

FOOD PRICE MONITOR

May 2024 Issue



NAMC

Promoting market access for South African agriculture

FOOD PRICE MONITOR

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>

EXECUTIVE SUMMARY

During April 2024, the Consumer Price Index (CPI) released by Statistics South Africa (Stats SA) indicates that the annual headline CPI increased by 5.2%, while inflation for food and non-alcoholic beverages increased by 4.7%.

The Food and Agricultural Organization (FAO) of the United Nations (UN) publishes its Food Price Index (FPI) on a monthly basis. The FPI consists of five commodity group price indices, namely, the Meat Price Index, the Dairy Price Index, the Cereals Price Index, the Oils Price Index and the Sugar Price Index. The FAO Food Price Index (FFPI) in nominal terms, averaged 119.1 points in April 2024, up 0.3 points (0.3%) from its revised March level, as an increase in the price index for meat and smaller upturns of vegetable oil and cereal indices slightly more than offset decreases in those for sugar and dairy products. Although it registered a second monthly increase in April following a seven-month long declining trend, the FFPI was down 9.6 points or 7.4% from its corresponding value one year ago.

In April 2024, the cost of this basic NAMC urban food basket was R1 263.47, equivalent to a 7.9% (R92.49) increase from April 2023 (year-on-year) and a decrease by 0.5% (R6.15) from March 2024 (month-on-month).

Comparing April 2024 to April 2023 retail prices, higher price inflation (6.0% or more) was observed for the following products within the NAMC food basket (in order from highest to lowest inflation); Ceylon/black tea, rice, instant coffee, white sugar, potatoes, oranges, eggs, peanut butter, apples, dried beans, cheddar cheese, bananas and baked beans.

Warm and dry weather conditions influence crop availability of maize, oilseeds and vegetable with strong demand support higher prices.

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1. Introduction

Figure 1 shows trends of the headline Consumer Price Index (CPI) and food and non-alcoholic beverage inflation rate on a monthly basis, from April 2018 to April 2024. During April 2024, the CPI released by Statistics South Africa (Stats SA) indicates that the annual headline CPI increased by 5.2%, while inflation for food and non-alcoholic beverages increased by 4.7%. The headline inflation and the food and non-alcoholic beverage inflation was 6.8% and 13.9% during April 2023, respectively.

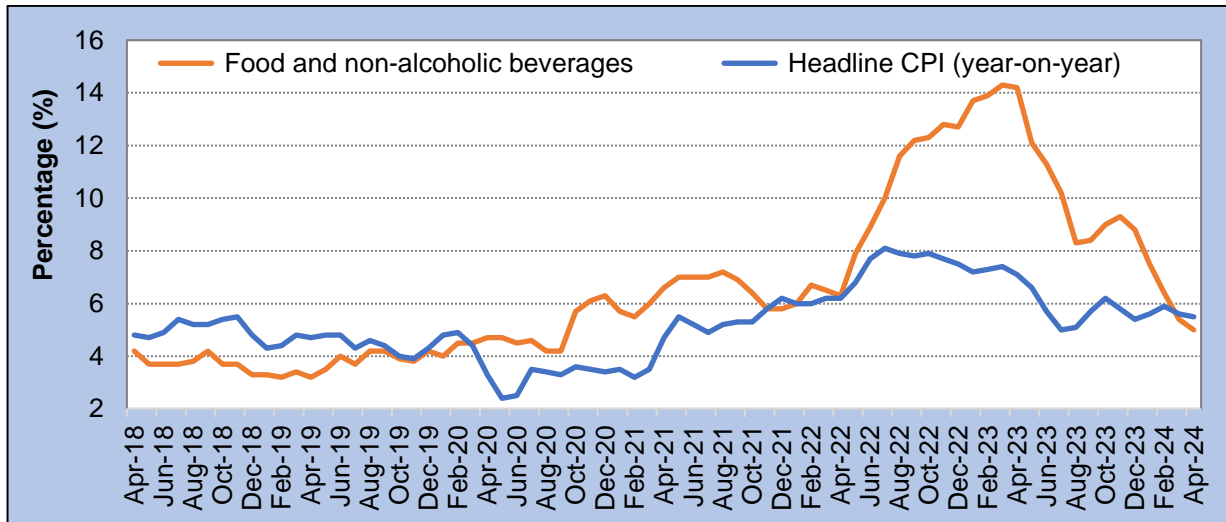


Figure 1: Headline CPI and food and non-alcoholic beverage inflation

Source: Stats SA, 2024

Figure 2 presents components of the food and non-alcoholic beverage index changes. Comparing April 2024 with April 2023, the following changes, in descending order, were reported: sugary foods (16.8%), milk, eggs & cheese (8.7%), other food items (7.7%), vegetables (7.4%), unprocessed foods (4.8%), fruit (4.5%), bread & cereals (4.3%), processed foods (4.0%), fish (3.0%), meat (0.5%) and oils & fats (-4.9%). Comparing April 2024 with March 2024, the following changes, in descending order, were reported: vegetables (3.6%), unprocessed foods (0.4%), milk, eggs & cheese (0.2%), other food items (0.2%), sugary foods (0.0%), fish (-0.1%), bread & cereals (-0.2%), processed foods (-0.2%), meat (-0.3%), oils & fats (-1.1%) and fruit (-1.6%).

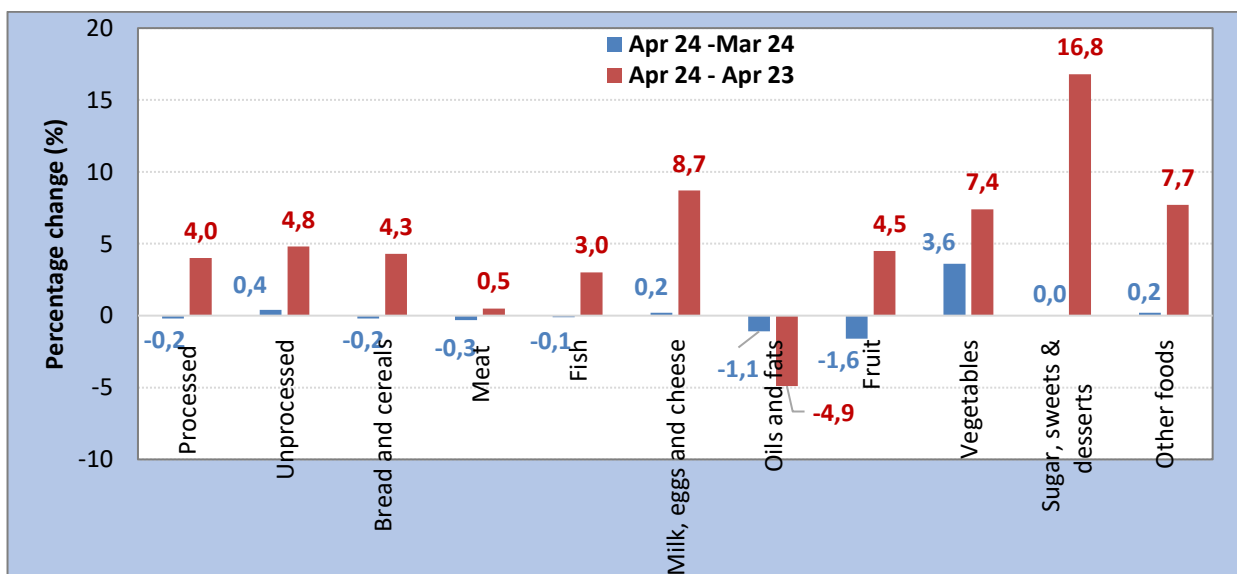


Figure 2: Annual (April 2024 vs. April 2023) and monthly (April 2024 vs. March 2024) changes in CPI for the different food categories

Source: Stats SA, 2024

2. Overall inflation and food inflation: South Africa and selected countries

Table 1 shows the year-on-year (y-o-y) overall inflation and food inflation rates from February 2024 to April 2024 for South Africa and other selected countries. South Africa's overall inflation for April 2024 reached 5.2% while food inflation reached 4.7%. Food categories with the largest annual contribution to South Africa's food inflation include sugary foods, milk, eggs & cheese, other foods, vegetables, unprocessed foods and fruit categories. Turkey's overall inflation rate for April 2024 reached 69.8%, with food inflation reaching 68.5%. China's overall inflation rate was 0.3%, with food inflation of -2.7%. Considering the inflation rates of Brazil, Russia, India, China and South Africa (BRICS countries), China recorded the lowest overall inflation of 0.3%, while India registered the highest food inflation rate at 8.7% in April 2024.

Table 1: Overall inflation and food inflation from February 2024 to April 2024

Country	February 2024		March 2024		April 2024	
	Overall inflation (%)	Food inflation (%)	Overall inflation (%)	Food inflation (%)	Overall inflation (%)	Food inflation (%)
Botswana	3.9	5.8	2.9	5.0	3.1	4.2
Brazil	4.5	2.6	3.9	3.1	3.7	na
China	0.7	-0.9	0.1	-2.7	0.3	-2.7
India	5.1	8.7	4.9	8.5	4.8	8.7
Namibia	5.1	5.8	4.5	4.9	4.8	4.9
Russia	7.7	8.1	7.7	8.1	7.8	8.3
South Africa	5.6	6.1	5.3	5.1	5.2	4.7
Turkey	67.1	71.1	68.5	70.4	69.8	68.5
United Kingdom	3.4	5.0	3.2	4.0	2.3	2.9
United States	3.2	2.2	3.5	2.2	3.4	2.2
Zambia	13.5	14.1	13.7	15.6	13.8	15.7

Sources: Central banks and statistics reporting institutions of these countries, 2024

In general, Turkey registered the highest and increasing trend of inflation amongst all the countries considered in this section between February 2024 and April 2024 while the trend for China declined.

3. Annual urban food price trends: January 2024 vs. January 2023

Table 2 ranks selected food items pertaining to urban areas according to their various inflation rates. Food products highlighted in **Table 2** exhibit annual urban inflation rates exceeding the South African Reserve Bank's (SARB) inflation upper band of 6%.

Table 2: Food items in the urban areas ranked (April 2024 vs. April 2023)

Grain and oil products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Spaghetti 500g	-4.7	Beef fillet per kg	-18.6	Lettuce each	-3.3
Sunflower oil 750ml	-4.2	Beef sirloin per kg	-17.6	Cabbage each	0.9
Maize meal 5kg	-3.7	Pork chops per kg	-15.2	Onions per kg	2.5
Loaf of white bread 700g	-3.4	Pork ribs per kg	-11.6	Tomatoes per kg	4.9
Maize meal 2.5kg	-3.2	Beef rump steak per kg	-10.0	Baked beans - tinned 410g	6.9
Pasta 500g	-1.6	Beef mince per kg	-4.3	Bananas per kg	7.0
Loaf of brown bread 700g	-0.9	Beef T-bone per kg	-4.1	Beans - dried 500g	11.3
Brick margarine 500g	-0.7	Lamb/Mutton leg per kg	-3.3	Apples per kg	12.4
Macaroni 500g	0.3	Lamb/Mutton rib chop per kg	-3.2	Oranges per kg	19.8
Cake flour 2.5kg	1.9	Beef chuck per kg	-2.6	Potatoes - fresh per kg	20.9
Samp 1kg	5.3	Beef brisket per kg	-1.9		
Margarine spread 500g	5.8	Bacon 200g	-1.8		
Peanut butter 400g	14.7	Beef stew per kg	-1.6		
Instant noodles 73g	18.5	Sausage per kg	-1.6		
Rice 2kg	28.0	Lamb/Mutton stew per kg	-1.5	Other	%
Rice 1kg	32.1	Lamb/Mutton neck per kg	-0.1	White sugar 2.5kg	24.4
		Full cream milk - fresh 2l	0.2	Instant coffee 250g	26.6
		Lamb/Mutton offal per kg	0.3	Ceylon/black tea 250g	29.4
		Beef offal per kg	1.0		
		IQF chicken portions 2kg	1.2		
		Pork fillet per kg	1.6		
		Fish (excl tuna) - tinned 400g	1.9		
		Chicken giblets per kg	1.9		
		Full cream milk - long life 1l	3.6		
		Chicken portions - fresh per kg	3.8		
		Polony 1kg	4.8		
		Ham 500g	4.9		
		Low fat milk - fresh 2l	5.1		
		Lamb/Mutton loin chop per kg	5.2		
		Chicken portions frozen - non IQF per kg	5.2		
		Low fat milk - long life 1l	5.6		
		Corned beef 300g	5.9		
		Tuna - tinned 170g	7.0		
		Cheddar cheese per kg	9.5		
		Powdered milk 900g	9.6		
		Whole chicken - fresh per kg	10.8		
		Eggs 1.5 dozen	19.5		

Source: Stats SA, 2024

Note: Food items highlighted in the table above experienced price increases above the SARB inflation target of 6%.

A closer look at annual food price trends: April 2024 against April 2023

Comparing April 2024 against April 2023, the international price of wheat decreased by 28.0%, while domestic wheat prices decreased by 8.2%. Urban consumers paid 0.9% less for a loaf of brown bread (700g) and 3.4% less for a loaf of white bread (700g). Domestic yellow maize prices increased by 1.9%, while international yellow maize prices decreased by 34.1%. Domestic white maize prices increased by 42.9%. Maize meal prices (2.5kg) decreased by 3.2% in urban areas. During the same period, the urban prices of sunflower oil (750ml) decreased by 4.2%. Domestic prices of sunflower seed increased by 6.8% annually, while international sunflower seed prices decreased by 3.8%.

Comparing April 2024 vs. April 2023, average beef producer prices (R/kg) of class A2/A3 increased by 0.3% and classes B2/B3 and C2/C3 decreased by 8.7% and 8.9%, respectively. Lamb/mutton producer prices (R/kg) of classes B2/B3, C2/C3 and A2/A3 decreased by 11.1%, 6.2% and 3.3%, respectively. Abattoir selling prices of frozen and fresh chicken portions increased by 5.2% and 3.8%, whilst individually quick frozen (IQF) chicken portions decreased by 3.1%. Baconer and porker producer prices (R/kg) increased by 4.7% and 2.8%, respectively, during the same period. Thus, the above-mentioned general changes generally influenced the observed changes in the specific livestock-derived products reported in [Table 2](#).

4. Monthly urban price comparison: April 2024 vs. March 2023

[Table 3](#) compares prices of selected food items in urban areas for April 2024 and March 2024. Food items showing the largest monthly price differences are bananas (per kg) with a difference of R2.16, white sugar (2.5kg) at a difference of R0.43 and margarine spread (500g) at a difference of R0.12. The following products showed a decline in prices; full cream long life milk (1ℓ) at a difference of –R0.01, maize meal (2.5kg) at a difference of –R0.04, a loaf of brown bread (700g) at a difference of –R0.05, rice (2kg) at a difference of –R0.08, sunflower oil (750ml) at a difference of –R0.36, Ceylon/black tea (250g) with a difference of –R0.51 and peanut butter (400g) with a difference of –R1.24. This indicates that urban consumers paid on average R0.04 more for these 11 food items during April 2024 compared to March 2024.

Table 3: Comparison between urban food prices (selected food items)

Product	Urban Food Prices March 2024 (R/unit)	Urban Food Prices April 2024 (R/unit)	Price difference (R/unit)
Full cream milk – long life 1ℓ	19.39	19.38	-0.01
Loaf of brown bread 700g	17.19	17.14	-0.05
Loaf of white bread 700g	18.43	18.43	0.00
Bananas per kg	18.30	20.46	2.16
Maize meal 2.5 kg	36.80	36.76	-0.04
Margarine spread 500g	39.03	39.15	0.12
Peanut butter 400g	46.15	44.91	-1.24
Rice 2kg	46.17	46.09	-0.08
Sunflower oil 750ml	35.18	34.82	-0.36
Ceylon/black tea 250g	54.59	54.08	-0.51
White sugar 2.5kg	62.88	63.31	0.43
Average difference (R/unit)			0.04

Source: Stats SA, 2024

5. Annual rural food price trends: April 2024 vs. April 2023

Table 4 ranks selected food items pertaining to rural areas according to their various inflation rates. The food products highlighted in **Table 4** are those with annual rural inflation rates exceeding the South African Reserve Bank's (SARB) inflation upper band of 6%.

Table 4: Food items in rural areas ranked by change in inflation (April 2024 vs. April 2023)

Grain and oil products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Sunflower oil 2ℓ	-11.8%	Beef rump steak per kg	1.3%	Onions per kg	-12.5%
Special maize 2.5kg	-9.1%	Fish (excl tuna) - tinned 400g	1.3%	Apples per kg	-10.8%
Sunflower oil 750mℓ	-7.7%	Fish (excl tuna) - tinned 155g	1.4%	Cabbage per kg	0.0%
Sunflower oil 500mℓ	-6.5%	Low fat milk - fresh 2ℓ	1.5%	Tomatoes per kg	1.1%
Brick margarine 125g	-5.6%	Full cream milk - long life 500mℓ	3.6%	Cabbage each	6.4%
Margarine spread 1kg	-2.7%	Beef brisket per kg	3.9%	Bananas per kg	8.4%
Super maize 2.5kg	-1.4%	Full cream milk - fresh 1ℓ	4.2%	Potatoes - fresh 10kg	10.2%
Loaf of white bread 700g	-0.9%	Chicken portions - fresh per kg	4.9%	Beans - dried 500g	13.2%
Loaf of white bread 600g	-0.6%	Full cream milk - long life 1ℓ	5.7%	Beans - dried 1kg	15.8%
Brick margarine 250g	-0.5%	Full cream milk - fresh 2ℓ	6.0%	Beans - dried 2kg	17.5%
Super maize 5kg	0.0%	Beef T-bone per kg	6.8%	Potatoes - fresh per kg	20.2%
Loaf of brown bread 700g	1.0%	Beef chuck per kg	7.1%	Oranges per kg	35.4%
Loaf of brown bread 600g	1.7%	Beef fillet per kg	8.8%		
Margarine spread 500g	3.1%	Full cream milk - fresh 500mℓ	13.4%		
Brick margarine 500g	4.2%	Eggs 1.5 dozen	46.7%	Other	%
Rice 500g	6.6%			Ceylon/black tea 200g	-22.9%
Peanut butter 270g	8.3%			Ceylon/black tea 62.5g	5.7%
Peanut butter 800g	9.7%			White sugar 1kg	14.4%
Peanut butter 400g	12.0%			Instant coffee 100g	15.6%
Rice 1kg	21.1%			Ceylon/black tea 125g	17.3%
Rice 2kg	27.6%			White sugar 2.5kg	17.9%
				Ceylon/black tea 250g	18.1%
				Instant coffee 750g	21.1%
				White sugar 5kg	22.1%
				Instant coffee 250g	22.3%

Source: Stats SA, 2024

Note: Food items highlighted in the table above experienced price increases above the SARB inflation target of 6%.

6. Monthly comparison between urban and rural area prices for April 2024

A comparison of the cost of selected food items in urban with rural areas in April 2024 is provided in **Table 5**. In April 2024, the food items with the highest price differences between urban and rural areas were: Ceylon/black tea with a price difference of R5.21, peanut butter with a R1.27 difference, maize meal with a price difference of R0.77, a loaf of brown bread and white bread with a R0.64 difference, rice with a R0.32 price difference and sunflower oil with a R0.20 difference. On average, urban consumers spent R0.64 more on these 11 food items. However, it is worth noting that there were some food items that rural consumers paid more than urban consumers during January 2024, and these are margarine spread, full cream long life milk, bananas and white sugar.

Table 5: 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)	Price difference (R/unit)
Full cream milk – long life 1ℓ	19.38	20.12	-0.74
Loaf of brown bread 700g	17.14	16.50	0.64
Loaf of white bread 700g	18.43	17.79	0.64
Bananas 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
Average difference (R/unit)			0.64

Source: Stats SA, 2024

7. International food prices

The Food and Agricultural Organization (FAO) of the United Nations (UN) publishes its Food Price Index (FPI) monthly. The FPI consists of five commodity group price indices, namely, the Meat Price Index, the Dairy Price Index, the Cereals Price Index, the Oils Price Index and the Sugar Price Index. These indices are weighted with the average export shares of each of the groups from 2014 to 2016. In total, 95 price quotations are considered by FAO commodity specialists as representing the international prices of the noted food commodities and are included in the overall index. **Figure 3** shows the overall monthly real (deflated) FAO FPI from 2016 to 2024, with April 2024 reaching an index level of 112.5 points, which is lower by 9.0% from April 2023.

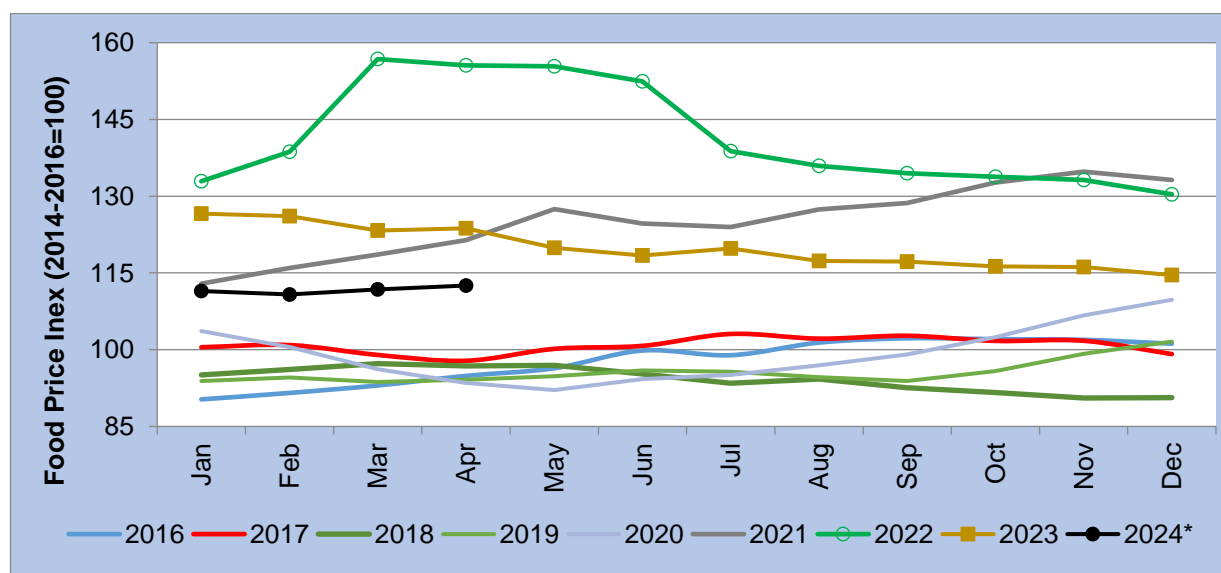


Figure 3: International monthly real FPI

Source: FAO, 2024

*Note: Current year

Figure 4 shows the price indices in *real terms* for the five food categories. The monthly (April 2024 vs. March 2024) growth percentages indicate increasing trends for three of the five indices. The annual (April 2024 vs. April 2023) growth percentages indicate a decrease of 19.8% for the Cereals Price Index, 16.2% for the Sugar Price Index, 5.9% for the Dairy Price Index, 2.2% for the Meat Price Index and 1.1% for the Oil Price Index.

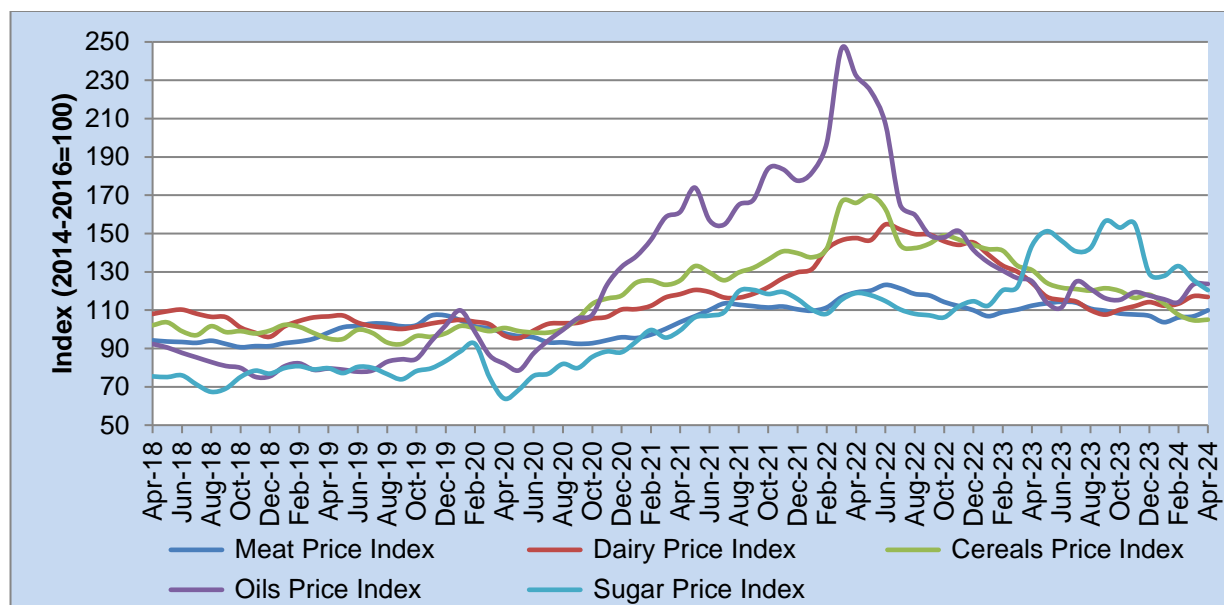


Figure 4: Real price indices for five food categories

Source: FAO, 2024

The **FAO Food Price Index (FFPI)**¹ in *nominal terms*, averaged 119.1 points in April 2024, equivalent to 0.3 points (0.3%) rise from its revised March level, as an increase in the price index for meat and smaller upturns of vegetable oil and cereal indices slightly more than offset decreases in those for sugar and dairy products. Although it registered a second monthly increase in April following a seven-month long declining trend, the FFPI dropped by 9.6 points or 7.4% from its corresponding value one year ago.

The **FAO Cereal Price Index** in *nominal terms*, averaged at 111.2 points in April 2024, up 0.3 points or 0.3% from March 2024 but 25 points (18.3%) below its April 2023 value. After declining for three consecutive months, average global wheat export prices stabilized in April 2024. Upward price pressure stemming from concerns about unfavourable crop conditions impacting 2024 harvests in parts of the European Union, the Russian Federation and the United States of America was countered by continuing strong competition among major exporters. By contrast, maize export prices increased in April 2024, 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. For other coarse grains, world prices of barley also rose while those of sorghum declined in April 2024. The FAO All Rice Price Index declined by 1.8%, largely due to falls in Indica quotations driven by harvest pressure.

The **FAO Vegetable Oil Price Index** in *nominal terms*, averaged at 130.9 points, up 0.3 points or 0.3% month-on-month and marking a 13-month high. The marginal increase reflects the net effect of higher sunflower and rapeseed oil quotations, more than offsetting slightly lower palm and soy oil prices. International palm oil prices trended lower in April 2024, largely influenced by seasonally higher outputs

¹Unlike for other commodity groups, most prices utilized in the calculation of the FAO Meat Price Index are not available when the FAO Food Price Index is computed and published; therefore, the value of the Meat Price Index for the most recent months is derived from a mixture of projected and observed prices. This can, at times, require significant revisions in the final value of the FAO Meat Price Index which could in turn influence the value of the FAO Food Price Index.

in leading producing countries and lingering subdued global import demand. Meanwhile, world soy oil prices declined after a short-lived recovery, reflecting prospects of ample supplies from South America following favourable soybean production outlook. By contrast, international sunflower and rapeseed oil prices kept rising, underpinned by, respectively, continued firm global import purchases and concerns over unfavourable weather conditions for winter rapeseed in parts of Europe.

The **FAO Dairy Price Index** in *nominal terms*, averaged at 123.7 points in April 2024, down marginally (0.3 points and 0.3%) from March 2024, marking a downturn after six months of continuous increases, but remained 5.5 points or 4.3% below its value in the corresponding month last year. International prices of skim milk powder declined the most, primarily underpinned by sluggish import demand for spot supplies amid high exportable availabilities, especially in Western Europe. Meanwhile, world cheese prices fell slightly, mainly reflecting the strengthening of the United States dollar. By contrast, world butter prices continued to increase due to steady import demand and somewhat tighter butter inventories in Western Europe. In the meantime, whole milk powder prices rebounded moderately due to increased demand for medium-term supplies and seasonally declining milk production in Oceania.

The **FAO Meat Price Index**² in *nominal terms*, averaged at 116.3 points in April 2024, up 1.9 points or 1.6% from March 2024, marking the third consecutive monthly increase and making the index stand only marginally (0.4%) below its corresponding value one year ago. In April 2024, international poultry meat prices rose, underpinned by steady import purchases by Middle Eastern countries amid the continued challenges to production stemming from avian influenza outbreaks. World bovine meat prices also increased, driven by the continued high demand from major importers, notwithstanding increased supplies from domestic sources in leading importing countries. Ovine meat prices bounced back slightly on market expectations for supplies to seasonally tighten in Oceania. By contrast, world pig meat prices fell marginally, reflecting slack internal demand in Western Europe and persistently lacklustre demand from leading importers, especially China.

The **FAO Sugar Price Index** in *nominal terms*, averaged at 127.5 points in April 2024, down 5.9 points or 4.4% from March 2024, marking a second consecutive monthly decline and standing 21.9 points or 14.7% below its value in April 2023. The decrease in world sugar prices was mostly related to improved global supply prospects, notably due to larger-than-previously-anticipated outputs in India and Thailand. In addition, improved rainfall in Brazil in late March and early April, after a prolonged period of dry weather conditions, eased concerns over prospects for the recently started harvest and contributed to the month-on-month price decline. The weakening of the Brazilian real against the United States dollar also contributed to lowering sugar prices in April 2024. By contrast, higher international crude oil prices and ethanol prices in Brazil contained the decrease in world sugar prices.

² Unlike for other commodity groups, most prices utilized in the calculation of the FAO Meat Price Index are not available when the FAO Food Price Index is computed and published; therefore, the value of the Meat Price Index for the most recent months is derived from a mixture of projected and observed prices. This can, at times, require significant revisions in the final value of the FAO Meat Price Index which could in turn influence the value of the FAO Food Price Index.

8. Impact of food inflation on consumers

The purpose of this section is to assess the impact of food inflation on consumers. The descriptive analysis presented in the first part of this section is based on the cost of a basic food basket³ (as originally compiled by the Food Price Monitoring Committee in 2003 but the basic food basket was revised in March 2022). This report is based on monthly average food price data for the period April 2023 to April 2024.

In April 2024, the cost of this basic NAMC urban food basket was R1 263.47, equivalent to a 7.9% (R92.49) increase from April 2023 (year-on-year) and a decrease by 0.5% (R6.15) from March 2024 (month-on-month). The cost of this food basket expressed as a share of the average monthly income⁴ of the poorest 30% of the population increased from 35.1% in April 2023 to 37.9% in April 2024. The cost of the food basket expressed as a share of the average monthly income of the wealthiest 20% of the population increased from 2.4% in April 2023 to 2.6% in April 2024. (Figure 5).

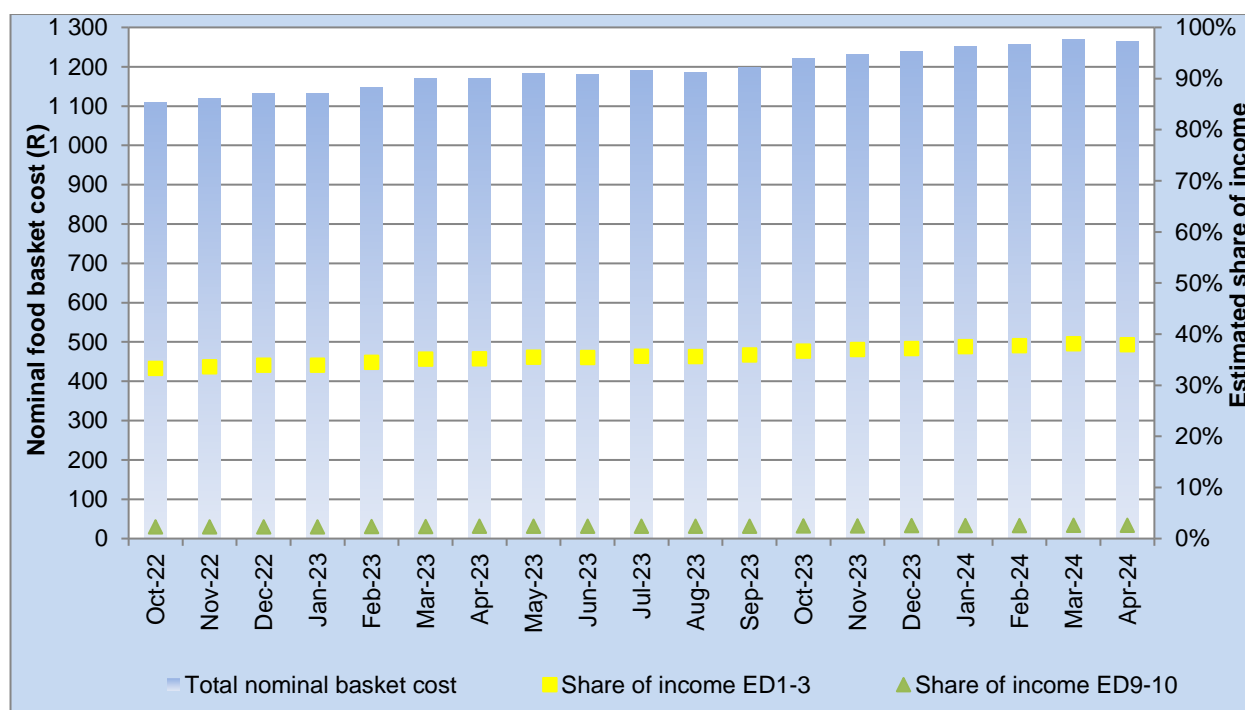


Figure 5: The cost of a typical consumer food basket for the period October 2022 to April 2024, expressed in nominal terms and as a share of the average income of the poorest 30% of households (Expenditure Deciles [ED] 1 to 3) and the wealthiest 20% of households (ED 9 to 10)

Sources: BFAP calculations, based on Stats SA monitored price data for urban areas, 2024

To further explore the impact of inflation on consumers, Figure 6 shows the average monthly nominal cost of specific food groups within the basic food basket, comparing April 2024 to March 2024 as well as

³ Composition of food basket: Apples fresh (per kg), Baked beans tinned (410g), Bananas fresh (per kg), Beans dried (500g), Beef mince fresh (per kg), Beef offal fresh (per kg), Bread loaf brown (700g), Bread loaf white (700g), Cabbage fresh (per kg), Cheese cheddar (per kg), Chicken giblets (per kg), Chicken portions IQF (2kg), Coffee instant (250g), Eggs (1.5 dozen), Fish (excl. tuna) tinned (400g), Maize meal super (5kg), Margarine brick (500g), Milk full cream long life (1l), Onions fresh (per kg), Oranges fresh (per kg), Peanut butter (400g), Polony (per kg), Potatoes fresh (per kg), Rice (2kg), Sugar white (2.5kg), Sunflower oil (750ml), Tea Ceylon/black (250g), Tomatoes fresh (per kg).

⁴ The cost of the typical food basket was expressed as a share of estimated average monthly income of Expenditure Deciles 1 to 3, the poorest 30% of the population, as calculated from the STATSSA Living Conditions Survey 2014/2015 (household income estimated by total expenditure of households on all items) (inflation adjusted to current levels).

annually between April 2024 and April 2023. Food groups with more severe annual food inflation (above 10%) included coffee & tea, sugar, fruit, bean products and dairy & eggs.

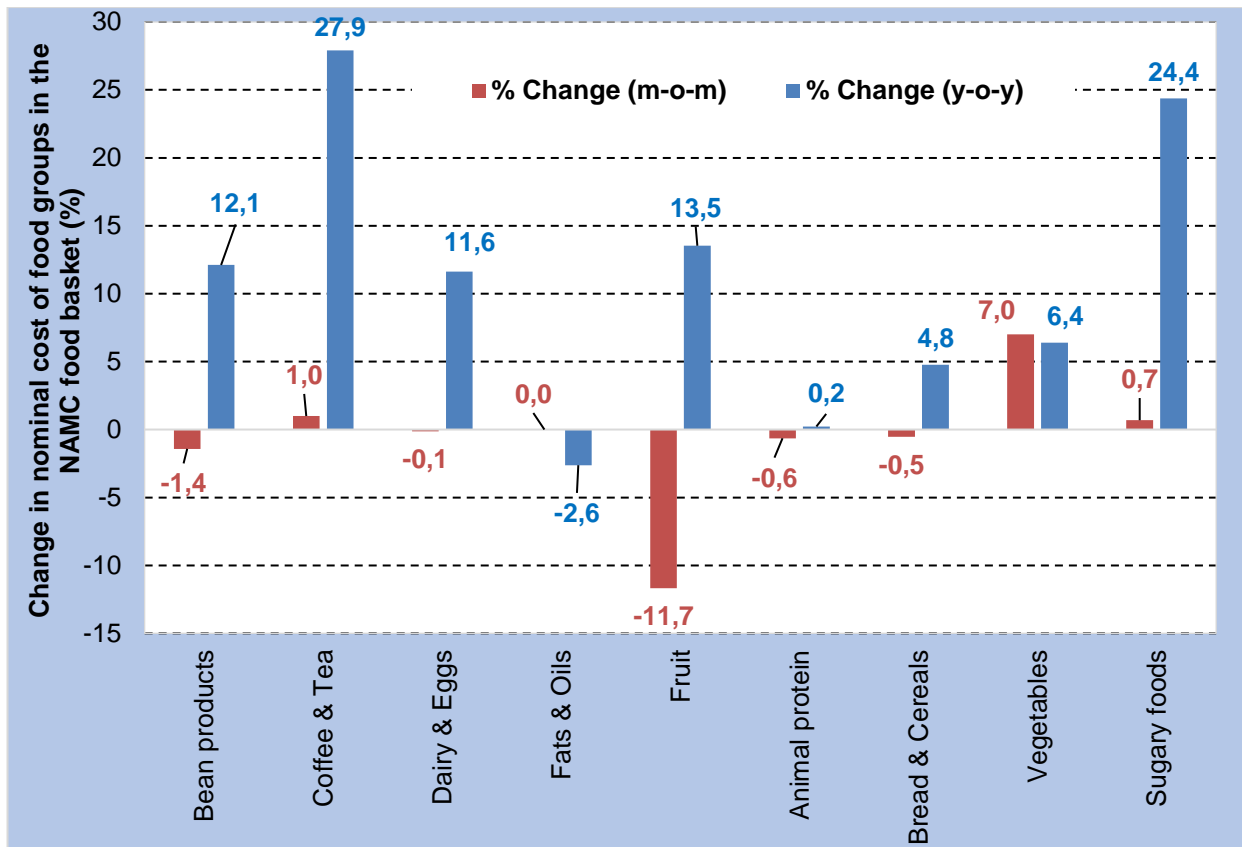


Figure 6: Nominal cost growth of specific food groups within the NAMC’s 28-item food basket, comparing April 2024 to April 2023 (y-o-y) and April 2024 to March 2024 (m-o-m)

Sources: BFAP calculations, based on Stats SA monitored price data for urban areas, 2024

The various food groups within this food basket are presented in more detail in [Table 6](#) below.

Table 6: Overview of contributions to annual food price increases within the 28-item NAMC food basket, April 2024 vs. April 2023

Food group	Overall inflation rate		Major contributors to inflation in this category	Minor contributors to inflation in this category	Non-contributors to inflation in this category	Comments
	April 2024 vs. April 2023	January 2024 vs. January 2023*				
Animal protein	0.2%	2.7%	None	<i>Polony (+4.8%) Chicken giblets (+1.9%) Canned pilchards (+1.9%) IQF chicken portions (+1.2%) Beef offal (+1.0%)</i>	<i>Beef mince (-4.3%)</i>	<i>Inflation on all listed animal protein food options except mince.</i>
Bread & cereals	4.8%	7.2%	<i>Rice (+28.0%)</i>	None	<i>Maize meal (-3.7%) White bread (-3.4%) Brown bread (-0.9%)</i>	<i>Inflation on rice.</i>
Vegetables	6.4%	9.6%	<i>Potatoes (+20.9%)</i>	<i>Tomatoes (+4.9%) Onions (+2.5%) Cabbage (+0.9%)</i>	None	<i>Inflation on all listed vegetable food options.</i>
Fruit	13.5	29.8%	<i>Oranges (+19.8%) Apples (+12.4%) Bananas (+7.0%)</i>	None	None	<i>High inflation on all listed fruit food options.</i>
Dairy	8.7%	12.1%	<i>Cheddar cheese (+9.5%)</i>	<i>Milk (+3.6%)</i>	None	<i>High inflation on dairy and eggs.</i>
Eggs	19.5%	25.8%	<i>Eggs (+19.5%)</i>	None	None	
Fats & oils	-2.6%	-2.8%	None	None	<i>Sunflower oil (-4.2%) Brick margarine (-0.7%)</i>	<i>Deflation on fats & oils.</i>
Bean products	12.1%	13.1%	<i>Peanut butter (+14.7%) Dried beans (+11.3%) Baked beans (+6.9%)</i>	None	None	<i>Inflation on all listed bean food options.</i>
Coffee & tea	27.9%	26.3%	<i>Ceylon/black tea (+29.4%) Instant coffee (+26.6%)</i>	None	None	<i>High inflation on tea and coffee.</i>
Sugary foods	24.4%	24.5%	<i>White sugar (+24.4%)</i>	None	None	<i>High inflation on sugar.</i>

Sources: BFAP & NAMC calculations, Stats SA, 2024

*Note: Previous Food Price Monitor analysis period prior to April 2024 vs. April 2023

Comparing April 2024 to April 2023 retail prices, higher price inflation (6.0% or more) was observed for the following products within the NAMC food basket (in order from highest to lowest inflation); Ceylon/black tea, rice, instant coffee, white sugar, potatoes, oranges, eggs, peanut butter, apples, dried beans, cheddar cheese, bananas and baked beans. When comparing food group inflation rates for April 2024/April 2023 with January 2024/January 2023 (i.e., the previous Food Price Monitor analysis period) the rate of inflation was higher for coffee & tea.

The impact of inflation on very poor consumers is further explored below, based on the typical portion sizes of very poor consumers of the five most widely consumed food items in South Africa represented by maize porridge, brown bread, sugar, tea and full cream milk (National Food Consumption Survey - Steyn & Labadarios, 2000⁵; Oldewage-Theron et al, 2005⁶). **Figure 7** illustrates the estimated portion costs for these foods, calculated from monthly food price data for April 2024 and April 2023. In April 2024 the largest cost contribution came from brown bread (42%) and maize meal (32%), followed by milk (13%).

Furthermore, despite the relatively low actual food weight contribution of bread to this ‘food plate’, the bread component costs more than the maize porridge component (about 30% more in this case for April 2024). When comparing, the costs associated with the typical portion sizes of very poor consumers for the five most widely consumed food items in South Africa, based on April 2023 and April 2024 prices the results in **Figure 7** indicated inflation of 1.5% (from R8.60 to R8.73 for the selection of typical portions), with inflation on tea, sugar and milk contributing most to inflation. From March 2023 to April 2024 the costs associated with the typical portion sizes of very poor consumers for the five most widely consumed food items in South Africa decreased by 0.5% (-R0.04).

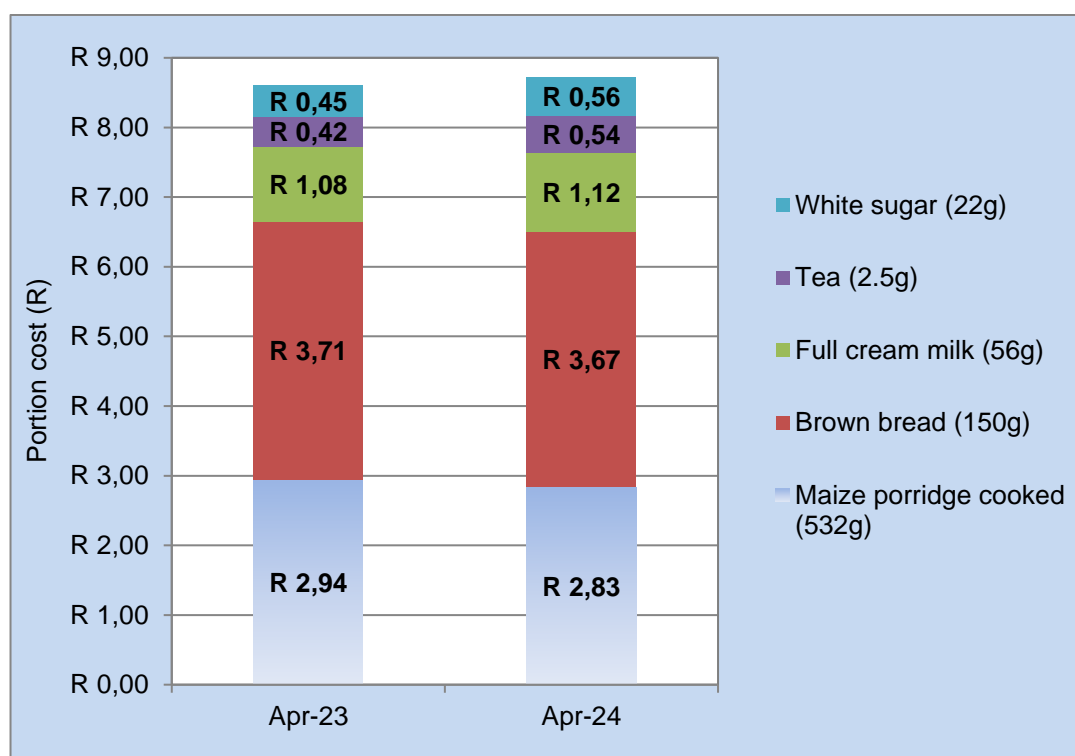


Figure 7: Average nominal cost for the typical portions of the five food items most widely consumed by very poor consumers in South Africa, April 2024 and April 2023

Sources: BFAP calculations based on Stats SA monitored price data for urban areas, 2024

⁵ Steyn NP, Labadarios D. *National Food Consumption Survey: Children aged 1–9 years, South Africa, 1999*. Cape Town: The Department of Health Directorate Nutrition, 2000

⁶ Oldewage-Theron W, Dicks E, Napier C, et al. Situation analysis of an informal settlement in the Vaal Triangle. *Development Southern Africa* 2005; 22 (1): 13-26

9. Food inflation drivers and expectations

Overview of selected key drivers of food inflation:

Global Food Commodity Prices:	FAO Food Price Index -7.4% YoY (↓cereals, sugar, dairy, meat; ↑ oils) +0.7% MoM (↓ sugar, dairy; ↑ meat, cereals, oils)
Exchange rate:	Rand / US\$ exchange rate YoY depreciation of 3.8% (R18.88/US\$1 (Apr'24) vs R18.18/US\$1 (Apr'23))
Fuel prices (SA):	Stats SA PPI Diesel price index: YoY increase of 3.8% in March 2024 (latest data available) Increasing trend in Q1 2024 (+2.9% from Dec 2023 to March 2024)
Electricity costs (SA):	Stats SA PPI electricity price index: YoY increase of 16.9% in March 2024 (latest data available)

Drivers of local food commodity prices

Grains:

- Global cereal commodity prices (as measured by the FAO Cereal Price Index) declined by 18.3% in April 2024 YoY, but increased marginally (+0.3%) compared to March 2024 (attributed to higher maize prices and stable wheat prices). Even though global maize prices increased in April 2024, global maize prices are expected to decline in 2024 with stable demand and increased stock levels.
- Domestic grain prices for wheat and maize increased in April 2024 (compared to March 2024). Wheat commodity prices rose by +1.6%, mainly attributed to the weaker exchange rate. Maize commodity prices increased by 4.0% for white maize and 1.8% for yellow maize, mainly attributed to warm and dry weather conditions through February and March, which impacted negatively on crop expectations, along with increased demand within the Southern African region (also due to adverse weather).

Oilseeds:

- Global oilseed commodity prices (as measured by the FAO Vegetable Oil Price Index) increased marginally (0.2%) in April 2024 compared to a year ago, due to higher sunflower and canola oil prices, offset by lower palm and soybean oil prices. From January 2024 to April 2024 the index increased by 6.9%.
- In the local market, the impact of stronger oilseed prices in the international market, combined with a weaker exchange rate and lower domestic crop estimates (due to warm and dry conditions in 2024 to date) have elevated oilseed prices.

Meat:

- Global meat commodity prices (as measured by the FAO Meat Price Index) decreased marginally (-0.4%) in April 2024 compared to a year ago, but has been increasing since January 2024 with a 3.0% increase from March 2024. Global prices for both beef and poultry increased while pork prices decreased slightly.
- The local meat market has seen soft prices for poultry, beef, and pork in April from March, contradicting international price trends (beef and poultry) and the exchange rate, impacted by weaker local demand and recovery from the impacts of the avian influenza outbreak in 2023.

Fresh produce:

- Total fresh produce sales at the domestic municipal markets have scaled up in volume (1.8%) and value (7.1%) in April (compared to March 2024), with higher vegetables sales but lower fruit sales. Compared to April 2023, average prices in the respective fresh produce categories on the municipal markets declined marginally (-0.6%) for vegetables, while increasing for fruit (+14.7%).
- Prices increased month-on-month for dominant vegetables (e.g. potatoes, tomatoes and onions), attributed to strong demand coupled with lower availability (linked to warm and dry weather).

For further insights into food inflation refer to the monthly **BFAP Food Inflation Brief** (<https://www.bfap.co.za/wp-content/uploads/2024/05/Food-Inflation-Brief-April-2024-prices-FINAL.pdf>).

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), formerly 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, following discussions with industry to keep a more frequent watch on the movements of food prices.

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