

Food prices fall in October but rise for the year

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Food prices fell 0.6 percent in the October month, Statistics New Zealand said today. This reflects seasonally lower prices for vegetables, partly countered by higher grocery food prices.

"Lower food prices in October mainly reflected cheaper vegetables," prices manager Chris Pike said. "Tomato, lettuce, capsicum, and broccoli prices all fell, as they usually do at this time of year."

Two of the five food subgroups contributed to the fall in the food price index (FPI): fruit and vegetables (down 5.5 percent) and restaurant meals and ready-to-eat food (down 0.5 percent).

The key individual fall in October came from seasonally lower prices for tomatoes (down 32 percent). Prices were also lower for lettuce (down 27 percent), chocolate biscuits (down 10 percent, influenced by more discounting than in September), and capsicum (down 26 percent).

Prices were higher for: soft drinks, carrots, plain biscuits (influenced by less discounting than in September), sweets, pumpkin, and potatoes. Carrot prices (up 29 percent) usually rise at this time of year.

For the year to October 2012, food prices increased 0.3 percent. This follows five consecutive annual decreases. Four of the five food subgroups made upward contributions to the FPI: fruit and vegetables (up 8.4 percent), restaurant meals and ready-to-eat food (up 0.8 percent), meat, poultry, and fish (up 0.8 percent), and non-alcoholic beverages (up 0.1 percent). These increases were countered by a 2.7 percent fall in grocery food prices.

The key annual increases were tomatoes (up 61 percent, from \$5.15 to \$8.29 per kilogram) and kumara (up 93 percent). Higher prices were also recorded for avocados, pumpkin, soft drinks, and chicken pieces. The key annual decreases were fresh milk (down 9.5 percent) and butter (down 28 percent).

The FPI measures the rate of price change of food and food services purchased by households. Statistics NZ visits shops across New Zealand to collect prices for the FPI and check package sizes.

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