FOOD INFLATION BRIEF

This BFAP Brief reviews food inflation dynamics, its associated causes, and the cost of basic healthy eating based on July 2026 food prices.

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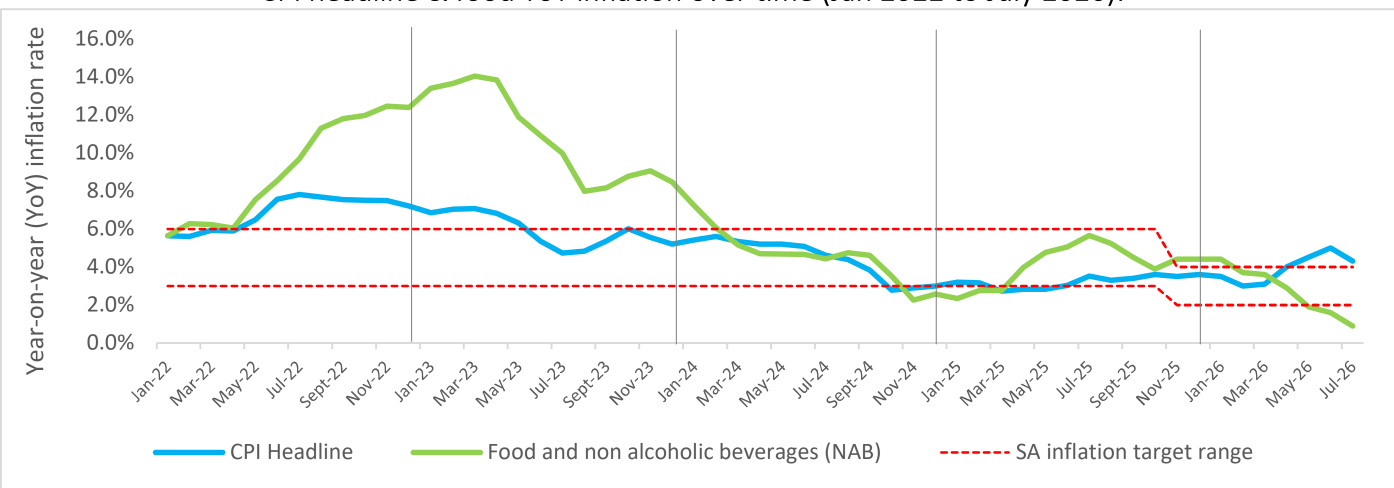
This food inflation brief is a collaboration between BFAP and Absa Agribusiness.
BFAP would like to acknowledge the source of the inflation and retail price data reported and analysed in this brief: Statistics South Africa [https://www.statssa.gov.za/?page_id=1854&PPN=P0141]

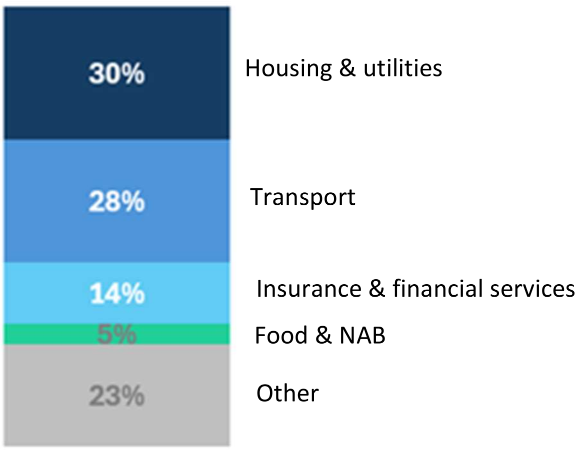
AN OVERVIEW OF CPI HEADLINE AND FOOD INFLATION IN JULY 2026

Source: Stats SA CPI, July 2026

CPI headline & food YoY inflation over time (Jan 2022 to July 2026):



Contributors to current CPI Headline inflation (4.3%):



Inflation on Food & NAB in July 2026:

YoY: 0.9%
Lower YoY inflation rate than in June 2026 (1.6%).

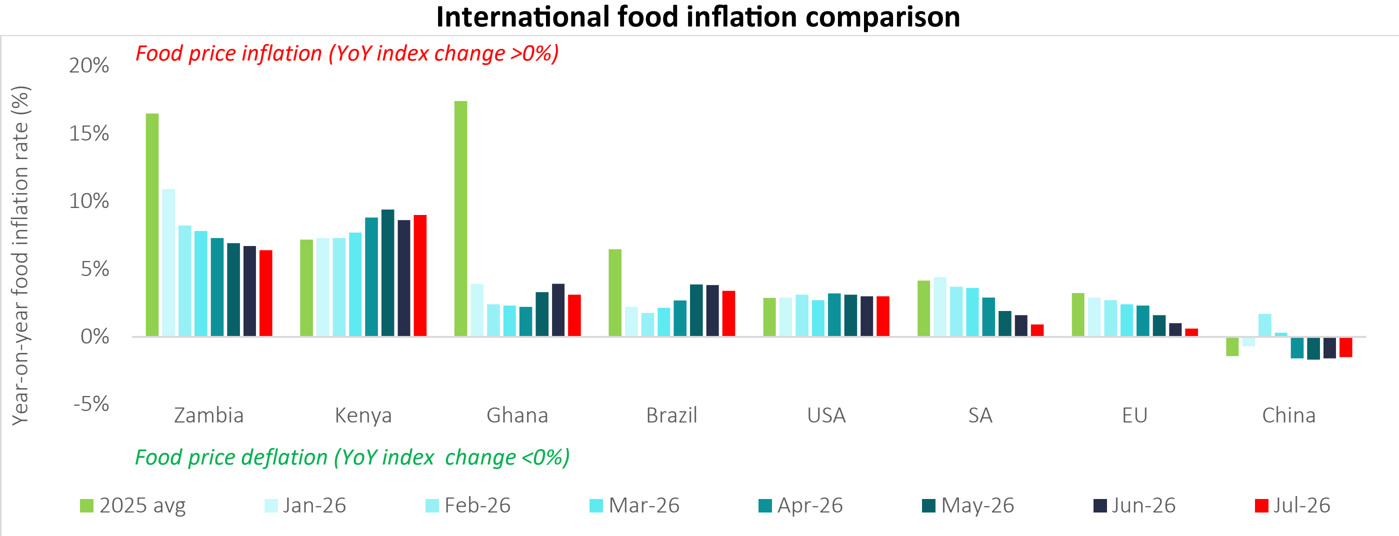
MoM: -0.2%
Lower MoM inflation rate than in June 2026 (0.4%).

Headline inflation in July 2026:

YoY: 4.3%
Lower YoY inflation rate than in June 2026 (5.0%).

MoM: 0.2%
Lower MoM inflation rate than in June 2026 (0.7%).

COMPARING FOOD INFLATION IN SOUTH AFRICA TO SELECTED COUNTRIES AND REGIONS GLOBALLY



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

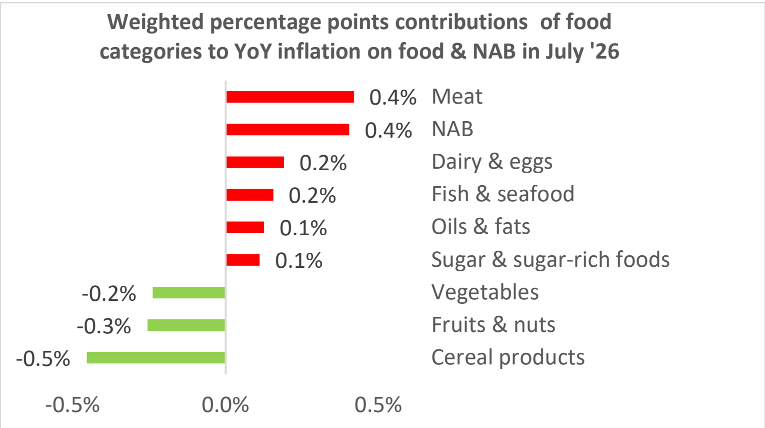
South Africa's food inflation has moved from a mid-range position among African peers (above USA/EU, below Zambia/Ghana in the 2025 average) to one of the lowest in the dataset, despite significant price pressure from fuel and electricity costs in recent months.

FOOD CATEGORIES IMPACTING YoY AND MoM FOOD INFLATION IN JULY 2026

Source: Stats SA CPI, July 2026, BFAP calculations

YoY inflation on food categories & contributions to 0.9% YoY inflation on food & NAB in July 2026:

- Highest YoY food category inflation was reported for fish & seafood (+6.6%) and NAB (+5.3%), followed by oils & fats (+2.8%), sugar & sugar-rich foods (+2.2%), dairy & eggs (+1.9%) and meat (+1.5%). Popular foods with high YoY inflation in July 2026 included selected vegetables (lettuce, cucumber, mushrooms, bell peppers, cabbage, spinach, and pumpkin), fruit (avocado, tomatoes, bananas, and pears), NAB (Ceylon tea, fizzy drinks), fish (fish fingers, hake), pork (fillet, chops, ham, and bacon), dairy (Cheddar cheese, yoghurt), oils & fats (butter, cooking oil), mutton/lamb (offal, chops, leg, neck, and stew), chicken (non-IQF portions, fresh portions, polony, nuggets/strips, and viennas), and beef (offal). Inflation on fresh produce popular among lower-income households in South Africa (e.g. tomatoes, bananas, cabbage), could have a negative impact on satiety and micro-nutrient intake.
- YoY food category deflation was reported for fruits & nuts (-7.5%), vegetables (-7.5%) and cereal products (-2.0%). Popular foods with deflation in July 2026 included beef (brisket, chuck, fillet, mince, rump steak, Sirloin, T-bone, and stew), oils & fats (margarine), vegetables (carrots, lettuce, potatoes, pumpkin, beetroot, and sweet potatoes), fruit (oranges, apples), cereal foods (maize meal, rice), dairy (milk), eggs, and legumes (canned baked beans, dried beans). YoY deflation on protein-rich foods such as beef and legumes could help South African consumers to move closer to adequate protein intake levels.



To analyse how specific food categories drive overall inflation for Food & NAB, it is essential to look beyond the YoY inflation rates and consider their weighted contributions (see graph to the left).

In July 2026, the 0.9% YoY inflation for Food & NAB was primarily driven by meat and NAB, followed by dairy & eggs and fish & seafood. These increases were partially offset by deflationary weighted contributions for cereal products, vegetables, and fruits.

MoM food inflation in July 2026:

In July 2026 the highest MoM inflation was reported for selected foods within the following categories: cereal foods (white rice, wheat flour, spaghetti), beef (stew), pork (fillet, ham), mutton/lamb (chops, offal), chicken (whole, fresh portions, frozen portions, IQF, giblets, polony, viennas, nuggets & strips), fish (hake, canned pilchards, fish fingers, portions in batter or crumbs), dairy (UHT milk, powdered milk, yoghurt, sour milk), oils & fats (cooking oil, butter), fruit (apples), vegetables (spinach, bell peppers, pumpkin, onions, potatoes), legumes (dried beans), NAB (fruit juice, instant coffee, Ceylon tea and Rooibos tea) and white sugar.

CONSUMER IMPACT OF FOOD INFLATION

Source: BFAP, 2026; Stats SA CPI, July 2026

The cost and affordability of basic healthy eating and an 'adequate energy' food basket in July 2026:

Illustration of the foods included in the BFAP THFB (not the actual quantities of foods in the model)

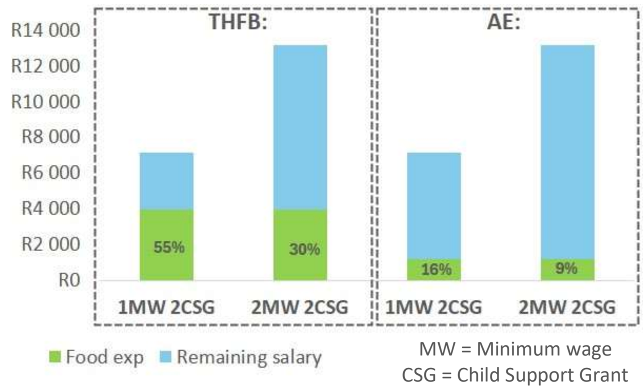
Component	Description
Basic healthy food basket (THFB)	Cost of a nutritionally balanced, energy-adequate diet for a low-income household.
BFAP Adequate Energy (AE) Basket	Cost of obtaining sufficient calories only, without accounting for dietary diversity.
Reference Household	South African household (HH) with 4 members: 2 adults and 2 children.
Basket Composition	26 food items across all food categories.
Methodology Pillars	National nutrition guidelines, typical low-income food intake patterns, and Stats SA retail prices.
Income Basis	One/two full-time minimum wages plus child support grants (CSG's).

In July 2026 the cost of the THFB amounted to R3 965/month. This was 3.4 times more than the cost to obtain adequate energy (AE) (R1 171/HH/month) for daily survival for the HH, but without adequate dietary diversity.

The cost of the THFB increased by only 0.05% (+R1.98) compared to July 2025, with cost increases on tomatoes, bananas, pumpkin, onions, canned pilchards, sour milk, milk, cheese and peanut butter, offset by cost decreases in foods such as cooking oil, rice, potatoes, maize meal, apples, legumes, eggs and beef.

Compared to June 2026 (MoM inflation) the cost of the THFB decreased by 0.6% (-R25)

Affordability of the AE and THFB in July 2026:



For a household supported by two minimum wage earners and two CSG's, the THFB accounted for 30% of the total household income in July 2026 – in line with the average food expenditure share (30.4%) of the least affluent 50% of households in South Africa according to the latest Stats SA Income and Expenditure Survey 2022/23.

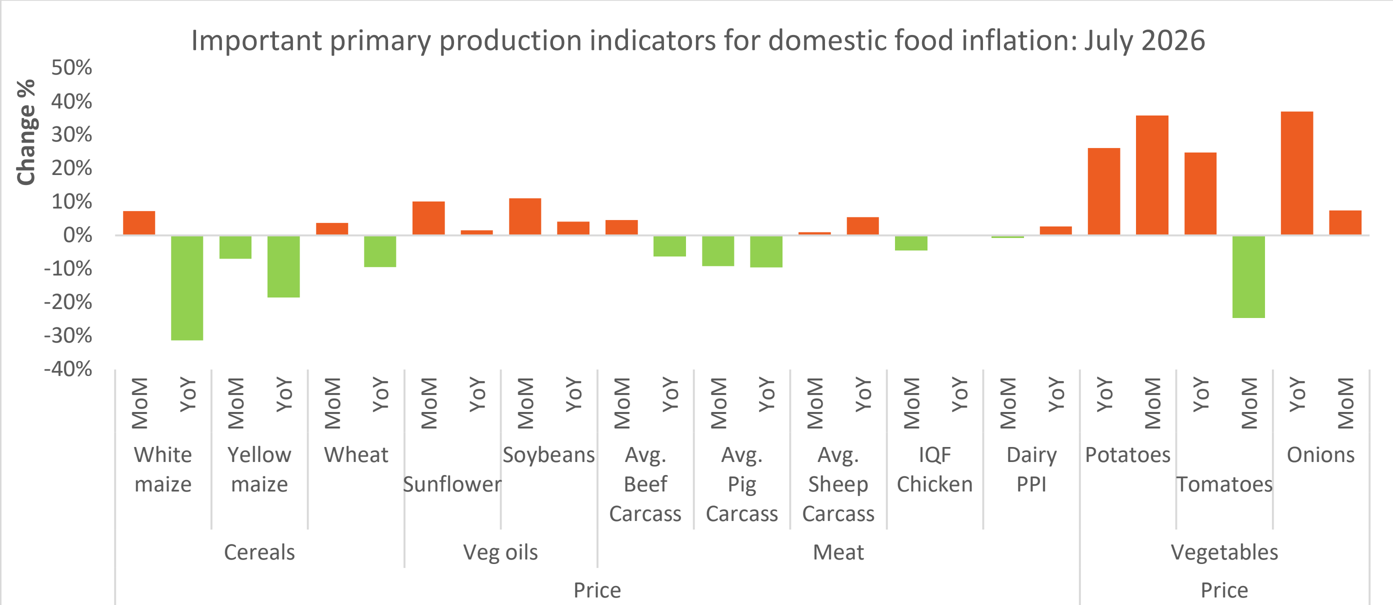
For a household supported by one minimum wage earner and two CSG's, the THFB accounted for a significantly higher 55% of the total household income in July 2026.

OBSERVATIONS IN PRIMARY PRODUCTION & VALUE CHAIN COSTS THAT CAN INFLUENCE FOOD PRICES

Source: BFAP, 2026; FAO FPI, July 2026

Local trends and food commodity price expectations in coming months:

- **Grains & Oilseeds** – Record harvests and high stock levels are sustaining lower prices YoY. Potential risk of El Niño impacts in coming season is influencing current trade.
- **Meat** – Base effects are kicking in with meat prices easing YoY. Beef supply is recovering alongside slaughter volumes, while Foot and Mouth Disease (FMD) vaccination gains momentum.
- **Dairy** – Cost pressures along the dairy value chain have contributed to higher retail prices YoY. While seasonal factors are expected to remain the main determinant of raw milk prices, input and operational costs throughout the value chain, together with consumer demand under current economic conditions, will influence dairy price trends.
- **Vegetables** – Despite potato prices trending below 2025 levels in the first half of 2026, prices are now higher YoY. Volumes on the market also declined but remain higher YTD than the past two years with prices YTD consequently also trending below the past 2 years. Onion prices remained sticky at a higher point in July compared to the previous two years, despite volume growth. Tomato prices are trending downwards from their peak in May, and consumers should be reaping the benefits by now.



Other critical food price drivers & expectations:

Electricity costs have continued to rise following the implementation of the annual tariff increase in April 2026. Meanwhile, fuel inflation eased in July after exerting sustained pressure on consumers since March/April 2026. Fuel prices declined in response to lower international oil prices following the signing of a memorandum of understanding between the United States and Iran in mid-June.

However, the latest fuel price estimates from the Central Energy Fund indicate increases across all fuel grades in September. These projections reflect ongoing constraints in global refined fuel output and the prolonged US-Iran conflict following the collapse of the ceasefire agreement. Although the recent strengthening of the rand against the US dollar (dollar weakness) is expected to provide some relief, particularly for petrol prices, it is unlikely to offset the anticipated increase in diesel costs.

While fuel and electricity costs have been significant drivers of food price inflation in the past, recent food price inflation reached the lowest level since 2010. This decline is supported by lower prices for selected primary agricultural commodities, some absorption of higher input costs along the value chain, and a notable base effect: the substantial increases in meat prices seen in previous periods create a high statistical base, so that more modest price changes now translate into lower inflation readings.

Food commodity prices are expected to remain relatively moderate in the coming months. However, the predicted El Niño weather cycle remains a risk going into the 2027 season, particularly on planting activity and summer crop production. In addition, higher fuel and fertiliser costs due to the prolonged Middle East conflict will impact production and distribution costs, placing upward pressure on food prices over the medium term. Nevertheless, high stock levels accumulated over the previous two bumper seasons should help cushion some of these potential price increases.

BFAP
DATA DRIVEN INSIGHT

Enquiries on this brief? Please contact hester.v@bfap.co.za

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