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South Africa's consumer food price inflation narrative for 2026

- On Wednesday, February 18, 2026, Statistics South Africa will release the country's January 2026 inflation data. One of the product categories that some will be examining closely is food, particularly amid rising concerns about the impact of foot-and-mouth disease.

- What follows are broad observations on considerations we must keep in mind before these data are released and when assessing the direction of consumer food price inflation in 2026.

- **First**, we have generally been in an environment of moderating food price inflation. However, it is probably fair to say that in the second half of 2025, we saw a mild uptick, mainly underpinned by higher meat prices. In fact, South Africa's consumer food price inflation stabilised at 4.4% in December 2025, unchanged from November.

- However, on an annual basis, we ended 2025 with an average food price inflation rate of 3.9%, down from 4.0% the previous year. For much of 2025, the primary drivers of the deceleration in food price inflation from higher mid-year levels were fruit and nuts, vegetables, meat, sugar, confectionery, and desserts. The ample supplies, combined with the base effects, contributed to the easing of price inflation for these products.

- **Second**, we are starting 2026 with these fundamentals still underpinning the environment in which we operate. For example, grain prices are down by over 30% from a year ago due to large supplies. South Africa had an abundant harvest, with the 2024-25 summer grains and oilseed harvest estimated at 20.08 million tonnes (up 30% y/y). The exports of staple grains, such as maize, have been much slower than we anticipated. South Africa's maize export forecast is 2.4 million tonnes for the marketing year that ends in April 2026. However, so far, we have exported only about 1.5 million tonnes of maize.

- Given that we are two months towards the end of the 2025-26 maize marketing year (which corresponds to the 2024-25 production year), it seems likely that we will end the year with substantial stocks. This will be a solid foundation for the next marketing year. The new season also looks encouraging. We have been receiving favourable rainfall since the start of the season. The farmers have also planted quite a sizable area. For example, South Africa's 2025-26 preliminary area plantings for summer grains and oilseeds are 4.54 million hectares, up 2% from the previous season. There is a broad expansion in the area under major crops. Assuming we get a decent harvest, it will build on the ample stocks of the previous season, thus keeping grain and oilseed prices under pressure.

- I must also state that there are generally large grain supplies in the world market. This is important context, since we import all of our annual rice consumption and half of our annual wheat, both of which are more affordable at present. This stronger domestic currency also helps greatly for 2026, boding well for moderating consumer food price inflation.

- Indeed, in parts of Limpopo and Mpumalanga, we observed severe flooding in the past few weeks. But these fortunately came after the completion of the potato season. Thus, there appears to be no significant vegetable damage. The primary concern remains in the citrus regions, particularly the quality of the upcoming season, given the flooding observed in the fields. But these issues matter more for exports than for the domestic food price inflation. The crops in these regions didn't see notable damage. Therefore, while the tail-end effects of the floods are worth monitoring, we aren't as nervous about their impact on food price inflation this year. Of course, from a household perspective, it is a different conversation. There was massive destruction of infrastructure.

- **Third**, what has remained top of mind for most people following these matters is meat price inflation, which remains relatively elevated. Two events underpinned a surge in meat prices in 2025. It was a temporary ban on poultry imports from Brazil due to avian influenza. Note that South Africa still imports approximately 20% of its annual poultry consumption, and Brazil is one of the largest suppliers. Therefore, this caused some panic. However, imports were resumed soon after Brazil brought the spread of avian influenza under control. In addition, a more enduring factor is foot-and-mouth disease, which remains a major challenge in the cattle industry. We expect vaccination to gain momentum from March, when the country is likely to have better vaccine supplies.

- However, amid food price inflation, 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, as some would like to make us believe. Indeed, we observed a surge in meat prices last year, but this was primarily due to panic buying driven by retailers' announcements rather than to a product shortage. Buoyant consumer demand was the main driver of meat prices. This remains a reality.

- 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 lower consumer prices. But in 2025, we saw the opposite because of the factors I highlighted above.

- We are likely to see decent slaughter levels in the coming months, although I must admit we are under immense financial pressure from red meat producers. However, it may be useful to separate the impact on red meat producers from that on consumer prices. This is not to dismiss the impact on producers; it may have a profound long-term effect. However, all will depend on the success and speed of vaccination from March 2026 onward.

- From a consumer price perspective, we are unlikely to see a sustained surge in meat prices. The ongoing slaughtering, stronger base effects, and consumer pressure may keep meat prices in check in 2026. Against this backdrop, we expect South Africa's consumer food price inflation to moderate in 2026. The benefits of lower grain prices, ample fruit and vegetable supplies, and potentially sideways meat prices will continue to be the major drivers of the deceleration in food price inflation in 2026.