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## South Africa's consumer food price inflation slowed to 3.4% in March 2026

- While fears of high fuel prices resulting from the Middle East war persist, and indeed it remains an upside risk to South Africa's consumer food price inflation, the near-term data continue to paint a comforting picture. The figures released by Statistics South Africa earlier today show that the consumer food price inflation slowed to 3.4% in March 2026, down from 3.7% in February. There was a broad deceleration across the various food products. At the core of moderating consumer food price inflation are lower grain, fruit, and vegetable prices on the back of ample domestic and global supplies, and moderating vegetable oil prices, which underpin the softening of price inflation. We believe meat presents minimal risks to inflation. We will likely see base effects on meat, along with cattle slaughtering, that continue to help ease the price inflation.
- On cereal products price inflation, we are in yet another better production year. South Africa's 2025-26 summer grains and oilseeds production is forecast at 20.3 million tonnes, down 1% from the 2024-25 season, but still decent. We must not forget that the 2024-25 summer grains and oilseeds season was the second-largest on record; therefore, being marginally lower is not cause for concern but rather for comfort. This figure comprises maize, sunflower seed, soybean, groundnuts, sorghum, and dry beans.
- In fruits, there are ample harvests. An example of improved production is citrus, where South Africa's total citrus exports across all varieties are expected to increase by about 3% to 5%, reaching 210 to 215 million 15kg cartons. 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, the fundamentals of agricultural supply remain solid and point to a moderation in consumer food price inflation. But the increases in fuel prices resulting from the Middle East war remain a key potential risk, posing upside pressure on food inflation. Fuel accounts for a substantial share of the distribution costs of food products. Fuel also 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. However, that adjustment is not immediate. The immediate risk is the distribution costs of food products.
- South Africa's headline inflation was 3.1% in March 2026, from 3.0% in February.