

SA consumer food price inflation slowed to 3.7% in February 2026

- We started the year with optimism, expecting South Africa's consumer food price inflation to moderate in 2026. We haven't shifted from this view, but we are increasingly worried that higher fuel prices due to the Middle East war may change this optimistic food inflation path if the war continues for longer. The latest data released this morning by Statistics South Africa has not accounted for the Middle East war and still indicates a moderating food price inflation path, underpinned by ample domestic grain, fruit, and vegetable supplies. **The data show that consumer food price inflation slowed to 3.7% in February 2026, down from 4.0% in January.**
- Essentially, the lower grain, fruit, and vegetable prices on the back of ample domestic and global supplies, and moderating vegetable oil prices, are among the factors that will underpin the softening of price inflation. From now on, we believe meat presents minimal risks to inflation. We will likely see base effects on meat, along with continued cattle slaughtering, continue to help.
- On cereal products price inflation, these are still early days for South Africa's 2025-26 summer grains and oilseeds production season, but from its very start, it appears that we are in yet another better production year ahead. The favourable weather conditions since the start of the season in October 2025, combined with the expansion in area plantings, have always underpinned our optimism.
- We now have the first production estimate for the 2025-26 season, at 19.82 million tonnes. While this is 3% less than the 2024-25 season, it remains an encouraging estimate. We must not forget that the 2024-25 summer grains and oilseeds were the second-largest on record; therefore, being marginally lower than they were is not cause for concern. This production figure comprises maize, sunflower seed, soybean, groundnuts, sorghum, and dry beans. We see minor annual downward revisions in most crops, except for sunflower seed and groundnuts. As we stated previously, we observed severe flooding in parts of Limpopo and Mpumalanga over the past few weeks. But these came after the potato season had ended. Thus, there appears to be no notable vegetable damage.
- On meat, it is worth noting that the pace of cattle slaughter has declined somewhat, though not notably. In fact, for 2025, when foot-and-mouth disease began to intensify, cattle slaughter was down by roughly 5% from 2024. This is important context to keep in mind because it shows that meat supplies are not constrained. Another fact worth keeping in mind is that during foot-and-mouth disease outbreaks, the country is typically temporarily closed to some export markets, leading to increased domestic supplies.
- In essence, we expect South Africa's consumer food price inflation to slow in 2026, but the fuel price remains a major upside risk, as it accounts for a substantial share of the distribution of food products. Fuel accounts for 13% of grain farmers' input costs, but farmers are price takers and can't pass this cost on to consumers except through adjustments in their planting decisions in the next season.
- South Africa's headline inflation was 3.0% in February 2026, from 3.5% in January.