

**MERC**

Markets & Economic Research  
Centre

# Food

## BASKET PRICE MONTHLY

*28 Selected food  
basket price items:*

NAMC urban food  
basket



**NAMC**

Promoting market access for South African agriculture

# Price Monthly

## Food Basket

August 2022 - July 2022 data

### Important note

The COVID-19 pandemic has had a significant influence on the South African economy, as well as Statistics South Africa's (Stats SA) ability to quantify it. As a result, the July 2022 CPI figures were compiled and released on Wednesday, August 24<sup>th</sup>, 2022 (see link below from the Stats SA website):

<https://www.statssa.gov.za/publications/P0141/P0141July2022.pdf>

The official July 2022 data will now be included in this report, as the official release of the August 2022 CPI data is set on September 21<sup>st</sup>, 2022. Because Stats SA is still not monitoring rural statistics, pricing comparisons between rural and urban areas are currently impossible.

## Highlights

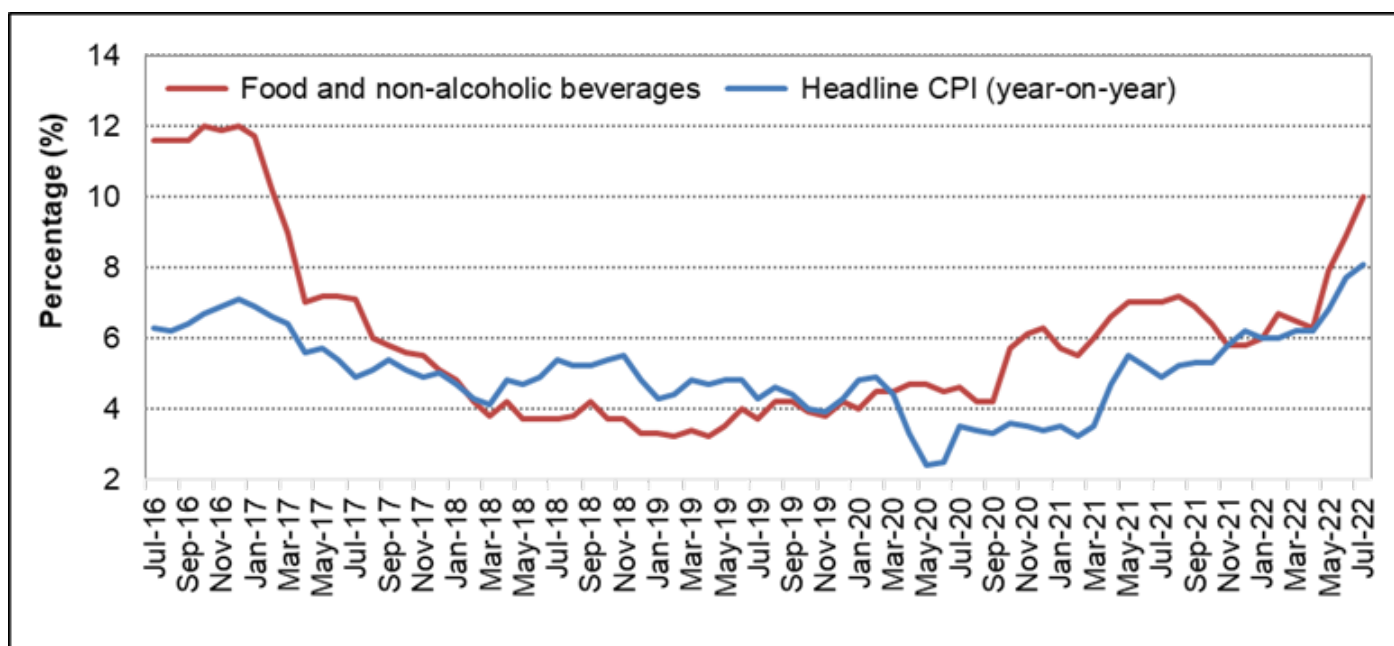
During July 2022, the nominal cost of the NAMC's 28-item urban food basket amounted to R1 088.30 compared to the R1 094.51 reported in June 2022. This represented a monthly decrease of 0.6% and a year-on-year increase of 8.2%.

July 2022 vs. July 2021	Inflation bracket:				
	12% or more	Between 6% and 12%	Between 3% and 6%	Between 3% and 1%	Inflation close to zero or deflation
Stats SA food groups:	Oils & Fats (36.2%) Bread & cereals (13.7%) Processed food (12.9%)	Fish (9.7%) Meat (9.4%) Other foods (9.0%) Vegetables (8.3%) Unprocessed food (7.5%) Sugar, sweets & desserts (7.5%)	Milk, eggs & cheese (5.5%)		Fruit (-1.4%)
Individual food items in NAMC food basket (listed in order of decreasing inflation rates):	Sunflower oil (58.6%) Onions (27.9%) Oranges (27.4%) Baked beans (24.4%) Tomatoes (23.2%) Instant coffee (21.1%) Ceylon/black tea (19.5%) Maize meal (18.9%) Brown bread (17.8%) Apples (16.0%) Cabbage (15.8%) White bread (14.6%)	Dried beans (11.1%) Fish tinned (10.4%) Brick margarine (8.2%) Beef offal (7.8%) Peanut butter (7.8%) Beef mince (7.5%) Full cream long life milk (6.5%) IQF chicken (6.4%) Chicken giblets (6.1%)	White sugar (4.5%)		Polony (0.6%) Eggs (0.6%) Bananas (-18.8%) Rice (-6.4%) Cheddar cheese (-5.3%) Potatoes (-2.9%)



## Overall inflation and food inflation

**Figure 1** shows the trends in the headline CPI as well as the inflation rates for food and non-alcoholic beverages from July 2016 to July 2022. On August 24, 2022, Statistics South Africa (Stats SA) officially announced the Consumer Price Index (CPI) for July 2022, showing that the annual headline CPI had increased by 7.8%, the highest percentage increase since 2009, while inflation for food and non-alcoholic beverages increased by 9.7%. Oils & fats, bread & cereals and processed food were the key factors in this increase. The major reason for the increases of food commodities can be attributed to high world commodity prices resulting from low stock levels and the Ukraine/Russia conflict. The Food and Agricultural Organization (FAO) of the United Nations said in July 2022 that oilseed and cereal prices had decreased significantly. However, the CPI data used only reflect the lag between the local and international markets. It is expected that the situation for oilseeds and bread & cereal may improve over the coming months.



**Figure 1:** Headline CPI and food and non-alcoholic beverages CPI

Source: Stats SA, 2022

## Monthly comparison for urban prices: July 2022 vs June 2022

The cost of various foods in urban areas in June 2022 and July 2022 is compared in **Table 1**. When comparing prices between July and June 2022, rice (R2.09), sunflower oil (R1.36), peanut butter (R0.93), samp (R0.53), and a loaf of white bread (R0.43) were the foodstuffs with the biggest price increases. Margarine, maize meal, sugar and tea prices decreased by R4.87, R1.30, R0.72 and R0.57, respectively in July. These price adjustments resulted in consumers in urban areas spending R0.17 less on these eleven food items on average in July 2022 when compared to June 2022.

**Table 1: Comparison between urban food prices (selected food items)**

Product	Urban Food Prices June 2022 (R/unit)	Urban Food Prices July 2022 (R/unit)	Price difference (R/unit)
Full cream milk – long life 1ℓ	16.74	16.99	0.25
A loaf of brown bread 700g	15.90	15.93	0.03
A loaf of white bread 700g	17.41	17.84	0.43
Samp 1kg	15.06	15.59	0.53
Maize meal 2.5kg	33.61	32.31	-1.30
Margarine spread 500g	36.60	31.73	-4.87
Peanut butter 400g	35.74	36.67	0.93
Rice 2kg	38.49	40.58	2.09
Sunflower oil 750mℓ	43.97	45.33	1.36
Ceylon/black tea 250g	35.19	34.62	-0.57
White sugar 2.5kg	48.88	48.16	-0.72
<b>Average difference (R/unit)</b>			<b>-0.17</b>

Source: Stats SA, 2022

## The NAMC food basket: July 2022 vs July 2021

This section presents the nominal cost of the NAMC's 28-item urban food basket based on average food price data for July 2022 vs. July 2021. The nominal cost of the NAMC's 28-item urban food basket was R1 088.30 in July 2022 compared to R1 094.51 in June 2022, indicating a monthly decrease of 0.6% and an annual increase of 8.2%, respectively.

**Table 2** highlights the 28-food items that make up the NAMC urban food basket (in nominal terms). There were 21 of the 28 food items with price increases more than the annual inflation target of 6% set by the South African Reserve Bank (SARB). The products were sunflower oil (58.6%), followed by, onions (27.9%), oranges (27.4%), baked beans (24.4%), tomatoes (23.2%), instant coffee (21.1%), tea (19.5%), maize meal (18.9%), brown bread (17.8%), apples (16.0%), cabbage (15.8%), white bread (14.6%), dried beans (11.1%), tinned fish (10.4%), brick margarine (8.2%), beef offal (7.8%), peanut butter (7.8%), beef mince (7.5%), full cream long life milk (6.5%), IQF chicken portions (6.4%) and chicken giblets (6.1%).

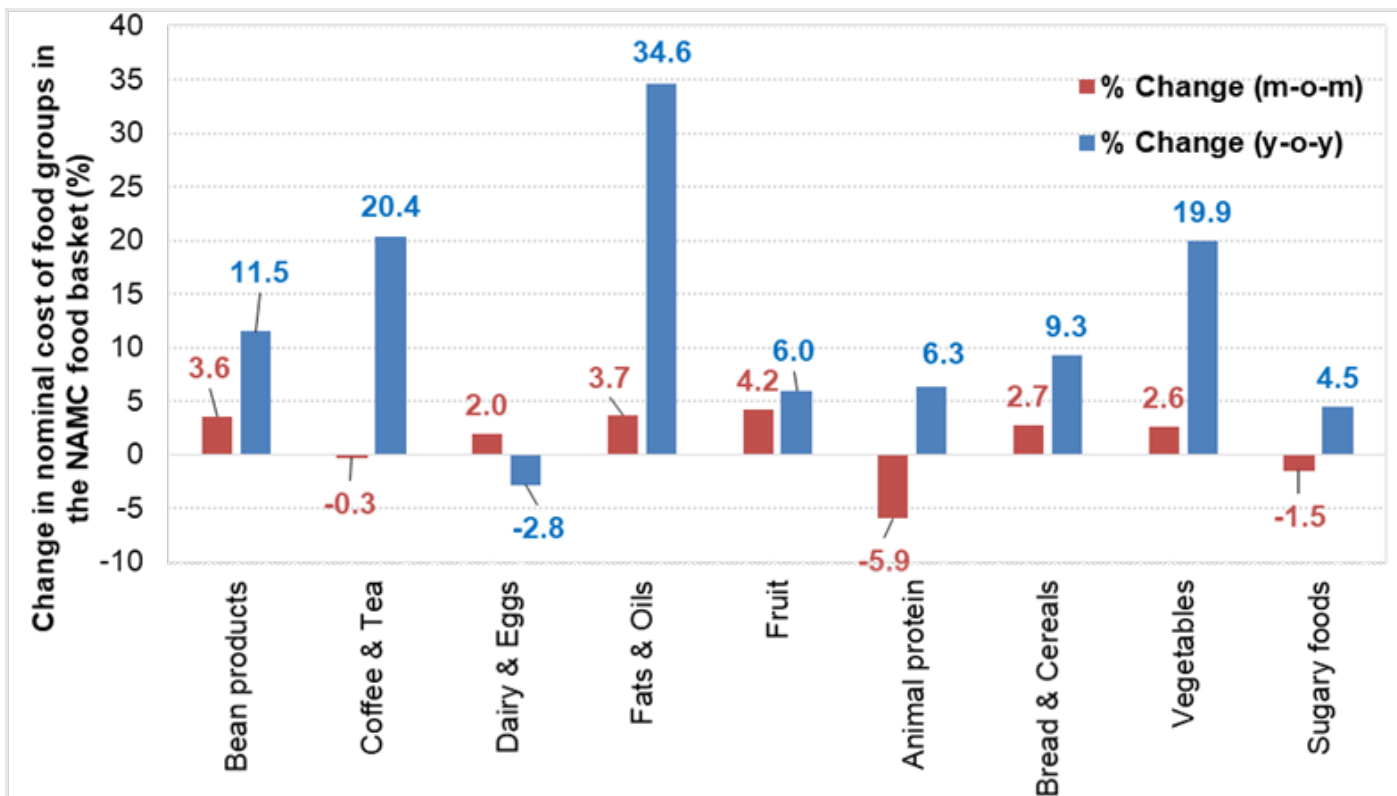


**Table 2: Percentage change in a basic NAMC food basket (28-item) prices**

Category	Product	July-21 R/unit	June-22 R/unit	July-22 R/unit	Change year-on-year (%)	Change month-on-month (%)
Beans	Baked beans - tinned 410g	10.92	12.87	13.58	24.4	5.5
	Beans - dried 500g	26.71	28.55	29.67	11.1	3.9
	Peanut butter 400g	34.03	35.74	36.67	7.8	2.6
Coffee & Tea	Ceylon/black tea 250g	28.96	35.19	34.62	19.5	-1.6
	Instant coffee 250g	37.51	45.08	45.42	21.1	0.8
Dairy & Eggs	Cheddar cheese per kg	133.03	125.94	125.94	-5.3	0.0
	Eggs 1.5 dozen	55.63	52.36	55.96	0.6	6.9
	Full cream milk - long life 1ℓ	15.95	16.74	16.99	6.5	1.5
Fats & Oils	Brick margarine 500g	26.03	26.88	28.17	8.2	4.8
	Sunflower oil 750ml	28.59	43.97	45.33	58.6	3.1
Fruit	Apples per kg	14.99	17.10	17.39	16.0	1.7
	Bananas per kg	19.04	16.71	15.46	-18.8	-7.5
	Oranges per kg	14.99	16.05	19.09	27.4	18.9
Protein	Beef mince per kg	95.31	101.90	102.50	7.5	0.6
	Beef offal per kg	43.90	68.88	47.32	7.8	-31.3
	Chicken giblets per kg	36.87	38.45	39.11	6.1	1.7
	Fish (excl tuna) - tinned 400g	21.75	23.97	24.02	10.4	0.2
	IQF chicken portions 2kg	83.28	87.69	88.63	6.4	1.1
	Polony 1kg	47.18	50.16	47.46	0.6	-5.4
Bread & Cereals	Loaf of brown bread 700g	13.52	15.90	15.93	17.8	0.2
	Loaf of white bread 700g	15.57	17.41	17.84	14.6	2.5
	Rice 2kg	43.34	38.49	40.58	-6.4	5.4
	Maize meal 5kg	49.99	58.42	59.43	18.9	1.7
Vegetables	Cabbage each	16.23	18.25	18.80	15.8	3.0
	Onions per kg	12.72	15.63	16.27	27.9	4.1
	Potatoes per kg	14.22	13.58	13.81	-2.9	1.7
		19.60	23.72	24.15	23.2	1.8
Sugary foods	White sugar 2.5kg	46.10	48.88	48.16	4.5	-1.5
<b>Total Rand Value</b>		<b>1 005.96</b>	<b>1 094.51</b>	<b>1 088.30</b>	<b>8.2</b>	<b>-0.6</b>

Source: Stats SA and BFAP, 2022

**Table 2** shows the average nominal cost increase of particular food groups within the NAMC's 28-item food basket by comparing the periods of July 2022 vs. July 2021 (year-on-year) and July 2022 vs. June 2022 (month-on-month). Fats & oils continue to be the main contributor to food inflation on an annual basis, rising by 34.6% from the 32.9% increase recorded for previous month, followed by coffee & tea (20.4%), vegetables (19.9%), bean products (11.5%), bread & cereals (9.3%) as well as animal protein (6.3%) when comparing July 2022 to June 2022.



**Figure 2:** Nominal cost growth of specific food groups within the NAMC’s 28-item food basket, comparing July 2022 vs. July 2021 and July 2022 vs. June 2022

Source: NAMC calculations, Stats SA data, 2022

Globally, the Food and Agricultural Organization (FAO) of the United Nations’ global food price index (FFPI) decreased by 8.6% from 150.9 points in June to 137.9 points in July 2022 (month-on-month). Despite the fourth straight monthly decline, this figure was still 13.1% higher than July 2021 (year-on-year). The July decline was the steepest monthly fall in the value of the index since October 2008, led by significant decreases in vegetable oil and cereal indices, while those of sugar, dairy and meat also decreased but to a lesser extent. The sharp decline of the vegetable oil price index was driven by decreasing world prices for palm, soy, rapeseed and sunflower oils. International palm oil prices declined for the fourth consecutive month in July, primarily due to prospects of ample export availabilities out of Indonesia, the world’s leading palm oil exporter. International prices of all the cereals represented in the index also declined. Leading the decline, world wheat prices decreased by 14.5% in July. Nevertheless, international wheat prices were still 24.8% above their values in July 2021 (FAO, 2022).

## Background Information

The NAMC monitors food prices at retail level and releases regular authoritative reports. The Department of Agriculture, Forestry and Fisheries (DAFF) established the Food Price Monitoring Committee (FPMC) at the NAMC to track and report food price trends in South Africa; to provide explanations of the observed trends and to then advise the Department on any possible action that could be taken should national and household food security be threatened. The FPMC was established after the high food price episode of 2000/01 season. The functions of the FPMC were continued by the NAMC after the FPMC completed its work in August 2004. The NAMC issues four quarterly Food Price Monitoring reports annually and, since 2005, also publishes an annual Food Cost Review report, which documents the margins between farm and retail prices of the major food products, amongst other topics. In 2015, the NAMC began releasing a quarterly Farm-to-Retail-Price-Spread (FTRPS) publication, which seeks to provide more insight into the factors driving commodity and food price margins. This publication, the Food Basket Price Monthly report, came because of discussions with industry to keep a more frequent watch on the movements of food prices.

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Compiled by:

Trends and discussion on selected topics:

Corné Dempers  
Dr Christo Joubert  
Dr Ndiadivha Tempia

Designed by:  
Sylvester Moatshe  
Majara Monamodi

Enquiries: Dr. Christo Joubert: +27 12341 1115 or +27 76 999 7766 or [christo@namc.co.za](mailto:christo@namc.co.za)

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