

Brace yourselves for even higher food prices

By SUTHENTIRA GOVENDER

● Economists are predicting that food prices will rise by between 15% and 20% in the coming months, pushing low-income earners closer to the brink and stretching middle-class pockets further.

Many consumers have resorted to stringent measures to cut costs, including cutting out one meal a day, eating less meat, baking their own bread and rationing tinned food.

Consumers are already paying nearly 12% more for basic food items, 41.1% more for petrol and 57.5% higher for diesel compared with a year ago.

Economist Dawie Roodt, a board member of the Free Market Foundation, told the Sunday Times: "The price of the basic food basket is likely to continue to climb over the next few months.

"According to some of the major food producers and distributors, prices could go up by between 15% and 20% soon. This is in line with our expectations. Already we can see that the producer price index [PPI], which is a leading indicator, suggests a similar rate of increase.

"The basis of food prices is the price of grain – which has increased markedly recently and which may rise even further for various reasons [including shortages as a result of the war in Ukraine]. These increases



Economist Dawie Roodt

will eventually filter through to most items."

Roodt said higher inflation was leading to price increases being passed on throughout the value chain.

"For this reason, though the process of inflation may be ignited by an event like a petrol price increase, it eventually becomes widespread, affecting most prices in the economy."

South Africans should be very concerned, he added.

"Very high levels of unemployment, rising poverty, and now rising prices – especially food prices – is setting the scene for social and political upheaval. And most of this is the result of the wrong policies."

In Cape Town, MikMil Mtsolongo, a single mother of four, has slashed her grocery list to the bones and has cut out family outings.

"I have cut bacon and cereals. My kids have cheese once a week in their lunch boxes," she said. "A tin of fish goes a long way as I make sure that we don't eat [it] all at once."

Mtsolongo has also resorted to buying milk sachets because they are cheaper than cartons.

Another consumer, Ratidzo Gunguwo, has introduced meatless Mondays to reduce her family's consumption.

"I have started filtering my cooking oil and reusing instead of throwing it out. I've cut down on takeaways and alcohol.

"I use vouchers like a maniac and ask my friends and relatives – even my kids' friends – to pass on any vouchers they don't want."

Carey Leighton, an associate analyst at retail business researcher Trade Intelligence, said rising fuel costs were hard to absorb along the supply chain.

Global food commodity prices indices were also much higher than last year, especially for vegetable oils and cereals, she said.

"Supplies of sunflower oil and wheat were hit hard after Russia's invasion of Ukraine" she added. "Maize prices [which are up] 30% a ton are impacting on food costs as well as livestock feed, putting pressure on the prices of meat, dairy and egg production."

According to the Pietermaritzburg Economic Justice and Dignity Group, which compiles the monthly household affordability index, the average household food basket now costs R4,609, R473 more than a year ago.

Leighton said higher income households have more options to make ends meet, including credit facilities. "However, the rising interest rate is pushing up the cost of debt."

Maria van der Merwe, who heads the Association for Dietetics in SA, said the monthly food basket for middle income households is more varied than that of low-income earners.

"A household with an average income of R30,000 per month would typically spend about 20% (R6,000) of their income on food, which may also include eating out."

"There is a real risk of the perception that healthy eating is expensive, and the lower cost and easier access and availability of junk food may lead to an increase in the consumption of processed, high-fat and high sugar foods."

Rising price of food



"The constitution of a monthly food basket for lower-income households is known and the price for this basket has increased by 11.4% from May 2021 to May 2022, currently standing at an average of R4,609.89. The household basket for middle-income earners is more varied. A household with an average income of R30,000 per month would typically spend around 20% (R6,000) of their income on food, which may also include eating out."

– Maria van der Merwe, President of the Association for Dietetics in SA

	MAY '21	MAY '22		MAY '21	MAY '22
Maize meal 30kg	R249.19	R259.54	Butternut 10kg	R67.06	R78.87
Rice 10kg	R139.90	R133.03	Spinach 8 bunches	R92.16	R115.15
Cake Flour 10kg	R96.08	R108.37	Cabbage 2 heads	R35.63	R38.30
White sugar 10kg	R161.82	R171.15	Green pepper 2kg	R45.86	R45.28
Sugar beans 5kg	R166.51	R170.66	Crema 800g	R36.56	R41.55
Cooking oil 5L	R192.86	R201.90	Tinned pilchards	R118.46	R133.54
Salt 1kg	R13.01	R13.01	400g x 6		
Potatoes 10kg	R63.59	R77.43	Canned beans	R66.51	R71.66
Onions 10kg	R71.69	R80.93	410g x 6		
Frozen chicken portions 10kg	R328.28	R351.66	Bananas 4kg	R62.96	R68.04
Tea 250g	R22.00	R24.21	Apples 3kg	R36.86	R38.20
Full cream milk 6l	R77.99	R81.37	Oranges 7kg	R56.20	R63.25
60 eggs	R104.84	R119.27	Margarine 1kg	R35.01	R40.21
Beef 2kg	R155.36	R178.62	Peanut butter	R64.21	R64.80
Wors 2kg	R120.09	R132.95	400g x 2		
Fish 2kg	R93.60	R110.11	Apricot jam 900g	R29.15	R30.37
Tomatoes 6kg	R124.79	R116.51	White bread*	R330.56	R363.67
Carrots 5kg	R37.53	R40.71	Brown bread*	R300.33	R330.85
			* 25 loaves		

Graphic: Nolo Maima. Source: PMBF, JD