

Food CPI

Food Price Outlook, 2008

Food has the highest weight in the consumer basket for the AXA Consumer Price Index (CPI); that means that the majority of one's money is spent on food rather than any other category of expenditure. So whether, as the old adage says, we "eat to live or live to eat" a considerable portion of our expenditure goes into the food we eat at home or on the go.

In the food category there are many sub-categories namely:

- Bread, Flour and Cereal
- Meat, Poultry and Fish
- Milk and dairy
- Tea, Coffee, Cocoa and Soft Drinks
- Sugar and Preserves
- Fruits and Vegetables
- Other Food Stuff; and
- Meals out

December 2007

Coming into 2008, the CPI for all food in December 2007 had increased from the earlier quarter by 3.3%. The increase in prices for food at the end of 2007 was in part due to rises in the prices for bread, flour, meats and eggs etc

March 2008

From December 2007 to March 2008 prices for all items in the food category increased by 4.6% over the food price index in December 2007. The hike in prices was seen in the cost of items such as dried milk which increased by 51.2%; white and wheat flour which was up by 3.1%; poultry increased by 4.2%; and baby food products increased by 4.7%. Also, "take out" meals such as Chicken & Fries, Hamburger & Fries and sandwiches etc. showed, on average, an increase of 7.7%

June 2008

The average price of food items continued to increase as the year progressed, with the index for food experiencing increases when compared quarterly (2nd quarter 08/1st quarter 08) and annually (2nd quarter 08/ 2nd quarter 07). The index for Food during the 2nd Quarter 2008 (Apr- June) increased by 6.7% over the 1st Quarter 2008 corresponding figure, additionally, the Food index increased annually by 15.8%, when the 2nd quarter 2008 was compared to 2nd Quarter 2007. For the average prices of food-at-home there was an increase by 4.9% when comparing the 2nd Quarter 2008 over the 1st Quarter 2008. Annually, the average prices of “food-at-home” increased by 8.2% when the 2nd quarter 2008 was compared to the same period 2007. Take away food increased by 3.2% quarterly (2nd quarter 08/ 1st Quarter 08) and by 23.2% annually (2nd quarter 08/2nd quarter 07).

The Bread, Flour and Cereal subcategory increased by 5.8% for the 2nd Quarter 2008 over the 1st Quarter 2008 and by 7.2% for the 2nd Quarter 2008 over the 2nd quarter 2007. Items such as white and wheat flour contributed to this increase with a quarterly increase of 19.9% and 9.7% respectively for the 2nd Quarter 2008 over the 1st Quarter 2008. Annually, white and wheat flour experienced annual increases of 30.2% and 9.6% respectively for the 2nd Quarter 2008 period over the same period 2007. As flour rises it automatically affects the pricing of its by-product bread, resulting in an annual increase of 10.2% for white bread and 8.2% for wheat bread. Another item that contributed to the increase in food is rice, which increased by 25.1% quarterly and by 40.3% annually.

The Meat, Poultry and Fish subcategory has experienced increases, in which Meat has increased by 3.9% quarterly and by 10.2% annually, Poultry increased by 6.6% quarterly and 14.7% annually and Fish increased by 12.4% quarterly and by 16.2% annually.

In the Meat section, Pork contributed to the increase when this item experienced an increase of 7.4% quarterly and 11.5% annually. Goat meat also contributed to this increase, experiencing increases of 5.4% quarterly and 22.1% annually.

In the Poultry section, Breast, thighs and legs experienced a quarterly increase of 7.8% and an annually increase of 11.8%, while Back, necks and wings experienced an increase of 17.3% quarterly in the 2nd quarter over the 1st Quarter 2008 and by 16.1% annually in the 2nd quarter 2008 over the 2nd quarter 2007.

The Milk and Dairy subcategory has experienced an increase of 7.6% quarterly and a 19.5% increase annually, with dried milk experiencing the largest annual increase of 51.5%. The average price of milk rose by 7.4% quarterly and by 31.6% annually. As a result the by-products cheese and ice cream were immediately affected, increasing the price of cheese by 10.9% from its last quarter and 8.0% from last year at this time.

While ice cream increased by 7.1% over the last quarter and 11.0% over the past year.

Oils and Cooking Fats subcategory on average experienced an increase of 9.6% over the last quarter and 19.8% over last year. Oils such as Vegetable and corn oil on average increased by 15.1% quarterly and by 42.0% annually. Cooking fats, such as margarine, butter and lards on average increased by 9.5% quarterly and 10.8% annually.

The subcategory Tea, Coffee, Cocoa and Soft Drinks experienced an increase of 5.5% quarterly and 7.2% annually, with the soft drinks section on average experiencing an increase of 9.2% quarterly and 10.0% annually.

The Sugar and preserves subcategory did not have as strong an impact on price changes as the other subcategory; experiencing a quarterly increase of 1.3% and an annually decrease of 0.8%.

The Food and Vegetables subcategory on average experienced an increase of 3.0% quarterly and 3.7% annually. The Vegetables section individually, increased by 6.4% quarterly and 6.1% annually, while the fruits section experienced a decrease of 0.3% quarterly and an increase annually of 6.1%.

The Other Food Stuff subcategory on average experienced an increase of 4.6% up from the last quarter and 9.4% up from last year during the same period. Seasonings such as pepper, salt, curry etc on average experienced an increase from the last quarter of 17.6% and 24.1% from last year at this same period.

“Meals Out” (Take-away-meals) which include hamburger & fries, chicken & fries, sandwich, roti and pizza, increased by 3.2%, up from the last quarter and 23.2% up from last year. Popular “take-out” meals like the ‘hamburger & fries’ and ‘chicken & chips’ on average experienced the largest increase of 11.6% quarterly and 50.0% annually.

Background on the CPI for Food

The CPI is a measure used for the general level of retail prices in the Anguilla economy. It is a composite measure of the change in average prices paid by the consumer for a representative basket of goods and services.

The Anguilla Consumer Price Index (AXACPI) programme produces quarterly data on changes in the prices paid by consumers for many components of consumers' expenditure. Food is just one of the eleven components and carries a weight of about 32% of expenditure. This is the highest ranked category in terms of weight.

The basket of goods for the AXACPI was last updated in 2000; we are currently conducting a Household Income & Expenditure survey which is attached to the Survey of Living Conditions 2007/08, a component of the Country Poverty Assessment. Data from this sample survey will be used to prepare a new basket with weights and items which are more relevant to consumers in this latter part of the decade.

The food price level may change as retailers face higher costs, increase profit margins and many other factors. It is therefore useful that we monitor changes in price levels and also changes in the economic environment to analyse the impact on the CPI.

The Department of Statistics - Anguilla
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Should you have any queries or comments please do not hesitate to contact the Statistics Department either by email to statistics@gov.ai, by telephone numbers (264)-497-5731 or (264)-497-2451 ext 2872, or fax us at (264)-497-3986. For further information on Anguilla, you are encouraged to visit the government's website, www.gov.ai/statistics, to access a wide range of statistical information.