



FOOD BASKET PRICE MONTHLY



NAMC FOOD BASKET: 28 SELECTED FOOD ITEMS PRICES Issue 102 – May 2024

Food Basket Price Monthly

May 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 April 2024 official data is used in this report, as the official release of the May 2024 CPI data is scheduled for June 19, 2024 (see link below from the Stats SA website):

<https://www.statssa.gov.za/publications/P0141/P0141April2024.pdf>

Highlights

During April 2024, the nominal cost of the NAMC's 28-item urban food basket amounted to R1 263.47 compared to the R1 269.62 reported in March 2024. This represents a monthly decrease of 0.5% and a year-on-year increase of 7.9%.

April 24 vs. April 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
Stats SA food groups:	Sugar, sweets & desserts (16.8%)	Milk, eggs & cheese (8.7%) Other food (7.7%) Vegetables (7.4%)	Unprocessed food (4.8%) Fruit (4.5%) Bread & cereals (4.3%) Processed food (4.0%) Fish (3.0%)		Meat (0.5 %) Oils & fats (-4.9%)
Individual food items in NAMC food basket (listed in order of decreasing inflation rates):	Ceylon/black tea (29.4%) Rice (28.0%) Instant coffee (26.6%) White sugar (24.4%) Potatoes (20.9%) Oranges (19.8%) Eggs (19.5%) Peanut butter (14.7%) Apples (12.4%)	Dried beans (11.3%) Cheddar cheese (9.5%) Bananas (7.0%) Baked beans (6.9%)	Tomatoes (4.9%) Polony (4.8%) Full cream long life milk (3.6%)	Onions (2.5%) Chicken giblets (1.9%) Tinned fish (1.9%) Frozen Individually Quick (IQF) chicken portions (1.2%) Beef offal (1.0%)	Cabbage (0.9%) Brick margarine (-0.7%) Brown bread (-0.9%) White bread (-3.4%) Maize meal (-3.7%) Sunflower oil (-4.2%) Beef mince (-4.3%)

1. Overall inflation and food inflation

The Food and Agriculture Organization (FAO) reported an increase of 0.3% in the global nominal food price index for April 2024, up by 0.3 points from March 2024. This can be attributed to increase in different food categories included in calculating the food price index. For instance, the meat price index recorded an increase of 1.6%, followed by vegetable oil index by 0.3% and the cereal price index by 0.3%. However, the sugar price index and cereal price index registered a decrease of 4.4% and 0.3%, 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 March 2024 to April 2024, certain countries experienced increases in their food inflation rates. For instance, Zambia saw an increase in food inflation from 15.6% to 15.7%, India from 8.5% to 8.7% and Russia from 8.1% to 8.3%. However, during the same period Namibia remained constant at 4.9%. While other countries observed a decrease in food inflation as follows; South African food inflation decreased from 5.1% to 4.7%, followed by Botswana from 5.0% to 4.2%, United Kingdom from 4.0% to 2.9%. China food inflation remained constant at -2.7%.

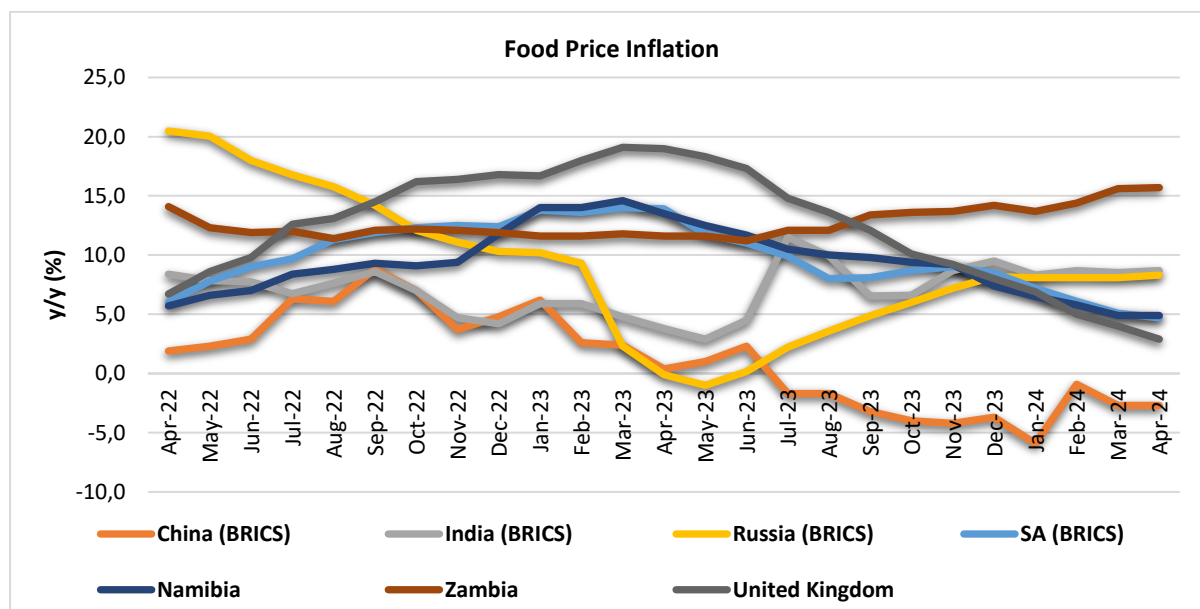


Figure 1: Global food inflation

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

Figure 2 presents the trend in the Consumer Price Index (CPI) for South Africa from April 2018 to April 2024, along with the inflation rate for food and non-alcoholic beverages (NAB). On 22 May 2024, the official release by Statistics South Africa (Stats SA) confirmed the CPI for April 2024. For April 2024, the annual headline CPI was registered at 5.2%, with a slight decrease from 5.3% reported in March 2024. The inflation rate for food and non-alcoholic beverages was reported at 4.7%, marking an impressive decrease from 5.1% reported in March 2024. Notably, the main drivers of the current NAB inflation were sugar, sweet & desserts, which experienced a substantial 16.8% increase in April 2024, followed by milk, eggs & cheese (8.7%), other foods (7.7%), vegetables (7.4%), unprocessed food (4.8%), fruits (4.5%), bread & cereals (4.3%), processed food (4.0%), fish (3.0%) and meat (0.5%). During the same period, oils & fats decreased by 4.9%.

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), the increase in food prices is mainly driven by concerns around unfavourable crop conditions impacting 2024 harvests in parts of the European Union, the Russian Federation, and the United States of America. On the other hand, maize prices increased in April, mainly influenced by high import demand amidst mounting logistical disruptions as a result of infrastructure damages in Ukraine and reduced production prospects in Brazil ahead of the start of the main harvest. It is important to note that the global poultry industry is still facing price increases driven by a steady influenza outbreak in some parts of the world. These food challenges indirectly and directly influence the current state of South African food prices.

Furthermore, as of April, 2024, the local price of white maize averaged at R5 381/ton, representing a 4.2% increase from March 2024. Similarly, yellow maize averaged at R4 302/ton, reflecting a 1.9% increase from the previous month. Sunflower prices averaged at R9 254/ton indicating an increase of 3.1% from the preceding month's price. It is impressive to note that 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.

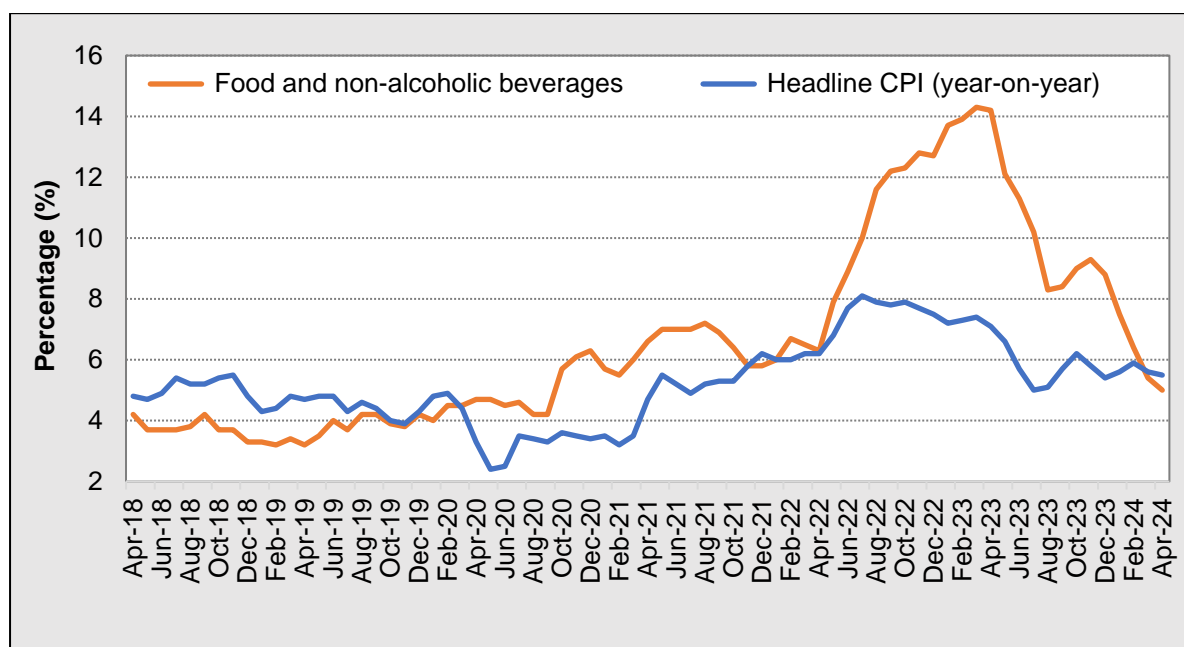


Figure 2: South Africa's headline CPI and Food & non-alcoholic beverages' CPI

Source: Stats SA, 2024; NAMC calculations

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

Table 1 presents a comparative analysis of expenses associated with selected food items in both urban and rural areas during April 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 R5.21, followed by peanut butter (R1.27), maize meal (R0.77), a loaf of brown bread (R0.64), a loaf of white bread (R0.64), rice (R0.32) and sunflower oil (R0.20) in comparison to their rural counterparts. On average, urban consumers paid R0.64 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 April 2024 (R/unit)	Rural Food Prices April 2024 (R/unit)	The price difference (R/unit)
Full cream milk – long life 1ℓ	19.38	20.12	-0.74
A loaf of brown bread 700g	17.14	16.50	0.64
A loaf of white bread 700g	18.43	17.79	0.64
Banana per kg	20.46	20.79	-0.33
Maize meal 2.5 kg	36.76	35.99	0.77
Margarine spread 500g	39.15	40.04	-0.89
Peanut butter 400g	44.91	43.64	1.27
Rice 2kg	46.09	45.77	0.32
Sunflower oil 750mℓ	34.82	34.62	0.20
Ceylon/black tea 250g	54.08	48.87	5.21
White sugar 2.5kg	63.31	63.35	-0.04
			0.64

Source: Stats SA. 2024; NAMC calculations

3. The NAMC food basket: April 2024 vs April 2023

In this section, the NAMC's 28-item urban food basket's cost is explained through a comparison of average food prices in April 2024 and April 2023. The cost of the NAMC's 28-item urban food basket increased by 7.9% in April 2024 compared to the same period last year, reaching R1 263.47. When compared to the R1 269.62 in March 2024, the basket decreased by 0.5% on a monthly basis.

Table 2 presents the 28 food items composing the NAMC urban food basket in terms of their nominal prices. Between April 2024 and April 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 Ceylon/black tea, which experienced a substantial price surge of 29.4%, followed by rice (28.0%), instant coffee (26.6%), white sugar (24.4%), potatoes (20.9%), oranges (19.8%), eggs (19.5%), peanut butter (14.7%), apples (12.4%), dried beans (11.3%), cheddar cheese (9.5%), bananas (7.0%) and baked beans (6.9%).

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

Category	Product	Apr-23 R/unit	Mar -24 R/unit	April -24 R/unit	Change year- on-year (%)	Change month- on-month (%)
Beans	Baked beans - tinned 410g	15.06	16.05	16.10	6.9%	0.3%
	Beans - dried 500g	28.18	31.51	31.37	11.3%	-0.4%
	Peanut butter 400g	39.16	46.15	44.91	14.7%	-2.7%
Coffee & Tea	Ceylon/black tea 250g	41.80	54.59	54.08	29.4%	-0.9%
	Instant coffee 250g	48.95	60.34	61.99	26.6%	2.7%
Dairy & Eggs	Cheddar cheese per kg	135.11	147.06	147.89	9.5%	0.6%
	Eggs 1.5 dozen	56.41	68.52	67.41	19.5%	-1.6%
	Full cream milk - long life 1ℓ	18.71	19.39	19.38	3.6%	-0.1%
Fats & Oils	Brick margarine 500g	29.63	29.06	29.42	-0.7%	1.2%
	Sunflower oil 750mℓ	36.34	35.18	34.82	-4.2%	-1.0%
Fruit	Apples per kg	19.98	23.41	22.46	12.4%	-4.1%
	Bananas per kg	19.12	18.30	20.46	7.0%	11.8%
	Oranges per kg	23.51	38.77	28.16	19.8%	-27.4%
Animal Protein	Beef mince per kg	108.04	103.49	103.42	-4.3%	-0.1%
	Beef offal per kg	49.31	49.68	49.81	1.0%	0.3%
	Chicken giblets per kg	45.73	47.27	46.62	1.9%	-1.4%
	Fish (excl tuna) - tinned 400g	26.34	26.60	26.84	1.9%	0.9%

Category	Product	Apr-23 R/unit	Mar -24 R/unit	April -24 R/unit	Change year-on-year (%)	Change month-on-month (%)
	IQF chicken portions 2kg	92.50	93.83	93.60	1.2%	-0.2%
	Polony 1kg	51.15	55.45	53.62	4.8%	-3.3%
Bread & Cereals	Loaf of brown bread 700g	17.29	17.19	17.14	-0.9%	-0.3%
	Loaf of white bread 700g	19.07	18.43	18.43	-3.4%	0.0%
	Rice 2kg	36.00	46.17	46.09	28.0%	-0.2%
	Maize meal 5kg	69.15	67.29	66.61	-3.7%	-1.0%
Vegetables	Cabbage each	21.69	20.75	21.88	0.9%	5.4%
	Onions per kg	23.20	20.77	23.79	2.5%	14.5%
	Potatoes per kg	17.76	22.02	21.47	20.9%	-2.5%
	Tomatoes per kg	30.89	29.47	32.39	4.9%	9.9%
Sugary foods	White sugar 2.5kg	50.90	62.88	63.31	24.4%	0.7%
Total Rand Value		1 170,98	1 269.62	1 263.47	7.9%	-0.5%

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 April 2024 with April 2023 (year-on-year) and April 2024 with March 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 27.9%. Following this was sugary food, which increased by 24.4%, fruits by 13.5%, bean products by 12.1%, dairy & eggs by 11.6%, vegetables by 6.4%, bread & cereals by 4.8% and animal protein by 0.2%, while fats & oils decreased by 2.6%. Reviewing the month-on-month basis, vegetables showed the most significant escalation by 7.0%, followed by coffee & tea which increased by 1.0% and sugary foods by 0.7%. On the other hand, fruits experienced a significant decrease of 11.7%, bean products decreased by 1.4%, animal protein decreased by 0.6%, bread & cereals decreased by 0.5%, while dairy & eggs decreased by 0.1%. During this period fats & oils remained constant.

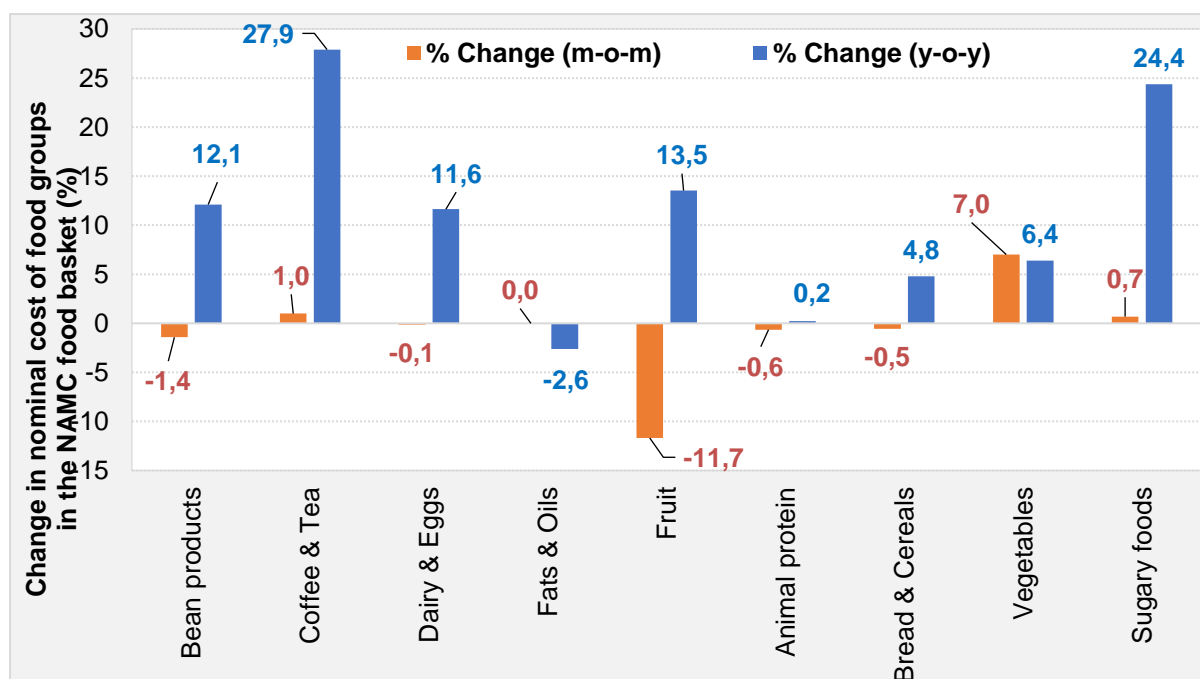


Figure 3: Nominal change in the cost of specific food groups within the NAMC's 28-item food basket, comparing April 2024 vs. April 2023 and April 2024 vs. March 2024

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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