

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 September 2025 food prices.








Acknowledgement: Source of food inflation and retail price data reported and analysed in this BFAP brief: Official monthly data collected and published by Statistics South Africa (Stats SA) for the Consumer Price Index (CPI) [https://www.statssa.gov.za/?page_id=1854&PPN=P0141]



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SUMMARY OF FOOD INFLATION METRICS – September 2025 prices

		Year-on-year (YoY):	Month-on-month (MoM):	For more detail refer to:
Food and non-alcoholic beverages (NAB) inflation: (Source: Stats SA CPI Sept'25)		+4.5%	-0.2%	Section 1 of this brief
CPI headline inflation: (Source: Stats SA CPI Sept'25)		+3.4%	+0.2%	
Contribution of inflation on food & NAB to CPI headline inflation: (Source: Stats SA CPI Sept'25)		0.8 percentage points	0.0 percentage points	
Food categories with highest inflation: (Source: Stats SA CPI Sept'25)		Meat Oils & fats Sugar, sugar-rich foods NAB Fruits & nuts	Meat Cereals Sugar, sugar-rich foods Fish & seafood NAB	Section 2 of this brief
Food categories with lowest inflation: (Source: Stats SA CPI Sept'25)		Dairy & eggs Vegetables Cereals Fish & seafood	Vegetables Fruits & nuts Dairy & eggs Oils & fats	

Cost of the BFAP

Thrifty Healthy Food Basket:

(For more detail refer to Section 3)



Sept '25: R3 821 /  / month

Aug '25: R3 898 /  / month

Indicators for selected factors affecting food prices in South Africa:

(For more detail refer to Sections 4 & 5)

Global food commodity prices:

(Source: FAO, 2025)



FAO Food Price Index

+3.4% YoY (Inflation on oils, dairy, meat; Deflation on sugar, cereals)

-0.7% MoM (Inflation on meat; Deflation on cereals, dairy oils, sugar)

Exchange rate:

(Source: SA Reserve Bank, 2025)



R/\$ exchange rate

YoY appreciation of 1.0%: R17.46/US\$1 (Sep'25) vs R17.63/US\$1 (Sep'24)

MoM appreciation of 1.5%: R17.46/US\$1 (Sep'25) vs R17.73/US\$1 (Aug'25)

Costs in value chain:

(Source: Stats SA CPI Sept'25)



SA CPI index for:

Electricity & other fuels: +8.2% YoY; -0.5% MoM

Fuel: -2.2% YoY; -0.3% MoM

SECTION 1: CPI headline and food inflation over time:

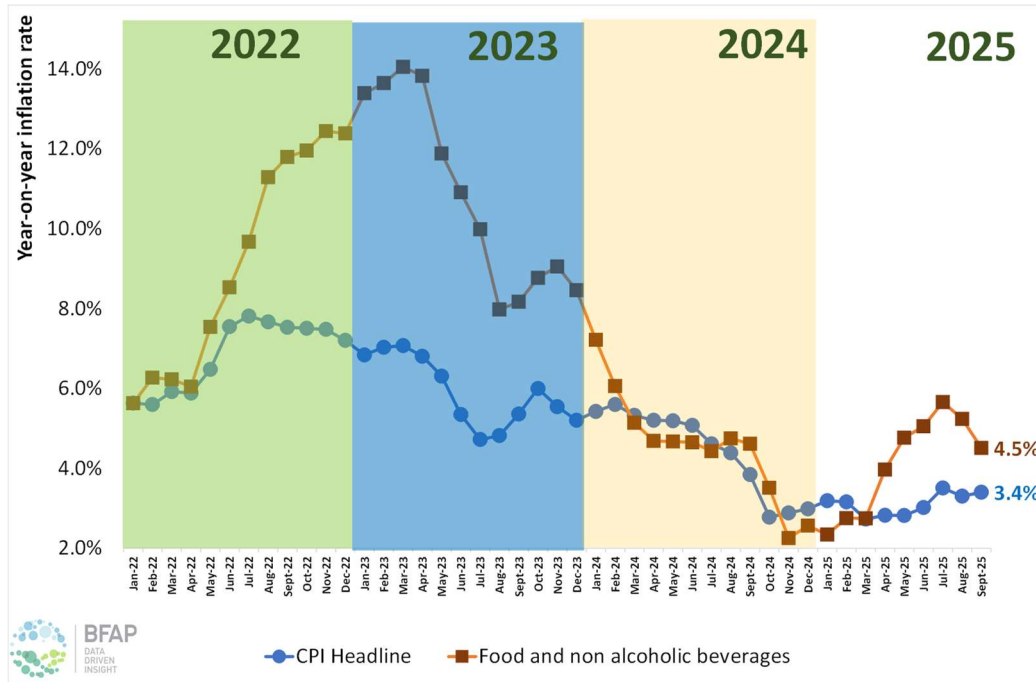


Figure 1: Year-on-year inflation 2022 to September 2025 - CPI Headline and Food and NAB

Source: Stats SA CPI for September 2025

- CPI headline YoY inflation increased from 3.3% in August 2025 to 3.4% in September 2025. The major contributors to CPI headline YoY inflation were housing and utilities (contributing 1.1 percentage points), food and NAB (0.8), alcoholic beverages and tobacco (0.2), as well as restaurants and accommodation services (0.2).
- CPI headline inflation has remained below the 6% upper-limit inflation target of the SA Reserve Bank for 23 consecutive months (since November 2023).
- YoY inflation on food and NAB eased from 5.2% in August 2025 to 4.5% in September 2025.

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

Table 1: Inflation on food categories in September 2025 (Source: Stats SA CPI for September 2025)

Category:	YoY inflation	MoM inflation	Comments:
Cereal products	1.6%	0.4%	2 nd Highest MoM inflation among categories.
Meat	11.7%	0.5%	Highest YoY & MoM inflation among categories.
Fish & other seafood	2.7%	0.3%	3 rd Highest MoM inflation among categories.
Dairy & eggs	-1.6%	-0.4%	-
Oils & fats	4.7%	0.0%	2 nd highest YoY inflation among categories.
Fruits & nuts	3.5%	-0.7%	-
Vegetables	1.2%	-5.5%	-
Sugar & sugar-rich foods	4.1%	0.4%	3 rd Highest YoY & 2 nd Highest MoM inflation among categories
Non-alcoholic beverages	4.1%	0.3%	3 rd Highest YoY & MoM inflation among categories.

- High YoY inflation on meat was offset by low inflation on vegetables and cereals, and deflation on dairy & eggs.
- High MoM inflation on meat, cereals, sugar & sugar-rich foods, fish & seafood and NAB was offset by deflation on vegetables, fruits & nuts, dairy & eggs and no inflation on oils & fats.

Figure 2 illustrates the YoY inflation on commonly purchased food items in South Africa in September 2025.

Foods with deflation in September 2025, are listed below:

- Starch-rich foods: Brown bread, white rice.
- Meat: Whole fresh chicken.
- Fish: Tuna canned.
- Fresh produce: Avocados, cabbages, bananas, onions, sweet potatoes, tomatoes, potatoes.
- Legumes: Canned baked beans.

- Dairy, eggs: Maas, long-life milk, Gouda cheese, fresh milk, eggs.
- NAB: Fruit juice concentrate

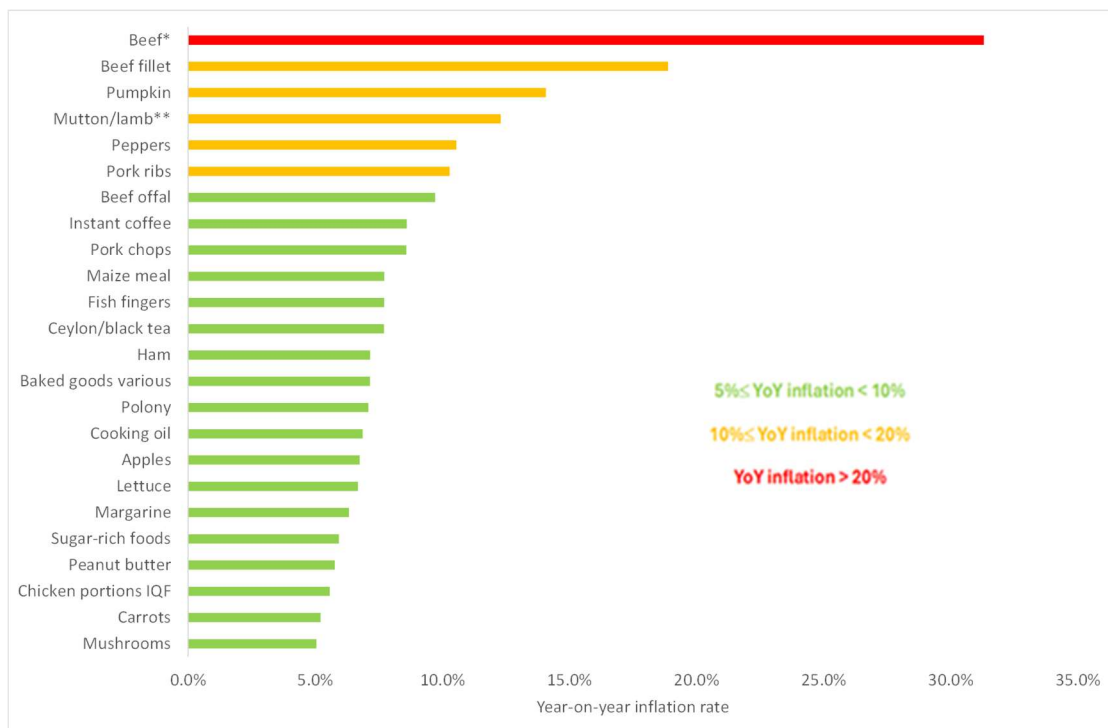


Figure 2: YoY Inflation above 5% on commonly purchased food items in September 2025
 (Source: Stats SA CPI for September 2025)

*Beef: Stew, rump steak, chuck, brisket, sirloin, T-bone); **Mutton/lamb: Chops, stew, leg, neck

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



THFB – September 2025:

R3 821/ /month

Month-on-month change: -R77 / -2.0%

Year-on-year change: +R40 / +1.1%

Affordability*: 29.5% food expenditure share
 (Improved from August 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

The **FAO Food Price Index (FPI)** for global agricultural commodity prices reached 128.8 index points in September 2025, 3.4% higher than a year ago and 0.7% lower than in August 2025.

From August 2025 to September 2025 (MoM changes):

- The most significant price increase was observed for meat (+0.6%).
- Deflation was observed for sugar (-4.1%), dairy (-2.6%), oils (-0.7%) and cereals (-0.6%).

Compared to September 2024 (YoY changes) (Figure 3):

- The most significant inflation was observed for oils (+17.9%) and dairy (+8.6%), followed by meat (+6.6%).
- YoY deflation was reported for sugar (-21.3%) and cereals (-7.5%).

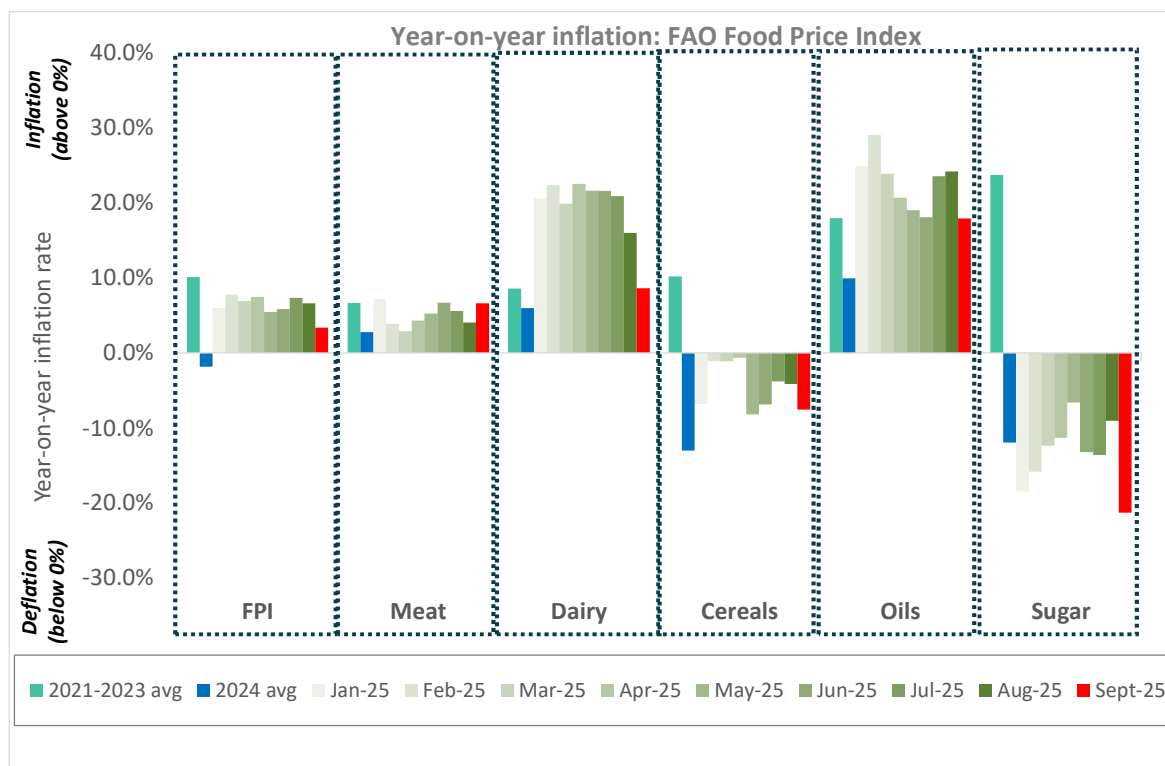


Figure 3: The FAO Food Price Index for global commodity and food prices

Source: FAO, September 2025

SECTION 5: Drivers and expectations

Cereals: The FAO Cereal Price Index declined by 0.6% month-on-month (MoM) and 7.5% year-on-year (YoY). Global wheat prices continued their downward trend, driven primarily by subdued export sales and large harvests in the Russian Federation and other major producers across Europe and North America. Maize prices also fell, influenced by expectations of ample supply from key exporters such as Brazil and the United States, alongside Argentina's temporary suspension of grain export taxes.

Domestically, grain prices decreased in September 2025. Maize prices recorded a second consecutive MoM and YoY decline, following a significant upward revision by the Crop Estimates Committee for the 2025 crop. This was further supported by global market developments and the strengthening of the rand against the dollar. White maize prices dropped by 9.5% MoM and 29.9% YoY, while yellow maize eased by 6.6% MoM and 13.6% YoY. Robust domestic supplies from the 2025 crop continue to exert downward pressure on prices, with progressive deliveries in September exceeding last year's levels. Optimism surrounds the 2026 crop outlook, bolstered by the anticipated development of La Niña conditions, typically associated with abundant rainfall. Regionally, improved production in neighbouring countries has reduced import demand from South Africa, resulting in a 59.2% decline in maize exports compared to September 2024. Local wheat prices, which follow import parity, also fell 4.4% MoM, but remained 3.6% higher YoY.

Vegetable oils and Oilseeds: The vegetable oil price index declined by 0.7% in September compared to August 2025 due to easing palm and soybean oil prices but remained 18% higher than in September 2024. Palm oil prices declined due to improved stock levels in Malaysia, which reached a 23-month high at the end of September. Production peaked in August, with a seasonal decline expected to continue into early 2026. Soybean oil prices also softened, pressured by increased supply from Argentina following the temporary suspension of export taxes on soybeans and related products. Conversely, sunflower oil prices increased, as the impact of the new crop has yet to be reflected in prices in the Black Sea region. This was partly supported by strong canola seed prices in the EU, where canola oil prices rose due to ongoing supply constraints.

The oilseed price index's upward movement in September 2025 was driven by rising prices for canola and sunflower seeds. In the sunflower seed market, tight new crop supply in the EU and lower yields in Ukraine are pushing prices higher. For canola, ongoing harvests are suppressing prices in Canada, where trade tensions with China are limiting exports. In the EU, sunflower seed yields are projected to be below the five-year average due to dry weather, prompting aggressive procurement of canola and supporting its price. In the soybean market, China's complete shift from U.S. soybeans to South American sources has led to a price retreat. In South America, Argentina's decision to

temporarily lift export taxes on soybeans and related products spurred exports and improved planting conditions in Brazil, where sowing for the 2025/26 crop has begun, further contributed to the softening of global prices.

Domestically, soybean prices declined by 1.2% MoM and 15.5% YoY, while sunflower prices remained firm, rising 6.0% MoM and 14.9% YoY. Both markets are tracking global trends. Anticipated favourable weather in the upcoming crop season may boost production further, keeping soybean prices aligned with export parity levels.

Meat: The FAO Meat Price Index rose by 0.7% MoM in September 2025, reaching a new record high. YoY, the Index increased by 6.6%. The overall price growth was driven by higher prices for bovine and ovine meat, while pig and poultry prices remained stable. Bovine meat prices continued to break records, largely due to strong demand from the U.S., particularly for Australian beef. Prices for Australian processor (cull) animals reached historic highs, supported by robust demand for lean trim from the U.S., where herd rebuilding is reducing cull cow numbers. Meanwhile, Brazilian supply has declined, impacted by steep 50% import tariffs imposed by the USA on beef products. Despite reduced exports to the U.S., strong global demand, especially from China, has supported Brazilian prices. China's imports from Brazil rose by 38% YoY. In New Zealand, tight feed conditions caused by patchy pastures following heavy winter rains, combined with U.S. demand, have also pushed beef prices higher.

Ovine meat prices were supported by limited export availability from Oceania amid strong demand from China, the EU, and the U.S. In Australia, low lamb slaughter numbers suggest new-season lambs have not yet entered the market, pushing sheep meat prices upward, contrary to the usual seasonal trend of declining prices with the arrival of new lambs. Slaughter numbers are expected to remain low as producers retain lambs to add weight, supported by favourable seasonal rains. This is prompting buyers to offer higher prices to secure supply. In New Zealand, the last of the 2024-born lambs are being processed, with new lambs expected in November 2025.

Pig meat prices remained stable, as increased demand from emerging markets for Brazilian pork offset declining Chinese imports. Notably, Philippine imports of Brazilian pork surged by 78% in 2025, surpassing China as a key importer. Poultry prices also held steady, with global markets remaining balanced despite new seasonal outbreaks of Highly Pathogenic Avian Influenza (HPAI) in some countries and resulting import bans in regions such as Argentina and the EU.

Locally, meat prices moved higher, reflecting domestic supply disruptions rather than global trends. Disruptions caused by ongoing Foot and Mouth Disease (FMD) outbreaks continue to support higher meat prices, forcing consumers to shift to more affordable meat cuts and types. The average A2/A3 beef carcass price declined by 2.2% MoM but remained 32.4% higher YoY. This trend signals weakened consumer demand and resistance to high prices in a tight supply market. The weaner calf price eased MoM, reflecting soft restocking demand from feedlots amid FMD concerns, but maintained an upward YoY trend, indicating limited local supply. Live imports are significantly lower, down 75% year-to-date (YTD) compared to January to August 2024, with livestock farmers in Namibia and Botswana rebuilding their herds.

Meat prices typically rise ahead of the festive season due to strong demand. However, new FMD cases at major feedlots may constrain beef supply, potentially pushing prices even higher at a time when prices are already elevated, limiting consumers' ability to absorb further increases, and potentially dampening demand. Elevated beef prices are sustaining demand for alternative meat types. The price of individually quick frozen (IQF) chicken rose by 1.0% MoM and 19.9% YoY, in contrast to global trends. Imports of mechanically deboned meat, South Africa's largest poultry import type by volume, remain subdued despite the reopening of imports from Brazil in June/July, further supporting domestic prices. Prices are expected to continue rising into the festive season.

Pig and sheep carcass prices also increased compared to August 2025 and relative to September 2024. The average price of pig carcasses rose by 3.3% MoM and 12.3% YoY, while A2/A3 sheep carcass prices increased by 1.3% MoM and 21.4% YoY.

Dairy: Global dairy product prices declined by 2.6% in September 2025, though they remained 9.0% higher compared to September 2024. Butter prices saw the steepest drop, driven by seasonal increases in cream supply across the Northern Hemisphere amid reduced demand, and forecasts of higher output in New Zealand due to expected favourable spring pasture conditions. Milk powder prices also softened as milk output increased, particularly in the EU, where both regional and export demand remained subdued. Strong milk production in Oceania supported the production of skimmed milk powder (SMP) and whole milk powder (WMP). Cheese prices declined marginally, with steady output in the EU and reduced export interest, although this was partly offset by higher prices in New Zealand, where low early season supplies and increased demand from Asia lifted prices.

In South Africa, StatsSA's August 2025 data (latest available at time of publication) showed a decline (MoM and YoY) in the milk producer index, while the dairy products index rose MoM and YoY. Milk production during the first two quarters of 2025 was higher than in 2024. According to MilkSA, the index for raw milk purchases increased by 12.3% MoM and 4.5% YoY in September. Retail sales volumes and prices for most dairy products also rose. Given South Africa's low economic growth, these trends likely reflect fewer supply chain disruptions and the local industry's adaptability to changing producer and consumer needs, rather than a surge in demand. Raw milk prices are expected to ease as the milk season peaks.

Fresh produce: Municipal market data indicated high volumes and lower prices across major vegetable categories. Potato supply remained elevated, with stock levels trending 50% higher YoY, placing significant downward pressure on prices. Prices have been below 2024 levels since June. Tomato supplies increased MoM, and perishability combined with slightly elevated stock levels led to a sharp 41.6% YoY price drop, aligning more closely with September 2023 levels. Onion prices also declined slightly YoY, responding to higher volumes. Stock levels rose significantly MoM, indicating a large delivery that will be traded over the coming weeks. The changes in fresh produce market prices for all commodities discussed above are being passed through to the retail level, and consumers are benefiting from lower retail prices.

In the fruit market, strong apple juice prices and a successful export season, as product is moving well with lower EU cold storage stocks, have reduced domestic supply, driving up local market prices. Banana supply recovered in September, placing pressure on prices, though volumes remain 8.7% lower YTD compared to 2024. Despite this, banana prices are 8.3% higher YTD, making them the second most affordable fruit by volume after oranges, with apples currently commanding elevated prices.

Orange volumes surged by 95.2% YoY on municipal markets in September 2025. The market is normalising following elevated juice prices in 2024. With the record export volumes of 2025 and the potential risk of claims and price pressure late in the season for exports, the domestic market is serving as a risk mitigation channel for produce. Avocado exports declined by 13% YTD, mirroring 2023 trends, due to a smaller crop. Prices are under pressure in key markets like the EU and UK, where supply from Peru increased by one-third YoY. Additional supply to the local market, likely a strategic move to avoid poor export conditions, has placed downward pressure on domestic prices. Nonetheless, local sale prices reached nearly R100/kg per 4kg box, indicating resilient demand.

Looking ahead: There are several factors to monitor that will shape food price trends in the coming months. First, the rand has continued to strengthen against the dollar for most of 2025, providing some cushioning for local prices. South Africa's exit from the FATF greylisting could add further support to the Rand. Exchange rate movements remain a key influence on the cost of essential production inputs such as fuel and fertilisers and also influence prices for imported food products. Secondly, the improved 2024/25 summer crop has helped ease upward pressure on grain and oilseed prices. The formation and expected continuation of the La Niña weather pattern into 2026 could further enhance supply conditions, keeping summer crop prices low and offering relief for core staples.

While lower grain prices should translate into reduced feed costs for producers, animal disease outbreaks, particularly FMD, pose a risk to growth in the livestock and meat sectors, potentially limiting both local supply and export opportunities. Demand for the upcoming festive season is expected to support increased demand for weaners (by producers) and meat (by consumers), but the effectiveness of FMD containment strategies and associated beef supply disruptions will be critical in shaping price trends across different meat types. In the dairy sector, raw milk prices are also expected to ease as the milk season peaks, with above-average rainfall contributing to good pasture conditions and lowering feed costs, offering further relief to farmers. FMD impacts are also a concern to dairy producers.

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