

Shoprite bringing much-needed relief following escalating petrol price

As South Africans brace themselves for yet another petrol price increase to a record R16 a litre, the Shoprite Group is working hard to keep prices low and subsidise prices where it can to bring relief to consumers who are feeling the effect of escalating petrol prices and other rising costs on their pockets.

In fact, many of its prices are coming down. Internal inflation figures at the Group's South African supermarkets shows that prices have on average reduced - or been in 0.5% deflation for the three months until May 2018. with the result that there are approximately 6 477 items in its stores that are cheaper than last year.

These products include maize meal, white sugar, bananas, sunflower oil, avocados, margarine and disposable nappies.

The Group actively continues to subsidise products to make sure they remain affordable. Its 600g in-house bakery bread price, at R4.99 a loaf has not gone up since April 2016.

It has subsidised or frozen prices on 6 793 tons of sugar, 8.3 million litres of cooking oil, 3.4 million litres of milk, 16 118 tons of maize, 9 555 tons of rice and 144.1 million loaves of bread since April 2016.

On VAT exempt items, it has introduced a number of initiatives to keep prices low as customers feel the effects of the VAT increase on their disposable income.

Fruit and vegetable prices, which are volatile due to short growth cycles or harsh weather conditions remain low. Avocados, butternut, bananas and oranges are much cheaper than a year ago, largely due to increases in crops previously affected by drought. In total, there are about 40 fruit and vegetable items in Shoprite and Checkers supermarkets that are cheaper than a year ago.

Pork prices have dropped substantially due to an oversupply in the wake of the listeriosis outbreak, which saw producers cut down on processed cold meat manufacturing.

Beef prices, however, are experiencing upward price pressure as cattle farmers reduced herds during drought conditions and now have to rebuild them over time. Food prices that are increasing faster than others include eggs and frozen chicken, mainly due to avian flu in 2017 which decimated flocks.

Shoprite recognises the severe financial pressures which leave many of its customers hungry and has an unwavering commitment to deliver the lowest prices on food and household essentials every day.

While South Africa's food inflation has remained low, with a seven-year low recorded in April 2018, there are a number of price pressures which are affecting customers' pockets. These include the escalating petrol price, the increase in VAT

and introduction of a sugar tax, low GDP growth and job scarcity, drought conditions and water shortages and currency fluctuations.

These factors collectively affect product pricing and consumer buying patterns.

With this in mind, the Group:

- Continues to subsidise products where possible
- Has implemented Student Discount Week once a month across all its stores to help students too hungry to apply themselves to their studies
- Rolled out R5 meals at all Shoprite stores including chicken hot dogs for R3.50, a fried egg and tomato sandwich for R4 and soup and igwinya (vetkoek) for R5
- Continues to subsidise the cost of basic food items and has extended its bread subsidy indefinitely
- Continues with its hunger relief programme to address the food security challenges faced by so many people across the African continent
- Serves vulnerable communities daily through Mobile Soup Kitchens, which have been operating for over a decade
- Makes surplus food from all of its stores available to hundreds of non-profit organisations who collectively feed thousands of hungry people daily
- Works to establish longer-term solutions, such as sustainable food gardens, to alleviate hunger in communities and to generate much-needed income for vulnerable individuals and organisations in need.

Shoprite is fighting for its customers in reaction to petrol and other price increases and will not stop doing so until no one is left hungry.