



6 foods with biggest price increase in the first half of 2022

The prices of food have been of concern lately in Malaysia. The **Department of Statistics (DOSM)** reported that inflation hit 3.4% in June owing to higher food prices, growing by 6.1%. This would be especially challenging for individuals in the B40 category.

The following items have seen the highest price increases in the first half of the year. This article uses data from the consumer price indexes of December and June, issued by the DOSM.

1. Flour and cereal grains

Of all the food products in Malaysia, the price of flour and cereal grains grew the most, by 10% between December and June. This made flour and grains the only goods that have seen a double-digit increase.

With the ongoing conflict between Russia and Ukraine, grains have been in short supply, leading to sharp price increases. Wheat prices rose by as much as 41.2% from US\$771 (RM3,427) in December to US\$1,088 in June.

The figure has since dropped to US\$796 as of last month, following the deal signed between Russia and Ukraine allowing grains to be exported through the Black Sea.

2. Milk

Prices of evaporated and condensed milk have increased by 7.1% from December to June, while the price of fresh milk has increased by 4.9%.

Again, the Russia-Ukraine conflict is the root cause of this, resulting in high prices of crude oil and animal feed such as wheat, corn, and barley. This, in turn, has led to increased costs of milk transportation and the feeding of dairy-producing animals.

Back home, Dutch Lady and Farm Fresh have increased the prices of their products, citing higher raw material prices owing to the conflict.

3. Meat and poultry

Chicken, beef, pork, and other poultry rank third on this list, with frozen and fresh meat prices increasing by 6.1% and 5.2%, respectively, between December and June.

The ban on exports of chicken to Singapore in June plays a part in this, as increase in animal-feed costs led to a poultry shortage at home. As such, the government has had to increase the ceiling price of chicken from RM8.90 to RM9.40 (read more).

Meanwhile, the prices of beef and pork have also risen, owing to higher animal-feed prices and transportation costs.

4. Potatoes

Remember the fry-tening french-fry shortage at McDonalds and other fast-food restaurants? This was caused by a paucity in potatoes as the United States struggled early in the year with a drought and labour woes owing to the pandemic.

This was further compounded by the Russia-Ukraine conflict, as both nations are major producers of potatoes. As such, potato prices in Malaysia rose by 5.2% from December to June.

Malaysia mainly imports its potatoes from overseas, with China representing its biggest spud source at 52.8%. The US ranks fourth at 8%.

5. Spices

The prices of spices grew quite sharply, too, by 4.9% from December to June. These include ginger, saffron, turmeric, thyme, bay leaves, curry leaves, and other ingredients, which are largely imported from overseas.

In 2020, Malaysia imported US\$181 million in spices and exported only US\$24 million. The biggest supplier to Malaysia is China, with 86.8% of total spice imports.

In April and May, China implemented restrictions that forced factories to shut down or reduce their operational capacities. Shipping ports were also affected, resulting in reduced supply and, consequently, spice price increases in Malaysia.

6. Coffee

Sad news for coffee lovers: the price of your favourite bean increased by 3.9% in the six-month period to June.

Malaysia remains a net importer of coffee to the tune of US\$219 million in 2020, while exporting about US\$120 million to the world.

Coffee consumption in Malaysia grew from 625,000 bags – each 60kg – in 2013 to 800,000 last year.

With the rising cost of transportation and challenging weather conditions, prices for variants such as Arabica and Robusta have risen sharply from last year.

Arabica beans, which are the most common, increased from US\$125 in January 2021 to as high as US\$236 this past January, though it has since stabilised at US\$219 as of last month.

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