



# FOOD BASKET PRICE MONTHLY



## NAMC FOOD BASKET: 28 SELECTED FOOD ITEMS PRICES Issue 101 – April 2024



# Food Basket Price Monthly

## *April 2024*

### 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 December 2022.*

*The March 2024 official data is used in this report, as the official release of the April 2024 CPI data is scheduled for May 22, 2024 (see link below from the Stats SA website):*

<https://www.statssa.gov.za/publications/P0141/P0141March2024.pdf>

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## Highlights

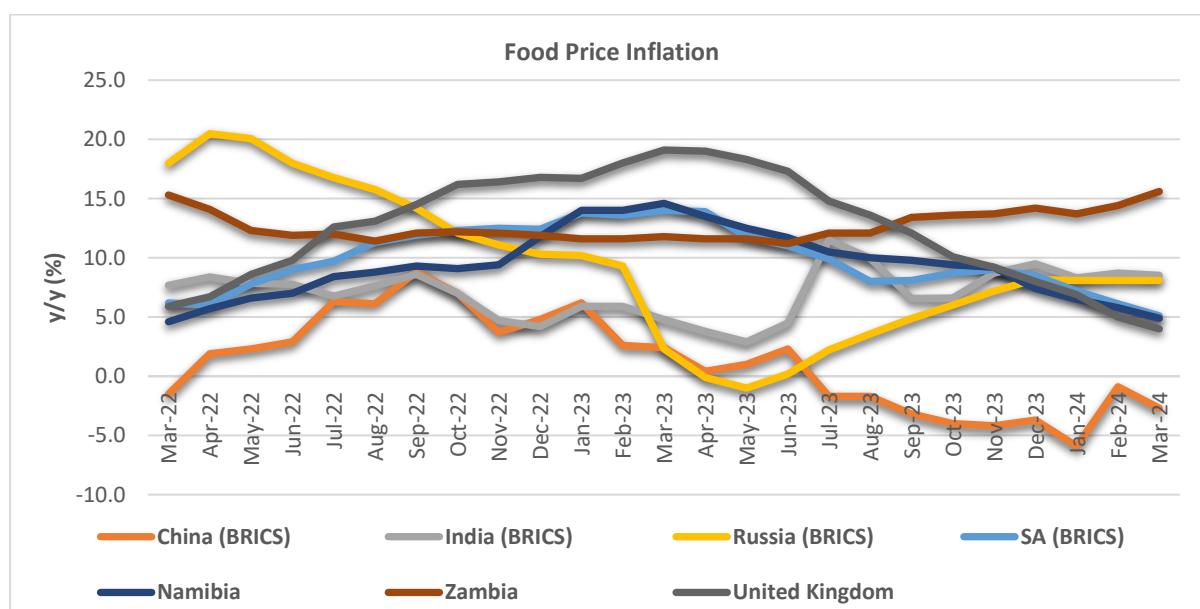
During March 2024, the nominal cost of the NAMC's 28-item urban food basket amounted to R1 269.62 compared to the R1 257.23 reported in February 2024. This represents a monthly increase of 1.0% and a year-on-year increase of 8.6%.

| March 24 vs. March 23   | 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>  | Sugar, sweets & desserts (17.8%)  | Milk, eggs & cheese (10.1%)<br>Other food (7.9%)<br>Vegetables (6.0%)                | Unprocessed food (5.1%)<br>Bread & cereals (5.0%)<br>Processed food (4.7%)<br>Fish (4.1%)<br>Fruit (3.3%) |   | Meat (0.8%)<br>Oils & fats (-4.0%)   |
| <b>Individual food items in NAMC food basket (listed in order of decreasing inflation rates):</b> | Oranges (48.4%)<br>Ceylon/black tea (31.1%)<br>Potatoes (27.9%)<br>Rice (27.1%)<br>Eggs (25.5%)<br>Instant coffee (23.3%)<br>White sugar (22.1%)<br>Peanut butter (19.1%)<br>Apples (15.0%) | Dried beans (11.6%)<br>Polony (10.4%)<br>Baked beans (7.9%)<br>Cheddar cheese (7.1%) | Full cream long life milk (4.9%)<br>Chicken giblets (3.5%)  | Tinned fish (1.3%)<br>Beef offal (1.2%)<br>Individually Quick Frozen (IQF) (1.0%) | Brown bread (0.2%)<br>Cabbage (0.2%)<br>Brick margarine (-0.8%)<br>Tomatoes (-1.1%)<br>Maize meal (-2.3%)<br>White bread (-2.8%)<br>Bananas (-2.6%)<br>Sunflower oil (-4.5%)<br>Beef mince (-4.6%)<br>Onions (-5.7%) |

## 1. Overall inflation and food inflation

The Food and Agriculture Organization (FAO) reported an increase of 1.1% in the global nominal food price index for March 2024, up by 1.3 points from February 2024. This can be attributed to increase in different food categories included in calculating the food price index. For instance, the vegetable oil price index recorded an increase of 8.0%, followed by dairy price index by 2.9% and the meat price index by 1.7%. However, the sugar price index and cereal price index registered a decrease of 5.4% and 2.6% respectively.

**Figure 1** depicts the fluctuations in global food inflation across several countries, including some of BRICS member nations (Russia, India, China and South Africa), as well as Zambia and Namibia, which maintain significant trade connections with South Africa. When comparing data from February 2024 to March 2024, certain countries experienced changes in their inflation rates. During March 2024, Zambia saw an increase in food inflation from 14.4% to 15.6%. While other countries observed a decrease in food inflation as follows; India saw a decrease from 8.7% to 8.5%, followed by South Africa from 6.1% to 5.1%, Botswana from 5.8% to 5.0%, Namibia from 5.8% to 4.9% and United Kingdom from 5.0% to 4.0%. On the other hand, China continued to have a deflation rate from -0.9% to -2.7% in March 2024.



**Figure 1: Global food inflation**

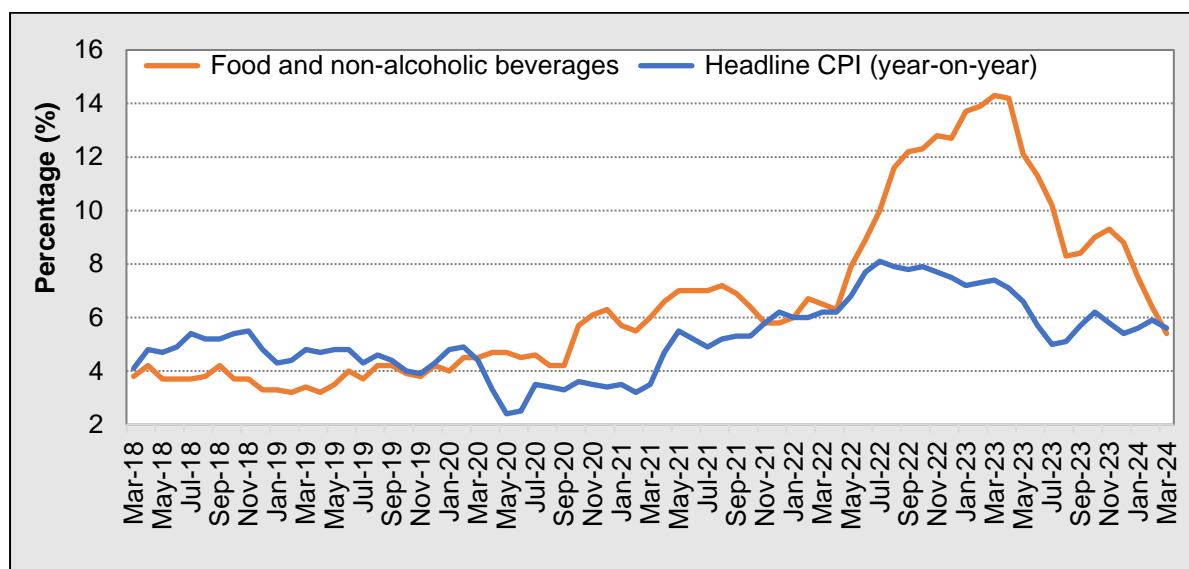
Source: Trading Economics, 2024; Stats SA, 2024 & NAMC calculations

**Figure 2** presents the trend in the Consumer Price Index (CPI) for South Africa from March 2018 to March 2024, along with the inflation rate for food and non-alcoholic beverages (NAB). On 17 April 2024, the official release by Statistics South Africa (Stats SA) confirmed the CPI for March 2024. For March 2024, the annual headline CPI was registered at 5.3%, with a slight decrease from 5.6% reported in February 2024. The inflation rate for food and non-alcoholic beverages was reported at 5.1%, marking an impressive decrease from 6.1% reported in February 2024. Notably, the main drivers of the current NAB inflation were sugar, sweet & desserts, which experienced a substantial 17.8% increase in March 2024, followed by milk, eggs & cheese (10.1%), other foods (7.9%), vegetables (6.0%), unprocessed food (5.1%), bread & cereals (5.0%), processed food (4.7%), fish (4.1%), fruit (3.3%) and meat (0.8%). During the same period, oils & fats decreased by 4.0%.

South Africa's food inflation is expected to fluctuate in the coming months, largely due to global increases in price indices for key commodities such as vegetable oils, dairy products and meat. These increases are currently slightly offset by decreases in indices for items like sugar and cereal. According to the FAO (2024), palm, soy, sunflower and rapeseed oils experienced higher price quotations in March

2024, driven by seasonally lower outputs in leading producing countries coinciding with firm domestic demand in the Southern hemisphere. Notably, soy oil prices rebounded from multi-year lows, primarily supported by robust demand from the biofuel sector, especially in the United States of America and Brazil. Additionally, higher crude oil prices contributed to the increase in vegetable oil quotations. In other indices contributing to the global food price index, cheese prices saw a marginal increase driven by import demand from Asian countries, higher internal sales in Western Europe due to spring holidays, and seasonally falling production in Oceania. On the meat side, poultry prices experienced a dramatic increase between March and February 2024, driven by steady import demand from leading importing countries despite ample supplies sustained by reduced avian influenza outbreaks in most regions. However, the avian influenza and the current drought remain significant challenges for the South African poultry, grain and oil industries, putting pressure on chicken, grain and oil product prices.

As of March, 2024, the local price of white maize averaged at R5 163/ton, representing a 20.7% increase from February 2024. Similarly, yellow maize averaged at R4 220/ton, reflecting a 10.8% increase from the previous month. Sunflower prices averaged at R8 975/ton indicating a 7.1% increase 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, 2024; NAMC calculations

## 2. Monthly comparison of prices between urban and rural areas for March 2024

**Table 1** presents a comparative analysis of expenses associated with selected food items in both urban and rural areas during March 2024. 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 R3.87, followed by peanut butter (R3.48), rice (R1.79), a loaf of white bread (R0.87), a loaf of brown bread (R0.68) and white sugar (R0.42) in comparison to their rural counterparts. On average, urban consumers paid R0.80 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<br>March 2024 (R/unit) | Rural Food Prices<br>March 2024 (R/unit) | The price<br>difference (R/unit) |
|--------------------------------|--|--|----------------------------------|
| Full cream milk – long life 1ℓ | 19.39                                    | 20.37                                    | -0.98                            |
| A loaf of brown bread 700g     | 17.19                                    | 16.32                                    | 0.87                             |
| A loaf of white bread 700g     | 18.43                                    | 17.75                                    | 0.68                             |
| Banana per kg                  | 18.30                                    | 18.37                                    | -0.07                            |
| Maize meal 2.5 kg              | 36.80                                    | 36.99                                    | -0.19                            |
| Margarine spread 500g          | 39.03                                    | 39.30                                    | -0.27                            |
| Peanut butter 400g             | 46.15                                    | 42.67                                    | 3.48                             |
| Rice 2kg                       | 46.17                                    | 44.38                                    | 1.79                             |
| Sunflower oil 750mℓ            | 35.18                                    | 35.99                                    | -0.81                            |
| Ceylon/black tea 250g          | 54.59                                    | 50.72                                    | 3.87                             |
| White sugar 2.5kg              | 62.88                                    | 62.46                                    | 0.42                             |
|                                |  |  | 0.80                             |

Source: Stats SA. 2024; NAMC calculations

### 3. The NAMC food basket: March 2024 vs March 2023

In this section, the NAMC's 28-item urban food basket's cost is explained through a comparison of average food prices in March 2024 and March 2023. The cost of the NAMC's 28-item urban food basket increased by 8.6% in March 2024 compared to the same period last year, reaching R1 269.62. When compared to the R1 257.23 in February 2024, the monthly increase is 1.0%.

**Table 2** presents the 28 food items composing the NAMC urban food basket in terms of their nominal prices. Between March 2024 and March 2023, among these 28 items, 13 witnessed price increases that exceeded the inflation target set by the South African Reserve Bank (SARB) of 6%. Notable products in this category include oranges, which experienced a substantial price surge of 48.4%, followed by Ceylon/black tea (31.1%), potatoes (27.9%), rice (27.1%), eggs (25.5%), instant coffee (23.3%), white sugar (22.1%), peanut butter (19.1%), apples (15.0%), dried beans (11.6%), polony (10.4%), baked beans (7.9%) and cheddar cheese (7.1%).

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

| Category       | Product                        | Mar-23<br>R/unit | Feb -24<br>R/unit | Mar -24<br>R/unit | Change<br>year-<br>on-year<br>(%) | Change<br>month-<br>on-month<br>(%) |
|----------------|--------------------------------|------------------|-------------------|-------------------|-----------------------------------|-------------------------------------|
| Beans          | Baked beans - tinned 410g      | 14.88            | 16.04             | 16.05             | 7.9%                              | 0,1%                                |
|                | Beans - dried 500g             | 28.24            | 31.20             | 31.51             | 11.6%                             | 1,0%                                |
|                | Peanut butter 400g             | 38.75            | 44.91             | 46.15             | 19.1%                             | 2,8%                                |
| Coffee & Tea   | Ceylon/black tea 250g          | 41.63            | 53.65             | 54.59             | 31.1%                             | 1,8%                                |
|                | Instant coffee 250g            | 48.95            | 58.63             | 60.34             | 23.3%                             | 2,9%                                |
| Dairy & Eggs   | Cheddar cheese per kg          | 137.36           | 141.74            | 147.06            | 7.1%                              | 3,8%                                |
|                | Eggs 1.5 dozen                 | 54.58            | 68.74             | 68.52             | 25.5%                             | -0,3%                               |
|                | Full cream milk - long life 1ℓ | 18.48            | 19.51             | 19.39             | 4.9%                              | -0,6%                               |
| Fats & Oils    | Brick margarine 500g           | 29.28            | 29.62             | 29.06             | -0.8%                             | -1,9%                               |
|                | Sunflower oil 750mℓ            | 36.82            | 35.38             | 35.18             | -4.5%                             | -0,6%                               |
| Fruit          | Apples per kg                  | 20.35            | 24.03             | 23.41             | 15.0%                             | -2,6%                               |
|                | Bananas per kg                 | 18.78            | 18.02             | 18.30             | -2.6%                             | 1,6%                                |
|                | Oranges per kg                 | 26.12            | 36.87             | 38.77             | 48.4%                             | 5,2%                                |
| Animal Protein | Beef mince per kg              | 108.48           | 105.07            | 103.49            | -4.6%                             | -1,5%                               |
|                | Beef offal per kg              | 49.10            | 50.23             | 49.68             | 1.2%                              | -1,1%                               |
|                | Chicken giblets per kg         | 45.68            | 47.98             | 47.27             | 3.5%                              | -1,5%                               |

| Category                | Product                        | Mar-23 R/unit   | Feb -24 R/unit  | Mar -24 R/unit  | Change year-on-year (%) | Change month-on-month (%) |
|-------------------------|--------------------------------|-----------------|-----------------|-----------------|-------------------------|---------------------------|
|                         | Fish (excl tuna) - tinned 400g | 26.26           | 26.46           | 26.60           | 1.3%                    | 0,5%                      |
|                         | IQF chicken portions 2kg       | 92.94           | 93.77           | 93.83           | 1.0%                    | 0,1%                      |
|                         | Polony 1kg                     | 50.22           | 54.63           | 55.45           | 10.4%                   | 1,5%                      |
| Bread & Cereals         | Loaf of brown bread 700g       | 17.16           | 17.06           | 17.19           | 0.2%                    | 0,8%                      |
|                         | Loaf of white bread 700g       | 18.97           | 18.58           | 18.43           | -2.8%                   | -0,8%                     |
|                         | Rice 2kg                       | 36.34           | 45.26           | 46.17           | 27.1%                   | 2,0%                      |
|                         | Maize meal 5kg                 | 68.90           | 68.50           | 67.29           | -2.3%                   | -1,8%                     |
| Vegetables              | Cabbage each                   | 20.71           | 19.69           | 20.75           | 0.2%                    | 5,4%                      |
|                         | Onions per kg                  | 22.02           | 19.78           | 20.77           | -5.7%                   | 5,0%                      |
|                         | Potatoes per kg                | 17.22           | 21.68           | 22.02           | 27.9%                   | 1,6%                      |
|                         | Tomatoes per kg                | 29.79           | 27.98           | 29.47           | -1.1%                   | 5,3%                      |
| Sugary foods            | White sugar 2.5kg              | 51.48           | 62.22           | 62.88           | 22.1%                   | 1,1%                      |
| <b>Total Rand Value</b> |                                | <b>1 169.49</b> | <b>1 257.23</b> | <b>1 269.62</b> | <b>8.6%</b>             | <b>1.0%</b>               |

Source: Stats SA & BFAP. 2024; 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 March 2024 with March 2023 (year-on-year) and March 2024 with February 2024 (month-on-month). When examining year-on-year price differences, the food group that contributed most significantly to observed food inflation was coffee & tea, experiencing a substantial increase of 26.9%. Following this was fruits, which increased by 23.3%, sugary foods by 22.1%, bean products by 14.5%, dairy & eggs by 11.7%, bread & cereals by 5.5%, vegetables by 3.6%, animal protein by 1.0%, while fats & oils decreased by 2.8%. Reviewing the month-on-month basis, vegetables showed the most significant escalation by 4.4%, followed by coffee & tea which increased by 2.4%, dairy & eggs by 2.2%, fruit by 2.0%, bean products by 1.7% and sugary foods by 1.1%. On the other hand, fats & oils experienced a significant decrease of 1.2%, animal protein decreased by 0.5%, while bread & cereals decreased by 0.2%.

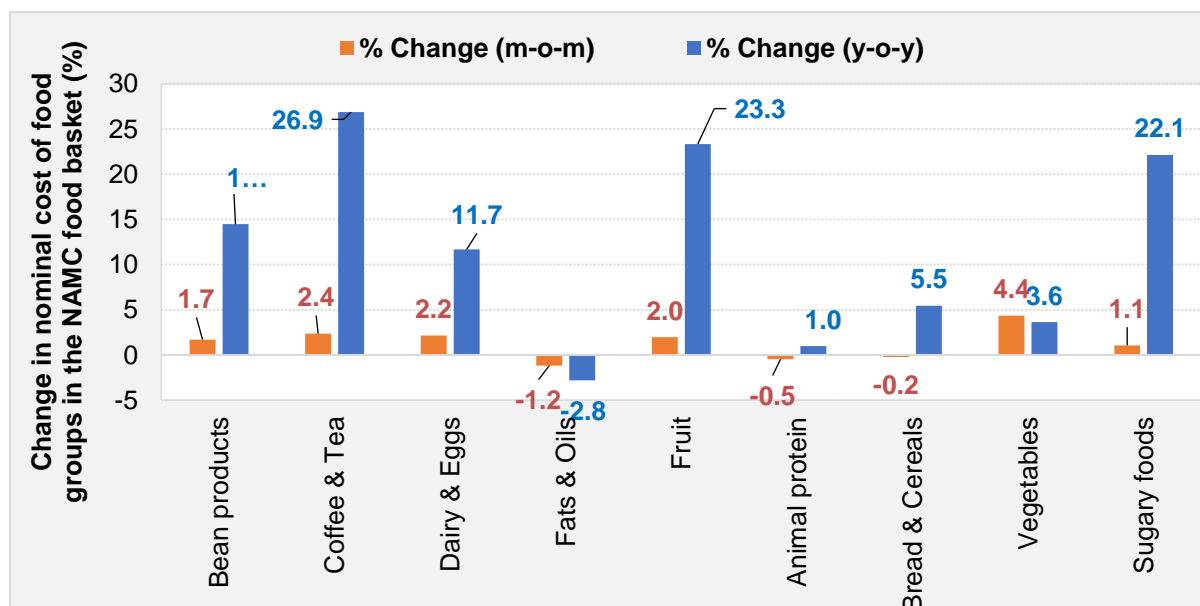


Figure 3: Nominal change in the cost of specific food groups within the NAMC's 28-item food basket, comparing March 2024 vs. March 2023 and March 2024 vs. February 2024

Source: Stats SA data. 2024; 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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