



# FOOD BASKET PRICE MONTHLY



## NAMC FOOD BASKET: 28 SELECTED FOOD ITEMS PRICES Issue 90 – May 2023

# Food Basket Price Monthly

## May 2023

### Important note

*Statistics South Africa (Stats SA) will update the Consumer Price Index (CPI) basket of goods and services and the respective weights in the January 2025 CPI release. This update will mainly be based on the results of the income and expenditure survey which began fieldwork in November 2022.*

*The April 2023 official data is used in this report, as the official release of the May 2023 CPI data is scheduled for June 21<sup>st</sup>, 2023 (see link below from the Stats SA website):*

<https://www.statssa.gov.za/publications/P0141/P0141April2023.pdf>

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## Highlights

During April 2023, the nominal cost of the NAMC's 28-item urban food basket amounted to R1 170.98 compared to the R1 169.49 reported in March 2023. This represents a monthly increase of 0.13% and a year-on-year increase of 11.8%.

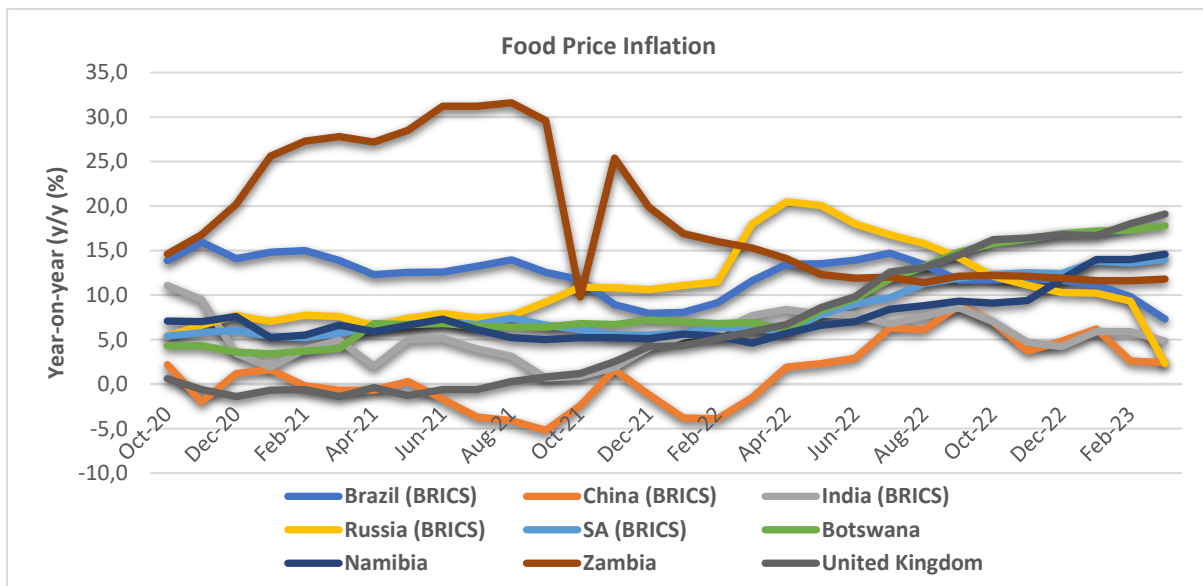
April 23 vs. April 22	Inflation bracket				
	12% or more	Between 6% and 11.99%	Between 3% and 5.99%	Between 2.99% and 1%	Inflation close to zero or deflation
<b>Stats SA food groups:</b>	Vegetables (23.1%) Bread & cereals (20.8%) Processed food (15.9%) Other food (15.7%) Milk, eggs & cheese (14.5%) Unprocessed food (12.7%)	Fish (11.9%) Sugar, sweets & desserts (10.7%) Oils & fats (9.9%) Meat (9.5%)	Fruit (3.6%)		
<b>Individual food items in NAMC food basket (listed in order of decreasing inflation rates):</b>	Onions (51.6%) Tomatoes (29.7%) Potatoes (29.4%) Maize meal (27.7%) Ceylon/black tea (25.6%) Apples (23.9%) Chicken giblets (22.6%) Cabbage (22.0%) Baked beans (19.1%) White bread (17.4%) Full cream long life milk (16.8%) Brick margarine (16.4%) Brown bread (15.8%) Cheddar cheese (14.3%) Tinned fish (13.5%)	Instant coffee (9.1%) Peanut butter (8.7%) IQF chicken portions (8.0%)	Beef mince (5.8%) Bananas (5.1%) White sugar (5.0%) Polony (5.0%) Eggs (4.9%) Sunflower oil (4.2%) Oranges (3.2%)	Oranges (3.2%) Dried beans (2.5%) Beef offal (1.4%)	Rice (-3.3%)



## 1. Overall inflation and food inflation

Globally, for the first time over a period of 12 consecutive months of decrease, commodity prices slightly increased in April 2023. The Food and Agricultural Organization's (FAO) global nominal food price index (FFPI) for April 2023 increased by 0.6% month-on-month (m/m), averaging 127.2 points. The key products driving the observed increase in April 2023 were sugar (17.6% m/m) and meat (1.3% m/m) prices. Vegetable oils, cereals, and dairy prices continued to decline in April 2023 due to the improving market conditions. Global sugar prices increased once more reaching levels last observed in 2011. Constrained supply for the 2022/23 sugar production season mainly from India, China, and Thailand was the underpinning factor for the significant rise in global sugar prices.

**Figure 1** presents year-on-year (y/y) changes in global food inflation for BRICS member countries (Brazil, Russia, India, China, and South Africa), the United Kingdom (UK), Zambia, Botswana, and Namibia as key trading partners with South Africa. Whereas food inflation remains high across the world, it has decreased in some countries while others remained stable or even increased slightly. In April 2023, of these countries, Russia recorded food inflation of -0.01% followed by China (0.4%), India (3.8%), Brazil (5.9%), Zambia (11.6%), Namibia (13.5%), South Africa (13.9%), Botswana (16.6%) and the United Kingdom (19.0%).



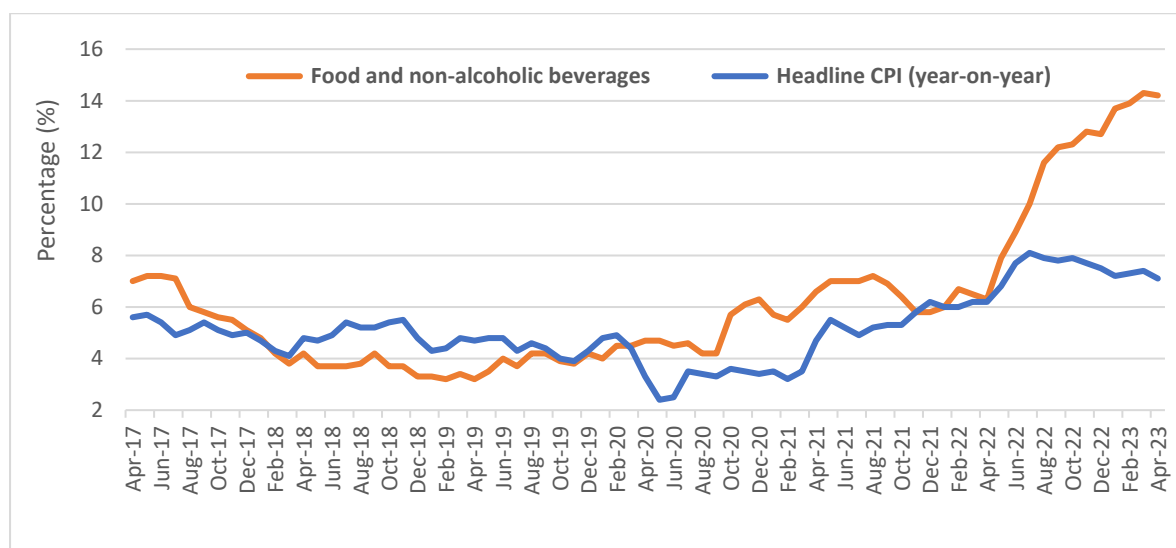
**Figure 1: Global food inflation**

Source: Trading Economics, 2023; Stats SA, 2023 & NAMC calculations

**Figure 2** illustrates changes in the Consumer Price Index (CPI) for South Africa between April 2017 and April 2023, as well as the inflation rate for food and non-alcoholic drinks. On 24 May 2023, Statistics South Africa (Stats SA) officially announced the CPI for April 2023. The annual headline CPI was 6.8% in April 2023, slightly lower than 7.1% recorded in March 2023. The inflation rate for food and non-alcoholic beverages increased by 13.9%, slightly less than 14.0% recorded in March 2023. With an increase of 23.1% in April 2023, vegetables contributed the most to the observed increase in food inflation, followed by bread & cereals (20.8%), processed food (15.9%), other food (15.7%), milk, eggs & cheese (14.5%), unprocessed foods (12.7%), fish (11.9%) and sugar, sweets & desserts (10.7%).

South Africa's food inflation and food security are anticipated to continue to be threatened by the electricity issues. Local cereal prices have decreased from their high levels, and in the upcoming months, it is probable that a decrease in retail prices will be observed by consumers. In April 2023, a ton of maize and sunflower seeds price averaged R3 765 and R8 663, respectively, compared to R4 088 and R9 765, respectively, in March 2023. Due to supply concerns, vegetable prices were once

again one of the main factors in food inflation in April 2023. However, because several horticulture goods are in season, supply is bound to improve and prices decrease as a result thereof.



**Figure 2: South Africa's headline CPI and Food & non-alcoholic beverages' CPI**

Source: Stats SA, 2023; NAMC calculations

## 2. Monthly comparison of prices between urban and rural areas for April 2023

**Table 1** shows a comparison of the cost of selected food items in urban against rural areas for April 2023. Recent data released by Statistics South Africa shows that there are price differences for some products purchased from rural vs urban areas. Maize meal was the food items with the largest price difference of R1.49 between urban and rural areas, followed by a loaf of white bread (R1.11), a loaf of brown bread (R0.95), Ceylon/black tea (R0.41), peanut butter (R0.20) and rice (R0.13). Rural consumers spent more on sugar, margarine, sunflower oil, full-cream long-life milk, and bananas than their urban counterparts. On average, the price difference paid between urban and rural consumers for these 11 food items was 17 cents.

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

Product	Urban Food Prices April 2023 (R/unit)	Rural Food Prices April 2023 (R/unit)	The price difference (R/unit)
Full cream milk – long life 1ℓ	18.71	19.04	-0.33
A loaf of brown bread 700g	17.29	16.34	0.95
A loaf of white bread 700g	19.07	17.96	1.11
Banana per kg	19.12	19.19	-0.07
Maize meal 2.5 kg	37.98	36.49	1.49
Margarine spread 500g	39.01	38.83	-1.82
Peanut butter 400g	39.16	38.96	0.20
Rice 2kg	36.00	35.87	0.13
Sunflower oil 750ml	36.34	37.50	-1.16
Ceylon/black tea 250g	41.80	41.39	0.41
White sugar 2.5kg	50.90	53.72	-2.82
			<b>-0.17</b>

Source: Stats SA. 2023; NAMC calculations

### 3. The NAMC food basket: April 2023 vs April 2022

The nominal cost of the NAMC's 28-item urban food basket is described in this section using comparisons of the average food price data for April 2023 and April 2022. The nominal price of the NAMC's 28-item urban food basket increased by 11.8% in April 2023 compared to April 2022 year-on-year (y/y), costing R1 170.98 versus R1 169.49, or 0.13% more monthly.

**Table 2** highlights the 28-food items that make up the NAMC urban food basket (in nominal terms). In April 2023, 18 of the 28 food items had price increases that exceeded the South African Reserve Bank's (SARB) 6% inflation target. These products include onions (51.6%), tomatoes (29.7%), potatoes (29.4%), maize meal (27.7%), Ceylon/black tea (25.6%), apples (23.9%), chicken giblets (22.6%), cabbage (22.0%), baked beans (19.1%), white bread (17.4%), full cream long life milk (16.8%), brick margarine (16.4%), brown bread (15.8%), cheddar cheese (14.3%), tinned fish (13.5%), instant coffee (9.1%), peanut butter (8.7%) and individually quick-frozen (IQF) chicken portions (8.0%).

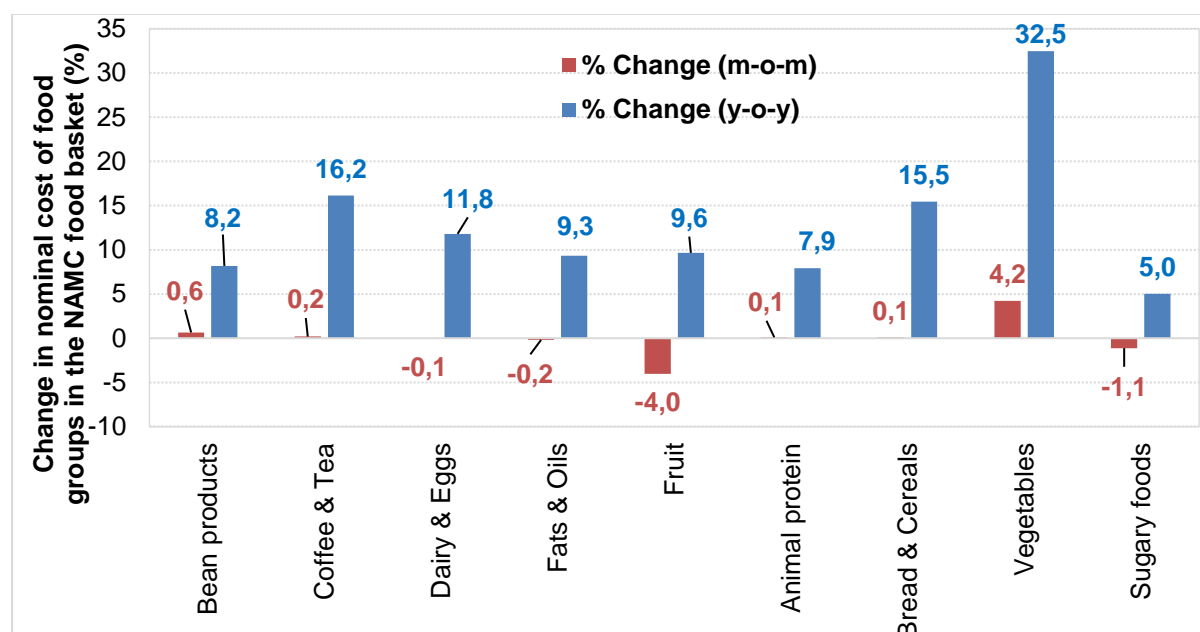
**Table 2: Percentage change in the price of a basic NAMC food basket (28-item)**

Category	Product	Apr-22 R/unit	Mar-23 R/unit	Apr-23 R/unit	Change year-on- year (%)	Change month- on-month (%)
Beans	Baked beans - tinned 410g	12.64	14.88	15.06	19.1	1.2
	Beans - dried 500g	27.50	28.24	28.18	2.5	-0.2
	Peanut butter 400g	36.03	38.75	39.16	8.7	1.1
Coffee & Tea	Ceylon/black tea 250g	33.28	41.63	41.80	25.6	0.4
	Instant coffee 250g	44.85	48.95	48.95	9.1	0.0
Dairy & Eggs	Cheddar cheese per kg	118.24	137.36	135.11	14.3	-1.6
	Eggs 1.5 dozen	53.77	54.58	56.41	4.9	3.4
	Full cream milk - long life 1ℓ	16.02	18.48	18.71	16.8	1.2
Fats & Oils	Brick margarine 500g	25.45	29.28	29.63	16.4	1.2
	Sunflower oil 750ml	34.89	36.82	36.34	4.2	-1.3
Fruit	Apples per kg	16.12	20.35	19.98	23.9	-1.8
	Bananas per kg	18.20	18.78	19.12	5.1	1.8
	Oranges per kg	22.78	26.12	23.51	3.2	-10.0
Animal Protein	Beef mince per kg	102.09	108.48	108.04	5.8	-0.4
	Beef offal per kg	48.64	49.10	49.31	1.4	0.4
	Chicken giblets per kg	37.30	45.68	45.73	22.6	0.1
	Fish (excl tuna) - tinned 400g	23.21	26.26	26.34	13.5	0.3
	IQF chicken portions 2kg	85.68	92.94	92.50	8.0	-0.5
	Polony 1kg	48.72	50.22	51.15	5.0	1.9
Bread & Cereals	Loaf of brown bread 700g	14.93	17.16	17.29	15.8	0.8
	Loaf of white bread 700g	16.24	18.97	19.07	17.4	0.5
	Rice 2kg	37.23	36.34	36.00	-3.3	-0.9
	Maize meal 5kg	54.17	68.90	69.15	27.7	0.4
Vegetables	Cabbage each	17.78	20.71	21.69	22.0	4.7
	Onions per kg	15.30	22.02	23.20	51.6	5.4
	Potatoes per kg	13.72	17.22	17.76	29.4	3.1
	Tomatoes per kg	23.81	29.79	30.89	29.7	3.7
Sugary foods	White sugar 2.5kg	48.46	51.48	50.90	5.0	-1.1
<b>Total Rand Value</b>		<b>1 047.05</b>	<b>1 169.49</b>	<b>1 170.98</b>	<b>11.8</b>	<b>0.13</b>

Source: Stats SA & BFAP. 2023; NAMC calculations

**Figure 3** shows the average nominal cost increase of food groups within the NAMC's 28-item food basket by comparing the periods of April 2023 against April 2022 (year-on-year) and April 2023 against March 2023 (month-on-month). When comparing April 2023 prices to April 2022 (y/y), vegetables contributed the most to the observed food inflation, rising by 32.5%, followed by coffee & tea (16.2%), bread & cereals (15.5%), dairy & eggs (11.8%), fruit (9.6%) and fats & oils (9.3%). On a monthly basis,

vegetable prices increased by 4.2%, largely driven by onions, tomatoes, and potatoes. Apples were the key driver to this rise in fruit prices in April 2023 due to lower supply from the Western Cape Province.



**Figure 3: Nominal change in the cost of specific food groups within the NAMC's 28-item food basket. comparing April 2023 vs. April 2022 and April 2023 vs. March 2023**

Source: Stats SA data. 2023; NAMC calculations

### **Background Information:**

The NAMC monitors food prices at retail level and releases regular authoritative reports. The Department of Agriculture, Land Reform and Rural Development (DALRRD), then known as 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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