

FOOD PRICE MONITOR

November 2024 Issue



NAMC

Promoting market access for South African agriculture

FOOD PRICE MONITOR

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): 1

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

EXECUTIVE SUMMARY

During October 2024, the Consumer Price Index (CPI) released by Statistics South Africa (Stats SA) indicates that the annual headline CPI increased by 2.8%, while inflation for food and non-alcoholic beverages increased by 3.6%.

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 127.4 points in October 2024, up 2% from its revised September 2024 level and the highest since April 2023. Price quotations for all commodities in the index, except meat, rose, with vegetable oils recording the largest increase at 7.3%. Compared to historical levels, the FFPI in October 2024 was 5.5% higher than its corresponding value a year ago but remained 20.5% below its peak of 160.2 points reached in March 2022.

In October 2024, the cost of this basic NAMC urban food basket was R1 286.17, equivalent to a 5.3% (R64.65) increase from October 2023 (year-on-year) and a decrease by 0.2% (-R2.64) from September 2024 (month-on-month).

Comparing October 2024 to October 2023 retail prices, higher price inflation (6.0% or more) was observed for the following products within the NAMC food basket; instant coffee, Ceylon/black tea, dried beans, peanut butter, cabbage, potatoes, apples, oranges and rice.

Local maize supply remains tight given the drought-induced production declines in 2024 and high demand for SA white maize in the region pushed prices up.

Poultry and pig carcass prices have strengthened on the back of increasing feed costs (yellow maize) and a revived demand in the case of poultry. Prices for both meat types have been declining YoY, and poultry prices have reverted to levels seen before the Avian Influenza outbreak.

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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 October 2018 to October 2024. During October 2024, the CPI released by Statistics South Africa (Stats SA) indicates that the annual headline CPI increased by 2.8%, while inflation for food and non-alcoholic beverages increased by 3.6%. The headline inflation and the food and non-alcoholic beverage inflation was 5.9% and 8.7% during October 2023, respectively.

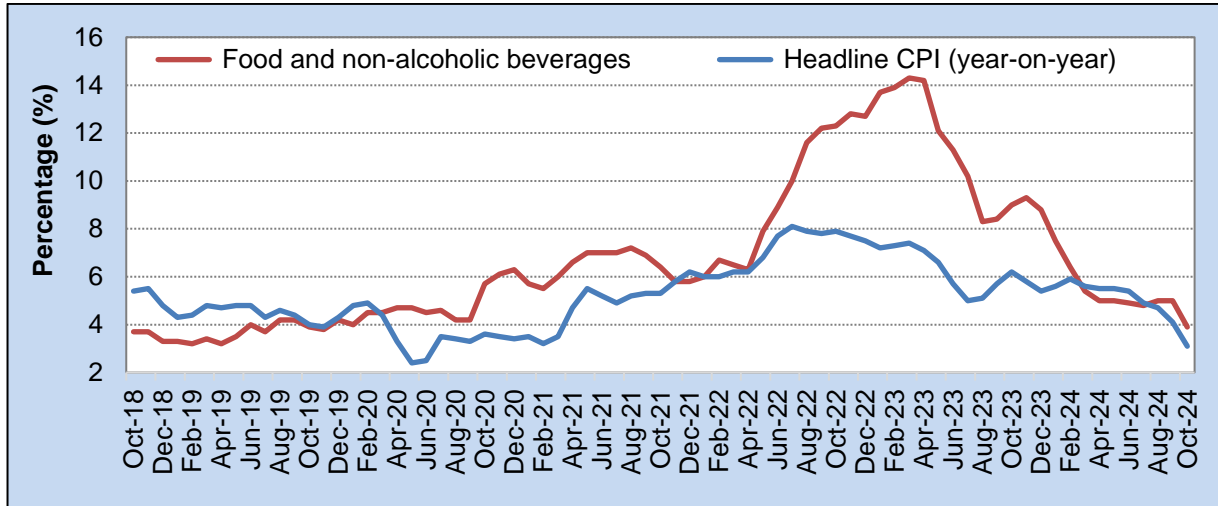


Figure 1: Headline CPI and food and non-alcoholic beverage inflation

Source: Stats SA, 2024

Figure 2 presents components of the food and non-alcoholic beverage index changes. Comparing October 2024 with October 2023, the following changes, in descending order, were reported: sugary foods (6.9%), fish (5.5%), bread & cereals (4.6%), milk, eggs & cheese (4.1%), processed foods (3.6%), other foods (3.5%), fruit & vegetables (2.4%), unprocessed foods (2.0%), meat (0.5%) and oils & fats (-0.3%). Comparing October 2024 with September 2024, the following changes, in descending order, were reported: fruit (5.3%), vegetables (2.7%), sugary foods & oils & fats (1.0%), unprocessed foods (0.7%), meat (0.3%), other food items (0.1%), processed foods unchanged, fish (-0.2%), milk, eggs & cheese (-0.2%), and bread & cereals (-0.5%).

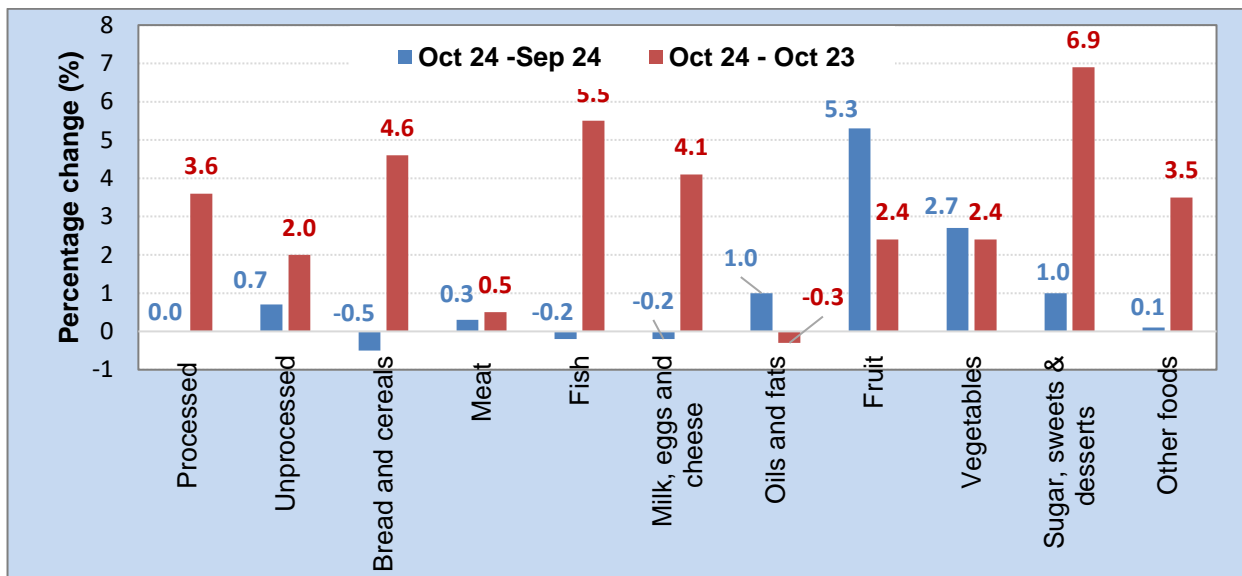


Figure 2: Annual (October 2024 vs. October 2023) and monthly (October 2024 vs. September 2024) changes in CPI for the different food categories

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 August 2024 to October 2024 for South Africa and other selected countries. South Africa's overall inflation for October 2024 reached 2.8% while food inflation reached 3.6%. Food categories with the largest annual contribution to South Africa's food inflation include sugary foods, fish, bread & cereals, milk, eggs & cheese, processed foods and other food items. Turkey's overall inflation rate for October 2024 reached 48.6%, with food inflation reaching 45.3%. China's overall inflation rate was 0.3%, and food inflation of 2.9%. 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 10.9% in October 2024.

Table 1: Overall inflation and food inflation from August 2024 to October 2024

Country	August 2024		September 2024		October 2024	
	Overall inflation (%)	Food inflation (%)	Overall inflation (%)	Food inflation (%)	Overall inflation (%)	Food inflation (%)
Botswana	3.9	5.1	1.5	5	1.6	5.2
Brazil	4.2	4.6	4.4	5.9	4.8	6.7
China	0.6	2.8	0.4	2.8	0.3	2.9
India	3.7	5.7	5.5	9.2	6.2	10.9
Namibia	4.4	5.2	3.4	5.1	3.0	5.1
Russia	9.1	9.7	8.6	9.2	8.5	9.0
South Africa	4.4	4.7	3.8	4.7	2.8	3.6
Turkey	52.0	44.9	49.4	43.7	48.6	45.3
United Kingdom	2.2	1.3	1.7	1.9	2.3	1.9
United States	2.5	2.1	2.4	2.3	2.6	2.1
Zambia	15.5	17.6	15.6	17.9	15.7	18.2

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

In general, Turkey registered the highest but decreasing trend of inflation amongst all the countries considered in this section between August 2024 and October 2024 while the trend for China declined.

3. Annual urban food price trends: October 2024 vs. October 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 (October 2024 vs. October 2023)

Grain and oil products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Sunflower oil 750ml	-2.8	Pork ribs per kg	-4.9	Onions per kg	-9.3
Macaroni 500g	-2.3	Sausage per kg	-4.4	Bananas per kg	-5.7
Cake flour 2.5kg	-1.9	Beef fillet per kg	-3.9	Lettuce each	2.9
Pasta 500g	-0.1	Pork fillet per kg	-3.3	Baked beans - tinned 410g	4.5
Spaghetti 500g	-0.1	Pork chops per kg	-3.1	Tomatoes per kg	4.6
Instant noodles 73g	0.2	Corned beef 300g	-2.7	Potatoes - fresh per kg	7.7
Loaf of brown bread 700g	3.3	Beef stew per kg	-2.7	Oranges per kg	7.8
Loaf of white bread 700g	3.4	Cheddar cheese per kg	-2.1	Apples per kg	10.5
Brick margarine 500g	4.0	Lamb/Mutton rib chop per kg	-1.9	Cabbage each	16.1
Maize meal 2.5kg	4.3	Beef mince per kg	-1.7	Beans - dried 500g	17.7
Margarine spread 500g	4.5	Beef rump steak per kg	-1.6		
Maize meal 5kg	5.8	Lamb/Mutton neck per kg	-1.4		
Samp 1kg	6.8	Lamb/Mutton stew per kg	-1.1		
Rice 2kg	6.8	Chicken giblets per kg	-0.8		
Peanut butter 400g	11.9	Beef chuck per kg	-0.7	Other	%
Rice 1kg	15.9	Lamb/Mutton leg per kg	-0.5	White sugar 2.5kg	5.6
		Bacon 200g	-0.1	Ceylon/black tea 250g	17.5
		Low fat milk - fresh 2l	0.1	Instant coffee 250g	19.7
		Lamb/Mutton loin chop per kg	0.3		
		Beef brisket per kg	0.3		
		Beef sirloin per kg	0.7		
		Beef T-bone per kg	1.4		
		Low fat milk - long life 1l	2.0		
		Full cream milk - fresh 2l	2.1		
		Full cream milk - long life 1l	2.7		
		Polony 1kg	2.7		
		IQF chicken portions 2kg	3.6		
		Chicken portions - fresh per kg	3.9		
		Chicken portions frozen - non IQF per kg	4.1		
		Lamb/Mutton offal per kg	4.6		
		Whole chicken - fresh per kg	5.0		
		Fish (excl tuna) - tinned 400g	5.1		
		Ham 500g	5.4		
		Beef offal per kg	5.5		
		Tuna - tinned 170g	5.8		
		Powdered milk 900g	7.6		
		Eggs 1.5 dozen	19.6		

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: October 2024 against October 2023

Comparing October 2024 against October 2023, the international price of wheat decreased by 8.5%, while domestic wheat prices decreased by 3.7%. Urban consumers paid 3.3% more for a loaf of brown bread (700g) and 3.4% more for a loaf of white bread (700g). Domestic yellow maize prices increased by 16.1%, while international yellow maize prices decreased by 17.5%. Domestic white maize prices increased by 39.5%. Maize meal prices (2.5kg) increased by 4.3% in urban areas. During the same period, the urban prices of sunflower oil (750mℓ) decreased by 2.8%. Domestic prices of sunflower seed increased by 14.0% annually, while international sunflower seed prices increased by 52.5%.

Comparing October 2024 with October 2023, the average beef producer prices (R/kg) of C2/C3, classes B2/B3 and class A2/A3 decreased by 5.5%, 3.5% and 2.0%, respectively. Lamb/mutton producer prices (R/kg) of classes B2/B3, C2/C3 and A2/A3 increased by 10.6%, 7.5% and 6.8%, respectively. Abattoir selling prices of fresh and frozen chicken portions decreased by 8.0% and individually quick frozen (IQF) chicken portions decreased by 5.7%. Porker and baconer producer prices (R/kg) decreased by 14.7% and 12.4%, respectively, during the same period.

4. Monthly urban price comparison: October 2024 vs. September 2024

Table 3 compares prices of selected food items in urban areas for October 2024 and September 2024. Food items showing relatively large monthly price differences are bananas (per kg), with a difference of R2.38, Ceylon/black tea (250g) with a difference of R1.35, peanut butter (400g) with a difference of R1.06, margarine spread (500g) with a difference of R0.78, white sugar (2.5kg) with a difference of R0.56, sunflower oil (750ml) with a difference of R0.51 and a loaf of white bread (700g) with a difference of R0.18. The following products showed a decline in prices; rice (2kg) with a difference of –R0.62, maize meal (2.5kg) with a difference of –R0.48, full cream long life milk (1ℓ) with a difference of –R0.23 and a loaf of brown bread (700g) with a difference of –R0.01. This indicates that urban consumers paid on average R0.50 more for these 11 food items during October 2024 compared to September 2024.

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

Product	Urban Food Prices September 2024 (R/unit)	Urban Food Prices October 2024 (R/unit)	Price difference (R/unit)
Full cream milk – long life 1ℓ	20.30	20.07	-0.23
Loaf of brown bread 700g	17.64	17.63	-0.01
Loaf of white bread 700g	18.88	19.06	0.18
Bananas per kg	17.62	20.00	2.38
Maize meal 2.5 kg	38.93	38.45	-0.48
Margarine spread 500g	38.99	39.77	0.78
Peanut butter 400g	46.62	47.68	1.06
Rice 2kg	47.30	46.68	-0.62
Sunflower oil 750mℓ	34.49	35.00	0.51
Ceylon/black tea 250g	59.29	60.64	1.35
White sugar 2.5kg	64.94	65.50	0.56
Average difference (R/unit)			0.50

Source: Stats SA, 2024

5. Annual rural food price trends: October 2024 vs. October 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 (October 2024 vs. October 2023)

Grain and oil products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Brick margarine 125g	-5.5%	Beef rump steak per kg	-5.0%	Potatoes - fresh 10kg	-20.1%
Margarine spread 1kg	-4.0%	Full cream milk - long life 500ml	-0.4%	Apples per kg	-8.4%
Sunflower oil 2l	-3.6%	Full cream milk - fresh 2l	1.1%	Cabbage each	-4.6%
Sunflower oil 750ml	-3.5%	Beef T-bone per kg	2.4%	Tomatoes per kg	-2.0%
Loaf of brown bread 700g	0.9%	Fish (excl tuna) - tinned 155g	2.6%	Onions per kg	0.9%
Margarine spread 500g	1.0%	Full cream milk - long life 1l	3.1%	Oranges per kg	7.3%
Sunflower oil 500ml	1.6%	Low fat milk - fresh 2l	3.5%	Bananas per kg	9.3%
Brick margarine 500g	2.9%	Beef brisket per kg	4.2%	Potatoes - fresh per kg	17.0%
Loaf of white bread 700g	4.5%	Full cream milk - fresh 1l	5.4%	Beans - dried 1kg	29.4%
Loaf of brown bread 600g	4.8%	Fish (excl tuna) - tinned 400g	5.4%	Beans - dried 2kg	34.0%
Brick margarine 250g	6.3%	Beef chuck per kg	6.4%	Beans - dried 500g	34.8%
Super maize 5kg	6.6%	Full cream milk - fresh 500ml	6.9%	Cabbage per kg	100.0%
Super maize 2.5kg	6.7%	Beef fillet per kg	15.6%		
Peanut butter 400g	7.5%	Eggs 1.5 dozen	21.3%		
Loaf of white bread 600g	8.3%	Chicken portions - fresh per kg	26.5%	Other	%
Peanut butter 800g	10.3%			Ceylon/black tea 200g	-33.8%
Rice 1kg	14.0%			White sugar 5kg	0.5%
Rice 2kg	15.8%			White sugar 2.5kg	3.4%
Rice 500g	16.4%			Ceylon/black tea 62.5g	7.5%
Special maize 2.5kg	16.7%			White sugar 1kg	7.7%
Peanut butter 270g	19.1%			Instant coffee 750g	8.6%
				Ceylon/black tea 125g	10.3%
				Ceylon/black tea 250g	12.2%
				Instant coffee 100g	17.3%
				Instant coffee 250g	18.4%

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 October 2024

A comparison of the cost of selected food items in urban with rural areas in October 2024 is provided in **Table 5**. In October 2024, the food items with relatively high price differences between urban and rural areas were: Ceylon/black tea with a price difference of R8.07, peanut butter with a R2.87 difference, white sugar with a R1.61 difference, a loaf of brown bread with a R0.88 difference, a loaf of white bread with a R0.51 difference and sunflower oil with a price difference of R0.28. On average, urban consumers spent R0.81 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 October 2024, and these are rice, bananas, margarine spread, full cream long life milk, and maize meal.

Table 5: 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)	Price difference (R/unit)
Full cream milk – long life 1ℓ	-0.69	-0.69	-0.69
Loaf of brown bread 700g	0.88	0.88	0.88
Loaf of white bread 700g	0.51	0.51	0.51
Bananas per kg	-1.48	-1.48	-1.48
Maize meal 2.5 kg	-0.29	-0.29	-0.29
Margarine spread 500g	-0.92	-0.92	-0.92
Peanut butter 400g	2.87	2.87	2.87
Rice 2kg	-1.91	-1.91	-1.91
Sunflower oil 750mℓ	0.28	0.28	0.28
Ceylon/black tea 250g	8.07	8.07	8.07
White sugar 2.5kg	1.61	1.61	1.61
Average difference (R/unit)			0.81

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 October 2024 reaching an index level of 120.3 points, which is higher by 3.6% from October 2023.

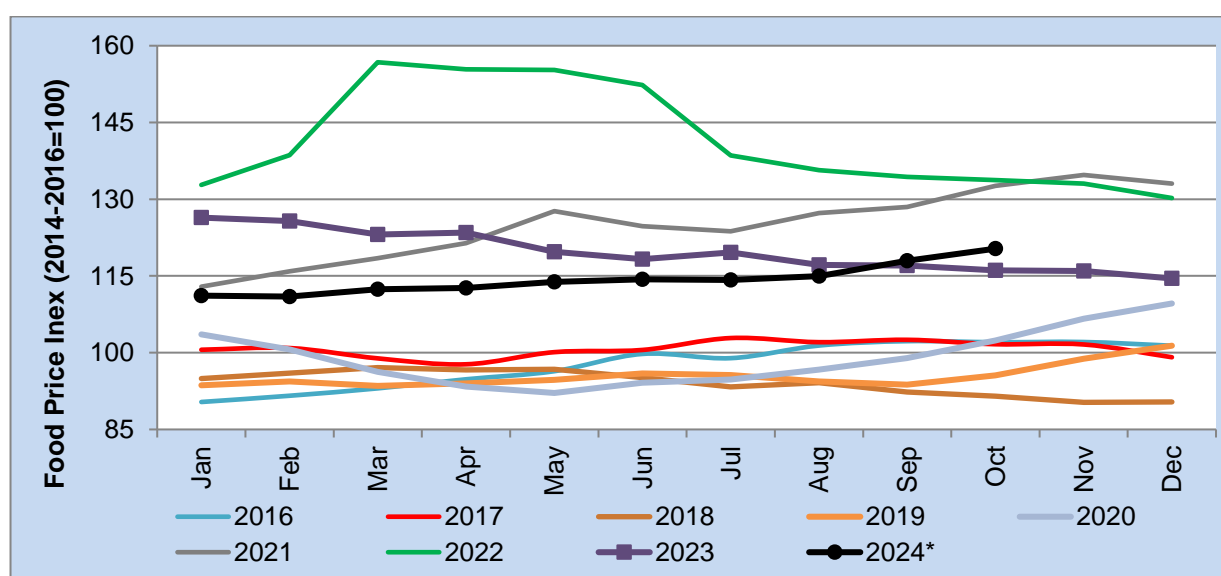


Figure 3: International monthly real FPI

Source: FAO, 2024

*Note: Current year

Figure 4 shows the price indices in *real terms* for the five food categories. The monthly (October 2024 vs. September 2024) growth percentages indicate increasing trends for four of the five indices. The annual (October 2024 vs. October 2023) growth percentages indicate an increase of 9.8% for the Oil Price Index, 3.1% for the Sugar Price Index, 2.4% for the Dairy Price Index and 0.8% for the Cereals Price Index. The Meat Price Index decreased by 0.3%.

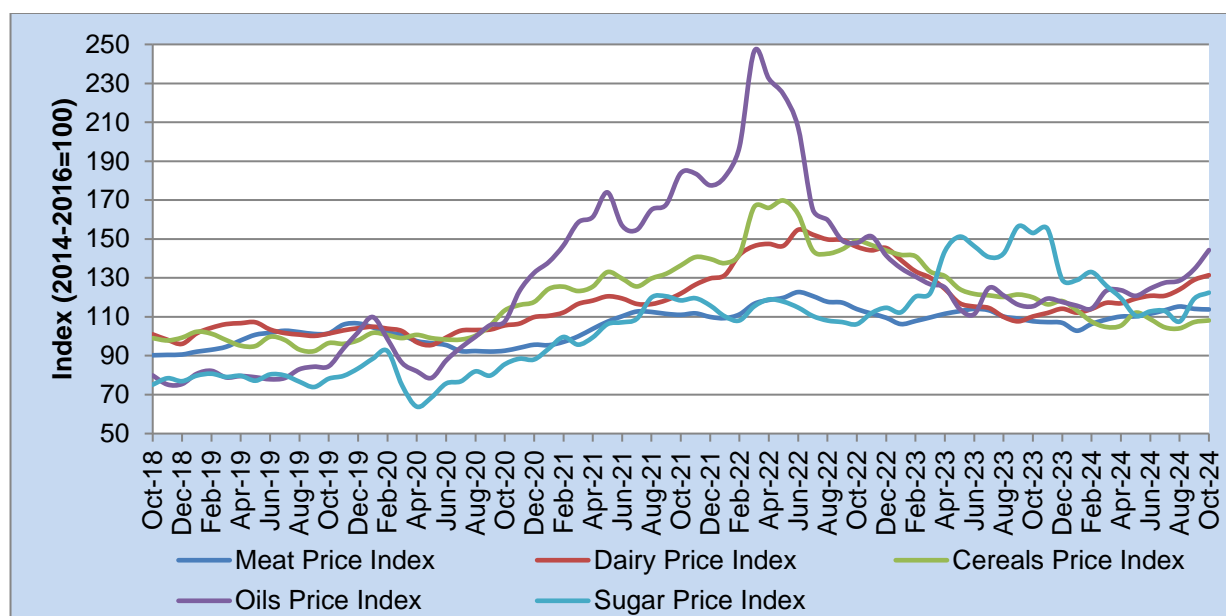


Figure 4: Real price indices for five food categories

Source: FAO, 2024

The **FAO Food Price Index (FFPI)**¹ in *nominal terms*, averaged 127.4 points in October 2024, up 2% from its revised September 2024 level and the highest since April 2023. Price quotations for all commodities in the index, except meat, rose, with vegetable oils recording the largest increase at 7.3%. Compared to historical levels, the FFPI in October 2024 was 5.5% higher than its corresponding value a year ago but remained 20.5% below its peak of 160.2 points reached in March 2022.

The **FAO Cereal Price Index** in *nominal terms*, averaged at 114.4 points in October 2024, up 0.9 points or 0.8% from September 2024 but still 10.3 points (8.3%) below its October 2023 value. Global wheat prices increased for the second consecutive month, mostly reflecting concerns over unfavourable weather conditions affecting winter crop sowing in several major northern hemisphere exporters, including the European Union, the Russian Federation and the United States of America. Additionally, the re-introduction of an unofficial price floor in the Russian Federation and rising tensions in the Black Sea region exerted upward pressure on prices. World maize prices continued their upward trend in October 2024, driven partly by strong domestic demand in Brazil and transport challenges in some parts of the country due to low river levels. Dry conditions hindering planting in Argentina and steady demand for Ukrainian maize also contributed to the firmer tone. Among other coarse grains, world prices of barley rose, while those of sorghum declined. The FAO All Rice Price Index declined by 5.6% in October 2024, reflecting lower quotations for Indica rice driven by expectations of increased competition among exporters following India's removal of export restrictions on non-broken rice.

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.

The **FAO Vegetable Oil Price Index** in *nominal terms*, averaged at 152.7 points in October 2024, up 10.4 points or 7.3% from September 2024 and marking a two-year high. The rise was driven by higher quotations across palm, soy, sunflower and rapeseed oils. International palm oil prices increased for the fifth consecutive month in October 2024, largely fuelled by concerns over lower-than-expected outputs coinciding with prospective seasonal production declines in key producing countries in Southeast Asia. Similarly, global sunflower and rapeseed oil prices continued to rise, mainly underpinned by prospects of subdued supplies due to lower expected production in 2024/25. World soy oil prices rose on firm global demand amid limited supplies of alternative vegetable oils.

The **FAO Dairy Price Index** in *nominal terms*, averaged at 139.1 points in October 2024, up 2.5 points or 1.9% from September 2024 and 24.5 points (21.4%) higher than its value a year ago. International cheese prices registered the largest increase, reflecting limited availability of supplies to meet import demand for spot supplies amid strong internal sales, especially in the European Union, where milk production fell seasonally. World butter prices also rose in October 2024 for the thirteenth consecutive month, driven by high internal demand, limited inventories, and seasonally low milk production in Western Europe. By contrast, price quotations for milk powders, especially skim milk powder, declined due to rising seasonal milk production in Oceania and weak global import demand.

The **FAO Meat Price Index**² in *nominal terms*, averaged at 120.4 points in October 2024, down marginally by 0.3% from the revised September 2024 value and 8.4 points or 7.5% above its level a year ago. International pig meat prices fell the most, reflecting increased slaughter in Western Europe amid weak domestic and foreign demand. World poultry meat prices fell slightly, pressured by higher export supplies from major global producers. World ovine meat prices remained largely stable, as rising global demand offset a surge in new season supplies from Oceania. By contrast, international price quotations for bovine meat increased moderately, underpinned by stronger international purchases.

The **FAO Sugar Price Index** in *nominal terms*, averaged at 129.6 points in October 2024, up 3.3 points or 2.6% from September 2024 and marking a second consecutive monthly increase, but still down 29.6 points (18.6%) from its value a year ago. Persisting concerns over the 2024/25 production outlook in Brazil, following a prolonged period of dry weather conditions, pushed sugar prices up in October 2024. Additionally, higher international crude oil prices, which stimulate a greater use of sugarcane for ethanol production in Brazil, further contributed to the increase in prices. However, the weakening of the Brazilian real against the United States dollar and improved precipitation in key southern growing areas of Brazil in late October 2024 limited the overall increase 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 October 2023 to October 2024.

In October 2024, the cost of this basic NAMC urban food basket was R1 286.17, equivalent to a 5.3% (R64.65) increase from October 2023 (year-on-year) and a decrease by 0.2% (-R2.64) from September 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 33.7% in October 2023 to 35.5% in October 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 September 2024 to 2.5% in October 2024. (Figure 5).

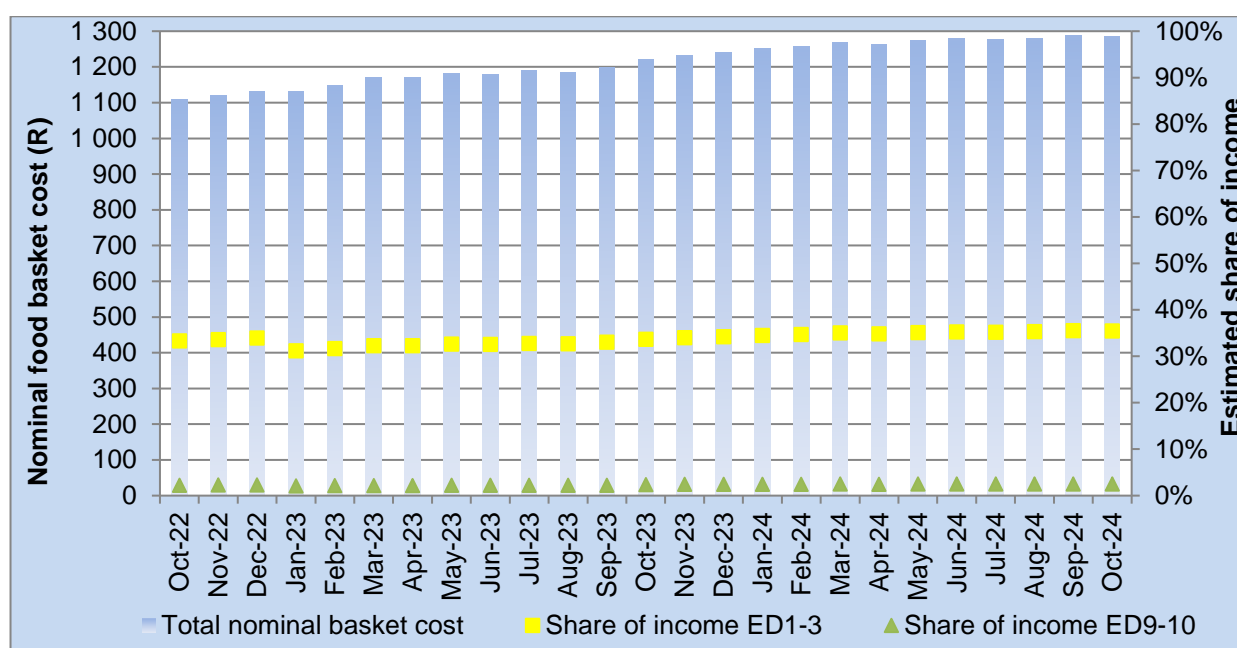


Figure 5: The cost of a typical consumer food basket for the period October 2022 to October 2024, expressed in nominal terms and as a share of the average income of the poorest 30% of households (Expenditure Deciles [ED] 1 to 3) and the wealthiest 20% of households (ED 9 to 10)

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 October 2024 to September 2024 as well as annually between October 2024 and October 2023. Food groups with more severe annual food inflation (above 10%) included coffee & tea, fats & oils and bean products.

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).

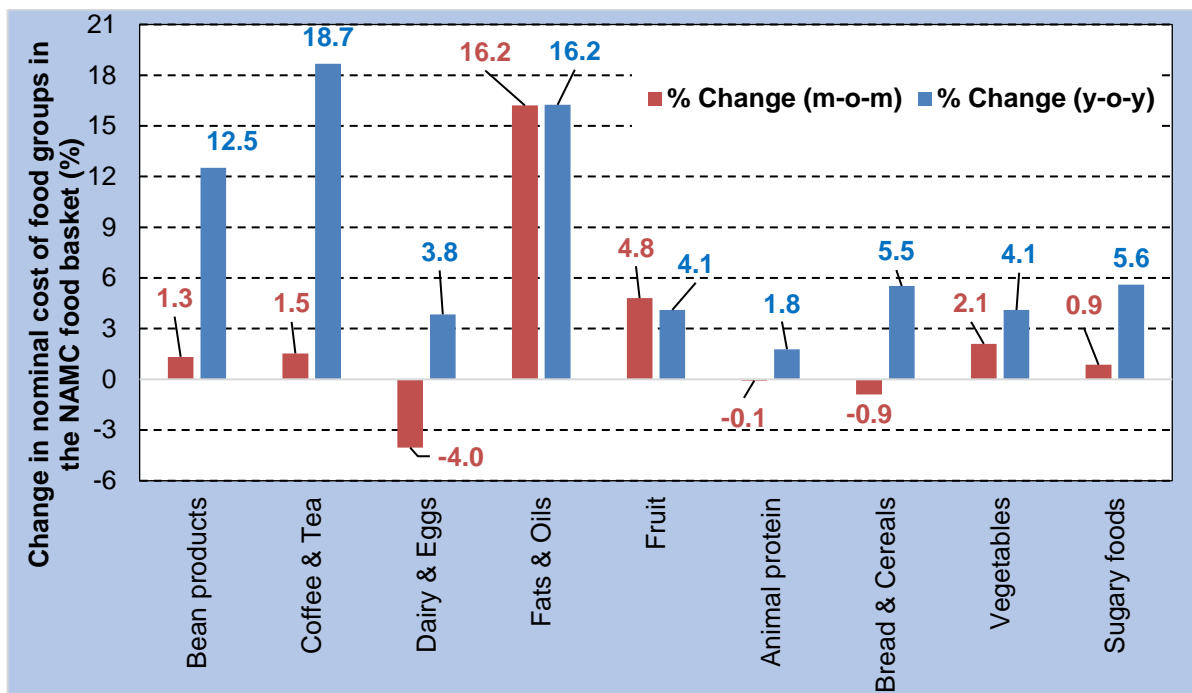


Figure 6: Nominal cost growth of specific food groups within the NAMC’s 28-item food basket, comparing October 2024 to October 2023 (y-o-y) and October 2024 to September 2024 (m-o-m)

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, October 2024 vs. October 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
	October 2024 vs. October 2023	July 2024 vs. July 2023*				
Animal protein	1.8%	-0.4%	None	<i>Beef offal (+5.5%) Canned pilchards (+5.1%) IQF chicken portions (+3.6%) Polony (+2.7%)</i>	<i>Beef mince (-1.7%) Chicken giblets (-0.8%)</i>	<i>Inflation on all listed animal protein food options except mince and chicken giblets.</i>
Bread & cereals	5.5%	9.4%	<i>Rice (+6.8%)</i>	<i>Maize meal (+5.8%) White bread (+3.4%) Brown bread (+3.3%)</i>	None	<i>High inflation on rice.</i>
Vegetables	4.1%	2.7%	<i>Cabbage (+16.1%) Potatoes (+7.7%)</i>	<i>Tomatoes (+4.6%)</i>	<i>Onions (-9.3%)</i>	<i>Inflation on all listed vegetable food options except onions.</i>
Fruit	4.1%	9.5%	<i>Apples (+10.5%) Oranges (+7.8%)</i>	None	<i>Bananas (-5.7%)</i>	<i>High inflation on all listed fruit food options except bananas.</i>
Dairy	-1.6%	4.3%	None	<i>Milk (+2.7%)</i>	<i>Cheddar cheese (-2.1%)</i>	<i>High inflation on eggs.</i>
Eggs	19.6%	35.2%	<i>Eggs (+19.6%)</i>	None	None	
Fats & oils	16.2%	-0.3%	<i>Brick margarine (+40.5%)</i>	None	<i>Sunflower oil (-2.8%)</i>	<i>High inflation on margarine.</i>
Bean products	12.5%	15.7%	<i>Dried beans (+17.7%) Peanut butter (+11.9%)</i>	<i>Baked beans (+4.5%)</i>	None	<i>Inflation on all listed bean food options.</i>
Coffee & tea	18.7%	26.7%	<i>Instant coffee (+19.7%) Ceylon/black tea (+17.5%)</i>	None	None	<i>High inflation on tea and coffee.</i>
Sugary foods	5.6%	6.9%	None	<i>White sugar (+5.6%)</i>	None	<i>Inflation on sugar.</i>

Sources: BFAP & NAMC calculations, Stats SA, 2024

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

Comparing October 2024 to October 2023 retail prices, higher price inflation (5.0% or more) was observed for the following products within the NAMC food;

- Coffee, tea: Instant coffee (+19.7%), Ceylon/black tea (+17.5%).
- Legumes: Dried beans (+17.7%), peanut butter (+11.9%).
- Vegetables: Cabbage (+16.1%), potatoes (+7.7%).
- Fruit: Apples (+10.5%), oranges (+7.8%).
- Grain-based staples: Rice (+6.8%), maize meal (+5.8%).
- Sugar: White sugar (+5.6%).
- Protein-rich foods from animals: Eggs (+19.6%), beef offal (+5.5%), canned pilchards (+5.1%).

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 October 2023 and October 2024. In October 2024 the largest cost contribution came from brown bread (41%) and maize meal (33%), 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 20% more in this case for October 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 October 2023 and October 2024 prices the results in **Figure 7** indicated inflation of 5.1% (from R8.68 to R9.12 for the selection of typical portions), with inflation on tea, maize meal and sugar contributing most to inflation. From September 2024 to October 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 0.4% (-R0.04).

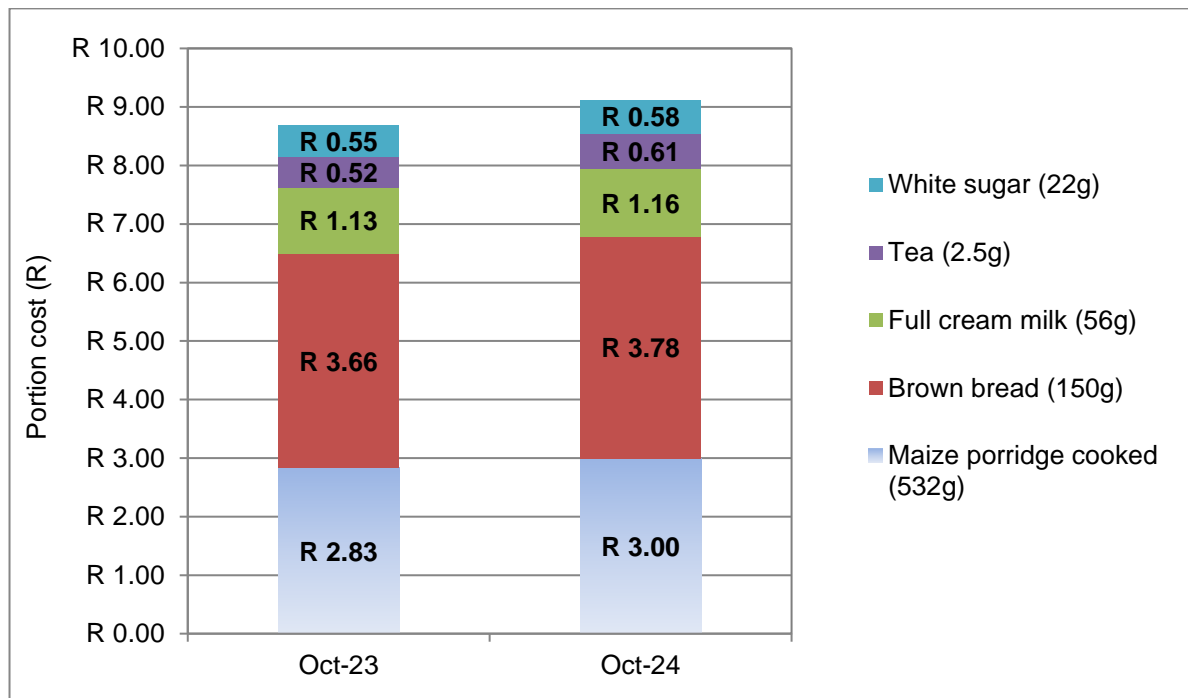


Figure 7: Average nominal cost for the typical portions of the five food items most widely consumed by very poor consumers in South Africa, October 2023 and October 2024

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 +5.5% YoY (↓ cereal, sugar; ↑ oils, dairy, meat) +2.0% MoM (↑ oils, sugar, dairy, cereals; ↓ meat)
Exchange rate:	Rand / US\$ exchange rate YoY appreciation of 7.8% (R17.56/US\$1 (Oct'24) vs R19.05/US\$1 (Oct'23))
Fuel prices (SA):	Stats SA PPI Diesel price index: YoY decrease of 15.7% in Sep 2024 (latest data available)
Electricity costs (SA):	Stats SA PPI electricity price index: YoY decrease of 28.7% in Sep 2024 (latest data available)

Drivers of local food commodity prices

Grains:

- Global cereal prices increased by 0.8% in October 2024 from September 2024 but were 8.3% lower compared to levels recorded in October 2023. Higher wheat and maize prices supported the MoM growth resulting from a combination of factors, including unfavourable weather disrupting planting, geopolitical tensions and the reinstatement of an unofficial price floor in the Russian Federation (wheat), transportation issues in Brazil and firm global demand (maize).
- Domestic grain prices saw mixed trends. Wheat prices moved counter to the international market due to a stronger Rand, decreasing by 1.2% MoM. Maize prices rose with yellow maize increasing by 8.2%, and white maize by 2.8%. Local maize prices aligned with international trends. Locally, supply remains tight given the drought-induced production declines in 2024 and high demand for SA white maize in the region pushed prices up. In addition, local demand for yellow maize to be used in coastal regions have increased, with imports for the 2024/25 marketing year to date amounting to 278 000 tons by October 2024, mainly from Argentina.

Oilseeds:

- Global oilseed prices increased in October 2024 from September 2024, backed by strong prices for canola and sunflower seed amid tight global supplies. The exception is soybeans, where improved weather and planting progress in Brazil put downward pressure on prices. International vegetable oil prices increased (7.3%) MoM with gains across all vegetable oil types included in the FAO Vegetable Oil Price Index, marking the highest increase in two years and leaving vegetable oil prices 27% higher than a year ago. Vegetable oil prices were largely driven by oilseed prices, supply shortages in the case of palm, canola and sunflower oils which surged soy oil prices due to the significant worldwide demand given the scarcity of alternative oil types.
- Oilseed prices also showed an upward trend locally, despite a stronger exchange rate, with soybean prices higher by 1.6% and sunflower by 10.3%. Sunflower prices reflected global market trends, while soybean prices reflected reduced volumes following the impact of the drought on 2024 production volumes.

Meat:

- Global prices for pig, poultry, and ovine meat declined, while bovine meat prices increased, resulting in a decrease (-0.3%) in the FAO Meat Price Index MoM. The index was 7.5% higher compared to the same month in 2023. Prices were under pressure due to increasing slaughter rates in Western Europe combined with weak domestic and international demand in the pig meat market, and increased export supplies in the case of poultry, while ovine meat prices were somewhat down as growing global demand offset high seasonal supply from Oceania. Bovine meat prices increased, supported by stronger international demand.
- SA meat prices moved sideways, with poultry (IQF) and pork prices up and beef (average A2/A3) and sheep (average A2/A3) meat down. Poultry (3.0%) and pig carcass (0.8%) prices have strengthened on the back of increasing feed costs (yellow maize) and a revived demand in the case of poultry. Prices for both meat types have been declining YoY, and poultry prices have reverted to levels seen

before the Avian Influenza outbreak. The beef market moved counter to global dynamics given a firmer exchange rate, softening MoM (-2.4%). Weaner calf prices were up (1.1%), reflecting stronger demand from abattoirs as the festive season approaches. Sheep meat prices eased (-1.5%) resulting from softer demand in the local market as this is the most expensive meat type.

Fresh produce:

- Year-on-year vegetable prices for most staple vegetables including potatoes, onions and tomatoes eased in October 2024 compared to October 2023 attributed to higher volumes at the market. Potato volumes traded increased by 16%, while prices were 20% lower. For onions, volumes increased by 6% in October 2024 compared to October 2023, while prices are 2% higher compared to a year ago. Tomato volumes improved in October 2024 and prices came under pressure but still traded 17% higher compared to the same period in 2023.
- Generally, all major fruits sold on the local market traded at higher prices YoY for the month of October 2024. Apple sales volumes on the municipal markets were slightly lower than last year and exports are moving well. The orange market is experiencing low supply, volumes are 34% lower in 2024 than in 2023 to date, consequently, YTD prices are 46% higher than a year ago. Avocado volumes were somewhat lower and exports increased, with prices trending upwards. Banana volumes are still nowhere near the 2022 levels, with prices consequently also substantially higher.

For further insights into food inflation refer to the monthly **BFAP Food Inflation Brief** (<https://www.bfap.co.za/wp-content/uploads/2024/11/BFAP-Food-Inflation-Brief-October-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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