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## COMMENTARY

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# Food prices continued to be moderate as of October 2025 despite a slight increase in **headline inflation**

Bhekani Zondo and Naledi Hadebe

On the 19<sup>th</sup> of November 2025, Statistics South Africa (Stats SA) released its annual headline inflation data for the month of October, showing an overall increase in consumer inflation (Consumer Price Index (CPI)) by 3.6% up from 3.4% recorded in September. Although this was a slight 0.1% month-on-month (m/m) increase, it is the highest inflation rate increase since the 3.8% increase recorded in September 2024. However, it is encouraging that despite this increase in overall consumer inflation, food inflation continued to decelerate for the third successive month since the 5.1% level recorded in June 2025. This represents a 0.2% m/m decline from 4.5% to 3.9% in October. This decline was mainly underscored by a drop in inflation for various food and non-alcoholic beverages (NABs) such as vegetables, which saw a decline of 4.4%, followed by milk, other dairy products & eggs (1.5%), and fruits & nuts (0.2%). The key drivers of food inflation were meat products, which increased by 11.4% per annum, followed by processed foods (4.5%), oils & fats (4.8%), and cereal products (3.3%), among others.

The moderate food inflation aligns with global trends, as observed through the Food and Agriculture Organisation's (FAO) Food Price Index, which slightly fell due to declines in prices of cereals, meat, sugar, and dairy. The decline in prices of the above-mentioned commodities outweighed an increase in the vegetable oil index amid tight global supply. The FAO's nominal food price index averaged at 126.4 points in October 2025, lower than the revised September figure of 128.5 points, marking its second monthly decline. According to the monthly food price monitoring report of the National Agricultural Marketing Council (NAMC), despite the successive decline in food inflation, South African consumers still paid more for key food categories.

The cost of the NAMC's 28-item urban food basket increased by 4.8% in October 2025 when compared to the same period last year, reaching R1347.33. This is equivalent to a 0.1% month-to-month increase from the R1346.21 cost recorded in September 2025. The food category that contributed most significantly to this increase was animal protein, experiencing a substantial year-on-year increase of 11.9%, followed by fats & oils (8.5%), coffee & tea (7.4%), fruits (4.7%), dairy & eggs (2.7%), sugary foods (2.0%), and bean products (1.9%). In contrast, bread & cereals prices decreased by 0.1%, and vegetables by 11.7%. When reviewing month-on-month changes, fruits showed an increase of 6.5%, followed by coffee & tea (0.8%), fats & oils (0.4%), animal protein (0.3%), sugary foods (0.3%), and bean

products (0.3%). Bread & cereals prices also decreased substantially by 0.4%, followed by dairy & eggs (1.3%), and vegetables (2.9%).

In conclusion, South Africa's food inflation continued to be moderate in October 2025, even though the headline CPI increased to 3.6%. The easing in food prices is broadly consistent with global patterns, where the FAO Food Price Index declined for the second consecutive month, underscored by lower prices for cereals, meat, sugar, and dairy. Despite this encouraging trend, the NAMC's 28-item urban food basket shows that consumers are still paying more for essential food items, with the basket rising by 0.1% month-on-month and 4.8% year-on-year. The persistence of high prices in categories such as animal protein, fats and oils, coffee and tea, and some processed goods continues to place pressure on household food expenditure, despite vegetables and cereal prices easing. These trends suggest short-term relief in overall food inflation but highlight continued vulnerability in key food categories. Additionally, it is also evident that urban consumers continue to face slightly higher prices than rural consumers, particularly for processed goods such as tea, peanut butter, and sugar.

For more information on the NAMC's food price monitoring reports, click [here](#)