BFAP
DATA DRIVEN INSIGHT

FOOD INFLATION BRIEF

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



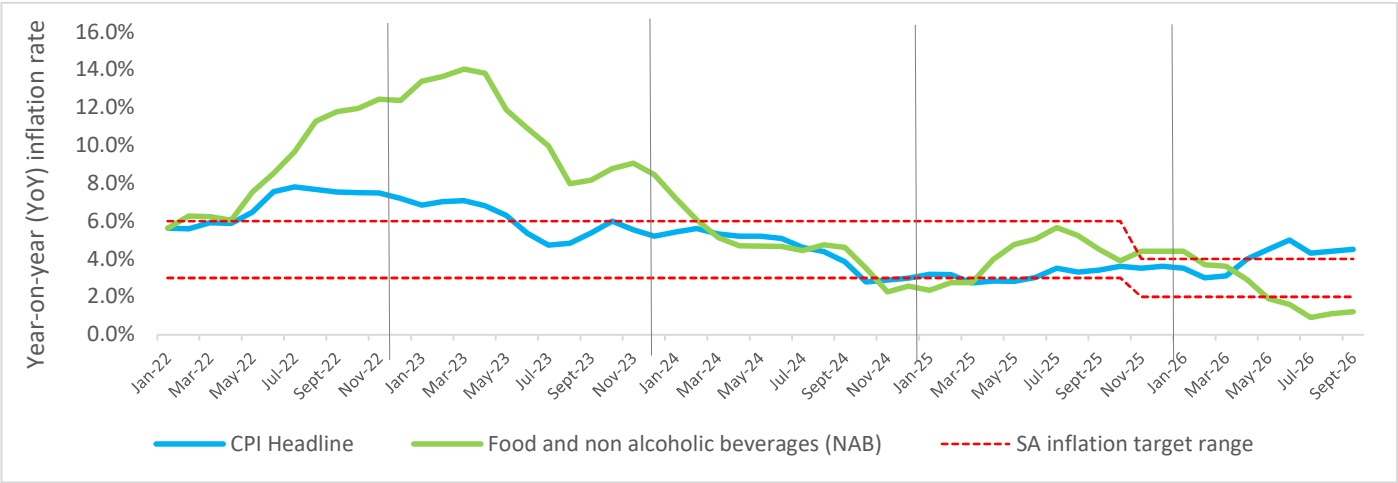
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This food inflation brief is a collaboration between BFAP and Absa Agribusiness.
BFAP would like to acknowledge the source of the inflation and retail price data reported and analysed in this brief: Statistics South Africa [https://www.statssa.gov.za/?page_id=1854&PPN=P0141]

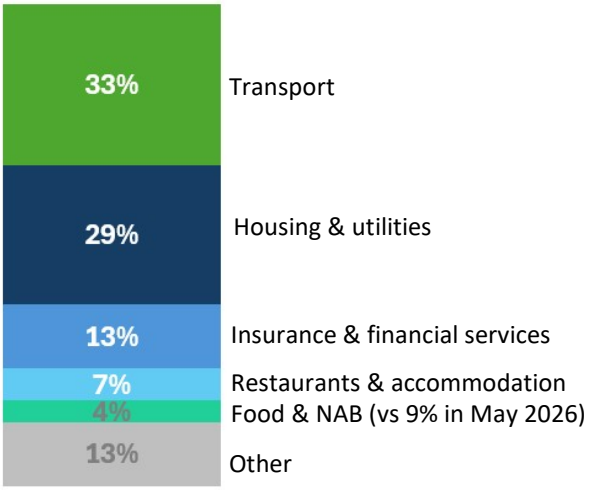
AN OVERVIEW OF CPI HEADLINE AND FOOD INFLATION IN SEPTEMBER 2026

Source: Stats SA CPI, September 2026

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



Contributors to current CPI Headline inflation (4.5%):



Inflation on Food & NAB in September 2026:

YoY: *1.2%*
Higher YoY inflation rate than in August 2026 (1.1%).

MoM: -0.1%
Lower MoM inflation rate than in August 2026 (0.1%).

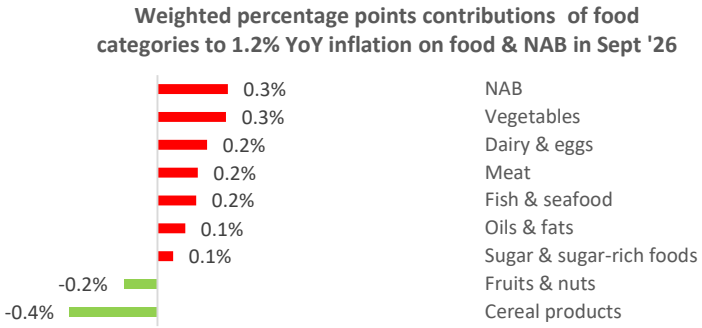
Headline inflation in September 2026:

YoY: 4.5%
Higher YoY inflation rate than in August 2026 (4.4%).
MoM: 0.4%
Higher MoM inflation rate than in July 2026 (0.0%).

FOOD CATEGORIES IMPACTING YoY AND MoM FOOD INFLATION IN SEPTEMBER 2026 *Source: Stats SA CPI, September 2026, BFAP calculations.*

YoY inflation on food and NAB & contributions in September 2026:

- Highest YoY food category inflation was reported for fish & seafood (+8.0%), NAB (+4.5%), and vegetables (+3.5%), followed by oils & fats (+3.0%), dairy & eggs (+2.4%), sugar & sugar-rich foods (+1.5%) and meat (+0.7%). Examples of popular foods with high YoY inflation in September 2026 included selected items within the following food categories:
  - Animal-source foods: fish (fingers, hake), pork (fillet, ham), mutton/lamb (offal).
  - Vegetables & fruit: onions, lettuce, carrots, potatoes, sweet potatoes, bananas.
- YoY food category deflation was reported for cereal products (-1.9%) and fruits & nuts (-4.8%). Examples of popular foods with deflation in September 2026 included selected items within the following food categories:
  - Cereals: maize meal, white rice.
  - Animal-source foods: beef (mince, stew, rump steak, brisket, T-bone).
  - Vegetables & fruit: beetroot, pumpkin, oranges.
  - Other: dried beans, canned baked beans.



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 September 2026, the 1.2% YoY inflation for Food & NAB was primarily driven by inflation on NAB and vegetables, followed by dairy & eggs, meat, and fish & seafood. These increases were partially offset by deflationary weighted contributions for cereals, fruits & nuts.

MoM inflation on food categories & contributions to 0.1% MoM inflation on food & NAB in September 2026:

In September 2026 the highest MoM inflation was reported for fish & seafood (0.8%), and oils & fats (0.4%), followed by cereal products (0.3%) and fruits & nuts (0.1%). MoM deflation was reported for dairy & eggs (-0.1%), sugar & sugar-rich foods (-0.1%), NAB (-0.1%), meat (-0.3%), and vegetables (-1.6%). Examples of specific foods with high MoM inflation in September 2026 included:

- Animal-source foods: beef offal, mutton/lamb offal, IQF chicken portions, fish (canned pilchards, fresh/frozen fish).
- Vegetables & fruit: onions, pumpkin, potatoes, bell peppers, apples, bananas.
- Other: white sugar, brick margarine, instant coffee.

Examples of specific foods with high MoM deflation in September 2026 included various beef and pork cuts, as well as selected vegetables & fruit (beetroot, tomatoes, carrots, cabbages, oranges).

CONSUMER IMPACT OF FOOD INFLATION

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

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



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

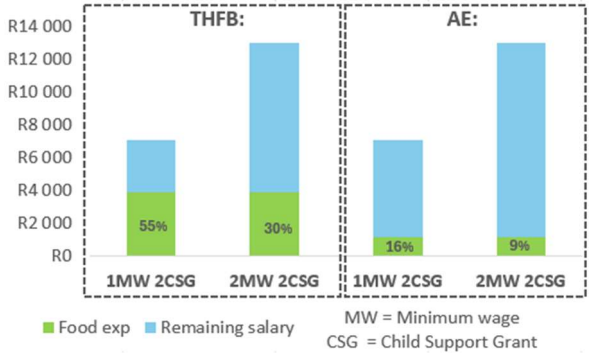
Component	Description
Basic healthy food basket (THFB)	Cost of a nutritionally balanced, energy-adequate diet for a low-income household.
BFAP Adequate Energy (AE) Basket	Cost of obtaining sufficient calories only, without accounting for dietary diversity.
Reference Household	South African household (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 September 2026 the cost of the THFB amounted to R3 905/month. This was 3.4 times more than the cost to obtain adequate energy (AE) (R1 156/HH/month) for daily survival for the HH, but without adequate dietary diversity.

YoY inflation: The cost of the THFB increased by 2.2% (+R83) compared to September 2025, with the most significant cost increases on selected vegetables (onions, carrots, potatoes), selected fruit (bananas, apples), and canned pilchards, offset by deflation on especially starch-rich staples (rice, maize meal), oranges, pumpkin, and selected animal-source foods (boerewors, beef mince and eggs).

MoM deflation: Compared to August 2026 the cost of the THFB decreased by 0.8% (R30).

Affordability of the AE and THFB in September 2026:



For a household supported by two minimum wage earners and two CSG's, the THFB was equal to 30% of the total household income in September 2026 (similar to August 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 was equal to a significantly higher 55% of the total household income in September 2026 (similar to August 2026).

Case-study: Exploring consumer food choices

FUNCTIONAL FOODS: PROOF BEFORE PROMOTION

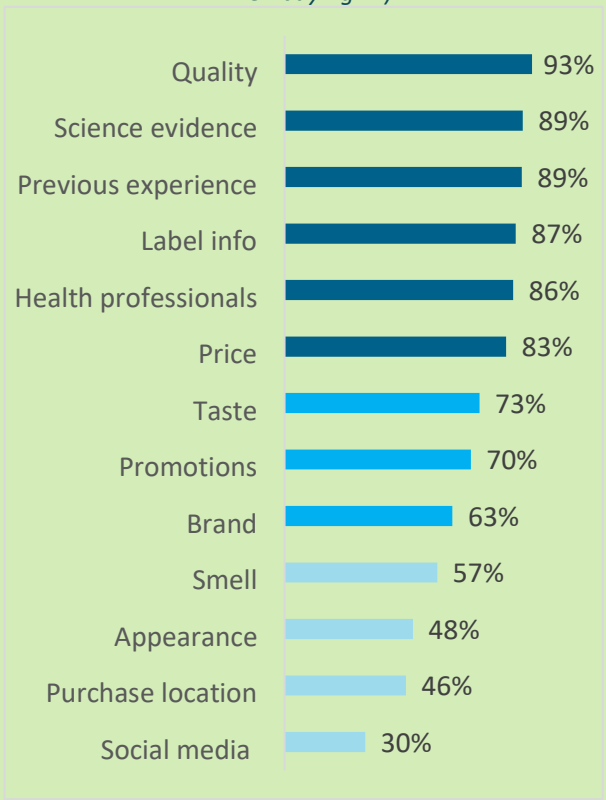
What consumers say matter the most when buying functional foods

In 2025/26, BFAP collaborated with Dr M van der Merwe of the Department of Agricultural Economics at Stellenbosch University and her master's degree candidate Ms M Koekemoer, on a preliminary study exploring upper middle-income (UMI) and affluent (AFF) consumers' (n=119) perceptions of and behaviour towards functional foods and dietary supplements. A functional food (FF) is a type of food that not only provides nourishment but also has additional health benefits, containing natural or added ingredients that can help prevent or manage certain health conditions.

This section highlights some of the study's findings pertaining to the factors considered by consumers when purchasing functional foods.

FUNCTIONAL FOODS PURCHASE FACTORS:

(% of total weighted sample perceiving factor as 'important' when buying FF)



DOMINANT PURCHASING CONSIDERATIONS:

The leading FF purchase factors are perceived quality, scientific evidence on the health benefits of FF, previous product experience, label information, and recommendations by health professionals - suggesting product credibility and trusted information matter most, also more than sensory product appeal.

Price is a more broadly considered factor than promotions. This could imply that shoppers notice the product's underlying price, while a special offer is not equally compelling to everyone.

From a sensory perspective, taste overshadows smell and appearance when buying FF.

No strong overall influence associated with general social media recommendations (not from health professionals) on FF.

Overall, UMI and AFF respondents gave similar ratings to the different factors that influence their FF purchases. Promotions were the exception as UMI consumers facing more severe budget constraints rated promotions as more important.

PRACTICAL IMPLICATIONS:

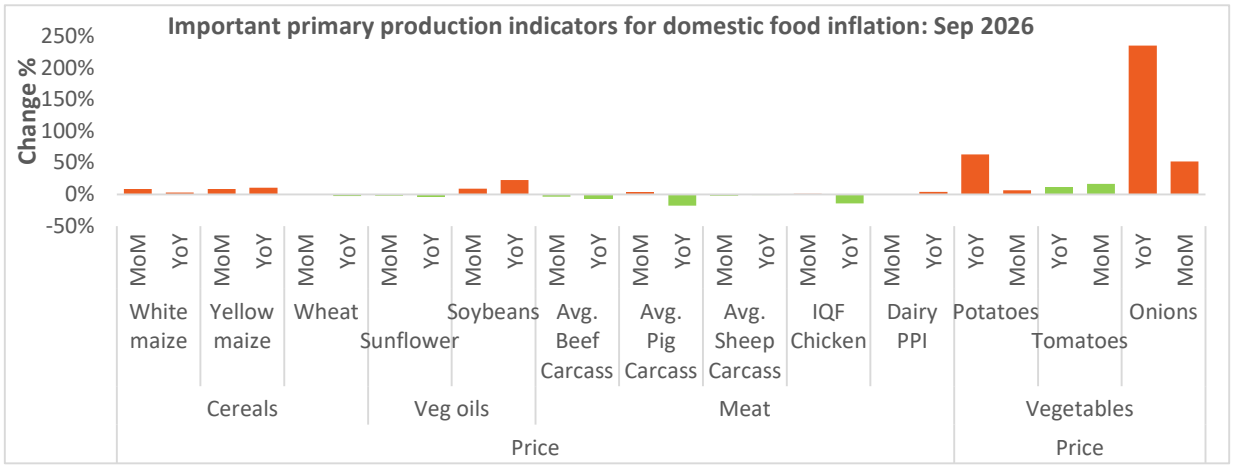
- **Make the benefit concrete:** Educate target market based on solid trustworthy scientific evidence of FF product benefits, also communicated through clear but simple label information.
- **Build trust and repeat purchasing:** Disseminating scientific evidence to health professionals along with clear intake recommendations and benefits to be communicated to consumers by health professionals.
- **Make value visible:** Indicate price per serving on FF labels and use promotions to support loyalty, but not as a leading market penetration strategy.

Interested in understanding how generational dynamics and preferences affect your product and market? Contact the BFAP consumer division (hester.v@bfap.co.za) for custom consumer insight solutions.

OBSERVATIONS ON PRIMARY PRODUCTION & VALUE CHAIN COSTS THAT CAN INFLUENCE FOOD PRICES *Source: BFAP, 2026; FAO FPI, September 2026*

Local trends and food commodity price expectations in coming months:

- **Grains & Oilseeds –** Maize prices increased on a MoM and YoY basis, driven by growing concerns over the potential impact of a super El Niño on 2027 production levels. Globally, prices rose in September due to lower-than-expected US yields, concerns about tightening export supplies from Brazil and trade disruptions in in the Black Sea region. Domestically, the large 2026 harvest and substantial carryover stocks have helped to contain upward price pressure.
- **Meat** Beef, lamb, pork and chicken market prices remained lower YoY in September. Beef carcass prices declined further on a monthly basis, while weaner calf prices edged higher and remained well above year-earlier levels. Strong demand relative to available calves is increasing feedlot costs and could support beef prices later, although the extent of any increase will depend on slaughter-cattle supplies and consumer demand over the festive season.
- **Dairy –** Seasonal trends and recovery from FMD are lifting raw milk output above year-ago levels. Raw milk prices have risen slightly amid input cost pressures, particularly fuel and electricity. Strong processor uptake is supporting dairy producer prices, while ample dairy product supply is containing retail prices. However**,** one of the largest raw milk buyers/processors recently announced a 10% cut in prices paid to farmers, who already face rising input costs. If other buyers follow suit, squeezed farm margins could reduce raw milk production, creating upside risks to retail prices over the medium term. Meanwhile, rising costs further along the value chain could add upward pressure on consumer prices.
- **Vegetables –** Despite trending below 2025 levels for the first half of 2026, potato prices remained consistently above 2025 prices in Q3. Volumes on the market are 9.8% above the 2025 Q1-Q3 volumes and higher than 2024 Q1-Q3, with average prices still below 2024 and 2025 levels. Onion volumes dropped substantially in September, -30% in comparison with Sep 2025, with prices shooting up from below R5/kg to over R15/kg, on average, as short term shortages drove prices up. Tomato prices peaked in May this year, and have been coming down for consecutive months, with September showing the first signs of price stabilisation. As sales volumes recorded for the month were 7.7% below the same period last year, prices were about 12% higher.



Other critical food price drivers & expectations:

Electricity prices are 7.9% higher YoY, reflecting annual tariff increases implemented earlier in the year. Fuel inflation increased by 6.7% in September compared to the August level and remained significantly higher YoY, supported by persistently high international oil prices. Local petrol prices reached R30/litre in October, marking the highest level on record.

The latest projections from the Central Energy Fund indicate under recoveries of R2.06/litre for petrol and R1.38/litre for diesel heading into November. This follows continued increases in global oil prices, driven by supply constrains associated with ongoing US-Iran conflict and expectations of stronger demand from the Northern Hemisphere as winter approaches. Despite these pressures, South African motorists are set to receive much-needed relief at the pumps. Following the recent announcement by the Minister of Finance, the fuel levy will be reduced by R1.50/litre for petrol and R3.00/litre for diesel from 4 November to 1 December 2026, helping to offset a significant portion of the anticipated fuel price increases.

Food commodity prices increases are expected to remain relatively moderate for the remainder of 2026. The predicted El Niño weather cycle remains a risk going into the 2027 season, particularly on planting activity and summer crop production, natural grazing and pastures. In addition, rising fuel and fertiliser costs linked to the prolonged Middle East conflict will impact production and distribution costs, with the former affecting planting decisions and the latter placing upward pressure on food prices over the medium term. Nevertheless, large stock levels accumulated over the previous two bumper seasons should help cushion some of these potential price increases.