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## COMMENTARY

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# Food prices remained relatively stable in December 2025 despite a slight increase in **headline inflation**

On the 21<sup>st</sup> of January 2026, Statistics South Africa (Stats SA) released its annual headline inflation data for the month of December 2025, showing an overall increase in consumer inflation (Consumer Price Index) by 3.6%, up from 3.5% recorded in November. Nonetheless, the average consumer inflation reached a 21-years low level of 3.2%. Although this is slightly higher than the new South African Reserve Bank (SARB) inflation target range of 3%, it is still within the 1% tolerance band. On the other hand, the inflation rate for food and non-alcoholic beverages (NABs) remained at 4.4% unchanged from the 4.4% reported in November 2025 although relatively higher when compared to the same period in 2024.

The main drivers of the current food inflation were meat products which continued to exert pressure on consumers as they further increased by 0.9% in December, followed by processed foods, cereal products, oils & fats all increasing by 0.2%, unprocessed foods by 0.1%, while fish & other seafood, and sugar, confectionary & deserts remained unchanged. On the other hand, inflation cooled off on selected commodities such as fruit & nuts, which experienced a decline of 1.5%, followed by vegetables (1%) other foods (0.6%), and milk & other dairy products and eggs (0.1%). On the other hand, global food inflation as observed through the Food and Agriculture Organisation's (FAO) Food Price Index, also continued to decelerate for the fifth consecutive month. The decrease in global food inflation in December was mainly driven by deceleration in price indices for meat, vegetables, and dairy products, which outweighed an increase in the sugar and cereals indices.

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 4.1% in December 2025 when compared to the same period last year, reaching R1 348.06. Notwithstanding the 0.1% month-to-month decrease from the R1 350.06 cost recorded in November 2025. Between December 2025 and December 2024, among these 28 items, about 5 key product groups that drove an increase of the essential food basket cost. Animal protein recorded the highest increase of about 11.5%, followed by coffee and tea products (9.1%), fats & oils (6.3%), dairy and eggs (2.8%), and sugary foods (2.5%). These outweighed the softening prices of fruits & vegetables, as well as bread and cereal products which declined significantly during this period. Vegetable prices saw a decline of 8.3%, followed by fruits (6%), and bread and cereal products (1.3%). Meat products are still expected to continue to remain elevated

due to the worsening Foot and Mouth Disease outbreak that is constraining domestic supply of red meat products due to disrupted activities on farms and feedlots within the country.

In conclusion, food inflation in South Africa remained relatively stable in December 2025, while headline inflation increased marginally. The main contributors to food and NAB inflation were meat, followed by processed foods, oils and fats, unprocessed foods, fish and other seafood, other foods, sugar, confectionery and cereal products. These trends contrast with global developments, where food prices declined for a fifth consecutive month due to lower international prices for meat, dairy, and vegetable oils despite rising sugar and cereal prices. Domestically, these inflationary pressures were also mirrored in the NAMC's 28-item urban food basket, which recorded a modest year-on-year increase alongside a slight month-on-month decline. 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.

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