

**For information
On 13 June 2017**

Legislative Council Panel on Food Safety and Environmental Hygiene

Survey on Prices of Fresh Food Items in Different Retail Channels

Purpose

This paper informs Members of the results of a survey on prices of food items in four major fresh food retail channels, namely public markets of Food and Environmental Hygiene Department (“FEHD markets”), Link REIT markets (“Link markets”), supermarkets, and other fresh food retail outlets in the neighbourhood (“neighbourhood fresh food retail outlets”)¹.

Background

2. Among livelihood issues, members of the public attach much importance to markets. They expect to purchase their daily food provisions, especially fresh food items, from retail outlets in their neighbourhood at reasonable prices and with reasonable choices. FEHD markets are one of the major fresh food retail channels, alongside others. As announced in the 2017 Policy Address, the Government will build sizable public markets in New Development Areas (NDAs) and has initially identified suitable sites in the Tung Chung New Town Extension Area and Hung Shui Kiu NDA. We will continue to identify suitable sites in other NDAs for building new public markets. The policy aim remains the same, viz. to facilitate convenient access for the public to retail outlets in their vicinity for meeting their daily needs on fresh food.

3. Apart from availability of fresh food retail outlets, arising from a concern about the quality of people’s livelihood, some quarters of the community raise questions about the existence, if any, of factors at the system

¹ Neighbourhood fresh food retail outlets refer to retail outlets selling fresh food provisions usually on the ground floor of private buildings along the street.

level which might affect the pricing of fresh food provided by such outlets. FEHD commissioned a consultant in the latter half of 2016 to carry out a survey comparing the prices of food items among different retail channels. The survey seeks to find out and compare prices of fresh food items sold in different channels including FEHD markets, and see whether there is any relationship between pricing of the fresh food items and rentals as far as FEHD markets are concerned.

4. The consultancy findings are summarised at the **Annex**. Salient points are highlighted in the ensuing paragraphs.

Survey Coverage

5. The survey covers 22 relatively more vibrant FEHD markets across the territory, as well as a total of 18 Link markets, 51 supermarkets and 154 neighbourhood fresh food retail outlets in their vicinity. Over 17 000 price data were collected in respect of 31 popular and common food items in the following nine food categories –

Food category		Food item
(i)	Pork	Fresh lean pork
		Fresh pork chop
		Fresh pork spare ribs
		Fresh pork shoulder blade
(ii)	Beef	Fresh beef
		Fresh beef brisket
(iii)	Poultry	Chilled chicken
(iv)	Salt-water fish	Golden thread
		Bigeye
		Horsehead
		Yellow croaker
(v)	Fresh-water fish	Grass carp belly
		Fish head (Big Head)
		Crucian carp

Food category		Food item
(vi)	Fresh vegetables	White cabbage
		Flowering cabbage
		Tomato
		Hairy gourd
		Chinese kale
		Potato
		Chinese lettuce
		Corn
		Purple eggplant
		Cucumber
(vii)	Fresh fruit	Apple
		Orange
		Chinese pear
(viii)	Egg	Egg
(ix)	Canned food	Chopped pork and ham
		Fried dace with salted black bean
		Spiced pork cubes

Findings

6. The survey findings contain no data to support the assumption that items sold at FEHD markets are necessarily cheaper than those sold at other retail outlets. The findings suggest that despite exceptions, it would appear that in general, prices of food sold at supermarkets are higher while those of food sold in neighbourhood fresh food retail outlets are lower.

7. Comparing the overall average price of a food item in the four retail channels, for instance, the survey shows that among the 31 food items covered

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- (a) two items were sold in FEHD markets with the lowest prices among all four retail channels;
- (b) six items sold in FEHD markets were cheaper than those in supermarkets and neighbourhood fresh food retail outlets but more

expensive than Link markets;

- (c) one item sold in FEHD markets was cheaper than that in supermarkets and Link markets but more expensive than neighbourhood fresh food retail outlets;
- (d) 17 items sold in FEHD markets were cheaper than those in supermarkets but more expensive than Link markets and neighbourhood fresh food retail outlets; and
- (e) five items were sold in FEHD markets with the highest prices among all four retail channels.

8. Another finding is that stalls in FEHD markets that sell food items at the same given price (using the price at which an item under survey was most commonly sold as reference) were paying rents of a wide range, with the highest rent being as many as 431 times of the lowest. For example, spiced pork cubes were most commonly sold at \$12 per can. The stalls selling at this price level were paying a monthly rental ranging from \$242 to \$1050 per square metre (/sqm) (highest rent being four times of the lowest). At the other end of the spectrum, corn is most commonly sold at \$6 each. The stalls selling at this price level were paying a monthly rental ranging from \$22 to \$9,400/sqm (431 times).

9. The above finding is valid even when we were comparing the stalls selling the same food items in the same FEHD market in some cases. For example, stalls charging the most common price of \$8 per catty for potato were paying a wide range of monthly rentals from \$166 to \$472/sqm at the same market in Western District, and from \$404 to \$793/sqm at the same market in Kowloon City. It was \$10 per catty charged by stalls at the same market in Tai Po; and yet they were paying monthly rentals from \$192 to \$8,170/sqm.

Observations

10. Link markets, supermarkets, and neighbourhood fresh food retail outlets are generally run on a commercial basis, with full market rentals so set as to optimise the landlord's return on the premises. Rent levels in FEHD markets are generally lower (some are in fact very much lower) mainly for

historical reasons, and partly attributable to its determination mechanism², notwithstanding the fact that allocation of tenancies at FEHD market is not subject to means-testing.

11. Operators of fresh food retail outlets, like any retail outlets in Hong Kong, are free to determine and adjust the retail prices of their goods. The interplay between price levels and ownership/operating structure of the markets appears complicated and difficult to generalise categorically. Within FEHD markets themselves, in some instances, there is a significant gap among the market rentals paid by stall operators selling similar types of food at the same most commonly sold price. While we observe no simple, causal relationship between rent and price levels, rent is definitely one of the core components of operating costs. However, it is not the determinant of retail price. Other factors are probably also at play, such as costs of goods, staff costs, transportation costs, demand and supply in the vicinity (especially the availability or otherwise of substitute outlets/products), market positioning, established consumer relationship, reputation, etc.

12. Since the last term LegCo, the Government has committed to revitalising public markets so as to serve the community better. With this in mind, we had commissioned a consultancy in 2015 whose report was extensively discussed at a Subcommittee established under the Panel on Food Safety and Environmental Hygiene in the last term LegCo. The issues raised include enhancement in hardware, air-conditioning, management, consultative mechanism, etc.

² In the past when public markets were managed by the two former Municipal Councils (MCs), in general, the rental of public market stalls was set according to open auction prices. The upset auction prices of market stalls were determined with reference to the so-called “open market rental” (OMR) as assessed by the Rating and Valuation Department (RVD). In assessing the OMR of a market stall managed by FEHD, RVD mainly makes reference to the auction results of similar stalls in the same market and other FEHD markets. In the days of the two former MCs, public markets were built primarily to re-site on-street hawkers with a view to improving environmental hygiene. To assist the hawkers affected by the re-siting projects to adapt to the trading environment of public markets, the MCs made concessionary rental arrangements by allowing these hawkers to bid for stalls with upset prices set at a level below the OMR, which would become the rental of the first tenancy usually over a period of three years. Besides, the former Urban Council implemented the voluntary surrender scheme for itinerant hawker licences in the 1990s, under which itinerant hawkers were allowed to pay a concessionary monthly rental, for their market stalls in the first tenancy. Likewise, the rent would be adjusted by making reference to OMR after the first tenancy.

Way forward

13. We remain committed to modernising and revitalising FEHD markets as one of the key channels for fresh provisions. To facilitate drawing up a systematic and progressive plan to achieve this objective, we plan to conduct a comprehensive review of the operation of FEHD markets. Stakeholder engagement will be an integral part of the review process. Significant, interim findings will be reported to the Panel from time to time.

Food and Health Bureau
Food and Environmental Hygiene Department
June 2017

SURVEY ON PRICES OF FRESH FOOD ITEMS IN DIFFERENT RETAIL CHANNELS

SUMMARY OF FINDINGS



INTRODUCTION

Background and Objective

1. Currently, the public purchase fresh food through various retail channels in Hong Kong, including markets operated by the Food and Environmental Hygiene Department (FEHD) and the Link REIT respectively, supermarkets, and neighbourhood fresh food retail outlets. FEHD commissioned a survey in 2016 to collect the retail prices of various food items sold in its markets and compare them with those sold in other major retail channels.
2. Specifically, the objectives of this survey are as follows:
 - (a) to compare and analyse the differences in the retail prices of fresh food items sold in FEHD markets and three other different fresh food retail channels, namely, markets managed by the Link REIT (Link markets), supermarkets, and neighbourhood fresh food retail outlets¹; and
 - (b) to compare and analyse the differences in the prices of fresh food items sold in stalls in FEHD markets, and find out if there is any relationship between the prices of such fresh food items and market rentals in these markets.

¹ Neighbourhood fresh food retail outlets refer to retail outlets selling fresh food provisions usually on the ground floor of private buildings along the streets.

METHODOLOGY

Coverage

3. The main survey covered 22 relatively more vibrant FEHD markets located across the territory. They generally have a wide coverage of the specified food items for this survey, and other retail channels are available in the close vicinity for comparison.
 4. In general, the other retail channels which are geographically close to the selected FEHD markets (within a radius of 10-minute walking distance in most cases) were included. It turned out that for each selected FEHD market, price comparison was made with up to 2 Link markets (no Link markets in some districts), 2 to 3 supermarkets, and 7 neighbourhood fresh food retail outlets. The list of selected survey locations was shown in **Table 1** below.
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Table 1 : List of selected survey locations

Region	No.	Name of FEHD markets	Name of Link markets nearby	Number of supermarkets nearby	Number of neighbourhood fresh food retail outlets nearby
Hong Kong Island	1	Chai Wan Market	Siu Sai Wan Market	3	7
	2	Java Road Market	Yiu Tung Market	2	7
	3	Wan Chai Market	N/A (*)	2	7
	4	Smithfield Market	N/A (*)	2	7
	5	Shek Tong Tsui Market	N/A (*)	3	7
	6	Apleichau Market	Ap Lei Chau Estate Market Lei Tung Market	2	7
Kowloon	7	Shui Wo Street Market	Tsui Ping Market Sau Mau Ping Market	2	7
	8	Hung Hum Market	Oi Man Market	2	7
	9	Kowloon City Market	Lok Fu Market	2	7
	10	Ngau Chi Wan Market	Choi Wan Market	2	7
	11	Tai Kok Tsui Market	N/A (*)	3	7
	12	Pei Ho Street Market	N/A (*)	3	7
	13	Yau Ma Tei Market	N/A (*)	2	7
New Territories	14	North Kwai Chung Market	Shek Li Market	2	7
	15	Tsing Yi Market	Cheung Fat Market	3	7
	16	Yeung Uk Road Market	Shek Wai Kok Market	2	7
	17	San Hui Market	H.A.N.D.S Market	2	7
	18	Tai Kiu Market	Long Ping Market	3	7
	19	Luen Wo Hui Market	Cheung Wah Market	3	7
	20	Tai Po Hui Market	Tai Yuen Market	2	7
	21	Sha Tin Market	Wo Che Market	2	7
	22	Tai Wai Market	Lung Hang Market	2	7

*No comparable Link market nearby

5. The Survey covered 31 most common and popular food items in 9 food categories, as set out in **Table 2** below.

Table 2 : Food categories and food items surveyed

Food category		Food item	
1	Pork	1	Fresh lean pork
		2	Fresh pork chop
		3	Fresh pork spare ribs
		4	Fresh pork shoulder blade
2	Beef	5	Fresh beef
		6	Fresh beef brisket
3	Poultry	7	Chilled chicken
4	Salt-water fish	8	Golden thread
		9	Bigeye
		10	Horsehead
		11	Yellow croaker
5	Fresh-water fish	12	Grass carp belly
		13	Fish head (Big Head)
		14	Crucian Carp
6	Fresh vegetables	15	Cabbage, white
		16	Cabbage, flowering
		17	Tomato
		18	Hairy gourd
		19	Chinese kale
		20	Potato
		21	Chinese lettuce
		22	Corn
		23	Purple eggplant
		24	Cucumber
7	Fresh fruit	25	Apple
		26	Orange
		27	Chinese pear
8	Egg	28	Egg
9	Canned food	29	Chopped pork and ham
		30	Fried dace with salted black bean
		31	Spiced pork cubes

6. To ensure “like-with-like” comparison, the type, size, brand and quantity as appropriate have been specified for each food item for this survey before conducting the fieldwork. For instance, “flowering cabbage” (菜心) would not cover baby flowering cabbage (菜心苗); “apple” would cover only 3 types of apple (i.e. US red apple, Gala apple and Fuji apple); and “egg” would cover only small to medium-sized Mainland and Thailand brown eggs.

Mode of Data Collection

7. Mystery shopping approach was adopted for data collection to ensure that the price information collected is truly reflecting the price offered to customers.
8. Price information, such as detailed food name, price by unit quantity (e.g. weight, volume or unit), retail price and other necessary information, of the 31 selected food items with corresponding quantity was collected through price tags or verbal offers or quotations by stall operators (for those without price tags, e.g. stalls selling pork, beef or fish). Since the collection of price information was just no different from that in shopping, there was no resistance in providing the price information nor distortion in the price information collected.

Fieldwork

9. A pilot study was conducted in mid-August 2016 to test the survey instruments and logistics, covering 1 FEHD market, 1 Link market, 1 supermarket and 1 neighbourhood fresh food retail outlet.
 10. The survey was conducted from 5 September 2016 to 9 October 2016, with a 1-week moratorium period from 10 to 16 September 2016 to avoid distortion of the price information due to the potential price fluctuation around the Mid-autumn Festival. The data collection was mainly conducted between 8:00 a.m. – 11:15 a.m.
 11. The fieldwork for each selected FEHD market and its nearby Link market(s), supermarket(s) and neighbourhood fresh food retail outlets was conducted on the same day.
 12. A snapshot of the price of all the 31 food items was collected for all stalls at the FEHD market as well as the other retail outlets nearby surveyed on one weekday (i.e. Monday to Thursday) and one day during weekend (i.e. Friday to Sunday). The data covered all stalls at the FEHD market as well as the other retail outlets nearby surveyed selling the specified food items.
 13. For data analysis, a total of 17 718 valid price records from the four retail channels were covered. Further breakdown by food category was shown in **Table 3** below.
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Table 3 : Number of valid price records by retail channel and food category

Food category	FEHD market	Link market	Supermarket	Neighbourhood fresh food retail outlet
Pork (4 items)	1 212	420	274	276
Beef (2 items)	131	41	10	16
Poultry (1 items)	194	50	187	54
Salt-water fish (4 items)	1 118	261	54	62
Fresh-water fish (3 items)	430	168	48	44
Fresh vegetables (10 items)	4 747	1 608	589	1 476
Fresh fruit (3 items)	909	426	1 014	368
Egg (1 item)	270	137	127	111
Canned food (3 items)	136	86	408	256
Sub-total (31 items)	9 147	3 197	2 711	2 663
Total	17 718			

PRICES COMPARISON AMONG DIFFERENT RETAIL CHANNELS

Approaches Adopted for Data Analysis

14. Three different data analysis approaches were adopted to provide a more comprehensive survey results, namely:
- (a) Overall Approach;
 - (b) Neighbourhood Difference Approach; and
 - (c) Neighbourhood Ranking Approach.

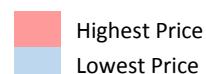
Overall Approach

15. The Overall Approach compares the overall average price of a food item collected in each of the four retail channels. It shows whether the average price of a food item sold in a particular retail channel tended to be higher or lower when compared to the average price of that food item sold in each of the other retail channels.
16. The average prices of the 31 food items sold in the four retail channels were shown in the **Table 4** below.
17. 26 out of 31 food items sold in supermarkets were found to be the most expensive among the four retail channels.
18. On the other hand, 21 out of 31 food items sold in neighbourhood fresh food retail outlets were the cheapest. Food items sold in FEHD markets were not particularly cheap.
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Table 4 : Average food prices in the four retail channels

Food category	Food item	Average price (HK\$/ catty unless otherwise stated)			
		FEHD markets	Link markets	Super-markets	Neighbourhood fresh food retail outlets
Pork	Fresh lean pork	50.0	45.5	50.3	44.0
	Fresh pork chop	53.0	51.5	54.9	50.6
	Fresh pork spare ribs	65.7	64.8	66.3	61.8
	Fresh pork shoulder blade	52.1	49.0	57.4	49.0
Beef	Fresh beef	97.4	97.3	146.7	102.9
	Fresh beef brisket	88.2	80.0	122.9	97.9
Poultry	Chilled chicken	36.2	34.2	30.3	27.4
Salt-water fish	Golden thread	51.4	60.2	74.9	56.9
	Bigeye	85.0	80.0	103.0	61.6
	Horsehead	47.7	50.5	68.0	39.6
	Yellow croaker	50.1	53.8	69.4	50.2
Fresh-water fish	Grass carp belly	39.0	37.3	42.9	40.2
	Fish head (Big Head)	45.7	44.9	52.2	50.3
	Crucian Carp	31.7	29.0	42.2	32.7
Fresh vegetables	Cabbage, white	11.3	10.2	17.5	8.8
	Cabbage, flowering	12.0	10.7	16.5	8.3
	Tomato	10.3	9.3	12.0	8.7
	Hairy gourd	9.5	8.4	11.4	7.2
	Chinese kale	12.1	10.7	15.8	10.4
	Potato	8.5	7.1	10.1	6.6
	Chinese lettuce	10.9	9.2	18.4	7.9
	Corn (*)	6.0	5.3	4.9	3.6
	Purple eggplant	10.5	9.2	14.6	8.3
	Cucumber	10.9	10.0	13.1	7.4
Fresh fruit	Apple (*)	4.8	4.4	4.4	4.2
	Orange (*)	4.8	4.3	4.7	3.8
	Chinese pear (*)	2.9	2.8	2.6	2.2
Egg	Egg (*)	1.3	1.2	1.3	1.0
Canned food	Chopped pork and ham (*)	12.3	11.9	12.4	11.8
	Fried dace with salted black bean (*)	20.4	19.6	21.7	20.5
	Spiced pork cubes (*)	12.9	12.5	14.1	12.5

(*) Average price in HK\$/each

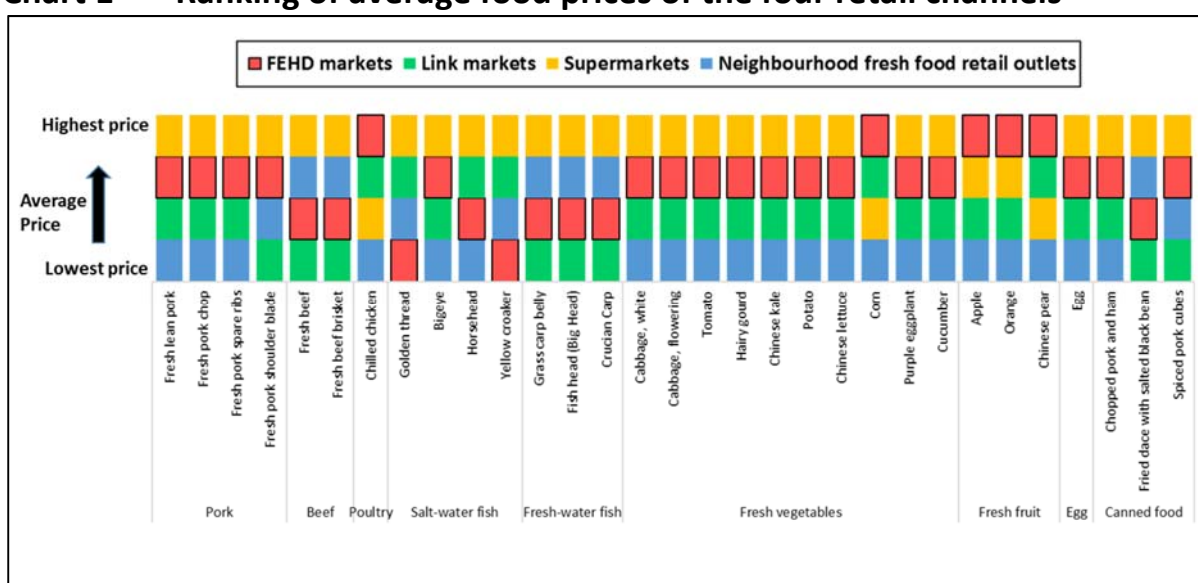


Highest Price
Lowest Price

19. **Chart 1** below ranks the average price of all surveyed food items sold in the four retail channels. It shows that among the 31 food items covered by the survey:

- (a) 2 items were sold in FEHD markets with the lowest prices (being golden thread and yellow croaker) among all 4 retail channels;
- (b) 6 items sold in FEHD markets were cheaper than those in supermarkets and neighbourhood fresh food retail outlets but more expensive than Link markets (being all 2 items for beef, all 3 for fresh-water fish and 1 for canned food);
- (c) 1 item sold in FEHD markets was cheaper than that in supermarkets and Link markets but more expensive than neighbourhood fresh food retail outlets (being salt-water fish – horsehead);
- (d) 17 items sold in FEHD markets were cheaper than those in supermarkets but more expensive than Link markets and neighbourhood fresh food retail outlets (being all 4 items for pork, 1 for salt-water fish, 9 out of 10 for fresh vegetables, egg and 2 out of 3 for canned food); and
- (e) 5 items were sold in FEHD markets with the highest prices (being poultry, all 3 fresh fruit items and corn) among all 4 retail channels.

Chart 1 Ranking of average food prices of the four retail channels



Neighbourhood Difference Approach

20. Neighbourhood Difference Approach compares the average price of one food category (aggregate of comparison results of all involved food items under the food category) in FEHD markets with the average price of that food category in each of the other three retail channels in the same neighbourhood (i.e. within a radius of a 10-minute walking distance in most cases). It shows whether a food category sold in FEHD markets was cheaper or more expensive than each of the other three retail channels in the neighbourhood.
21. **Table 5** below sets out the frequency of food items in which the average price of the food items in each food category sold in a particular FEHD markets was at least 10% more expensive or 10% cheaper than the same in each of the other three retail channels nearby.

Table 5 : Frequency of food items with at least 10% price difference

Food category	Frequency of food items with price difference $\geq 10\%$					
	FEHD market $>^*$ Link market	Link market $>^*$ FEHD market	FEHD market $>^*$ Supermarket	Supermarket $>^*$ FEHD market	FEHD market $>^*$ Neighbourhood fresh food retail outlets	Neighbourhood fresh food retail outlet $>^*$ FEHD market
Pork	18	11	7	19	24	4
Beef	7	3	0	3	0	6
Poultry	5	1	13	1	12	3
Salt-water fish	15	20	2	21	8	3
Fresh-water fish	13	10	4	15	6	7
Fresh vegetables	83	17	50	101	168	11
Fresh fruit	24	6	27	12	46	5
Egg	8	1	7	5	14	2
Canned food	5	4	3	21	6	7

* " $>$ " means price in upper retail channel is higher than that in the lower by 10%

Note: Those shaded in colour mean more food items were found to be of higher average prices in that channel than the other channel by 10%.

22. It shows that:

- (a) more food items of poultry, fresh fruit and egg were found to be of higher average prices in FEHD markets than those in all other three retail channels nearby;
- (b) pork and fresh vegetables were found to be of higher average prices in FEHD markets than those in both the Link markets and neighbourhood fresh food retail outlets nearby, but of lower average prices in FEHD markets than those in supermarkets nearby;
- (c) beef, fresh-water fish and canned food were found to be of higher average prices in FEHD markets than those in Link markets nearby, but of lower average prices in FEHD markets than those in both supermarkets and neighbourhood fresh food retail outlets nearby; and
- (c) salt-water fish was found to be of higher average prices in FEHD markets than those in neighbourhood fresh food retail outlets, but of lower average prices in FEHD markets than those in both Link markets and supermarkets nearby.

Neighbourhood Ranking Approach

23. Neighbourhood Ranking Approach ranks the four retail channels in a same neighbourhood, based on the surveyed price of a particular food item.
24. A rank of 1, 2, 3 or 4 will be assigned to each retail channel in the same neighbourhood, with 1 indicating the lowest price and 4 indicating the highest price for a particular food item.
25. There were 16 FEHD markets which had all three other retail channels in their respective neighbourhoods (see **Table 1** above). Ranks of a retail channel obtained from the 16 neighbourhoods would be averaged to assign an overall rank to that retail channel (for a particular food item).
26. At the same time, 16 food items commonly available in all four retail channels (in at least 11 FEHD markets among the 16 FEHD markets above) were selected for ranking comparison. Food items which were not so commonly available, such as fish and poultry, were not covered.
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27. The average ranks of the four retail channels regarding the 16 common food items are shown in **Table 6** below.

Table 6 : Average rank of food price among different channels in neighbourhood

Food item	Average rank (1) of retail channels			
	FEHD markets	Link markets	Supermarkets	Neighbourhood fresh food retail outlets
Fresh lean pork	3.1	2.0	2.9	2.0
Fresh pork chop	2.4	2.5	2.9	2.2
Fresh pork spare ribs	2.8	2.8	2.3	2.1
Fresh pork shoulder blade	2.7	2.2	3.4	1.8
Cabbage, flowering	2.9	2.3	3.5	1.2
Tomato	3.0	2.2	3.4	1.4
Hairy gourd	2.9	2.4	2.8	1.9
Potato	2.9	2.1	3.6	1.4
Chinese lettuce	2.8	2.1	4.0	1.2
Corn	3.6	2.9	2.1	1.4
Purple eggplant	2.9	1.6	3.6	1.9
Cucumber (Mainland)	3.1	2.4	3.3	1.3
Apple	3.7	2.4	2.4	1.6
Orange	3.5	2.4	2.8	1.4
Chinese pear	3.3	2.9	2.4	1.5
Egg	3.1	2.5	2.7	1.7

(1) Average rank is the average of ranks in ascending order (i.e. rank 1: lowest prices; rank 4: highest prices) in each corresponding neighbourhood.



28. In FEHD markets, among the 16 common food items, 7 of them tended to be sold at higher prices (average rank of 3.1 to 3.7). They covered 1 out of 4 items for pork, 2 out of 8 items for fresh vegetables, all 3 items for fruit and the 1 item for egg.

29. The price of the remaining food items tended to be at middle range (average rank of 2.4 to 3.0), including 3 out of 4 items for pork and 6 out of 8 items for fresh vegetables.

30. It is worth to note that no food item tended to be sold at lower prices (average rank of 1 to 2).

31. The result reveals that among the 16 common food items which were available in FEHD markets and the other three retail channels, the prices in FEHD markets were not generally lower.

Summary Results on Food Prices Comparison among Different Retail Channels

32. As revealed in all the three approaches outlined above, price levels of fresh food items sold in FEHD markets were not particularly cheap, and not generally lower when compared to Link markets, supermarkets and neighbourhood fresh food retail outlets.
 33. Specifically, poultry and fresh fruit were sold in FEHD markets at the highest prices among the four retail channels. The prices of food categories such as pork, beef, fresh vegetables and canned food were generally at middle levels.
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RELATIONSHIP BETWEEN FOOD PRICES AND MARKET RENTAL IN FEHD MARKETS

34. It was found that stalls in FEHD markets that sell food items at a same given price are paying rents of a wide range.
35. Using the price at which a food item under survey was commonly sold (“most common price”) as a reference, the corresponding rent multiples (i.e. the highest rent divided by the lowest rent) of FEHD stalls varied from 4 to 431 times. Generally, the rent multiples were smaller in pork (6 to 9 times) and beef (6 to 8 times) while those for fresh vegetables (13 to 431 times) were greater. **Table 7** below showed the rent information at the most common price(s) for 31 food items.
36. The above finding is valid even when we are comparing the stalls selling the same food items in the same FEHD market in some cases. For example, stalls charging the most common price of \$8 per catty for potato were paying a wide range of monthly rentals from \$166 to \$472/sqm (2.8 times) at the same market in Western District, and from \$404 to \$793/sqm (2.0 times) at the same market in Kowloon City. At the same market in Tai Po, stalls charging \$10 per catty of potato and \$12 per catty of tomato were paying monthly rentals from \$192 to \$8,170/sqm (43 times) and stalls charging \$14 per catty of flowering cabbage were paying monthly rentals from \$212 to \$8,170/sqm (38 times).
37. In some other cases, the rent multiples are smaller in respect of the same food items in the same FEHD markets. For example, in a market in Wong Tai Sin, stalls selling yellow croaker at the most common price of \$48 per catty were paying monthly rentals from \$434 to \$474/sqm (1.1 times), and in a market in Wan Chai, stalls selling potato at the most common price of \$8 per catty were paying monthly rentals from \$356 to \$540/sqm (1.5 times).²

² Further statistical analysis on the relationship between price and rental level shows no consistent results for different food items to draw any general conclusion.

Table 7 Rent information at the most common price(s)

Food category	Food item	Most common price(s) (HK\$/ catty unless otherwise stated)	Rent (HK\$/ sqm)		
			Lowest (A)	Highest (B)	Multiple (C)([^])
Pork	Fresh lean pork	48.0	152.4	1,363.6	9
	Fresh pork chop	52.0	132.6	855.6	6
	Fresh pork spare ribs	68.0	156.0	1,363.6	9
	Fresh pork shoulder blade	48.0	152.4	1,363.6	9
Beef	Fresh beef	98.0	163.8	1,363.6	8
	Fresh beef brisket	88.0	163.8	1,058.8	6
Poultry	Chilled chicken	30.0	166.4	2,604.6	16
Salt-water fish	Golden thread	64.0	77.8	1,772.9	23
	Bigeye	96.0(#)	217.2	1,568.0	7
		112.0(#)	162.9	1,056.0	6
	Horsehead	48.0	212.3	2,293.8	11
Yellow croaker	48.0	139.6	1,565.8	11	
Fresh-water fish	Grass carp belly	40.0	207.5	1,760.0	8
	Fish head (Big Head)	48.0	215.2	2,293.8	11
	Crucian Carp	29.8(#)	203.0	1,201.0	6
		37.3(#)	409.6	2,293.8	6
Fresh vegetables	Cabbage, white	12.0	232.0	9,400.0	41
	Cabbage, flowering	12.0	61.7	9,400.0	152
	Tomato	12.0	62.9	9,400.0	149
	Hairy gourd	10.0	155.2	4,423.1	29
	Chinese kale	12.0	132.0	2,904.8	22
	Potato	8.0	25.0	5,769.2	231
	Chinese lettuce	10.0	132.0	4,423.1	34
	Corn (*)	6.0	21.8	9,400.0	431
	Purple eggplant	12.0	192.4	8,169.9	42
	Cucumber	12.0	261.4	3,461.5	13
Fresh fruit	Apple (*)	5.0	164.5	1,725.9	10
	Orange (*)	5.0	149.2	2,000.0	13
	Chinese pear (*)	2.5	149.2	1,634.0	11
Egg	Egg (*)	1.0	173.3	3,594.8	21
Canned food	Chopped pork and ham (*)	12.0	224.3	4,034.8	18
	Fried dace with salted black bean (*)	20.0	179.7	3,481.0	19
	Spiced pork cubes (*)	12.0	241.6	1,050.0	4

(*) Average price in HK\$/ each

(#) The two prices for each of Bigeye and Crucian Carp are equally common.

([^]) Multiple: $C = \frac{B}{A}$ (nearest integer)

38. Separately, based on survey data, retail prices of food items sold by tenants leasing more than one stall could be higher or lower than those set by tenants leasing one single stall in the same FEHD market. No consistent patterns were observed.
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