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5-19-1977

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Recommended Citation

Antonides, Robert J., "Food Prices Around the World" (1977). *Economics Commentator*. Paper 108.
http://openprairie.sdstate.edu/econ_comm/108

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Economics Newsletter

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No. 110

May 19, 1977

FOOD PRICES AROUND THE WORLD

Recent surges in food prices in the United States have spurred a renewed interest in what consumers in other countries pay for their food. In January 1977, the general level of prices in Germany was about 41 percent more than in 1970, 50 percent more in the Netherlands and about 60 percent more in the U.S. In England, consumer price levels were 183 percent above 1970; 395 percent greater in Brazil; and an astounding 11,810 percent more in Argentina. (See Table I)

These figures were compiled by the Foreign Agriculture Service of the USDA from official price indexes of those countries. They are not strictly comparable as between countries for various reasons but they are indicative of the price inflation within the countries shown.

Table I
FOOD PRICE INDEX CHANGES IN SELECTED COUNTRIES¹

Country	Latest month	Index 1970=100	Percent change from		
			Prev. month	Three months	One year
Argentina.....Jan.		11,909.6	+ 4.0	+ 39.5	+ 358.7
Australia.....Sept.		180.7	+ 1.7	+ 4.2	+ 12.7
Belgium.....Jan.		170.4	+ 1.4	+ 3.2	+ 10.2
Brazil.....Jan.		495.0	+ 6.3	+ 11.7	+ 49.7
Canada.....Jan.		169.9	+ 1.3	+ 1.4	+ .7
Denmark.....Jan.		192.8	+ .3	+ 2.1	+ 14.8
France.....Jan.		185.4	+ .6	+ 2.2	+ 10.7
Germany.....Jan.		140.8	+ 1.7	+ 3.4	+ 5.6
Italy.....Dec.		221.0	+ 1.7	+ 6.3	+ 22.5
Japan.....Jan.		203.6	+ 2.5	+ 1.1	+ 8.1
Mexico.....Jan.		245.6	+ 4.4	+ 10.5	+ 25.9
Netherlands.....Jan.		158.9	+ .1	+ .2	+ 10.1
Sweden.....Jan.		179.2	+ 2.9	+ 4.1	+ 12.2
United Kingdom..Jan.		283.0	+ 4.0	+ 8.1	+ 23.5
United States...Jan.		159.6	+ .9	+ .9	+ 1.4

¹Based on official price indexes. On a yearly basis, food prices indexes for 13 countries were higher in January 1977 than in January 1976. Canada and the United States had the smallest increases. The January index for Italy was not available, and the Australian Government is in the process of revising its food price index.

All of the countries except Canada, the U.S., Germany and Japan had "double-digit" increases for the year January 1976-January 1977. Of these, in Germany the increases appear to have been rath-

er steady over the period. In Canada, the U.S. and Japan, the major portion of the annual increases appeared in the latter part of the year and, at least in the U.S., are continuing upward. In nearly all of the other countries, except Mexico, the rapid rates of price increases appear to be tapering off during the period shown.

Table II compares the prices of some commodities normally purchased by U.S. consumers as of March 2, 1977. They are not strictly comparable because of differences in quality and availability. It should also be noted that they are for capitals of the countries and may not represent the whole country.

Table II
FAS SURVEY OF RETAIL FOOD PRICES IN SELECTED WORLD CAPITALS, MARCH 2, 1977
(U.S. dollars per kg or units as indicated,¹ converted at current exchange rates)

City	steak, sirloin, boneless	Pork chops	Eggs, dozen	Milk, whole, liter	Oil cooking, liter	Potatoes	Oranges, dozen	Bread, white, pkgd.	Rice
Bonn.....	9.41	5.69	1.35	0.43	1.59	0.37	1.53	0.66	1.38
Brasilia.....	1.81	2.08	.82	.25	1.00	.39	.69	1.13	.43
Brussels.....	9.18	4.07	1.34	.46	1.34	.25	1.26	.78	.98
Buenos Aires..	1.67	1.33	1.05	.16	1.74	.15	.50	.54	.52
Canberra.....	3.61	3.63	1.01	.40	2.18	.34	1.05	.82	.79
Copenhagen....	11.54	6.11	1.43	.47	1.79	.50	.81	1.38	1.17
London.....	5.90	3.10	.93	.31	1.29	.45	1.54	.45	.87
Mexico City...	2.11	1.75	.54	.25	.80	.36	.16	.48	.52
Ottawa.....	4.19	4.19	.91	.49	1.82	.23	1.43	.74	1.10
Paris.....	6.82	(2)	1.26	.36	1.15	.36	.82	1.52	1.02
Rome.....	6.78	4.29	1.11	.44	.99	.45	.94	.88	1.14
Stockholm....	11.05	5.67	1.83	.37	4.85	.56	1.75	1.84	1.23
The Hague....	9.03	4.41	1.28	.40	1.08	.24	.96	.51	.84
Tokyo.....	20.13	7.82	1.17	.75	1.58	.59	4.54	.97	.98
Washington....	4.17	4.54	.81	.50	1.85	.35	2.40	1.12	.71
Median.....	6.78	4.24	1.11	.40	1.58	.36	1.05	.82	.98

¹1 kilogram=2.2046 pounds; 1 liter=1.0567 quarts. ²Not available. Source: U.S. Ag. Attachés.

Sirloin steak in Buenos Aires was \$1.67 per kilogram on March 2, \$1.81 in Brasilia, \$4.17 in Washington, D.C. and \$20.13 per kilogram in Tokyo (respectively, per pound prices of \$.76, \$.82, \$1.89 and \$9.13 at the then existing currency exchange rates). This general pattern of highs and lows was similar for most of the foods in those cities, including such staples as milk, potatoes bread and rice and many others which are collected and reported but not shown in Table II.

There are necessarily higher and lower amounts than the averages, even

within a city. Examples of average variations within a country may be shown by sample prices collected by our Bureau of Labor Statistics for February 1977. These showed an average price for U.S.Choice grade sirloin steak at \$1.82 per pound, but this ranged from \$3.12 in Boston to about \$1.49 in Chicago. One-half gallon of whole milk cost 67½ cents in Los Angeles and \$1.30 in Anchorage.

Besides the questions about averages and currency exchange rates, there are a number of other differences that should be considered in making comparisons. These include income levels in a country and its distribution, general inflation in the country, seasonally high and low prices in commodities, tastes and preferences of the people, growing conditions and very importantly, government policies.

The indexes show that food prices appear to be extremely high in Argentina while the price table shows low prices in the capital city of Buenos Aires. Food policies in Argentina are such that low prices are maintained in the larger cities while they are allowed to go almost uncontrolled in the countryside where most people live. Therefore, the relatively low prices in the capital do not apparently represent

those in the rest of the country.

Some reasons for variations found by FAS were:

Some food prices in Copenhagen were under a price ceiling for 3 months during this survey. In Canberra, meat prices were lower because of plentiful supplies. A "high" price for steak in Brussels turned consumers to chuck roasts, pulling those prices up. Rome's meat prices dropped after the Christmas rush. Though "low", Brazil's poultry industry, facing high feed prices, was in a slump and poultry and eggs were up in price. High butter and cheese prices were a result of reducing or eliminating subsidies. Buenos Aires' milk prices, at 16¢ per liter, were 23 percent higher than earlier because of a government regulation. Potato prices in Brussels dropped because of an underestimated supply and in London the prices were down because of consumer resistance which led to farmers dumping their potatoes on the market.

Adverse weather accounted for much of the price increases in the U.S. Imported coffee beans, with government-influenced prices, continues to help pull the U.S. food index up. Our own government policies, of course, also affect some domestically grown foods and their prices.

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