



# FOOD BASKET PRICE MONTHLY



## NAMC FOOD BASKET: 28 SELECTED FOOD ITEMS PRICES Issue 96 – November 2023

# Food Basket Price Monthly

## November 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 October 2023 official data is used in this report, as the official release of the November 2023 CPI data is scheduled for December 13<sup>th</sup>, 2023 (see link below from the Stats SA website):*

<https://www.statssa.gov.za/publications/P0141/P0141October2023.pdf>

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## Highlights

During October 2023, the nominal cost of the NAMC's 28-item urban food basket amounted to R1 221.52 compared to the R1 197.68 reported in September 2023. This represents a monthly increase of 2.0% and a year-on-year increase of 10.1%.

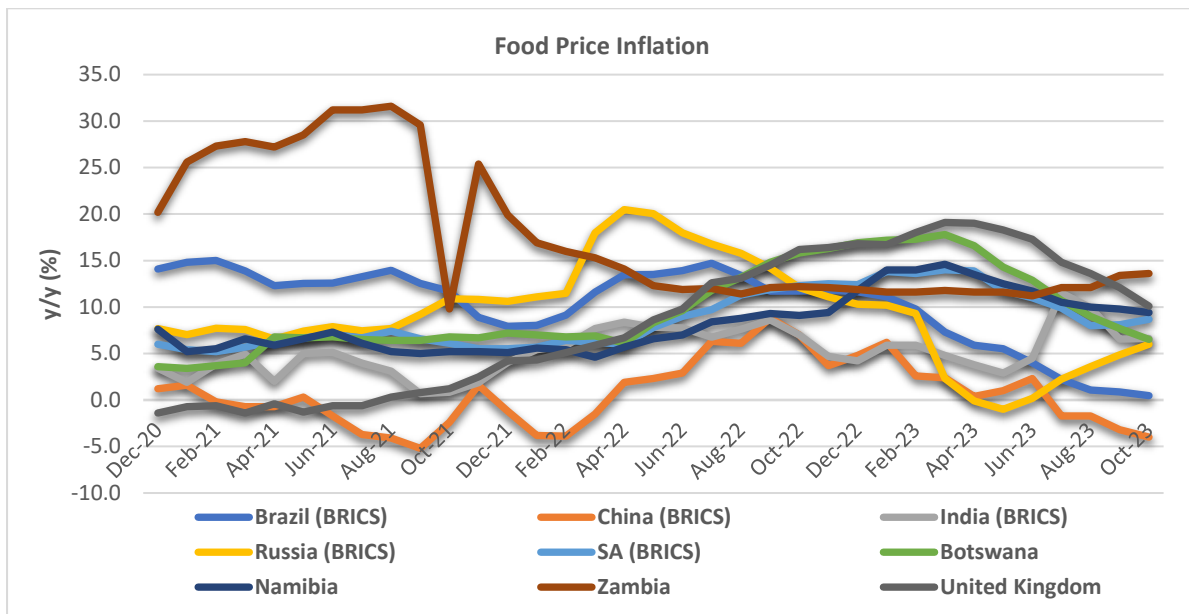
October 23 vs. October 22	Inflation bracket				
	12% or more	Between 6% and 11.99%	Between 3% and 5.99%	Between 2.99% and 1%	Inflation close to zero or deflation
<b>Stats SA food groups:</b>	Vegetables (23.6%) Sugar, sweets & desserts (17.6%) Milk, eggs & cheese (12.4%)	Other food (11.3%) Unprocessed food (9.7%) Bread & cereals (8.8%) Fruit (8.5%) Processed food (7.9%) Fish (7.7%)	Meat (3.4%)		Oils & fats (-5.6%)
<b>Individual food items in NAMC food basket (listed in order of decreasing inflation rates):</b>	Potatoes (63.9%) Bananas (42.1%) Ceylon/black tea (29.2%) White sugar (23.9%) Rice (22.5%) Polony (19.9%) Onions (19.6%) Instant coffee (16.2%) Cheddar cheese (15.1%) Full cream long life milk (12.6%) Apples (13.9%) Baked beans (12.5%)	Peanut butter (11.1%) Chicken giblets (9.7%) Oranges (9.1%) Tinned fish (8.3%) Cabbage (7.2%) Maize meal (7.0%) Individually Quick Frozen (IQF) chicken portions (6.3%)	Tomatoes (5.5%) Dried beans (5.4%)	Loaf of brown bread (1.9%)	Brick margarine (0.5%) Loaf of white bread (-0.5%) Beef offal (-0.8%) Eggs (-1.7%) Beef mince (-2.6%) Sunflower oil (-10.1%)



## 1. Overall inflation and food inflation

The Food and Agriculture Organization (FAO) has reported a 0.7% decrease in the global nominal food price index for October 2023, indicating a decreasing trend compared to September 2023. This decrease in global prices for October 2023 can be attributed to notable decreases in specific indices. For instance, the sugar price index recorded a substantial decrease of 2.2% while the oil price index exhibited a noticeable decline of about 0.7% during the measured period. The cereal price index decreased by 1.0% in October 2023 compared to September 2023, while the meat price index decreased by 0.7% during the same period. However, the dairy price index saw an increase of 2.2%.

**Figure 1** depicts the fluctuations in global food inflation across several countries, including BRICS member nations (Brazil, Russia, India, China and South Africa), as well as the United Kingdom (UK), Zambia, Botswana and Namibia, all of which maintain significant trade connections with South Africa. When comparing data from September to October 2023, certain countries experienced changes in their inflation rates. In October 2023, Zambia saw an increase from 13.4% to 13.6%, South Africa experienced a shift from 8.1% to 8.7% and Russia's inflation rate rose from 4.9% to 6.0%. Conversely, the United Kingdom reported a decrease from 12.1% to 10.1%, Namibia decreased from 9.8% to 9.4%, Botswana declined from 7.7% to 6.5%, Brazil recorded a decrease from 0.9% to 0.5% and India maintained a stable rate of 6.6%. China, on the other hand, indicated a deflation rate of 4.0%.

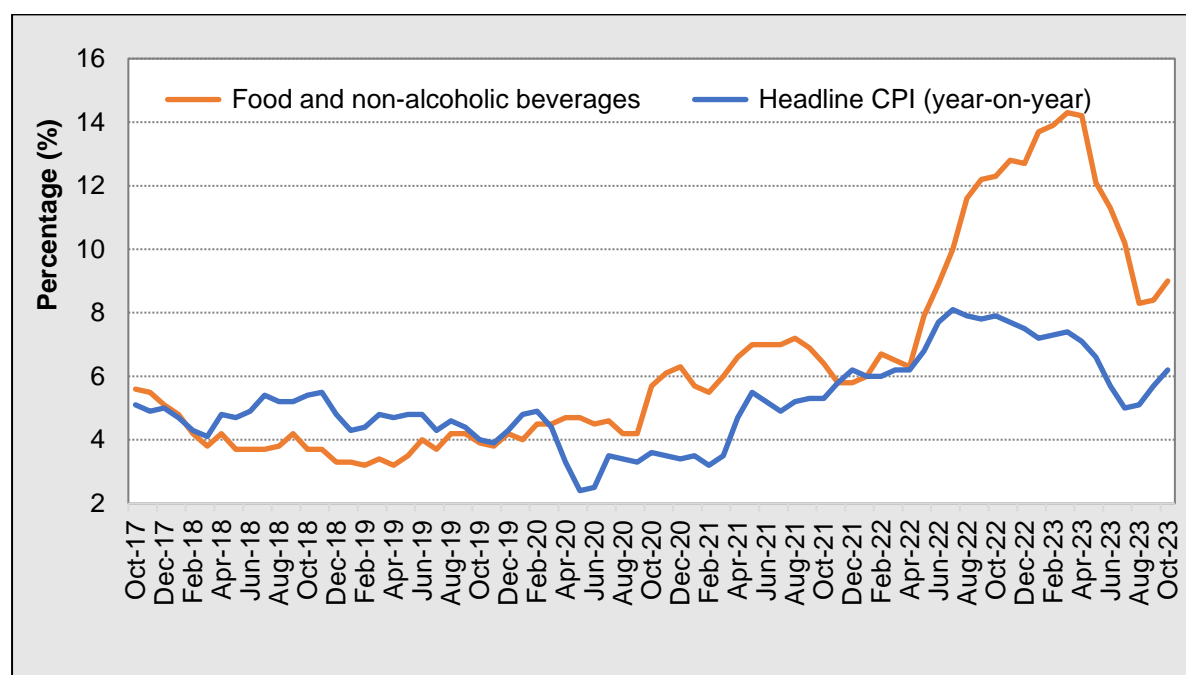


**Figure 1: Global food inflation**

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

**Figure 2** presents the trend in the Consumer Price Index (CPI) for South Africa from October 2017 to October 2023, along with the inflation rate for food and non-alcoholic beverages (NAB). On 22 November 2023, the official release by Statistics South Africa (Stats SA) confirmed the CPI for October 2023. For October 2023, the annual headline CPI registered at 5.9%, slightly surpassing the 5.4% recorded in September 2023. Correspondingly, the inflation rate for food and non-alcoholic beverages increased to 8.7%, marking a minor increase from the 8.1% seen in September 2023. Notably, the increases in both the headline CPI and NAB inflation were influenced by significant rises in various food categories. For instance, vegetables experienced a substantial 23.6% surge in October 2023, followed by sugar, sweets & desserts at 17.6%, milk, eggs & cheese at 12.4%, other foods at 11.3%, unprocessed foods at 9.7%, bread & cereals at 8.8%, fruits at 8.5%, processed foods at 7.9%, fish at 7.7%, and meat at 3.4%.

South Africa's food inflation is anticipated to persist in its upward trajectory in the coming months, driven by concerns about El Niño conditions affecting sugar cane production, particularly in the Northern Hemisphere, along with heightened oil prices. Concurrently, the South African poultry industry faces substantial risks due to the ongoing Avian Influenza outbreak, leading to bird culling and reduced supplies of poultry meat and eggs. As of October 2023, the price for one metric ton of white maize averaged R4 055.59, representing a modest 3.8% increase from September 2023. Similarly, yellow maize averaged R3 880.41 per ton, reflecting a 1.3% increase from the previous month. Sunflower prices averaged R8 834.45, indicating a 1.4% decrease from the preceding month's price. Notably, South Africa's inflation rate has consistently remained within the central bank's target range of 3% to 6% since June 2023. This stability prompted the South African Reserve Bank (SARB) to halt recent interest rate hikes after the latest monetary policy meeting.



**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 October 2023

**Table 1** presents a comparative analysis of expenses associated with selected food items in both urban and rural areas during October 2023. Recent data released by Statistics South Africa reveals variations in prices for certain products when purchased in urban versus rural regions. Urban consumers allocated more of their budget towards Ceylon/black tea, which exhibited the most substantial price difference of R4.78, followed by rice (R1.72), bananas (R1.54), peanut butter (R0.93), a loaf of white bread (R0.69), maize meal (R0.54), a loaf of brown bread (R0.46), white sugar (R0.22), and sunflower oil (R0.02), in comparison to their rural counterparts. On average, urban consumers paid 0.73 cents more for these 11 food items. This information highlights noteworthy variations in food item costs across different geographical areas.

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

Product	Urban Food Prices October 2023 (R/unit)	Rural Food Prices October 2023 (R/unit)	The price difference (R/unit)
Full cream milk – long life 1ℓ	19.54	20.15	-0.61
A loaf of brown bread 700g	17.06	16.60	0.46
A loaf of white bread 700g	18.44	17.75	0.69
Banana per kg	21.20	19.66	1.54
Maize meal 2.5 kg	36.86	36.32	0.54
Margarine spread 500g	38.04	40.27	-2.23
Peanut butter 400g	42.61	41.68	0.93
Rice 2kg	43.70	41.98	1.72
Sunflower oil 750mℓ	36.01	35.99	0.02
Ceylon/black tea 250g	51.61	46.83	4.78
White sugar 2.5kg	62.02	61.80	0.22
			0.73

Source: Stats SA. 2023; NAMC calculations

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

In this section, the NAMC's 28-item urban food basket's cost is explained through a comparison of average food prices in October 2023 and October 2022. The cost of the NAMC's 28-item urban food basket increased by 10.1% in October 2023 compared to the same period last year, reaching R1 221.52 compared to R1 197.68, with a monthly (September 2023 – October 2023) increase of 2.0%.

**Table 2** presents the 28 food items composing the NAMC urban food basket in terms of their nominal prices. Between October 2023 and October 2022, among these 28 items, 19 witnessed price increases that exceeded the inflation target set by the South African Reserve Bank (SARB) of 6%. Notable products in this category include potatoes, which experienced a substantial price surge of 63.8%, followed by bananas (42.1%), Ceylon/black tea (29.2%), white sugar (23.9%), rice (22.5%), polony (19.9%), onions (19.6%), instant coffee (16.2%), cheddar cheese (15.1%), apples (13.9%), full cream milk (12.6%), baked beans (12.5%), peanut butter (11.1%), chicken giblets (9.7%), oranges (9.1%), fish (8.3%), cabbage (7.2%), maize meal (7.0%), and IQF chicken portions (6.3%).

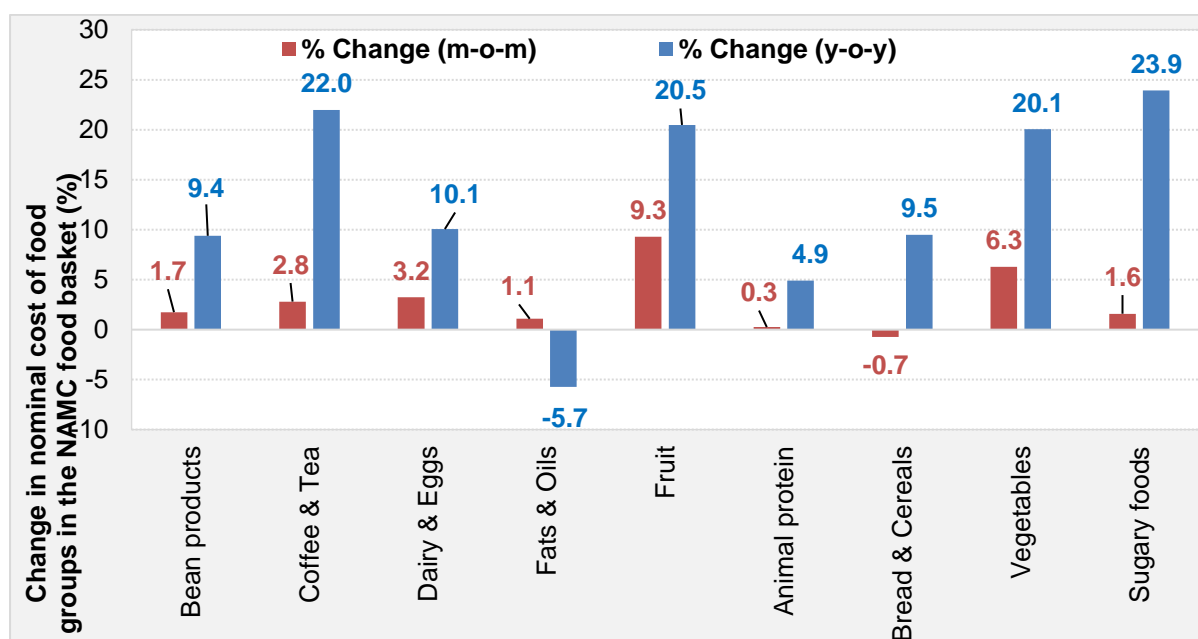
**Table 2: Percentage change in the price of a basic NAMC food basket (28-item)**

Category	Product	Oct-22 R/unit	Sep-23 R/unit	Oct-23 R/unit	Change year-on- year (%)	Change month- on-month (%)
Beans	Baked beans - tinned 410g	13.83	15.39	15.56	12.5%	1.1%
	Beans - dried 500g	27.61	29.28	29.11	5.4%	-0.6%
	Peanut butter 400g	38.35	41.11	42.61	11.1%	3.6%
Coffee & Tea	Ceylon/black tea 250g	39.95	49.98	51.61	29.2%	3.3%
	Instant coffee 250g	49.62	56.30	57.65	16.2%	2.4%
Dairy & Eggs	Cheddar cheese per kg	128.72	146.57	148.15	15.1%	1.1%
	Eggs 1.5 dozen	58.48	51.91	57.46	-1.7%	10.7%
	Full cream milk - long life 1ℓ	17.36	19.59	19.54	12.6%	-0.3%
Fats & Oils	Brick margarine 500g	28.17	27.65	28.31	0.5%	2.4%
	Sunflower oil 750mℓ	40.06	35.98	36.01	-10.1%	0.1%
Fruit	Apples per kg	18.64	20.08	21.23	13.9%	5.7%
	Bananas per kg	14.92	19.10	21.20	42.1%	11.0%
	Oranges per kg	17.56	17.17	19.16	9.1%	11.6%
Animal Protein	Beef mince per kg	106.59	103.07	103.78	-2.6%	0.7%
	Beef offal per kg	50.55	48.91	50.13	-0.8%	2.5%

Category	Product	Oct-22 R/unit	Sep-23 R/unit	Oct-23 R/unit	Change year-on- year (%)	Change month- on-month (%)
	Chicken giblets per kg	42.63	46.96	46.75	9.7%	-0.4%
	Fish (excl tuna) - tinned 400g	24.34	26.23	26.37	8.3%	0.5%
	IQF chicken portions 2kg	85.76	92.16	91.19	6.3%	-1.1%
	Polony 1kg	45.43	54.43	54.48	19.9%	0.1%
Bread & Cereals	Loaf of brown bread 700g	16.75	16.96	17.06	1.9%	0.6%
	Loaf of white bread 700g	18.54	18.39	18.44	-0.5%	0.3%
	Rice 2kg	35.66	42.49	43.70	22.5%	2.8%
	Maize meal 5kg	62.22	69.03	66.59	7.0%	-3.5%
Vegetables	Cabbage each	18.17	20.08	19.48	7.2%	-3.0%
	Onions per kg	20.59	26.69	24.62	19.6%	-7.8%
	Potatoes per kg	13.93	18.90	22.82	63.8%	20.7%
	Tomatoes per kg	25.11	22.22	26.49	5.5%	19.2%
Sugary foods	White sugar 2.5kg	50.04	61.05	62.02	23.9%	1.6%
<b>Total Rand Value</b>		1 109.58	1 197.68	1 221.52	10.1%	2.0%

Source: Stats SA & BFAP. 2023; NAMC calculations

**Figure 3** provides an overview of the average nominal cost changes in different food groups within the NAMC's 28-item food basket, offering a comparative analysis of October 2023 with October 2022 (year-on-year) and October 2023 with September 2023 (month-on-month). When examining year-on-year price differences, the food group that contributed most significantly to observed food inflation was sugar, sweets & desserts, experiencing a substantial increase of 23.9%. Following this, coffee & tea saw a rise of 22.0%, fruits increased by 20.5%, vegetables by 20.1%, dairy & eggs by 10.1%, breads & cereals by 9.5%, bean products by 9.4%, and animal protein increased by 4.9%. Meanwhile, during the same period, fats & oils saw a decrease of about 5.7%. On a month-on-month basis, fruits showed the most significant escalation at 9.3%, followed by vegetables at 6.3%, dairy & eggs at 3.2%, coffee & tea at 2.8%, bean products at 1.7%, sugary foods at 1.6%, animal protein at 0.3%, bread & cereals at -0.7%, and fats & oils at -1.1%. Bread & cereals decreased by 0.7%.



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