FOOD INFLATION BRIEF

This BFAP Brief provides an overview of food inflation dynamics, its associated causes, and the cost of basic healthy eating based on April 2025 food prices.

BFAP
DATA DRIVEN INSIGHT

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SUMMARY OF FOOD INFLATION METRICS – April 2025 prices

	Year-on-year (YoY):	Month-on-month (MoM):	For more deta refer to:
Inflation: Food and non-alcoholic beverages (NAB)	+4.0%	+1.3%	**Section 1 of this brief**
CPI headline inflation:	+2.8%	+0.3%	
Contribution of inflation on food & NAB to CPI headline inflation:	0.7 percentage points	0.2 percentage points	
Food categories with highest inflation:	NAB Fruits & nuts Sugar & sugar-rich foods Cereal products Fish & other seafood Oils & fats Vegetables	Vegetables Meat Oils & fats Sugar & sugar-rich foods	**Section 2 of this brief**
Food categories with lowest inflation:	Meat Dairy & eggs	NAB Cereal products Dairy & eggs Fish & other seafood Fruits & nuts	

Cost of the BFAP Thrifty Healthy Food Basket:

(For more detail refer to Section 3)

April '25: R3 957 / / month
March'25: R3 909 / / month

Indicators for selected factors affecting food prices in South Africa:

(For more detail refer to Section 4)

Global food commodity prices

FAO Food Price Index

+7.6% YoY (Inflation on dairy, oils, meat; Deflation on sugar, cereals)
+0.9% MoM (Inflation on meat, dairy, cereals; Deflation on oils, sugar)

Exchange rate

R/$ exchange rate

YoY depreciation of +0.2%: R18.92/US$1 (Apr'25) vs R18.88/US$1 (Apr'24)
MoM depreciation of +3.4%: R18.92/US$1 (Apr'25) vs R18.29/US$1 (Mar'25)

Costs in value chain

SA CPI index for:

Electricity & other fuels: +11.6% YoY; -0.3% MoM

Fuel: -13.4% YoY; -3.2% MoM

SECTION 1: CPI headline and food inflation over time:

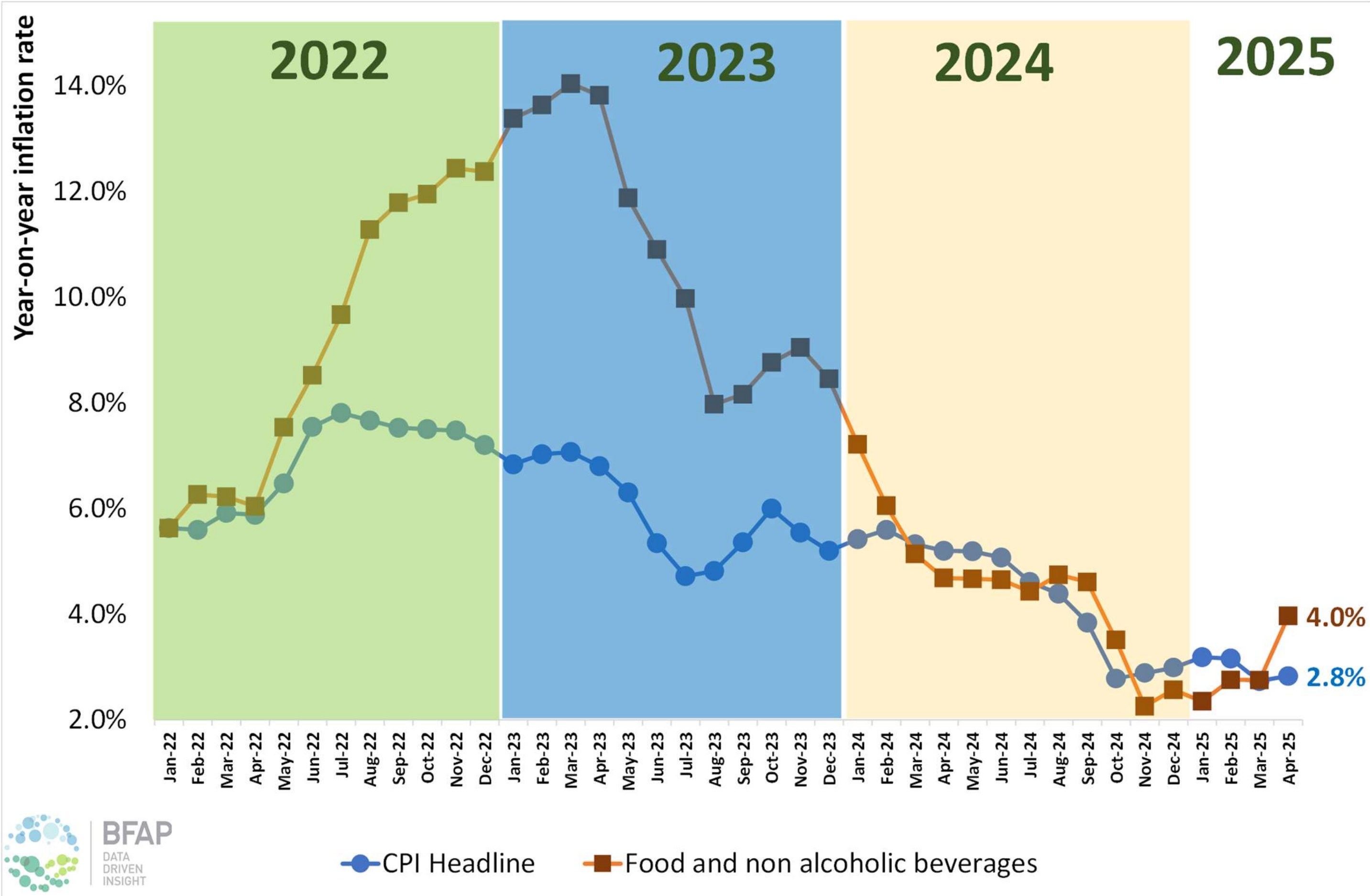

Figure 1: Year-on-year inflation 2022, 2023, 2024 & 2025 to date - CPI Headline and Food and NAB
Source: Stats SA, April 2025

- CPI headline YoY inflation increased to 2.8% in April 2025 (from 2% in March 2025).
- YoY inflation on food and NAB increased more significantly from 2.7% in March 2025, to 4.0% in April 2025 – an inflation rate last observed in September / October 2024.
- In April 2025, despite the increase, YoY inflation on food and NAB remained below the 6% upper-limit inflation target for the 14th consecutive month.

SECTION 2: The contribution of different food categories & food items to inflation:

Table 1: Inflation on food categories in April 2025 (Source: Stats SA, April 2025)

Category:	YoY inflation	MoM inflation	Comments:
Cereal products	4.8%	0.3%	-
Meat	3.0%	2.3%	*2nd Highest MoM inflation among categories.*
Fish & other seafood	4.8%	-0.2%	-
Dairy & eggs	0.6%	0.2%	-
Oils & fats	4.8%	1.4%	*3rd Highest MoM inflation among categories.*
Fruits & nuts	7.4%	-2.1%	*2nd Highest YoY inflation among categories.*
Vegetables	4.5%	4.7%	*Highest MoM inflation among categories.*
Sugar & sugar-rich foods	5.6%	1.0%	*3rd Highest YoY inflation among categories.*
Non-alcoholic beverages	7.6%	0.4%	*Highest YoY inflation among categories.*

YoY inflation rates on commonly purchased food items in April 2025

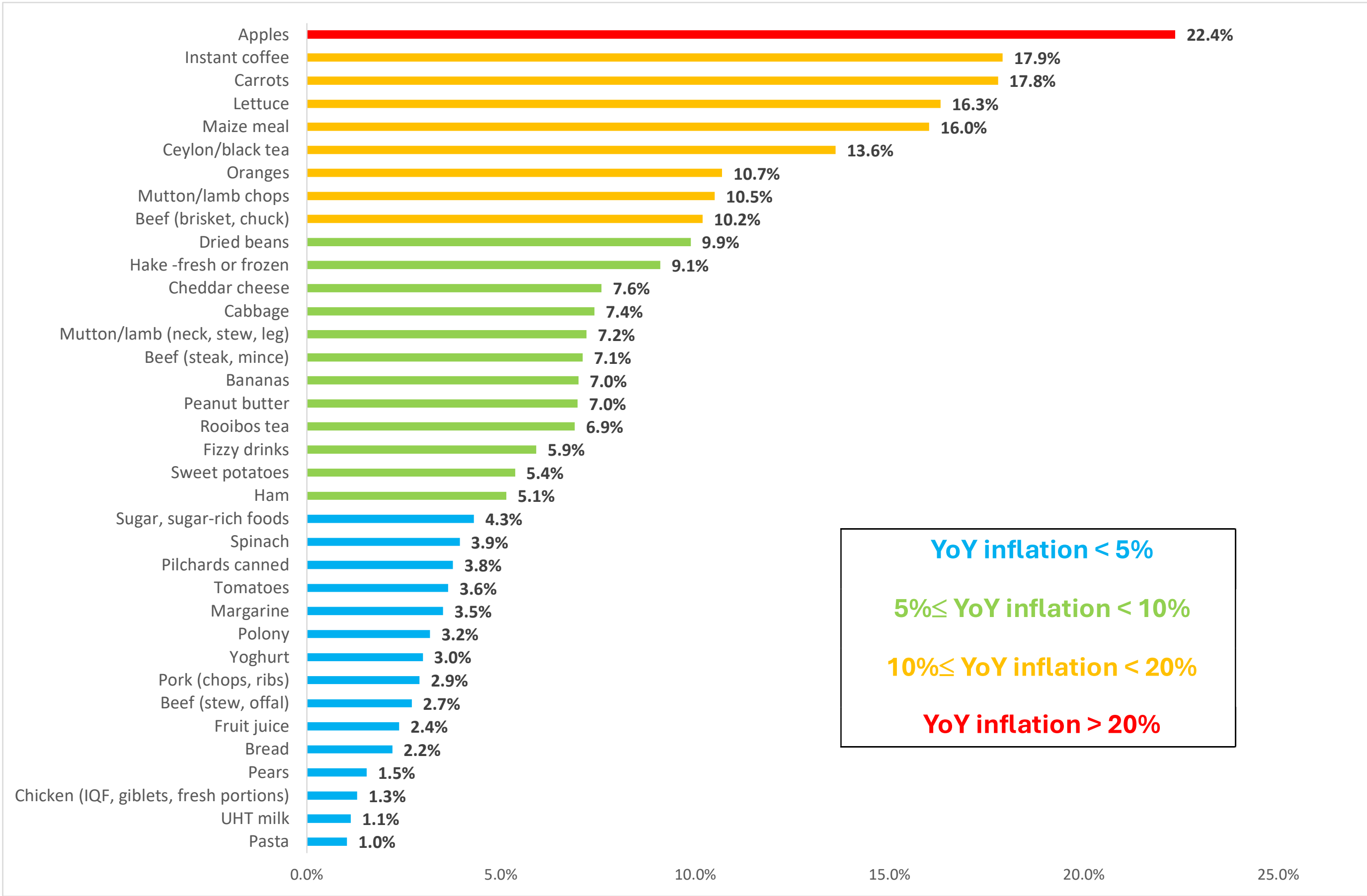

Figure 1: YoY Inflation on commonly purchased food items in April 2025 (Source: Stats SA, April 2025)

NOTE: In April 2025 YoY deflation was reported for:

- Grains: Rice (-5.8%), wheat flour (-0.5%).
- Meat: Sausages (-7.4%), whole chicken (-4.1%), bacon, pork fillet (-1.6%), mutton/lamb offal (-0.5%), canned tuna (-0.1%).
- Dairy: Fresh milk (-3.4%).
- Eggs (-3.6%).
- Vegetables: Pumpkin (-9.7%), onions (-8.7%), potatoes (-6.0%), avocados (-2.0%).
- Legumes: Canned baked beans (-0.7%).

SECTION 3: The BFAP Thrifty Healthy Food Basket (THFB)#

THFB – April 2025:

R3 957/  **/month**

Month-on-month change: +R48 / +1.2%

Year-on-year change: +R145 / +3.8%

Affordability*: 30.7% food expenditure share

(Improved from February 2025 [31.4%] to March 2025 [30.3%] due to minimum wage increase, but worsered again from March-2025 to April 2025)

 # The BFAP Thrifty Healthy Food Basket (THFB) measures the cost of basic healthy eating for low-income households in South Africa. The methodology considers national nutrition guidelines, typical food intake patterns of lower-income households, official Stats SA food retail prices, and typical household demographics. Consisting of a nutritionally balanced combination of 26 food items from all the food groups, the BFAP THFB is designed to feed a reference family of four (consisting of two adults, an older and a younger child) for a month. The BFAP THFB comprises a smaller staple component and relatively more items from food groups contributing to dietary diversity than the CPI index. The CPI index is more reflective of 'typical' food preferences.

SECTION 4: Global food inflation perspectives

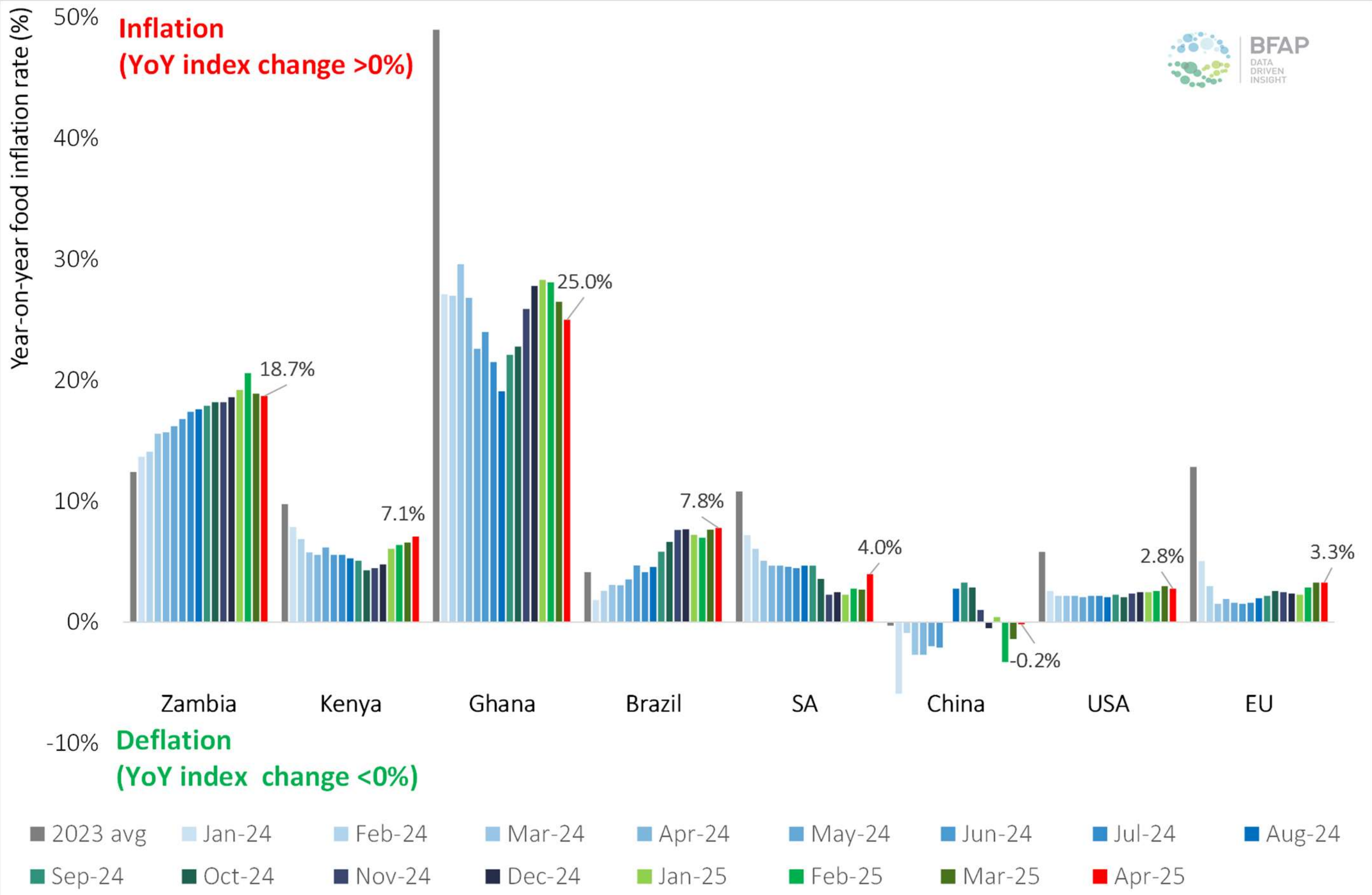

Figure 2: International food inflation comparison

Source: Official food inflation figures of the various countries/regions reported by national statistical agencies

Figure 2 shows that in the first four months of 2025 (January to April):

- The highest YoY food inflation among the countries presented above was in Ghana (27.0% average YoY inflation) and Zambia (19.4%), , followed by Brazil (7.4%) and Kenya (6.6%).
- The lowest YoY food inflation was in China (-1.1%), USA (2.7%), EU and South Africa (3.0%). Thus, among the selection of countries presented in Figure 2, only China and the USA had lower YoY food inflation rates during this period.
- Zambia and Ghana have experienced declining food inflation trends, while Kenya, Brazil, EU and China experienced increasing food inflation trends. Fluctuating YoY food inflation was observed for South African and the USA.

The ***FAO Food Price Index (FPI)*** for global commodity and food prices reached 128.3 index points in April 2025, 7.6% higher than a year ago and 0.9% higher than in March 2025.
From March 2025 to April 2025 (MoM change):

- The most significant MoM price increases were observed for meat (+3.1%), followed by dairy (+2.4%) and cereals (+1.2%).
- Deflation was observed for oils (-2.3% MoM) and sugar (-3.5% MoM).

Compared to April 2024 (Figure 3):

- The most significant YoY inflation was observed for Dairy (+22.9%) and oils (+20.7%), followed by meat (+4.3%).
- YoY deflation was reported for sugar (-10.9%) and cereals (-0.6%).

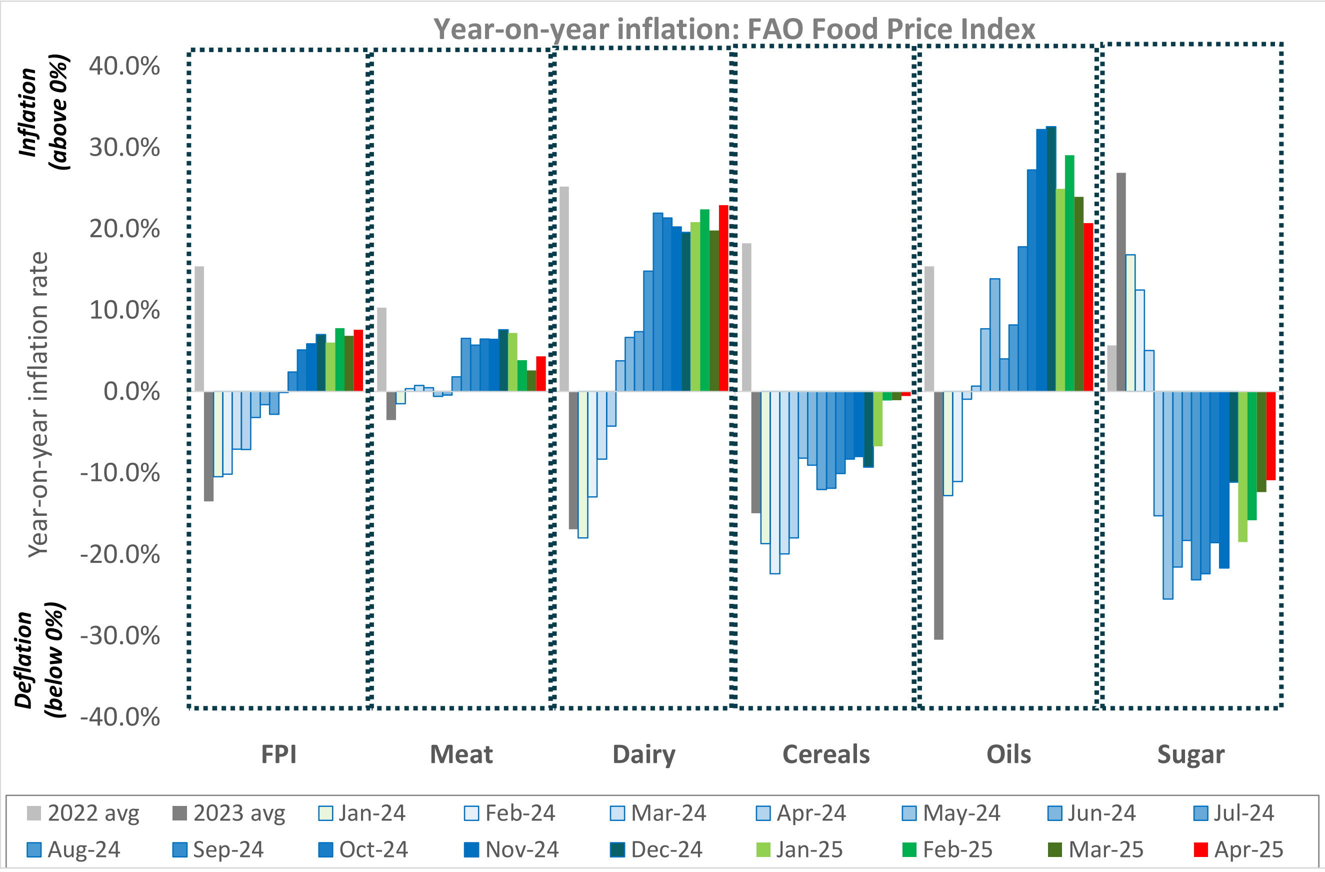

Figure 3: The FAO Food Price Index for global commodity and food prices
Source: FAO, 2025 (https://www.fao.org/worldfoodsituation/foodpricesindex/en/)

SECTION 5: Drivers and expectations

Grains: In April, international cereal prices rose by 1.2% month-on-month, though they remained 0.5% below levels recorded in April 2024. Among major cereals, maize prices saw the sharpest increase, driven by a 2% downward revision in U.S. maize stock estimates and recent changes to import tariffs and exemptions that disrupted global trade flows. This occurred despite a positive outlook for a record global maize crop of 1.27 billion tons, as highlighted in the International Grains Council's (IGC) April report.

The projected increase in global maize production is largely attributed to expectations of a record harvest in the United States, with additional gains anticipated in Argentina and Brazil. As of May 18, U.S. maize planting progress was slightly above both the five-year average and last season's levels. The total maize acreage for the 2025/26 season is projected 5% higher relative to the previous season, at 35.7 million hectares. In the global wheat market, prices remained elevated due to strong demand—particularly for exports from Argentina and Australia—and dry conditions in key producing regions such as the EU, Russia, and Ukraine. A weaker U.S. dollar relative to the Euro also supported prices. However, uncertainties linked to shifting trade policies tempered further price possible increases. Wheat production is forecast to rise in 2025/26, with U.S. wheat plantings already exceeding both the five-year average and 2024 levels, according to the latest USDA crop progress report.

Locally, maize prices declined in April, diverging from global trends and despite a weaker exchange rate. Prices dropped by 8.6% for white maize and 1.3% for yellow maize, supported by optimistic projections for the upcoming harvest. Notably, white maize prices fell 5.9% year-on-year, marking the first annual decline since February 2024. In contrast, yellow maize prices remained 9.1% higher than a year ago, reflecting more modest production growth expectations for the 2025/26 season. Although the 2024/25 marketing year ended with significantly lower producer deliveries in April 2025, highlighting tight local stock levels following a smaller drought affected crop in 2024/25 and a late start to the current crop. Nevertheless, as prices are expected to ease further as the harvesting process accelerates and the new season's crop begins to reach the market. Local wheat prices rose by 2.4% month-on-month and 3.1% year-on-year in April 2025, mainly as a result of the weaker exchange rate.

Oilseeds and edible oils: The FAO Vegetable Oil Price Index dropped by 2.3% MoM although still 20.7% higher YoY. Price trends stem from lower international palm oil prices in April, largely underpinned by a gradual recovery in global export supplies due to seasonally higher production in Malaysia and Indonesia. In addition, the price premium of palm oil relative to soy oil, which has held since August 2024, has dissipated, with palm oil prices selling at a discount relative to soy, sunflower and canola oil. Prices for soy and canola oil remained firm due to strong import demand from India and domestic demand in the U.S for the biodiesel sector (soy oil); as well as tight export supplies in the EU (canola). Low sunflower oil prices relative to sunflower seed prices in the Black Sea region have resulted in a cutback in processing, limiting exports.

The combined oilseed price index was up by 3.5% MoM and remained 20% above its value in April 2024. China's soybean purchases from Brazil amid the trade war with the USA supported soybean prices in April. This was despite robust supplies from South America, where harvests are concluding and uncertainty on future global import demand in relation to changes in trade policy. Canola prices were higher in April than in March due to seasonally stringent supplies from the EU, and the slow pace of planting in Canada and the EU. In contrast to soybeans and canola prices, sunflower seed prices relaxed because of the strong export supply from the Black Sea region.

In South Africa, oilseed prices showed mixed trends and countered global movements. Soybean prices declined MoM (-5.7%) and YoY (-10.2%), sunflower seed prices increased marginally in April (1.4%) but were still down compared to the same month last year (-4.7%). A favourable outlook for the 2025 soybean crop, reflecting a recovery by 26.1% compared to the previous season, continues to put pressure on prices. In contrast, the upward trend in sunflower seed prices despite projections of a better 2025 crop (17.5%) suggests that rains may have disrupted the harvesting pace.

Meat: International meat prices increased across all categories, rising 3.2% month-on-month and 4.4% year-on-year. The pig meat market experienced the sharpest price growth, driven by seasonal Easter demand and strong demand for EU products. This was fueled by the lifting of import bans on Germany by countries such as the United Kingdom and South Korea, following Germany's reinstatement of its foot-and-mouth disease-free status.

Bovine meat prices climbed, particularly in Brazil and Australia. Strong import demand, particularly from China and the USA, despite enforcement of an additional 10% tariff on Brazilian beef, boosted prices in Brazil. Brazil beef exports to the US surged to 48 000 tons in April 2025, from only 8 000 tons in April 2024. Previously, Brazilian beef imports to the U.S. exceeding the 65 000 tons annual quota were subject to a 26.4% tariff. Under the new policy, a 10% tariff now applies to all Brazilian beef imports, including those within the quota that were formerly exempt. The annual quota was exceeded by January 2025. In Australia, processing demand for export supply while operations were restricted by national holidays like Anzac day and shorter weeks around Easter, boosted prices. In contrast, prices in the United States were suppressed by an increase in cattle slaughters and production due to continued herd thinning as well as relative gains in the US dollar strength, making imports more affordable.

For ovine meat, tight supplies due to prevailing dry conditions in the main producing regions of South Australia and western Victoria contributed to price growth, while strong processing capacity and demand for exports are supporting demand from processors. Poultry meat prices also rose, largely due to reduced slaughter days in Brazil during national holidays in April. Avian Influenza continues to be a challenge on the global market, hampering production and trade prospects in top exporting countries like and the U.S. and recently in Brazil.

In the domestic market, meat prices moved higher across beef, poultry, and sheep meat, reflecting strong international prices, a weaker exchange rate, and firm domestic demand over Easter. The price of Individually Quick Frozen (IQF) chicken pieces increased by 2.0% MoM and 8.0% YoY. While South Africa has recently banned the imports of products from Brazil due to the outbreak of Highly Pathogenic Avian Influenza (HPAI), the bulk of products imported from Brazil is mechanically deboned meat for use in processed products. This can also be sourced in other countries, in the EU and Thailand. Following a period of sustained high feed costs, domestic producers have not been operating at full capacity and with feed prices coming down, production can ramp up to fill potential deficits. This should keep price impacts modest. There are however some concerns related to the turmoil at Daybreak Foods,one of the country's larger poultry producers.

Cattle slaughter numbers increased in March, preparing for the April Easter festivities. Prices for beef weaner calves and carcass-grade A2/A3 rose by 4.3% and 15.1% respectively due to strong demand while supply was constrained due to higher feed costs earlier in the year. However, an increase in slaughters linked to ongoing foot-and-mouth disease outbreaks may exert downward pressure on beef prices moving forward. Meanwhile, pig meat prices declined, reflecting increases supply ahead of Easter.

Dairy: Global dairy prices increased across the board, lifting the FAO Dairy Price Index by 2.4% month-on-month (MoM) and 22.9% year-on-year (YoY). Butter prices rose due to low inventories and strong demand in Europe, despite increased milk production. Prices for skim and whole milk powders improved, driven by robust domestic demand in Europe and a shift in import demand from Europe to Oceania, where seasonally tight milk output limited export availability. Cheese prices also increased, supported by tight supply conditions in Oceania.

In South Africa, the latest data from StatsSA (March 2025) shows a 2.1% increase in the Producer Price Index (PPI) for milk, while the dairy PPI declined slightly by 0.3%. This suggests seasonally low milk production and weaker demand from processors, as reflected in lower monthly raw milk purchases.

Fresh produce**:** In the vegetable and fruit market, observations point to lower (-11%) potato volumes than a year ago and higher prices (26%) as rains in March have affected supply in Limpopo. Onion and tomato volumes were slightly higher, pushing back on prices in comparison to a year ago. Tomato volumes increased by 5%, and 22% for onions, with prices declining by 14% and 20%, respectively.

In the fruit category, apple production was affected by frost in some regions, which reduced yields, while exports are slightly lower. Prices increased (16%) in response to lower volumes (-25%) compared to a year ago. Orange volumes sold and prices reflected similar levels to April 2024. Banana supply remains under pressure with volumes 15% lower than a year before for April and 18% lower YTD. For avocados, market trends were similar to the last two years in terms of supply and sales in April, with prices slightly higher (8%). The market is experiencing a shortage resulting from lower yields in the Eastern Cape, altered harvest schedules in KwaZulu-Natal and logistical constraints in Tanzania.

Looking ahead: Food inflation in April accelerated sharply, reflecting a weaker Rand, tight supply in several sectors as a result of poor rainfall in 2024, abundant rain in recent months and high feed costs that affects meat supply. Despite the increase, it remains well within the SARB target band. Inflationary pressures could rise in the coming months. Uncertainty around the policy direction of the new U.S. government and its potential impact on the exchange rate remains a key factor influencing price movements. Emerging market currencies, such as the Rand, typically come under pressure during periods of global uncertainty. On a positive note, the Rand has recently strengthened against the U.S. dollar ahead of the Treasury's third revision of the local budget and following the crucial bilateral meeting with the US. Although Treasury did not increase the VAT rate, it did raise the fuel levy; a decision whose impact on consumers will become more pronounced if global oil prices rise and the rand weakens. The anticipated rebound in the new summer crop harvest could help ease staple food prices for consumers, and also offer some relief to livestock producers through lower feed costs, enabling increased supply. Cost buildup in the value chain due to higher fuel costs may limit the extent of this relief. In the livestock and meat sector, animal disease outbreaks remain a critical risk to monitor due to their potential impact on supply and pricing.

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