

NAMC clarifies food prices

On 3 February 2016, the National Agricultural Marketing Council (NAMC) released the January 2016 Food Basket Price Monthly publication as part of the NAMC mandate passed on by the Food Price Monitoring Committee (FPMC) appointed by government in 2003, according to which NAMC was requested to monitor and report on food prices on a regular basis.



sonja paetow via [pixabay](#)

Since 2004, the NAMC has been releasing various annual and quarterly reports on food prices. All the publications use data supplied by Statistics South Africa.

This release should be read in conjunction with the [Food Basket Price Monthly Jan 2016 publication](#) (revised).

Nominal cost of the basic food basket

Firstly, pursuant to recent debate on food price increases and their impact on consumers, this press release serves to clarify that the latest food price inflation figure stands at 5,9 percent for December 2015, as released by Statistics South Africa on 20 January 2016. The NAMC has done further analysis on a smaller “basic food basket” containing 23 food items, using the same data that Statistics South Africa used for its latest CPI food calculations.

From this analysis the NAMC found that the nominal cost of the basic food basket of 23 food items increased from R503,22 in December 2014 to R536,27 in December 2015, which translates to a nominal increase of 6,6 percent. It should further be noted that this figure was revised down from an earlier figure of 8,7 percent (as reported in the NAMC Food Basket Price Monthly report released on 3 February 2016) – this is due to an adjustment made as a result of the exclusion of one food item that was inadvertently included in the December 2015 basket. The revised NAMC Food Basket Price Monthly report carries the latest adjusted figures.

Clarification on food inflation figures

Secondly, the Business Report newspaper of 4 February 2016 carried the following headline “Food inflation in shock rise to 8,7%”. Under this headline, the newspaper also reported that “Food prices in South Africa rose by an average of 8,7 percent between December 2014 and December 2015...”.

The NAMC wishes to clarify that the 8,7 percent figure (which has since been revised down to 6,6 percent) that was reported in the NAMC's Food Basket Price Monthly is not a representation of food price inflation in South Africa, but an indication of an increase in the nominal cost of a basic food basket containing only 23 basic food items, which the NAMC has been tracking since 2004. Media are therefore requested to take this matter into consideration when interpreting any future food price information pertaining to the cost of the basic food basket.

National Agricultural Marketing Council

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