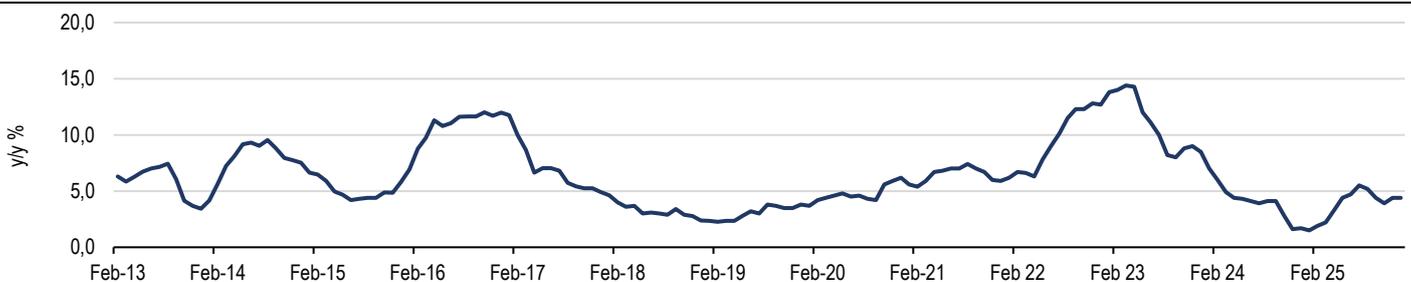


South Africa's food prices rose at a softer pace in 2025 compared to a year ago

- **South Africa's consumer food price inflation stabilised at 4.4% in December 2025, unchanged from November. The average food price inflation for 2025 is 3.8% from 4.1% in 2024. For much of 2025, the primary drivers of the deceleration in food price inflation from higher levels at mid-year were mainly fruit and nuts, vegetables, meat, sugar, confectionery and desserts. The ample supplies, combined with the base effects, are what contribute to the easing of price inflation in these products.**
- Cereal product inflation also remains relatively low on the back of the ample grain harvest in the country. South Africa has an abundant harvest, with the 2024-25 summer grains and oilseed harvest estimated at 20.08 million tonnes (up 30% y/y). What has remained on top of mind is meat price inflation, which remains relatively elevated. The foot-and-mouth disease remains a major challenge in the cattle industry, even as vaccination is still underway, and will likely gain momentum soon.
- Typically, during foot-and-mouth disease outbreaks, the country is temporarily closed to some export markets, leading to a drop in consumer prices. But in 2025, we saw the opposite. Initially, panic buying driven by retailers' announcements, rather than a product shortage, was the main driver of meat prices, combined with buoyant consumer demand. This remains a reality.
- Also worth highlighting, although not an issue in 2025, are the recent floods in Limpopo, which were destructive. We will understand their impact on vegetables in the coming months. We aren't as worried about the effect being severe for now, as the assessment of the damage remains underway.
- Thus, from now on, **we remain optimistic that South Africa's consumer food price inflation will continue to moderate.** 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. That said, there is some uncertainty around meat, as foot-and-mouth disease remains a significant challenge in the cattle industry.

Exhibit I: South Africa's consumer food inflation



Source: Stats SA and Agbiz Research