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South Africa's consumer food price inflation is at its lowest level in 14 months

- Although 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 going forward, the near-term data continue to paint a comforting picture. The figures released by Statistics South Africa this morning show that the consumer food price inflation slowed to 2.8% in April 2026, down from 3.4% in March. This is the lowest level in 14 months. 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. Base effects on meat prices, along with continued cattle slaughter, have helped ease price inflation.

- As we stated several times previously, 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 a record 20.8 million tonnes, up 1% from the 2024-25 season. This figure comprises maize, sunflower seed, soybean, groundnuts, sorghum, and dry beans. This ample harvest adds to already large stocks from the past season, keeping grain prices under pressure. Global grain prices are also under pressure from large harvests, adding to the downward pressure from domestic factors.

- In fruits, while the recent floods are destructive in parts of the Eastern and Western Cape, the country's fruit harvest is ample. We are even seeing strong exports of citrus, table grapes, and stone fruits, among others, due to a large domestic harvest. Solid exports also don't necessarily reduce local supplies; they are key, and the local market remains well supplied. To highlight a few, we also saw strong performance in the various fruit products. For example, the stone fruit and pome industries' export volumes have increased by 12% year on year, driven by a large harvest. Also, the figures recently released by the South African Table Grape Industry show that the final figures for the 2025-26 table grape season inspected for export were 81.25 million cartons (4.5 kg cartons), a 3% year-on-year increase. The production conditions for vegetables remain broadly favourable, supporting increased field activity. The poultry industry also had a better start to the year, supported by lower feed prices (maize and soybeans).

- Regarding meat, the pace of cattle slaughter has declined somewhat, though not notably. 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, even if the slaughtering has reduced somewhat.

- Overall, 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, potentially pushing food inflation higher later in the year. 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 by adjusting their planting decisions in the next season. However, that adjustment is not immediate. The immediate risk is the distribution costs of food products. Another medium-term risk is the forecast El Niño drought, but this may only affect the direction of 2027 food price inflation, as it affects the next season's crop.

- South Africa's headline inflation was 4.0% in April 2026, from 3.1% in March.

Exhibit 1: South Africa's consumer food inflation

Source: Stats SA and Agbiz Research