

SA consumer food price inflation decelerated further in September 2025

- **South Africa's consumer food price inflation slowed for the second consecutive month, easing at 4.4% in September 2025, from 5.2% in the previous months. The primary drivers of the deceleration were mainly fruit and nuts, vegetables, oils and fats, as well as milk and other dairy products. The price inflation of cereal products also remained fairly moderate, which illustrates the benefits of the ample harvest and the easing of grain prices at the farm level. The same applies to the price inflation of fruits, nuts, and vegetables, which have declined notably in recent months due to ample supplies.**
- **As with the previous month, a key product we are closely monitoring is meat, which has remained somewhat elevated, although slaughtering has resumed in major feedlots across the country.** Initially, panic buying, rather than a shortage of product, was the main driver of meat prices. The fact that while the supply has improved a bit, the prices remain elevated illustrates that the consumer demand may be slightly more buoyant and able to contend with the current higher prices. There may also be a slight delay in price adjustments at the retail level. Regarding the grains, South Africa has an abundant harvest, with the 2024-25 summer grains and oilseed harvest estimated at 19.94 million tonnes (up 28% y/y). The various fruits and vegetables also saw ample harvests.
- Looking ahead, we remain optimistic that South Africa's consumer food price inflation will continue to moderate. The lingering upside risk is the impact on meat prices, as the foot and mouth disease remains a challenge. The initial challenge with meat rice inflation was the panic buying. At the moment, slaughtering has now resumed in the major feedlots, although foot and mouth remains an issue. Usually, when there are outbreaks of disease, South Africa is temporarily restricted from various export markets, which, over time, increases the supply of red meat into the local market and adds downward pressure on meat price inflation. But this year has been different, partly because of the panic buying we saw earlier.
- South Africa's headline CPI was 3.4% in September 2025, from 3.3% in the previous month.

Exhibit I: South Africa's consumer food inflation



Source: Stats SA and Agbiz Research