



# FOOD BASKET PRICE MONTHLY



## NAMC FOOD BASKET: 28 SELECTED FOOD ITEMS PRICES Issue 108 – November 2024

# Food Basket Price Monthly

## November 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 October 2024 official data is used in this report, as the official release of the November 2024 CPI data is scheduled for December 11, 2024 (see link below from the Stats SA website):*

<https://www.statssa.gov.za/publications/P0141/P0141October2024.pdf>

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## Highlights

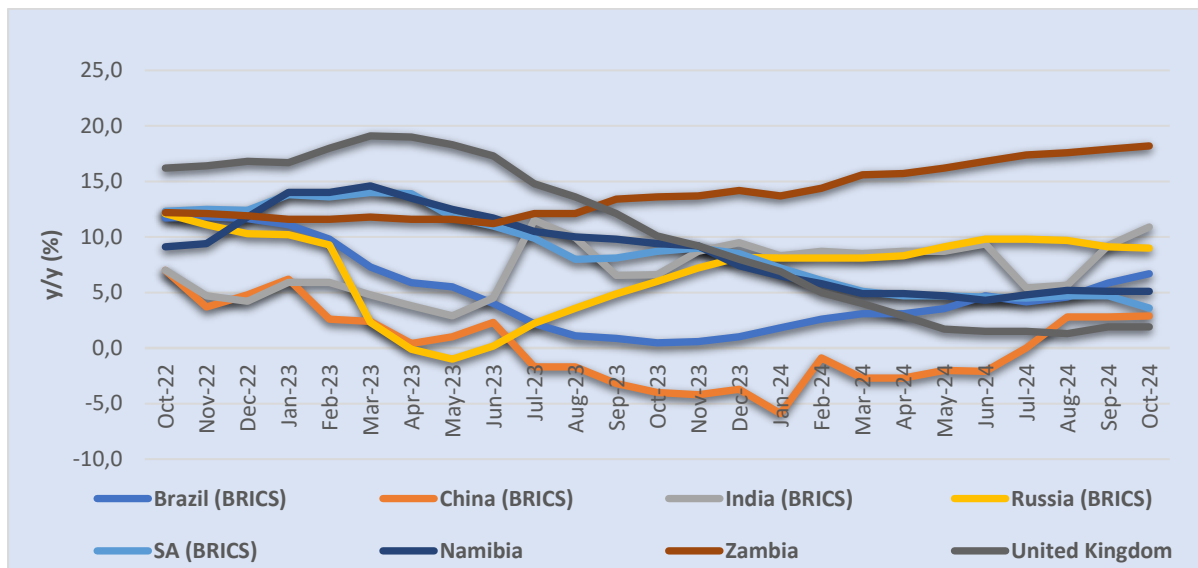
During October 2024, the nominal cost of the NAMC's 28-item urban food basket amounted to R1 296.49 compared to the R1 288.81 reported in September 2024. This represents a monthly increase of 0.6% and a year-on-year increase of 6.1%.

October 24 vs. October 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 (6.9%)	Fish (5.5%) Bread & cereals (4.6%) Milk, eggs & cheese (4.1%) Processed food (3.6%) Other food (3.5%)	Vegetables (2.4%) Fruit (2.4%) Unprocessed food (2.0%)	Meat (0.5%) Oils & fats (-0.3%)
<b>Individual food items in NAMC food basket (listed in order of decreasing inflation rates):</b>	Brick margarine (40.5%) Instant coffee (19.7%) Eggs (19.6%) Dried beans (17.7%) Ceylon/black tea (17.5%) Cabbage (16.1%)	Peanut butter (11.9%) Apples (10.5%) Oranges (7.8%) Potatoes (7.7%) Rice (6.8%)	Maize meal (5.8%) White sugar (5.6%) Beef offal (5.5%) Tinned fish (5.1%) Tomatoes (4.6%) Baked beans (4.5%) Individually Quick Frozen (IQF) chicken portions (3.6%) White bread (3.4%) Brown bread (3.3%)	Full cream long life milk (2.7%) Polony (2.7%)	Chicken giblets (-0.8%) Beef mince (-1.7%) Cheddar cheese (-2.1%) Sunflower oil (-2.8%) Bananas (-5.7%) Onions (-9.3%)

## 1. Overall inflation and food inflation

The global nominal food price index, as reported by the Food and Agricultural Organisation (FAO), reflected a 2.0% increase in October 2024, standing at 127.4 points. This can be attributed to an increase in different food categories included in calculating the food price index. For instance, the vegetable oil price index increased by 7.3% from September 2024, followed by the sugar price index by 2.8%, dairy price index 1.9% and cereal price index by 0.8%. Notably, during this period the Meat price index recorded a decrease of 0.3%.

**Figure 1** illustrates fluctuations in global food inflation across several countries, including the BRICS member nations (Brazil, Russia, India, China and South Africa), as well as Zambia, Botswana and Namibia, which maintain significant trade connections with South Africa. Comparing data from September 2024 to October 2024, some countries experienced increases in their food inflation rates. Notably, Zambia's food inflation rose from 17.9% to 18.2%, India from 9.2% to 10.9%, Brazil increased from 5.9% to 6.7%, Botswana from 5.0% to 5.2% and China from 2.8% to 2.9%. However, other countries recorded a decrease in food inflation: Russia decreased from 9.1% to 9.0% and South Africa from 4.7% to 3.6%. While the United Kingdom's and Namibia's food inflation remained stable at 5.1% and 1.9%, respectively.



**Figure 1: Global food inflation rates for selected countries**

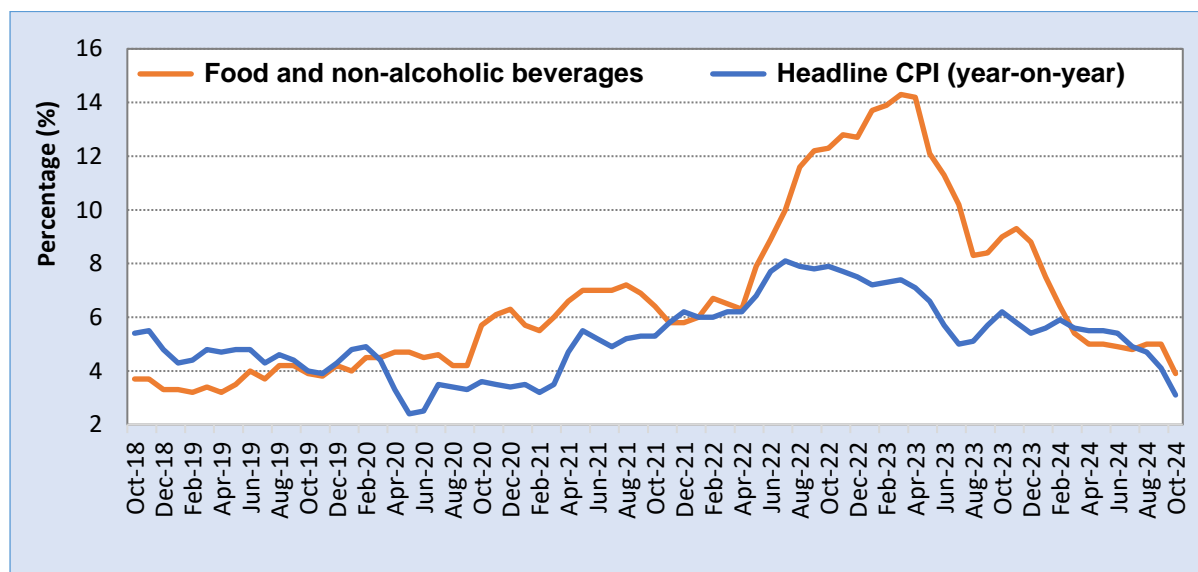
Source: Trading Economics, 2024; Stats SA, 2024 & NAMC calculations

**Figure 2** presents the trend in the Consumer Price Index (CPI) for South Africa from October 2018 to October 2024, along with the inflation rate for food and non-alcoholic beverages (NAB). On 20<sup>th</sup> November 2024, the official release by Statistics South Africa (Stats SA) confirmed the CPI for October 2024. For October 2024, the annual headline CPI was reported at 2.8%, reflecting a significant decrease from 3.8% in September 2024. Similarly, the inflation rate for food and non-alcoholic beverages declined to 3.6% in October 2024, compared to 4.7% in September 2024. Notably, the main drivers of the current inflation on food and NAB were sugar, sweets & desserts, which experienced a substantial increase (6.9%) in October 2024, followed by fish (5.5%), bread & cereals (4.6%), milk, eggs & cheese (4.1%), processed food (3.6%), other foods (3.5%), fruits (2.4%), vegetables (2.4%), unprocessed foods (2.0%) and meat (0.5%). During this period oils and fats decreased by 0.3%.

South Africa's food inflation is expected to remain volatile in the coming months due to unstable global market trends. Notably, the global cereal price index increased in October 2024, driven by unfavourable weather affecting wheat crops in major exporters such as the EU, Russia, and the U.S., alongside logistical challenges in Brazil and dry conditions in Argentina. Additionally, maize prices have risen due

to supply pressures. Meanwhile, global dairy prices have increased due to supply constraints in cheese and butter production, while sugar prices have surged due to dry conditions in Brazil and higher demand for ethanol production (FAO, 2024). These global pressures, coupled with potential pass-through effects in import-dependent sectors, are likely to drive fluctuations in food costs in South Africa. However, it is impressive to note that South Africa's inflation rate has consistently remained within the central bank's target range of 3.0% to 6.0% since October 2023.

As of October 2024, the local price of white maize averaged at R5 655.65 per ton, marking a 2.6% increase from September 2024. Similarly, yellow maize averaged R4 504.52 per ton, reflecting an 8.2% increase compared to the previous month. Sunflower seed prices averaged at R10 075.48 per ton, indicating a 10.4% rise from the preceding month's price.



**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 October 2024

**Table 1** presents a comparative analysis of expenses associated with selected food items in both urban and rural areas during October 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 R8.07 followed by peanut butter (R2.87), white sugar (R1.61), a loaf of brown bread (R0.88), a loaf of white bread (R0.51) and sunflower oil (R0.28) in comparison to their rural counterparts. On average, urban consumers paid 81 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 2024 (R/unit)	Rural Food Prices October 2024 (R/unit)	The price difference (R/unit)
Full cream milk – long life 1ℓ	20.07	20.76	-0.69
A loaf of brown bread 700g	17.63	16.75	0.88
A loaf of white bread 700g	19.06	18.55	0.51
Banana per kg	20.00	21.48	-1.48
Maize meal 2.5 kg	38.45	38.74	-0.29
Margarine spread 500g	39.77	40.69	-0.92
Peanut butter 400g	47.68	44.81	2.87
Rice 2kg	46.68	48.59	-1.91
Sunflower oil 750mℓ	35.00	34.72	0.28
Ceylon/black tea 250g	60.64	52.57	8.07
White sugar 2.5kg	65.50	63.89	1.61
			0.81

Source: Stats SA. 2024; NAMC calculations

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

In this section, the NAMC's 28-item urban food basket's cost is explained through a comparison of average food prices in October 2024 and October 2023. The cost of the NAMC's 28-item urban food basket increased by 6.1% in October 2024 compared to the same period last year, reaching R1 296.49. When compared to the R1 288.81 in September 2024, the basket increased by 0.6% on a monthly basis. **Table 2** presents the 28 food items composing the NAMC urban food basket in terms of their nominal prices. Between October 2024 and October 2023, among these 28 items, 11 witnessed price increases that exceeded the inflation target set by the South African Reserve Bank (SARB) of 6%. Notable products in this category include brick margarine which experienced a substantial price surge of 40.5%, followed by instant coffee (19.7%), eggs (19.6%), dried beans (17.7%), Ceylon/black tea (17.5%), cabbage (16.1%), peanut butter (11.9%), apples (10.5%), oranges (7.8%), potatoes (7.7%) and rice (6.8%).

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

Category	Product	October-23 R/unit	September- 24 R/unit	October-24 R/unit	Change year-on- year (%)	Change month-on- month (%)
Beans	Baked beans - tinned 410g	15.56	16.08	16.26	4.5%	1.1%
	Beans - dried 500g	29.11	34.22	34.27	17.7%	0.1%
	Peanut butter 400g	42.61	46.62	47.68	11.9%	2.3%
Coffee & Tea	Ceylon/black tea 250g	51.61	59.29	60.64	17.5%	2.3%
	Instant coffee 250g	57.65	68.41	69.02	19.7%	0.9%
Dairy & Eggs	Cheddar cheese per kg	148.15	153.99	144.99	-2.1%	-5.8%
	Eggs 1.5 dozen	57.46	69.36	68.75	19.6%	-0.9%
	Full cream milk - long life 1ℓ	19.54	20.30	20.07	2.7%	-1.1%
Fats & Oils	Brick margarine 500g	28.31	29.85	39.77	40.5%	33.2%
	Sunflower oil 750mℓ	36.01	34.49	35.00	-2.8%	1.5%
Fruit	Apples per kg	21.23	23.26	23.46	10.5%	0.9%
	Bananas per kg	21.20	17.62	20.00	-5.7%	13.5%
	Oranges per kg	19.16	20.30	20.66	7.8%	1.8%
Animal Protein	Beef mince per kg	103.78	101.46	101.97	-1.7%	0.5%
	Beef offal per kg	50.13	52.98	52.88	5.5%	-0.2%

Category	Product	October-23 R/unit	September-24 R/unit	October-24 R/unit	Change year-on-year (%)	Change month-on-month (%)
	Chicken giblets per kg	46.75	47.78	46.37	-0.8%	-3.0%
	Fish (excl tuna) - tinned 400g	26.37	27.79	27.71	5.1%	-0.3%
	IQF chicken portions 2kg	91.19	94.07	94.44	3.6%	0.4%
	Polony 1kg	54.48	55.54	55.97	2.7%	0.8%
Bread & Cereals	Loaf of brown bread 700g	17.06	17.64	17.63	3.3%	-0.1%
	Loaf of white bread 700g	18.44	18.88	19.06	3.4%	1.0%
	Rice 2kg	43.70	47.30	46.68	6.8%	-1.3%
	Maize meal 5kg	66.59	71.40	70.47	5.8%	-1.3%
Vegetables	Cabbage each	19.48	22.37	22.62	16.1%	1.1%
	Onions per kg	24.62	23.12	22.34	-9.3%	-3.4%
	Potatoes per kg	22.82	21.56	24.58	7.7%	14.0%
	Tomatoes per kg	26.49	28.19	27.70	4.6%	-1.7%
Sugary foods	White sugar 2.5kg	62.02	64.94	65.50	5.6%	0.9%
<b>Total Rand Value</b>		<b>1 221.52</b>	<b>1 288.81</b>	<b>1 296.49</b>	<b>6.1%</b>	<b>0.6%</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 October 2024 with October 2023 (year-on-year) and October 2024 with September 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 18.7%. Following this was fats & oils which increased by 16.2%, bean products by 12.5%, sugary foods by 5.6%, bread & cereals by 5.5%, fruits by 4.1%, vegetables by 4.1%, dairy & eggs by 3.8% and animal protein by 1.8%. Reviewing the month-on-month basis, fats & oils showed the most significant escalation by 16.2%. This was followed by fruits which increased by 4.8%, vegetables by 2.1%, coffee & tea by 1.5%, bean products by 1.3%, sugary food by 0.9%, respectively. During this period animal protein, bread & cereals, and dairy & eggs decreased by 0.1%, 0.9% and 4.0%, respectively.

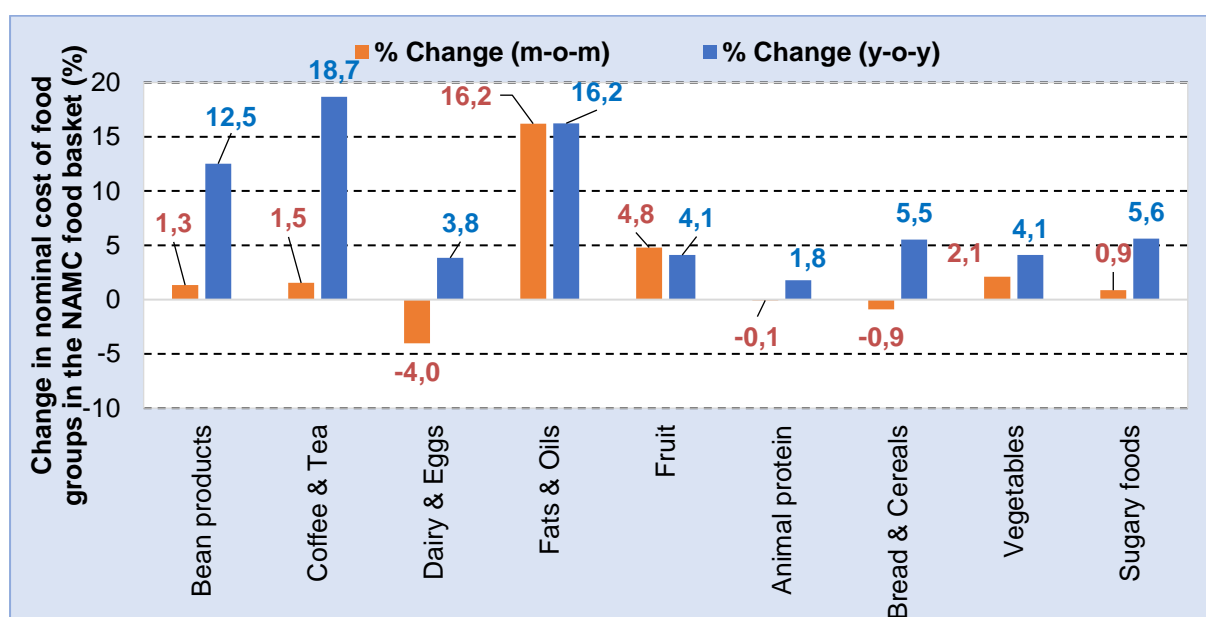


Figure 3: Nominal change in the cost of specific food groups within the NAMC's 28-item food basket, comparing October 2024 vs. October 2023 and October 2024 vs. September 2024

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 September 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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