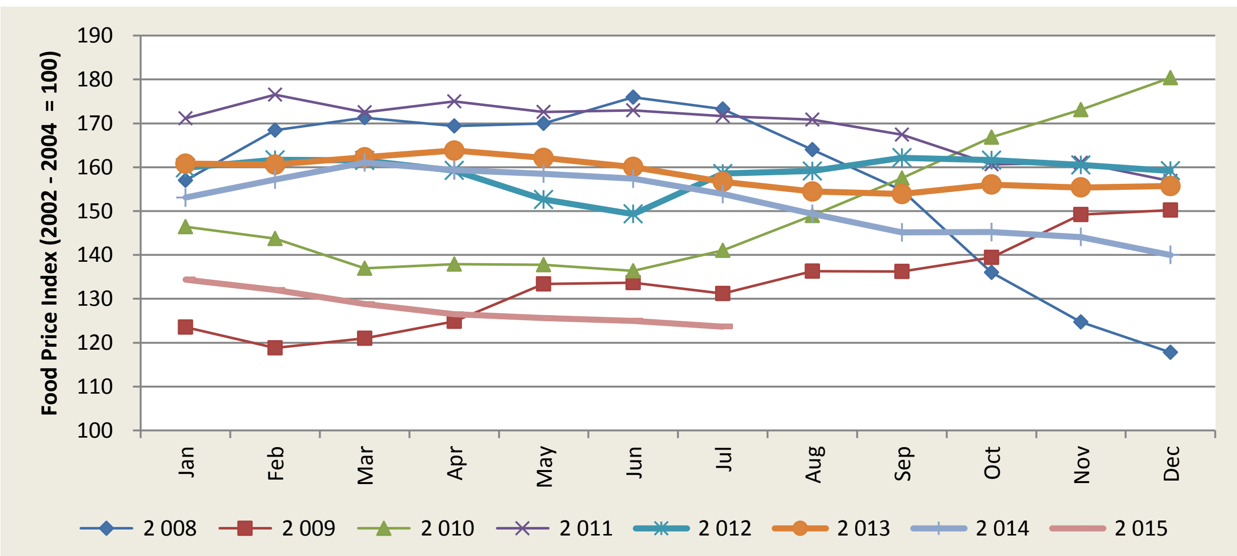

Figure 3a: International real food price index
Source: FAO, 2015

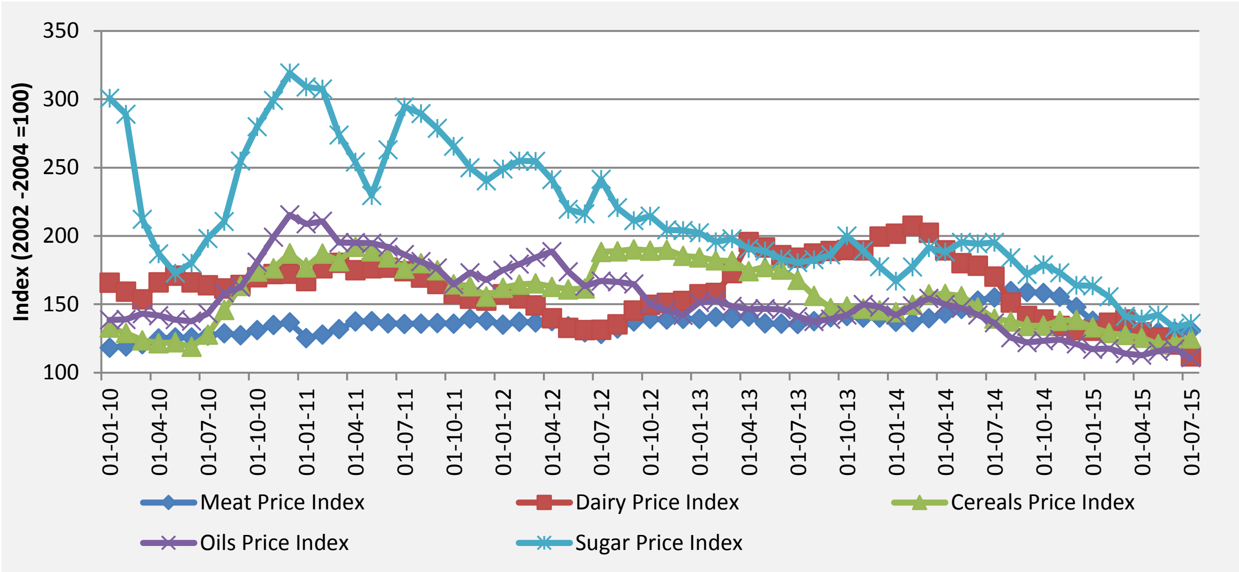

Figure 3b: Real price indices for five food categories
Source: FAO, 2015

The **FAO Food Price Index**,[1] in **nominal** terms, averaged 164.6 points in July 2015, down 1.7 points (1.0 %) from June and almost 40 points (19.4 %) less than in July 2014. At its current level, the Index has reached its lowest monthly value since September 2009. Last month's decline reflected sharp drops in the prices of dairy products and vegetable oils, which more than offset some increases in the prices of sugar and cereals. Meat prices held steady.

The **FAO Cereal Price Index**, in **nominal** terms, averaged 166.5 points in July, up 3.3 points (2.0 %) from June, but still 18.7 points (10.1 %) below July last year. For the second consecutive month, strong wheat and maize quotations kept the cereal index rising, while rice prices fell. Unfavourable weather in North America and Europe caused a surge in international prices of wheat and major coarse grains during the first half of July, much of which was eroded in the second half as weather prospects improved. Rice prices remained on a falling trend, reflecting intense exporter competition for markets amid weak import demand.

The **FAO Vegetable Oil Price Index**, in **nominal** terms, averaged 147.6 points in July, nearly 9 points (5.5 %) below June and its lowest value since July 2009. The recent slide was primarily driven by developments in the palm and soy oil markets. International palm oil quotations eased on increased production in Southeast Asia, combined with slower exports, especially from Malaysia. Soy oil prices weakened further, on ample export availabilities in South America and a favourable outlook for global supply in 2015/16. Continued weakness in crude oil prices also weighed on the vegetable oil complex.

The **FAO Dairy Price Index**, in **nominal** terms, averaged 149.1 points in July, down 11.5 points (7.2 %) from June. Prices for dairy commodities declined across the board, with milk powders being most affected, followed by cheese and butter. Subdued import demand from China, the Middle East and North Africa caused prices to fall. Additionally, some manufacturers in New Zealand reduced prices in an attempt to trim

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

inventories prior to the closure of the financial year, at the end of July. EU milk production is currently running above its level of a year ago, resulting in good availability of products for export.

The **FAO Meat Price Index**,[2] in **nominal** terms, averaged 174.1 points in July, nearly unchanged from June. International prices of bovine meat moved up, offsetting a decline for pig meat (pork) and ovine meat, while poultry quotations remained stable. Prices of beef from Australia, in particular, rose, supported by stronger import demand from the United States, Japan and the Republic of Korea, amongst others. Muted domestic demand for pig meat (pork) in some EU member states caused quotations to fall, with export prices following suit.

The **FAO Sugar Price Index**, in **nominal** terms, averaged 181.2 points in July, up 4.4 points (2.5 %) from June 2015. The increase was largely due to reports of less than ideal harvesting conditions in the main sugar-producing region of Brazil. Also, so far into the season, a large share of the Brazilian sugarcane harvest is reportedly being diverted for the production of ethanol instead of sugar. The recent gain in sugar prices was contained by a slide in the Brazilian currency against the US dollar, together with expectations of ample supplies in the main sugar producing and exporting regions.

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[3] (as compiled by the Food Price Monitoring Committee in 2003), based on monthly average food price data for the period July 2014 to July 2015. From July 2014 to July 2015, the cost of this basic food basket increased by about R21 (+4.1 %) in nominal terms from R502 to R522 (compared to a somewhat higher increase of 4.7 % from April 2014 to April 2015 (the previous Food Price Monitor analysis period).

The cost of this food basket, expressed as a share of the average monthly income[4] of the poorest 30 % of the population, increased from 46.9 % in July 2014 to 48.8 % in July 2015 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 1.9 % to 2.0 % **(Figure 4)**.

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

3 Composition of food basket: Apples (1 kg), Bananas (1 kg), Beef chuck (1 kg), Brick margarine (500g), Baked beans – tinned (410g), Cabbage (1 kg), Ceylon/black tea (62.5g), Chicken portions fresh (1 kg), Chicken portions frozen (1 kg), Eggs (1.5 dozen), Canned fish (excl tuna) (425g), Full cream milk long life (1ℓ), Instant coffee (750g), Loaf of brown bread (700g), Loaf of white bread (700g), Maize meal super (5 kg), Onions (1 kg), Oranges (1 kg), Peanut butter (400g), Potatoes (1 kg), Rice (2 kg), Sunflower oil (750 mℓ), Tomatoes (1 kg). Due to data limitations, butter beans were substituted with tinned baked beans in the analysis.

4 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).

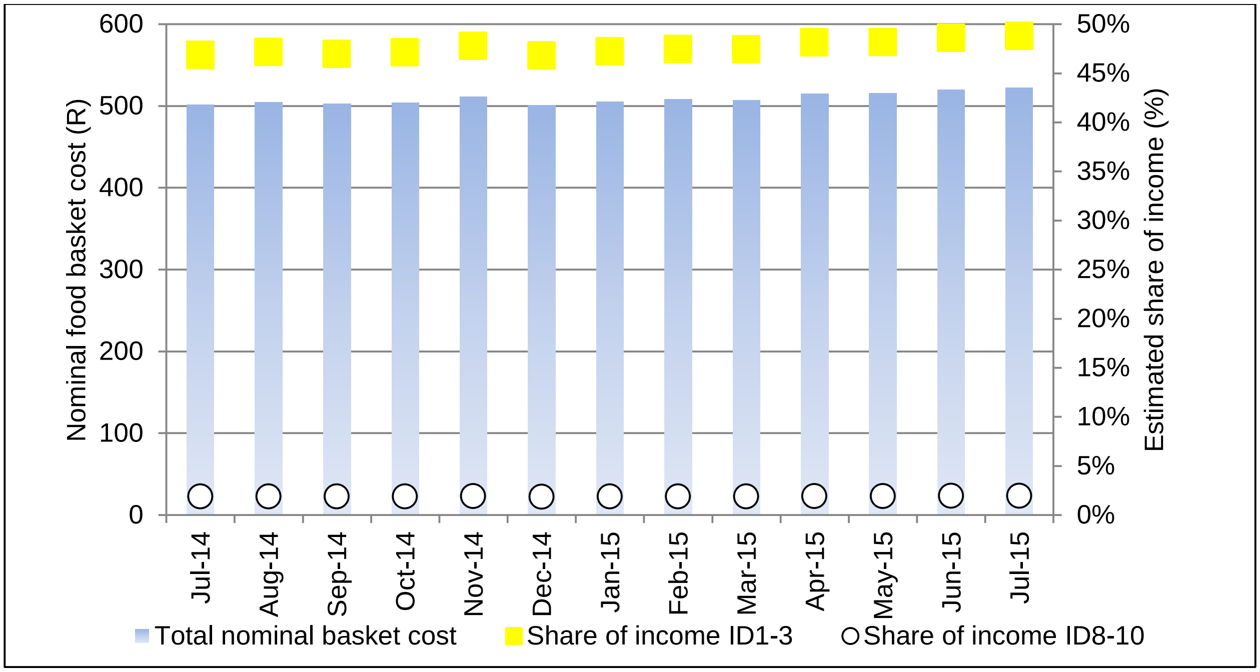

Figure 4: The cost of a typical consumer food basket for the period July 2014 to July 2015, expressed in nominal terms and as share of the average income of the poorest 30 % of households (Income Deciles [ID] 1 to 3) and the wealthiest 30 % of households (ID 8 to 10)

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 July 2014 to July 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 July 2014 to July 2015 prices, the following food categories experienced significant inflation: fruit, animal protein foods, fats/oils and coffee/tea. The various food groups within this food basket are discussed in more detail in **Table 3** below.

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

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:
	July 2014 to July 2015	April 2014 to April 2015*				
Animal protein	+6.7 %	+5.8 %	Fish (excl tuna) – tinned (+13.8 %) Chicken portions fresh (+8.8 %) Chicken portions frozen (+7.6 %)	Beef chuck (+3.2 %)	None	Animal protein
Bread and cereals	+0.6 %	-0.8 %	White bread (+6.4 %) Brown bread (+6.0 %)	Rice (+1.3 %)	Maize meal (-3.3 %)	Bread and cereals
Vegetables	-2.9 %	+2.4 %	Cabbage (+4.2 %)	Potatoes (+0.4 %)	Onions (-7.1 %) Tomatoes (-6.1 %)	Vegetables
Fruit	+13.0 %	+13.2 %	Oranges (+34.3 %) Bananas (+8.5 %) Apples (+7.0 %)	None	None	Fruit
Dairy	+5.5 %	+11.6 %	Full cream milk – long life 1ℓ (+5.5 %)	None	None	Dairy Eggs
Eggs	+2.5 %	+5.5 %	Eggs 1.5 dozen (+2.5 %)	None	None	
Fats and oils	+6.4 %	+2.4 %	Brick margarine (+8.9 %)	Sunflower oil (+3.9 %)	None	Fats and oils
Bean products	-0.8 %	+1.7 %	Baked beans (+5.5 %)	None	Peanut butter (-2.9 %)	Bean products
Coffee and tea	+5.0 %	+7.3 %	Ceylon/black tea (+16.9 %)	Instant coffee (+3.4 %)	None	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 July 2014 to July 2015, significant price inflation (6 % or more) was experienced for many products within the food basket: Oranges, Ceylon/black tea, tinned fish, margarine, fresh chicken portions, bananas, frozen chicken portions, apples, white bread and brown bread. 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 July 2014 with July 2015, and April 2014 with April 2015 (i.e. the previous Food Price Monitor analysis period), the rate of inflation was lower for most food groups, except for staples, fats/oils and animal protein foods.

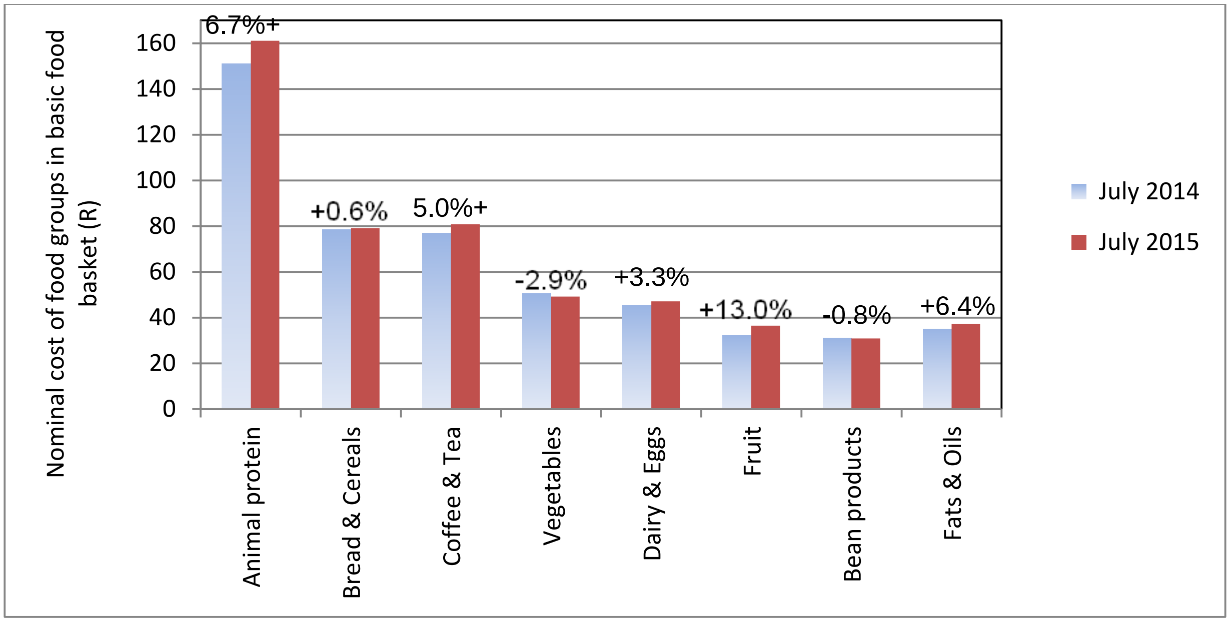

Figure 5: Nominal monthly cost of specific food groups within the basic food basket, comparing July 2014 and July 2015

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;[5] Oldewage-Theron et al, 2005[6]). **Figure 6** illustrates the estimated portion costs for these foods, calculated from monthly food price data for July 2014 and July 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 47 % more in this case for July 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 July 2015 versus July 2014 prices the results in **Figure 6** indicated inflation of about 6.5 % (from R4.93 to R5.25 for the selection of portions). Significant inflation on all components contributed to the inflation observed on this 'food plate' (maize meal (+5.4 %), bread (+6.0 %), milk (+5.5 %), tea (+16.9 %), sugar (+5.7 %)). Even though the entire food basket experienced inflation of 4.1 % when comparing July 2015 with July 2014, the typical basic daily food selection for poor consumers revealed higher inflation (6.5 % as mentioned above), suggesting a more severe impact on poorer consumers.

5 Steyn NP, Labadarios D. *National Food Consumption Survey: Children aged 1–9 years, South Africa, 1999.* Cape Town: The Department of Health Directorate Nutrition, 2000.

6 Oldewage-Theron W, Dicks E, Napier C, *et al.* Situation analysis of an informal settlement in the Vaal Triangle. *Development Southern Africa* 2005; 22(1): 13-26.

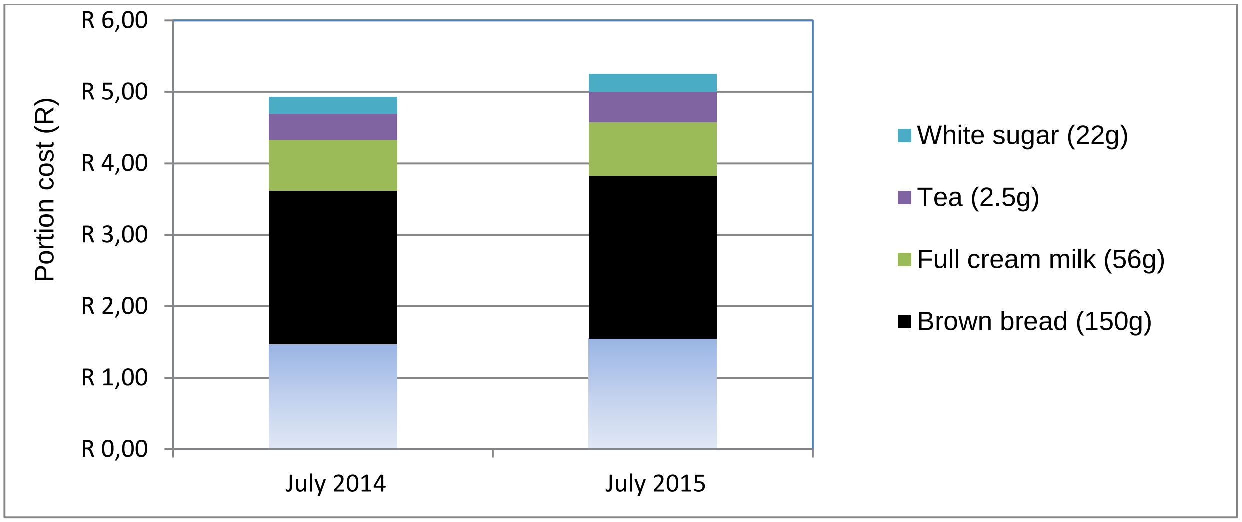

Figure 6: Average nominal cost for the typical portions of the five food items most widely consumed by very poor consumers in South Africa, for July 2014 and July 2015
Source: BFAP calculations, based on StatsSA monitored price data for urban areas

7. September – November 2015 outlook

Food price inflation in South Africa increased by 4.4 % in July 2015. This increase is due to second round inflationary effects, largely driven by moderate increases in fuel prices and costs of utilities such as electricity.

The moderate food inflation rates of the previous months are, however, expected to escalate in the third quarter of 2015 as a result of pressures related to the weakening exchange rate. The Rand hit an all-time low against the dollar in the third week of August and, despite some recovery, it is expected to remain under pressure due to sluggish growth in China. The effect of this is that all commodity prices (in Rand terms) will increase, and this would filter through to retail food prices towards the end of the third quarter. Food prices will, however, not only be affected by commodity prices. Costs within the value chain could also contribute to escalating retail prices as a result of the significant exchange rate depreciation. Decreasing oil prices could serve as a mitigating factor to this. Currently, oil markets are over supplied, with weak demand from China. This has resulted in oil prices moving to lower levels.

From the above, it seems that inflationary pressures associated with imports and supply will constitute a valid prospect. Tepid demand in this period might, however, serve as an alleviating factor during the remainder of 2015. The expectation of dampened demand is largely driven by increased pressures on consumers' disposable income. These pressures include increased interest rates and higher costs of utilities, such as electricity.

In terms of specific food products, maize prices in the next quarter are expected to increase due to the exchange rate issues referred to above, as well as adverse weather conditions in the US. If these weather conditions persist, upward pressure on maize meal prices can be expected to continue until the end of 2015. A similar situation applies to wheat, with weather conditions in key production areas currently supporting prices. This will manifest in higher bread prices towards the end of quarter three. Vegetable prices are expected to move sideways in this period due to increased supply associated with seasonal effects. Despite increased slaughtering, beef prices are supported by increased exports of high value cuts to regions such as the Middle East. Over the next three months, it is anticipated that this will be exacerbated as a result of higher input costs associated with maize.

The key factors to look out for during the next three months are the weather conditions of the main grain production areas in the world. As mentioned above, relatively dry conditions in certain regions of the European Union might provide additional upward support for wheat prices. This would impact on the price of bread. Similarly, weather conditions in the US could provide support for maize prices if it is dryer than expected, which will cause an upward movement in maize meal prices towards the end of the outlook period.

APPENDIX A: DATA ON URBAN FOOD PRICE TRENDS

Table A.1: Wheat products

Wheat products	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Cake flour 1 kg	11.87	12.10	12.35	2.07 %	4.04 %
Cake flour 5 kg	47.18	46.39	47.70	2.82 %	1.10 %
Loaf of brown bread 600g	7.24	6.34	6.58	3.79 %	-9.12 %
Loaf of brown bread 700g	10.04	10.51	10.64	1.24 %	5.98 %
Loaf of brown bread 800g	12.80	13.35	13.49	1.05 %	5.39 %
Loaf of white bread 600g	7.80	7.18	7.40	3.06 %	-5.13 %
Loaf of white bread 700g	11.18	11.61	11.89	2.41 %	6.35 %
Macaroni 500g	10.66	11.00	10.59	-3.73 %	-0.66 %
Spaghetti 500g	10.72	10.87	11.19	2.94 %	4.38 %
Average				**1.45 %**	**1.37 %**
Wheat (R/ton)	3 708.52	3 802.23	3 951.74	**3.93 %**	**6.56 %**

Data from StatsSA

Table A.2: Maize products

Maize products	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Special maize 1 kg	7.43	5.86	6.34	8.19 %	-14.67 %
Special maize 2.5 kg	17.20	14.81	15.14	2.23 %	-11.98 %
Super maize 1 kg	8.26	8.41	9.02	7.25 %	9.20 %
Super maize 2.5 kg	18.51	18.86	20.50	8.70 %	10.75 %
Super maize 5 kg	34.53	34.13	36.39	6.62 %	5.39 %
Average				**6.60 %**	**-0.26 %**
Maize (R/ton)	1 792.09	2 372.32	2 766.30	**16.61 %**	**54.36 %**

Data from StatsSA

Table A.3: Sunflower products

Sunflower products	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Brick margarine 125g	7.55	7.54	7.53	-0.13 %	-0.26 %
Brick margarine 1 kg	36.58	39.91	39.38	-1.33 %	7.65 %
Brick margarine 250g	12.04	12.61	11.78	-6.58 %	-2.16 %
Brick margarine 500g	17.84	18.99	19.42	2.26 %	8.86 %
Margarine spread 1 kg	35.13	36.79	37.86	2.91 %	7.77 %
Margarine spread 250g	18.30	21.49	21.19	-1.40 %	15.79 %
Margarine spread 500g	20.31	22.04	21.99	-0.23 %	8.27 %
Sunflower oil 4ℓ	70.89	68.99	68.80	-0.28 %	-2.95 %
Sunflower oil 500 mℓ	13.59	12.67	12.67	0.00 %	-6.77 %
Sunflower oil 750 mℓ	17.28	17.82	17.96	0.79 %	3.94 %

Average				**-0.25 %**	**3.47 %**
Sunflower (R/ton)	1707.57	2560.18	3170.61	**23.84 %**	**85.68 %**

Data from StatsSA

Table A.4: Processed vegetables

Processed vegetables	**Price level**			**Percentage change**	
	Jul-14	**Apr-15**	**Jul-15**	**Apr-15 to Jul-15**	**Jul-14 to Jul-15**
Baked beans – tinned 225g	7.11	7.38	7.93	7.45 %	11.53 %
Baked beans – tinned 410g	8.06	8.47	8.50	0.35 %	5.46 %
Average				**3.90 %**	**8.50 %**

Data from StatsSA

Table A.5: Fresh vegetables

Fresh vegetables	**Price level**			**Percentage change**	
	Jul-14	**Apr-15**	**Jul-15**	**Apr-15 to Jul-15**	**Jul-14 to Jul-15**
Cabbage – fresh each	10.60	11.45	11.37	-0.70 %	7.26 %
Cabbage – fresh per kg	11.08	11.23	11.54	2.76 %	4.15 %
Carrots – fresh per kg	13.55	15.11	14.60	-3.38 %	7.75 %
Cauliflower – fresh per kg	37.75	41.84	41.29	-1.31 %	9.38 %
Lettuce – fresh per kg	32.59	34.08	36.86	8.16 %	13.10 %
Onions – fresh per kg	11.46	9.92	10.65	7.36 %	-7.07 %
Potatoes – fresh per kg	9.55	10.19	9.59	-5.89 %	0.42 %
Pumpkin – fresh per kg	15.69	17.04	16.33	-4.17 %	4.08 %
Tomatoes – fresh per kg	18.59	20.38	17.45	-14.38 %	-6.13 %
Average				**-1.28 %**	**3.66 %**

Data from StatsSA

Table A.6: Processed meat

Processed meat	**Price level**			**Percentage change**	
	Jul-14	**Apr-15**	**Jul-15**	**Apr-15 to Jul-15**	**Jul-14 to Jul-15**
Bacon 1 kg	113.84	127.04	122.07	-3.91 %	7.23 %
Polony per kg	32.91	35.21	35.52	0.88 %	7.93 %
Average				**-1.52 %**	**7.58 %**

Data from StatsSA

Table A.7: Unprocessed meat

Unprocessed meat	**Price level**			**Percentage change**	
	Jul-14	**Apr-15**	**Jul-15**	**Apr-15 to Jul-15**	**Jul-14 to Jul-15**
Beef brisket – fresh per kg	61.49	62.98	63.36	0.60 %	3.04 %
Beef chuck – fresh per kg	62.73	64.30	64.74	0.68 %	3.20 %
Beef mince – fresh per kg	63.97	66.17	65.36	-1.22 %	2.17 %
Beef rump steak – fresh per kg	104.82	107.04	105.93	-1.04 %	1.06 %
Beef t-bone – fresh per kg	80.76	81.36	81.15	-0.26 %	0.48 %

Chicken portions – fresh per kg	47.00	50.94	51.12	0.35 %	8.77 %
Chicken portions – frozen per kg	27.22	29.17	29.29	0.41 %	7.60 %
Lamb – fresh per kg	100.01	108.78	109.30	0.49 %	9.29 %
Pork chops – fresh per kg	62.50	70.67	69.25	-2.01 %	10.80 %
Whole chicken – fresh per kg	37.97	39.38	39.96	1.47 %	5.24 %
Average				**-0.05 %**	**5.17 %**

Data from StatsSA

Table A.8: Eggs and dairy products

Eggs & dairy product	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Eggs 1.5 dozen	33.39	33.81	34.23	1.24 %	2.52 %
Eggs 1/2 dozen	10.70	12.58	12.38	-1.59 %	15.70 %
Eggs 2.5 dozen	42.48	45.13	43.34	-3.97 %	2.02 %
Cheddar cheese per kg	112.54	115.90	121.90	5.18 %	8.32 %
Full cream milk – fresh 1ℓ	11.69	12.06	12.19	1.08 %	4.28 %
Full cream milk – fresh 2ℓ	22.50	23.51	23.81	1.28 %	5.82 %
Full cream milk – fresh 500 mℓ	8.42	8.78	8.77	-0.11 %	4.16 %
Full cream milk – long life 1ℓ	12.25	12.88	12.92	0.31 %	5.47 %
Full cream milk – long life 500 mℓ	8.10	8.46	8.46	0.00 %	4.44 %
Low Fat milk – fresh 1ℓ	12.96	13.30	13.48	1.35 %	4.01 %
Low Fat milk – long life 1ℓ	12.56	12.80	12.86	0.47 %	2.39 %
Powdered milk 250g	35.55	35.91	36.09	0.50 %	1.52 %
Powdered milk 400g	53.66	55.13	54.87	-0.47 %	2.25 %
Powdered milk 500g	51.90	51.04	50.51	-1.04 %	-2.68 %
Powdered milk 900g	120.59	120.03	122.07	1.70 %	1.23 %
Average				**0.40 %**	**4.10 %**

Data from StatsSA

Table A.9: Fruits

Fruits	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Apples – fresh per kg	14.41	16.88	15.42	-8.65 %	7.01 %
Bananas – fresh per kg	11.50	14.89	12.48	-16.19 %	8.52 %
Average				**-12.42 %**	**7.77 %**

Data from StatsSA

Table A.10: Fish products

Fish – tinned	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Fish (excl tuna) – tinned 155g	7.87	8.99	9.33	3.78 %	18.55 %

Fish (excl tuna) – tinned 215g	10.58	11.17	11.57	3.58 %	9.36 %
Fish (excl tuna) – tinned 400g	15.64	16.12	16.34	1.36 %	4.48 %
Fish (excl tuna) – tinned 425g	14.01	14.32	15.94	11.31 %	13.78 %
Tuna – tinned 170g	15.97	16.02	15.30	-4.49 %	-4.20 %
Average				**3.11 %**	**8.39 %**

Data from StatsSA

Table A.11: Other products

Other products	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Cereals 375g	30.28	31.10	30.78	-1.03 %	1.65 %
Cereals 400g	32.93	31.28	31.17	-0.35 %	-5.34 %
Cereals 450g	21.25	22.42	23.27	3.79 %	9.51 %
Cereals 500g	28.60	28.85	28.97	0.42 %	1.29 %
Cereals 750g	36.66	38.77	38.25	-1.34 %	4.34 %
Ceylon/black tea 125g	15.31	17.24	16.49	-4.35 %	7.71 %
Ceylon/black tea 250g	22.40	23.35	23.35	0.00 %	4.24 %
Ceylon/black tea 500g	42.73	44.41	45.34	2.09 %	6.11 %
Ceylon/black tea 62.5g	9.09	9.91	10.63	7.27 %	16.94 %
Fizzy drinks – can 330 mℓ	7.34	7.70	7.76	0.78 %	5.72 %
Instant coffee 100g	20.18	25.51	26.27	2.98 %	30.18 %
Instant coffee 200g	55.91	64.75	67.58	4.37 %	20.87 %
Instant coffee 250g	30.35	30.30	30.47	0.56 %	0.40 %
Instant coffee 500g	44.55	46.14	46.73	1.28 %	4.89 %
Instant coffee 750g	67.94	69.87	70.25	0.54 %	3.40 %
Peanut butter 400g	23.08	22.74	22.40	-1.50 %	-2.95 %
Peanut butter 800g	43.52	43.98	43.87	-0.25 %	0.80 %
Rice 10 kg	100.55	109.60	113.07	3.17 %	12.45 %
Rice 1 kg	14.86	15.63	16.21	3.71 %	9.08 %
Rice 2 kg	22.94	23.34	23.24	-0.43 %	1.31 %
Rice 500g	7.45	7.48	7.44	-0.53 %	-0.13 %
Rice 5 kg	54.55	56.93	60.35	6.01 %	10.63 %
White sugar 10 kg	104.90	113.32	112.49	-0.73 %	7.24 %
White sugar 1 kg	13.67	14.34	14.88	3.77 %	8.85 %
White sugar 2.5 kg	26.94	27.88	28.48	2.15 %	5.72 %
White sugar 250g	4.90	4.37	4.29	-1.83 %	-12.45 %
White sugar 2 kg	21.12	20.98	23.53	12.15 %	11.41 %
White sugar 500g	7.19	7.68	7.76	1.04 %	7.93 %
White sugar 5 kg	54.84	58.37	59.09	1.23 %	7.75 %
Average				**1.55 %**	**6.19 %**

Data from StatsSA

APPENDIX B: DATA ON RURAL FOOD PRICE TRENDS

Table B.1: Wheat products

Wheat products	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Loaf of brown bread 600g	7.33	6.40	6.65	4.03 %	-9.28 %
Loaf of brown bread 700g	9.67	10.16	10.26	1.03 %	6.11 %
Loaf of white bread 600g	7.86	7.28	7.52	3.33 %	-4.28 %
Loaf of white bread 700g	10.85	11.28	11.55	2.39 %	6.46 %
Average				**2.69 %**	**-0.25 %**

Data from StatsSA

Table B.2: Maize products

Maize products	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Special maize 1 kg	7.46	5.96	6.42	7.71 %	-13.97 %
Special maize 2.5 kg	17.34	14.79	15.16	2.51 %	-12.53 %
Special maize 5 kg	29.77	26.13	26.86	2.82 %	-9.75 %
Super maize 1 kg	8.26	8.52	9.10	6.85 %	10.22 %
Super maize 2.5 kg	18.53	18.86	20.54	8.93 %	10.84 %
Super maize 5 kg	34.78	34.13	35.05	2.69 %	0.77 %
Average				**5.25 %**	**-2.40 %**

Data from StatsSA

Table B.3: Sunflower products

Sunflower products	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Sunflower oil 2ℓ	34.35	33.63	33.69	0.18 %	-1.92 %
Sunflower oil 750 mℓ	16.70	16.92	17.17	1.44 %	2.81 %
Margarine 125g	7.55	7.24	7.19	-0.69 %	-4.81 %
Margarine 250g	12.16	13.59	11.87	-12.66 %	-2.46 %
Margarine 500g	17.80	19.13	19.64	2.63 %	10.33 %
Average				**-1.82 %**	**0.79 %**

Data from StatsSA

Table B.4: Dairy products

Dairy products	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Full cream milk – long life 1ℓ	12.31	12.91	12.92	0.09 %	4.98 %
Full cream milk – long life 500 mℓ	7.80	8.36	8.60	2.87 %	10.26 %
Average				**1.48 %**	**7.62 %**

Data from StatsSA

Table B.5: Tea and coffee

Tea and coffee	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Instant Coffee 100g	20.25	25.85	26.34	1.90 %	30.06 %
Instant Coffee 250g	30.54	30.68	30.77	0.28 %	0.73 %
Ceylon/black tea 250g	22.70	23.59	23.55	-0.19 %	3.75 %
Ceylon/black tea 62.5g	9.19	9.33	10.06	7.84 %	9.47 %
Average				**2.46 %**	**11.00 %**

Data from StatsSA

Table B.6: Beans

Beans	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Baked beans – tinned 410g	8.07	8.44	8.52	1.01 %	5.65 %
Beans 1 kg	26.64	28.35	28.13	-0.78 %	5.61 %
Beans 500g	14.68	14.99	13.84	-7.62 %	-5.68 %
Average				**-2.46 %**	**1.86 %**

Data from StatsSA

Table B.7: White sugar

Sugar	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
White sugar 1 kg	13.66	14.77	15.27	3.41 %	11.80 %
White sugar 2.5 kg	27.03	27.92	28.60	2.47 %	5.82 %
White sugar 500g	7.23	7.61	7.74	1.73 %	7.13 %
Average				**2.54 %**	**8.25 %**

Data from StatsSA

Table B.8: Pilchards

Pilchard	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Fish (excl. tuna) – tinned 155g	7.93	8.99	9.20	2.37 %	15.98 %
Fish (excl. tuna) – tinned 425g	14.02	15.18	15.68	3.29 %	11.87 %
Average				**2.83 %**	**13.92 %**

Data from StatsSA

Table B.9: Rice

Rice	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Rice 1 kg	14.39	14.86	15.24	2.51 %	5.91 %
Rice 2 kg	22.74	23.20	23.14	-0.24 %	1.76 %

Rice 500g	7.36	7.46	7.33	-1.74 %	-0.37 %
Average				**0.17 %**	**2.44 %**

Data from StatsSA

Table B.10: Peanut butter

Peanut butter	Price level			Percentage change	
	Jul-14	Apr-15	Jul-15	Apr-15 to Jul-15	Jul-14 to Jul-15
Peanut butter 400g	23.02	22.53	22.39	-0.62 %	-2.74 %
Peanut butter 800g	43.50	44.63	42.40	-4.99 %	-2.54 %
Average				**-2.80 %**	**-2.64 %**

Data from StatsSA

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

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

Grain and grain products	%	Meat and meat products and dairy and dairy products	%	Fresh and processed fruits and vegetables	%
Special maize 1 kg	-14.67 %	Tuna – tinned 170g	-4.20 %	White sugar 250g	-12.45 %
Special maize 2.5 kg	-11.98 %	Powdered milk 500g	-2.68 %	Onions -fresh per kg	-7.07 %
Loaf of brown bread 600g	-9.12 %	Beef t-bone – fresh per kg	0.48 %	Tomatoes – fresh per kg	-6.13 %
Sunflower oil 500 mℓ	-6.77 %	Beef rump steak -fresh per kg	1.06 %	Instant coffee 250g	0.40 %
Cereals 400g	-5.34 %	Powdered milk 900g	1.23 %	Potatoes – fresh per kg	0.42 %
Loaf of white bread 600g	-5.13 %	Powdered milk 250g	1.52 %	Instant coffee 750g	3.40 %
Sunflower oil 4ℓ	-2.95 %	Eggs 2.5 dozen	2.02 %	Pumpkin – fresh per kg	4.08 %
Peanut butter 400g	-2.95 %	Beef mince – fresh per kg	2.17 %	Cabbage – fresh per kg	4.15 %
Brick margarine 250g	-2.16 %	Powdered milk 400g	2.25 %	Ceylon/black tea 250g	4.24 %
Sunflower oil 2ℓ	-1.97 %	Eggs 1.5 dozen	2.52 %	Instant coffee 500g	4.89 %
Macaroni 500g	-0.66 %	Beef brisket – fresh per kg	3.04 %	Baked beans – tinned 410g	5.46 %
Brick margarine 125g	-0.26 %	Beef chuck – fresh per kg	3.20 %	White sugar 2.5 kg	5.72 %
Rice 500g	-0.13 %	Full cream milk – fresh 500 mℓ	4.16 %	Fizzy drinks – can 330 mℓ	5.72 %
Peanut butter 800g	0.80 %	Full cream milk – fresh 1ℓ	4.28 %	Ceylon/black tea 500g	6.11 %
Cake flour 5 kg	1.10 %	Full cream milk – long life 500 mℓ	4.44 %	Apples – fresh per kg	7.01 %
Cereals 500g	1.29 %	Fish (excl tuna) – tinned 400g	4.48 %	White sugar 10 kg	7.24 %
Rice 2 kg	1.31 %	Whole chicken – fresh per kg	5.24 %	Cabbage – fresh each	7.26 %
Cereals 375g	1.65 %	Full cream milk – long life 1ℓ	5.47 %	Ceylon/black tea 125g	7.71 %
Sunflower oil 750 mℓ	3.94 %	Full cream milk – fresh 2ℓ	5.82 %	Carrots – fresh per kg	7.75 %
Cake flour 1 kg	4.04 %	Bacon 1 kg	7.23 %	White sugar 5 kg	7.75 %
Cereals 750g	4.34 %	Chicken portions – frozen per kg	7.60 %	White sugar 500g	7.93 %
Spaghetti 500g	4.38 %	Polony per kg	7.93 %	Bananas – fresh per kg	8.52 %
Super maize 5 kg	5.39 %	Cheddar cheese per kg	8.32 %	White sugar 1 kg	8.85 %
Loaf of brown bread 800g	5.39 %	Chicken portions – fresh per kg	8.77 %	Cauliflower – fresh per kg	9.38 %
Loaf of brown bread 700g	5.98 %	Lamb – fresh per kg	9.29 %	White sugar 2 kg	11.41 %
Loaf of white bread 700g	6.35 %	Fish (excl tuna) – tinned 215g	9.36 %	Baked beans – tinned 225g	11.53 %
Brick margarine 1 kg	7.65 %	Pork chops – fresh per kg	10.80 %	Lettuce – fresh per kg	13.10 %
Margarine spread 1 kg	7.77 %	Fish (excl tuna) – tinned 425g	13.78 %	Ceylon/black tea 62.5g	16.94 %
Margarine spread 500g	8.27 %	Eggs 1/2 dozen	15.70 %	Instant coffee 200g	20.87 %

Brick margarine 500g	8.86 %	Fish (excl tuna) – tinned 155g	18.55 %	Instant coffee 100g	30.18 %
Rice 1 kg	9.08 %			Oranges – fresh per kg	34.27 %
Grain and grain products	**%**	**Meat and meat products and dairy and dairy products**	**%**	**Fresh and processed fruits and vegetables**	**%**
Super maize 1 kg	9.20 %				
Cereals 450g	9.51 %				
Rice 5 kg	10.63 %				
Super maize 2.5 kg	10.75 %				
Rice 10 kg	12.45 %				
Margarine spread 250g	15.79 %				

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 (July 2014 and July 2015)

Grain and grain products	%	Other products	%
Special maize 1 kg	-13.97 %	Beans 500g	-5.68 %
Special maize 2.5 kg	-12.53 %	Peanut butter 400g	-2.74 %
Special maize 5 kg	-9.75 %	Peanut butter 800g	-2.54 %
Loaf of brown bread 600g	-9.28 %	Instant Coffee 250 g	0.73 %
Margarine 125g	-4.81 %	Ceylon/black tea 250g	3.75 %
Loaf of white bread 600g	-4.28 %	Full cream milk – long life 1ℓ	4.98 %
Margarine 250g	-2.46 %	Beans 1 kg	5.61 %
Sunflower oil 2ℓ	-1.92 %	Baked beans – tinned 410g	5.65 %
Rice 500g	-0.37 %	White sugar 2.5 kg	5.82 %
Super maize 5 kg	0.77 %	White sugar 500g	7.13 %
Rice 2 kg	1.76 %	Ceylon/black tea 62.5g	9.47 %
Sunflower oil 750 mℓ	2.81 %	Full cream milk – long life 500 mℓ	10.26 %
Rice 1 kg	5.91 %	White sugar 1 kg	11.80 %
Loaf of brown bread 700g	6.11 %	Fish (excl. tuna) – tinned 425g	11.87 %
Loaf of white bread 700g	6.46 %	Fish (excl. tuna) – tinned 155g	15.98 %
Super maize 1 kg	10.22 %	Instant Coffee 100g	30.06 %
Margarine 500g	10.33 %		
Super maize 2.5 kg	10.84 %		

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 July 2014 and July 2015:

International wheat price decreased by 29.59 %

Domestic price of wheat increased by 6.56 %

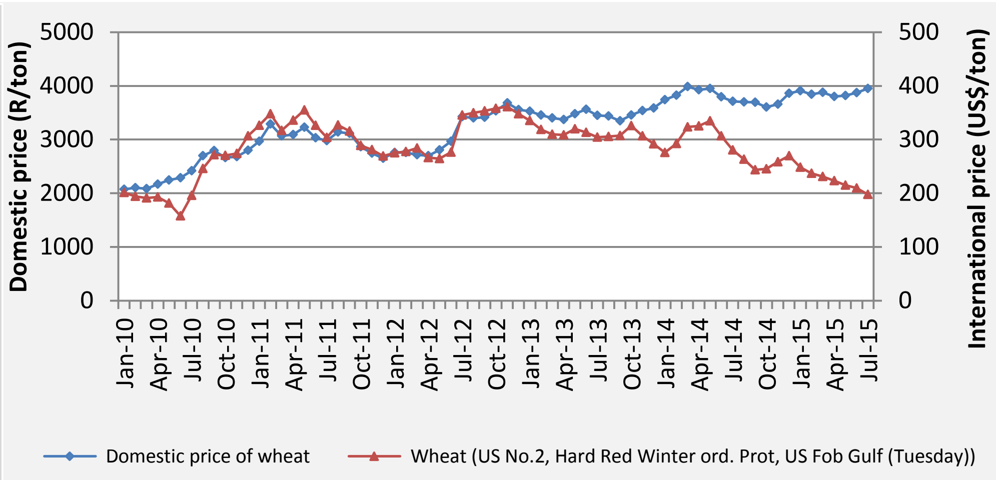

Figure D.1: Domestic market price vs global market price of wheat
Source: FAO and SAFEX, 2015

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

Between July 2014 and July 2015:

Wheat import parity price increased by 11.10 %

Wheat export parity price decreased by 8.56 %

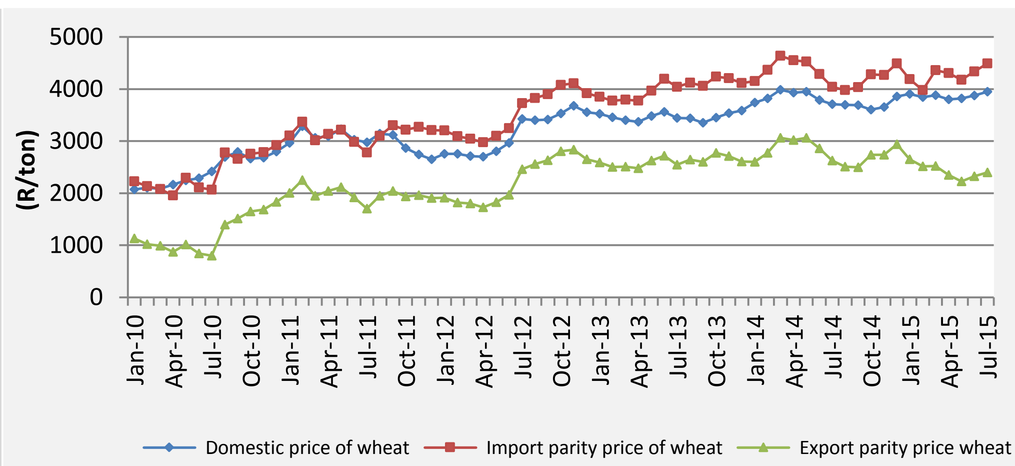

Figure D.2: Import parity, export parity and domestic prices of wheat
Source: SAGIS and SAFEX, 2015

Between July 2014 and July 2015:

Domestic wheat price increased by 6.56 %

Brown bread 700g price increased by 5.98 %

White bread 700g price increased by 6.35 %

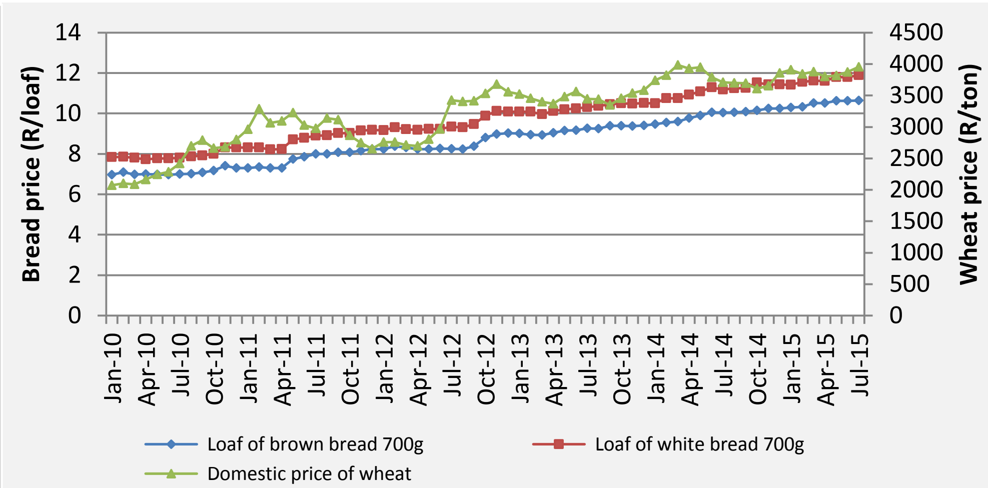

Figure D.3: Domestic wheat price and bread price trends
Source: StatsSA and SAFEX, 2015

D.2 Maize price trends

Between July 2014 and July 2015:

International price of yellow maize decreased by 2.04 %

Domestic price of yellow maize increased by 54.36 %

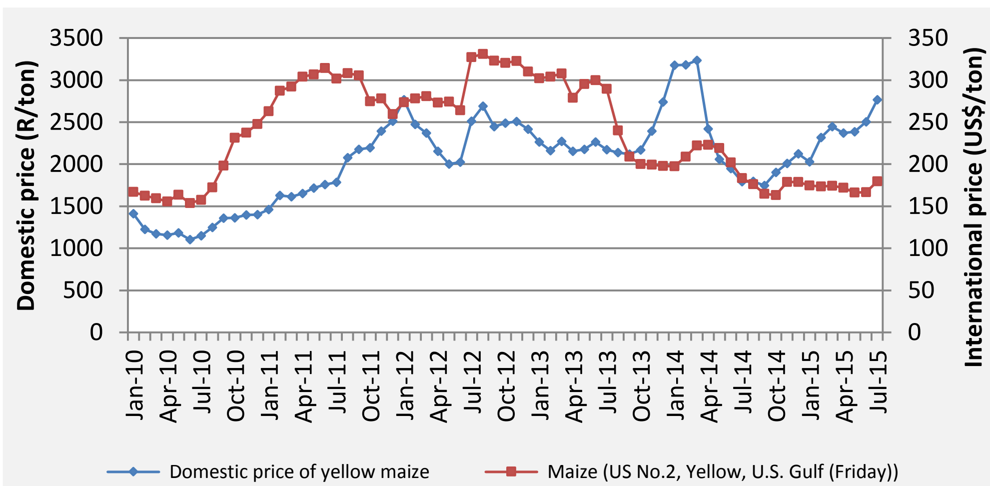

Figure D.4: Domestic market price vs global market price of maize
Source: FAO and SAFEX, 2015

Between July 2014 and July 2015:

Export parity price of maize increased by 10.69 %

Import parity price of maize increased by 13.26 %

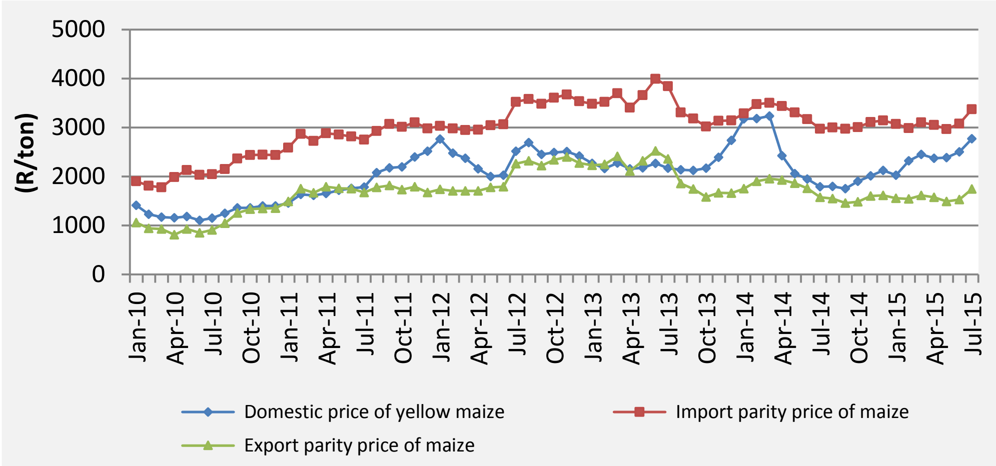

Figure D.5: Import parity, export parity and domestic prices of maize
Source: SAFEX and SAGIS, 2015

Between July 2014 and July 2015:

Super maize meal 2.5 kg price increased by 10.75 %

Special maize meal 2.5 kg decreased by 11.98 %

Domestic price of white maize increased by 85.68 %

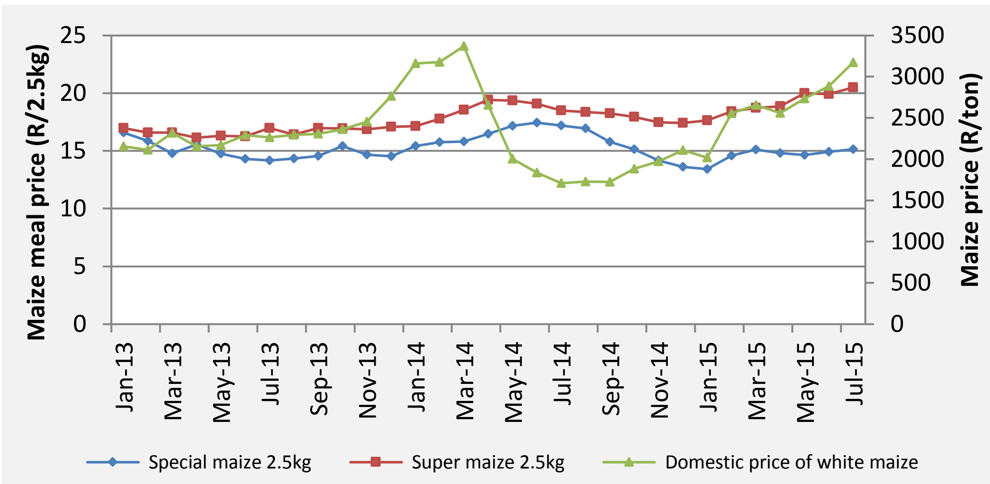

Figure D.6: Maize price and maize meal price trends
Source: SAFEX and StatsSA, 2015

D.3 Sunflower seeds price trends

Between July 2014 and July 2015:

International Sunflower seed price increased by 1.88 %

Domestic price of sunflower increased by 19.87 %

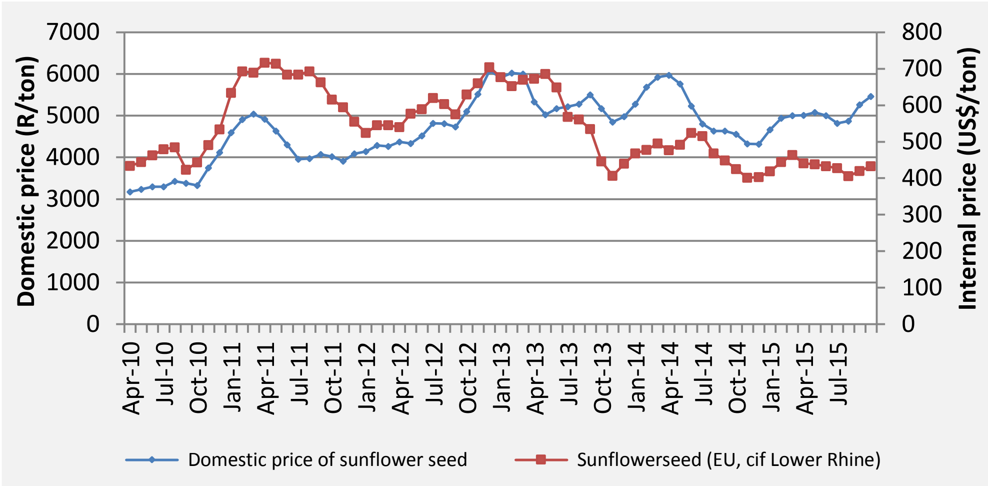

Figure D.7: Domestic market price of sunflower seeds vs global market price
Source: FAO and SAFEX, 2015

Between July 2014 and July 2015:

Domestic price of sunflower increased by 19.87 %

Sunflower oil 750 ml increased by 3.94 %

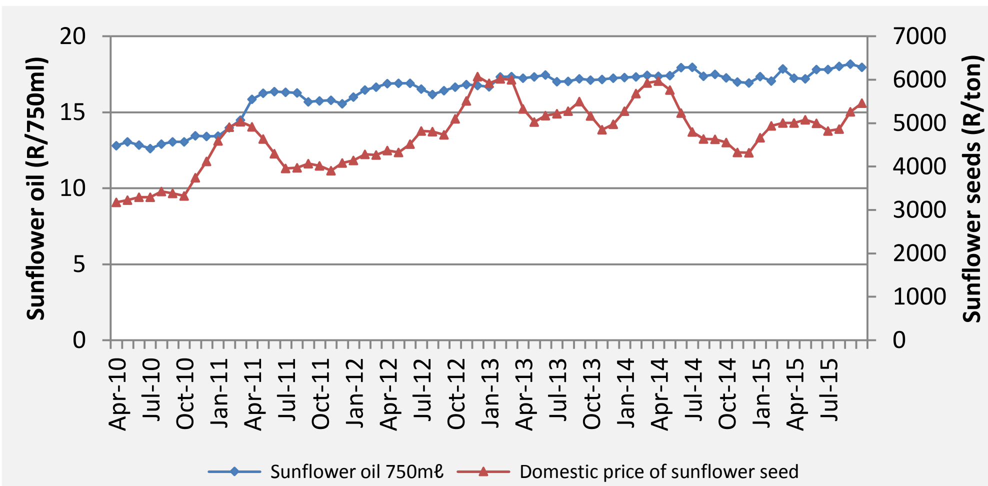

Figure D.8: Sunflower seeds price and sunflower oil price trends
Source: SAFEX and StatsSA, 2015

D.4 Dairy price trends

Between July 2014 and July 2015:

Skim milk powder decreased by 51.89 %

Whole milk powder decreased by 44.18 %

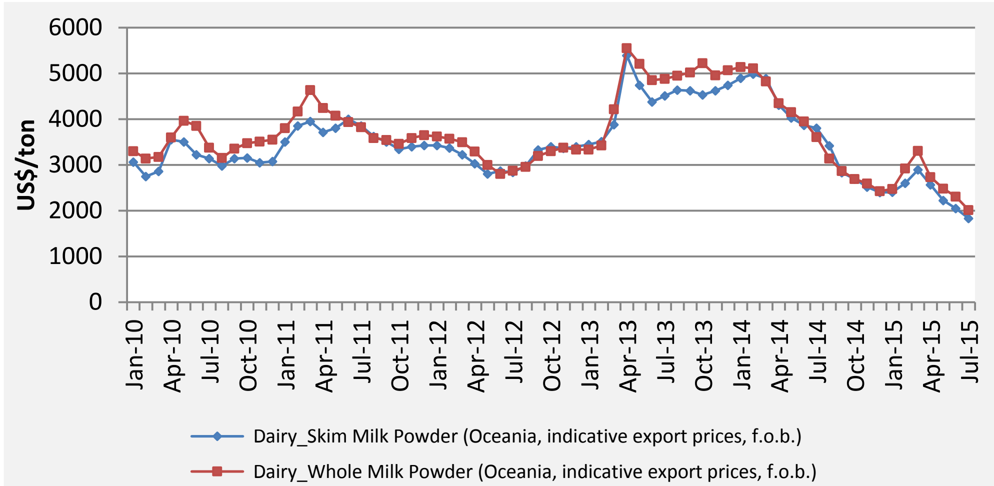

Figure D.9: Skim milk powder and whole milk powder price trends
Source: FAO, 2015

Between July 2014 and July 2015:

Milk producer price showed no growth, at R4.30

Full cream milk – fresh 1ℓ increased by 4.28 %

Full cream milk – long life 1ℓ increased by 5.47 %

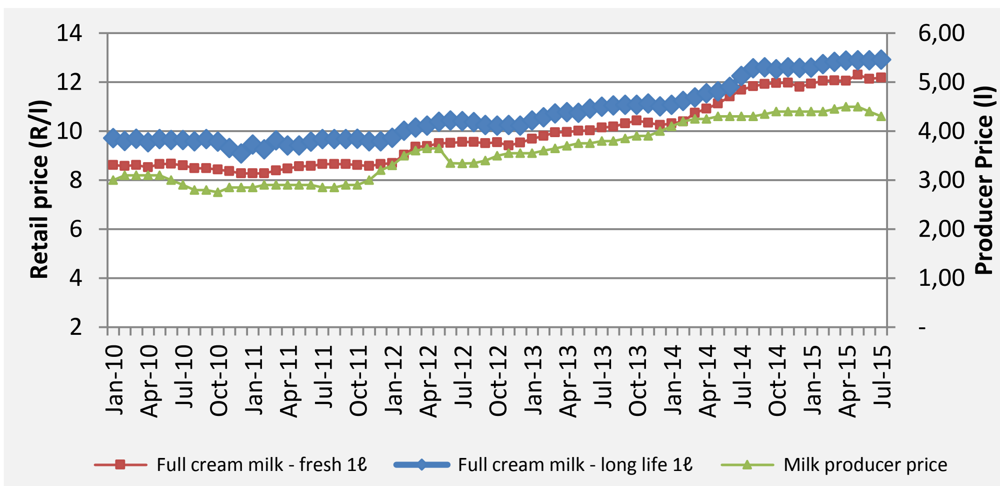

Figure D.10: Domestic producer price and retail prices of milk
Source MPO and StatsSA, 2015

D.5 Meat price trends

The price of beef at retail level showed an average increase of 3.53 % for the five different cuts between July 2014 and July 2015

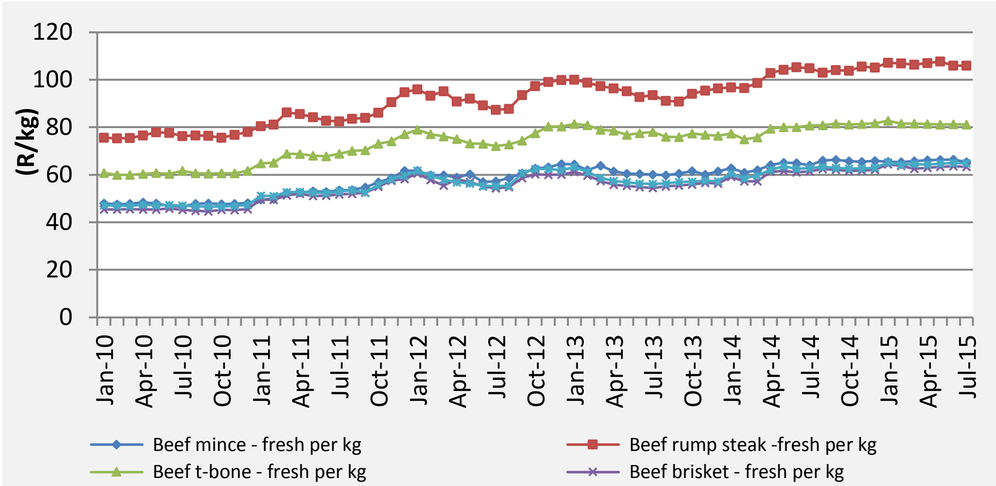

Figure D.11: Retail prices of beef cuts
Source: StatsSA, 2015

Between July 2014 and July 2015:

Fresh chicken portions retail price increased by 7.60 % per kg

Pork chops per kg increased by 10.80 %

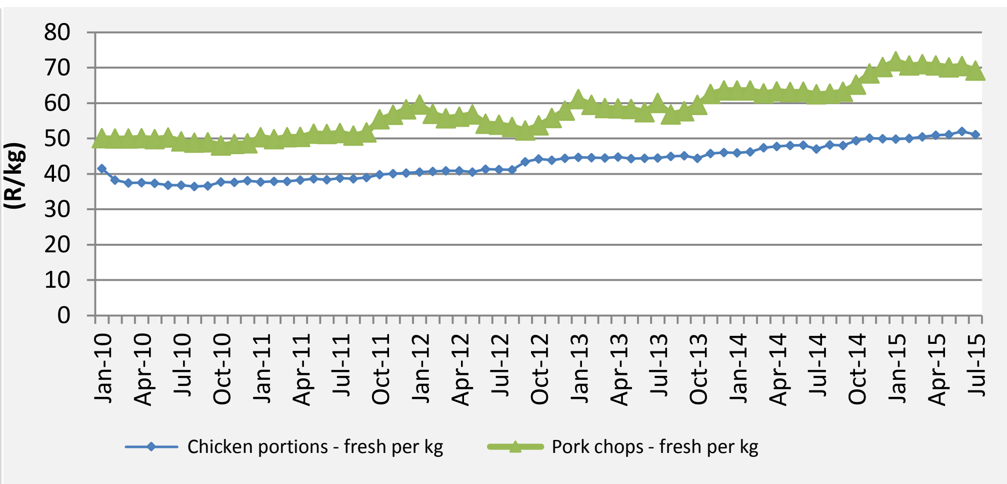

Figure D.12: Retail prices of pork chops and chicken portions – fresh per kg
Source: StatsSA, 2015

Between July 2014 and July 2015:

Producer price for fresh chicken per kg increased by 7.00 %

Producer price for frozen chicken per kg increased by 2.99 %

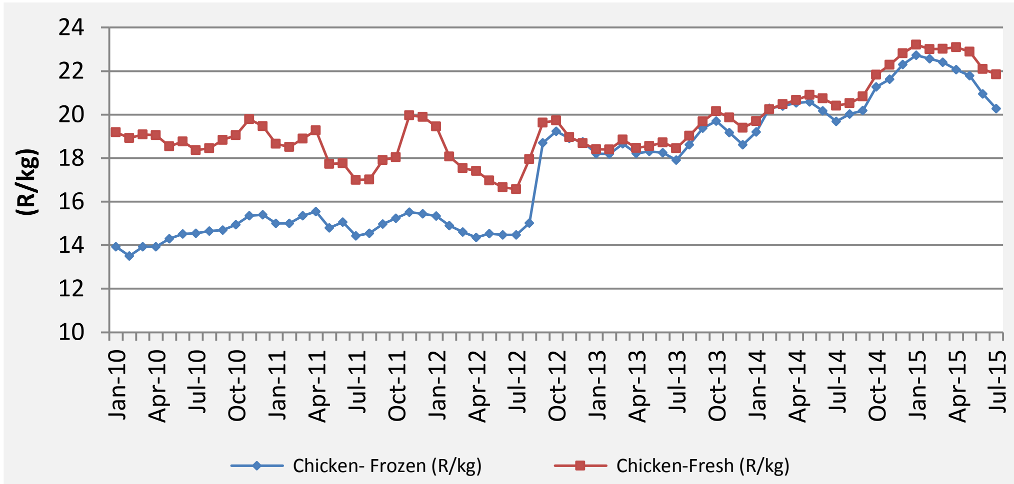

Figure D.13: Producer prices of chicken
Source: AMT, 2015

Between July 2014 and July 2015:

Porker price increased by 15.34 %

Baconer price increased by 14.36 %

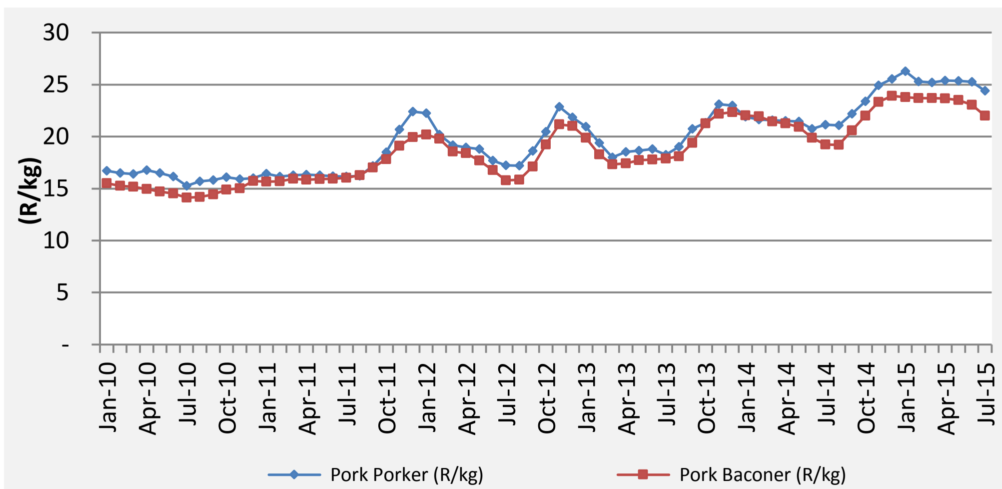

Figure D.14: Producer prices of pork
Source: AMT, 2015

Between July 2014 and July 2015:

Producer price of Beef class A2/A3 increased by 0.30 %, class B2/B3 increased by 1.54 % and class C2/C3 increased by 8.76 %

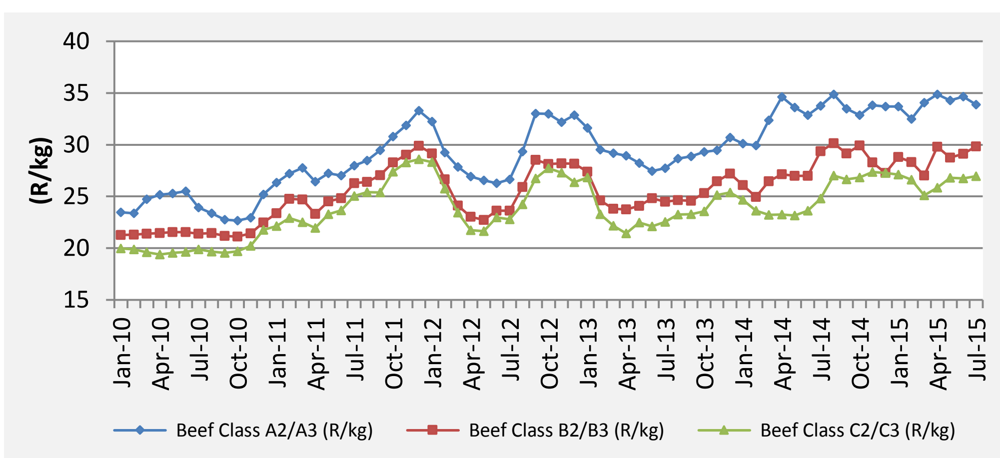

Figure D.15: Producer prices of beef
Source: AMT, 2015

Between July 2014 and July 2015:

Prices of lamb-class A2/A3 (R/kg) increased by 5.26 %, class B increased by 3.42 % and the price of class C2/C3 decreased by 3.69 %

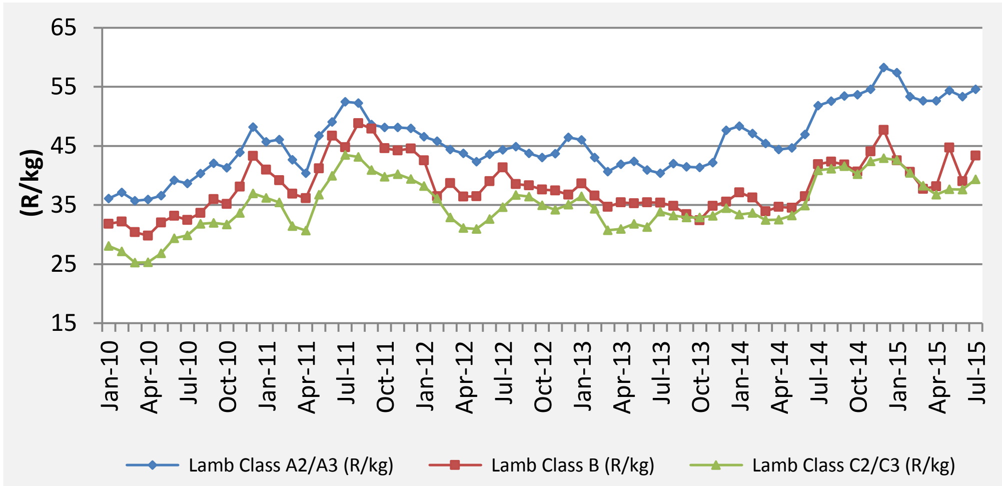

Figure D.16: Producer prices of lamb
Source: AMT, 2015

APPENDIX E: DATA COLLECTION

Compiled by:

Price trends and discussion on selected topics:
Rika Verwey
Christo Joubert

Outlook:
Ferdi Meyer
Marlene Labuschagne
Hester Vermeulen

Enquiries: Christo Joubert: +27 12 341-1115

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