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## Food prices fall in February

Food prices fell 1.3 percent in the February 2010 month, following a 2.1 percent rise in January, Statistics New Zealand said today.

Four of five subgroups made downward contributions to the February decrease: fruit and vegetables (down 3.5 percent), meat, poultry, and fish (down 2.4 percent), grocery food (down 0.8 percent), and non-alcoholic beverages (down 1.9 percent). The restaurant meals and ready-to-eat food subgroup displayed no change.

The most significant decrease came from the fruit and vegetables subgroup (down 3.5 percent), which was largely driven by lower prices for apples (down 26.6 percent) and potatoes (down 11.4 percent). Apple prices typically fall by at least 20 percent in the month of February, as the new season's crop becomes more widely available.

Meat, poultry, and fish prices fell 2.4 percent, with prices for porterhouse/sirloin steak falling 17.6 percent due to substantial specialising. This was partly offset by higher prices for minced beef (up 5.2 percent) with many prices coming off special. The changes in beef (down 5.5 percent) and chicken (down 4.4 percent) prices together contributed over 80 percent of the fall in the meat, poultry, and fish subgroup.

For the year to February 2010, food prices rose 0.7 percent. Three subgroups recorded increases: restaurant meals and ready-to-eat food (up 2.2 percent), non-alcoholic beverages (up 2.5 percent), and grocery food (up 0.6 percent). The prices of meat, poultry, and fish (down 0.2 percent) and fruit and vegetables (down 1.9 percent) fell in the year to February 2010.

"Although food prices are now 0.7 percent higher than a year ago, they are 9.6 percent higher than two years ago," prices manager Chris Pike said.

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