

Rural-urban food price gap narrows but still high

By [Hopewell Radebe](#)

7 Dec 2010

Rural consumers are still paying substantially more for basic foodstuffs than their urban counterparts, the National Agricultural Marketing Council says.

According to its quarterly Food Price Monitoring Report for last month, released last week, rural consumers paid R16.86 more than urban consumers for the same food basket in October.

However, this was a decrease from R19.89 more in July.

The report takes a deeper look at food products in relation to the consumer price index (CPI) released by Statistics SA for the same period.

The index for last month showed annual inflation in food and non-alcoholic beverages for October was 1% and headline CPI for the same period 3.4%.

More for basics

The council's report said consumers in the rural areas paid R5.87 more for 2kg rice, R3.82 more for 5kg of maize meal and R3.11 more for 2.5kg of white sugar.

Full-cream long-life milk, margarine, peanut butter and black tea were also more expensive in rural areas than in urban areas.

These had an "annual inflation that exceeded the South African Reserve Bank's 6% inflation target", the report said.

For example, the price of 250g of tagless teabags increased by 9.02%, 250g of instant coffee by 9.26%, 420g of butter beans by 10.07% and 62.5g of tagless teabags by 12.26%.

Food items in urban areas with annual inflation higher than 6% included lamb, which increased by 10.26%, pumpkin (14.36%), apples (15.94%), cauliflower (18.37%), carrots (34.77%) and cabbage (6.61%).

The report monitored the price trends for 65 different food items sold in urban areas across SA, and 39 food items sold in rural areas.

Urban expense

The only items that were more expensive in urban areas than in rural areas were a loaf of white bread, a loaf of brown bread and sunflower cooking oil.

The report noted that the prices of agricultural commodities showed significant increases from October last year.

The domestic price of wheat increased by 25%, compared with international wheat prices' increase of 39% during the same period. Sunflower seed prices increased by 70% locally.

Source: Business Day

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