



FOOD-INPUT COST POLICY ADVISORY REPORT

ISSUE 01 - June 2026

KEY NOTE

Agricultural inputs, such as fertilisers and fuel, play a significant role in increasing agricultural productivity, which in turn impacts food prices. The **Food-Input Cost Policy Advisory Report** is a quarterly publication by the National Agricultural Marketing Council (NAMC), with support from the Bureau for Food and Agricultural Policy (BFAP). The report presents an analysis of trends of selected agricultural production inputs and food prices in both domestic and international markets. The data for this publication is obtained from Grain South Africa (Grain SA), the Department of Energy (DoE), the Food and Agriculture Organization (FAO) of the United Nations, BFAP, the South African Grain Information Service (SAGIS), and Statistics South Africa (Stats SA).

Stats SA updated the Consumer Price Index (CPI) basket of goods and services and the respective weights in the February 2025 CPI release. The May 2026 official data is used in this report (see link below from the Stats SA website):

<https://www.statssa.gov.za/publications/P0141/P0141May2026.pdf>

EXECUTIVE SUMMARY

For May 2026, the Consumer Price Index (CPI) released by Statistics South Africa (Stats SA) in June indicated that the annual headline CPI increased to 4.5% from 4.0% in April 2026, while inflation for food and non-alcoholic beverages decreased to 1.9%. NAMC's 28-item urban food basket increased by 2.5% in May 2026 when compared to the same period last year, reaching R1 363.35. This is equivalent to a 0.1% month-to-month increase from the R1 361.76 cost recorded in April 2026. Between May 2026 and May 2025, among these 28 items, only 10 items recorded price increases that exceeded the 3% inflation target set by the South African Reserve Bank (SARB). Notable products in this category include beef offal, which experienced a substantial price surge of 12.9%, followed by beef mince (12.1%), Ceylon black tea (9.4%), polony (8.2%), cheddar cheese (8.1%), IQF chicken portions (5.5%), instant coffee (4.6%), tomatoes (4.0%), white bread (3.6%), and tinned fish (3.2%) respectively.

Between May 2022 and May 2026, international fertiliser prices measured in US dollars per ton decreased significantly. During this period, prices of muriate of potash (MOP), Ammonia, and Di-Ammonium Phosphate (DAP) fell by 55%, 25%, and 23%, respectively, while the price of Urea increased by 14% . During the same period, the exchange rate, which plays a crucial role in importing agricultural inputs , depreciated by 10.6%, weakening from R14.90/US\$ to R16.55/US\$. On a year-on-year basis, prices for Ammonia, Urea, DAP, and MOP increased by 176%, 75%, 26%, and 9%, respectively. Meanwhile, on a month-to-month basis (April 2026 and May 2026), international prices for Ammonia, MOP, and DAP increased by 9%, 3% and 2%, respectively, while Urea decreased by 14%. Domestic fertiliser prices also decreased over the period under review. However, on a year-on-year basis (May 2025 and May 2026), the prices of Ammonia, Urea and DAP increased by 156%, 60% and 15%, respectively, while and MOP decreased by 0.4%.

Between May 2025 and May 2026, prices of fuel, most particularly for diesel and petrol, increased by 69.8% (from R18.90/litre to R32.09/litre) and 24.6% (from R21.29/litre to R26.52/litre), respectively. A similar trend was observed in crude oil prices, which increased by 52.1% (from US\$66.40/barrel to US\$101.00/barrel) and by 34.4% in rand terms (from R1 250.98/barrel to R1 681.65/barrel). During this period, the exchange rate appreciated by 11.6% against the US dollar, dropping from R18.84 to R16.65.

For freight rates, both the Baltic Dry Index (BDI) and the Global Oilseeds Freight Index (GOFI) increased by 126.12% and 38.48%, respectively, when comparing May 2025 and May 2026. By May 2026, the BDI had reached 3008.5 index points, while the GOFI had risen to 182.0 index points from 131.0 reported in May 2025. Therefore, the primary factors driving the observed trends, include frequent changes in crude oil prices, higher international shipping costs, and the volatility of the rand value, among others.

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SECTION A:

PRICE TRENDS OVERVIEW (INPUTS & FOOD)

1. SECTION A: PRICE TRENDS OVERVIEW

A. Global Indices

Figure 1 shows price indices for the five major food categories. Between May 2026 and April 2026, the oil price index fell by 5% and the dairy price index by 0.5%, while the sugar and cereals indices surged by 7% and 3%, and the meat index rose slightly by 0.1%. The annual growth rate (May 2026 vs May 2025) for the dairy and sugar price indices contracted significantly by 29.7% and 12.33%, respectively, while the other three indices grew during this period.

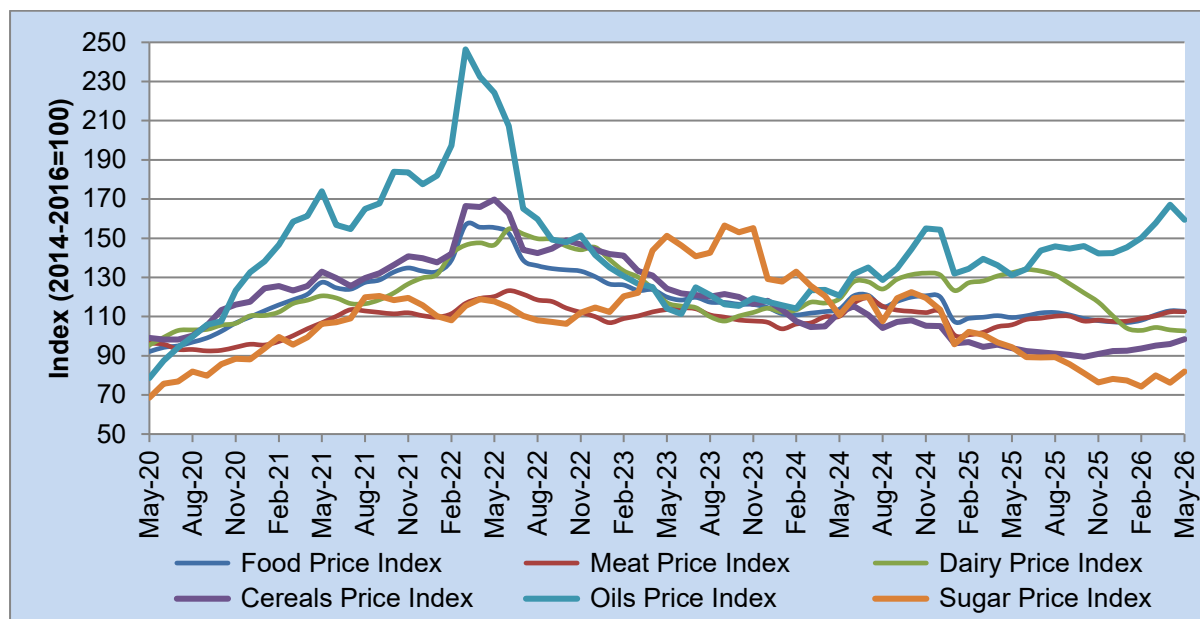


Figure 1: Real price indices for the five major food categories

Source: FAO, 2026

B. Domestic Indices

Figure 2 shows trends in the headline Consumer Price Index (CPI) and monthly inflation for food and non-alcoholic beverages from May 2020 to May 2026. In May 2026, Statistics South Africa (Stats SA) reported that the annual headline CPI rose to 4.5%, the highest level since July 2024, while inflation for food and non-alcoholic beverages fell to 1.9%. In May 2025, headline inflation and inflation for food and non-alcoholic beverages were 2.8% and 4.8%, respectively.

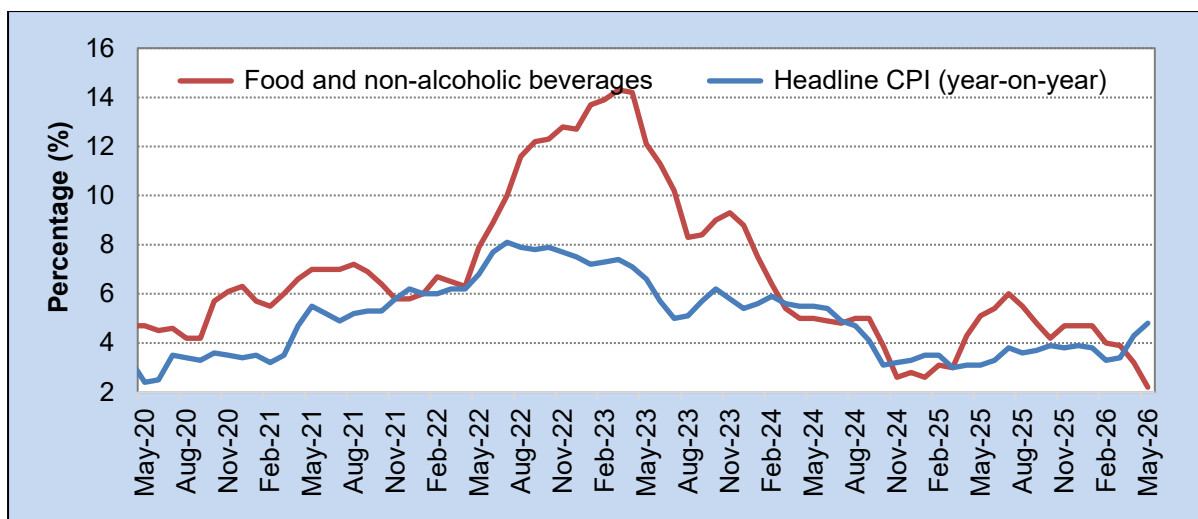


Figure 2: Headline CPI and food and non-alcoholic beverage inflation

Source: Stats SA, 2026

Figure 3 presents components of the food and non-alcoholic beverage index changes. Comparing May 2026 and May 2025, the following changes, in descending order, were reported: meat (7.3%), other foods (4.9%), unprocessed foods (4.1%), fish & other seafoods food (3.6%), sugar, confectionary & desserts (2.4%), oils & fats (1.7%), milk, other dairy products & eggs (0.9%), processed foods (0.3%), cereals products (-1.4%), vegetables (-6%), fruits & nuts (-8.5%). On the other hand, between May 2026 and April 2026, the following increases, in descending order, were recorded: fish & other seafood (1.4%), oils & fats (1%), milk, other dairy products & eggs (0.9%), vegetables (0.9%), other foods (0.7%), unprocessed foods (0.3%), cereal products (0.2%). Conversely, the following declines were recorded for fruits & nuts (3.3%), meat (0.8%), processed foods (0.3%), with sugar, confectionary & desserts recording no change.

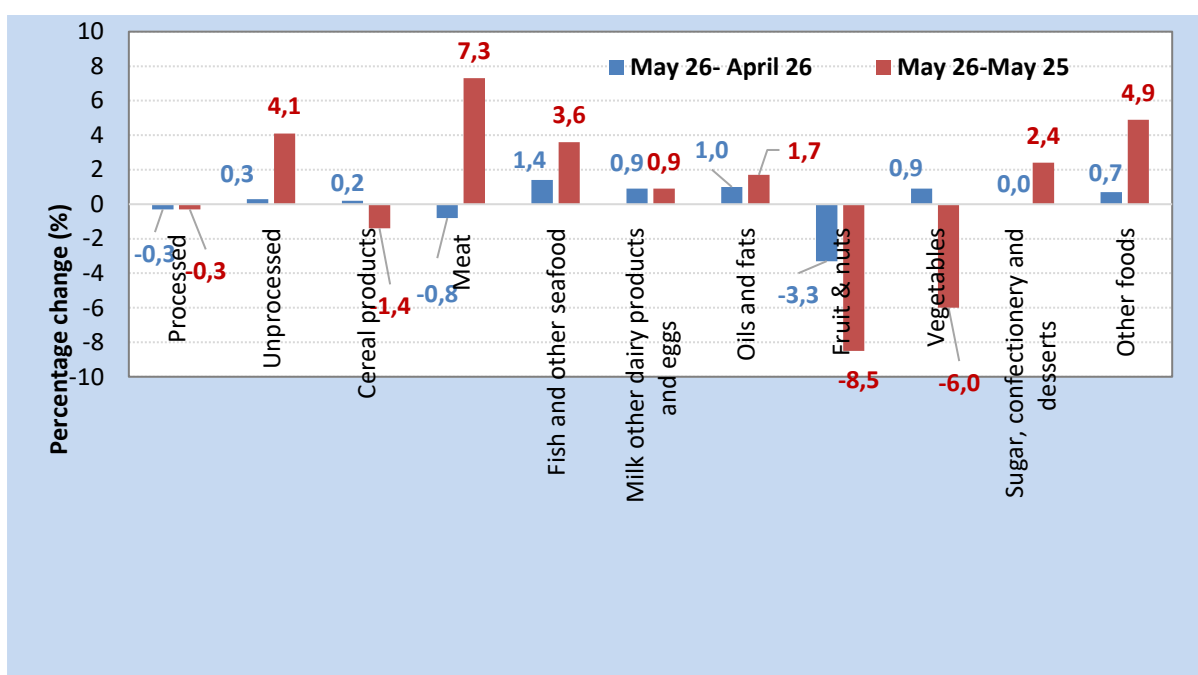


Figure 3: Annual (May 2026 vs. May 2025) and monthly (May 2026 vs. April 2026) changes in CPI for the different food categories

Source: Stats SA, 2026

C. Overall inflation and food inflation: South Africa and selected countries

Table 1 shows the year-on-year (y-o-y) overall inflation and food inflation rates for South Africa and other selected countries from March 2026 to May 2026. South Africa's overall inflation for May 2026 reached 4.5%, while the country's food inflation reached 1.9%. The food categories with the largest annual contribution to South Africa's food inflation include meat, other foods, unprocessed foods, fish & other seafood, sugar, confectionery & desserts, oils & fats and milk, other dairy products & eggs. Turkey's overall inflation rate for May 2026 reached 32.61%, with food inflation reaching 34.86%. China's overall inflation rate remained at 1.2%, the same as in April 2026, while its food inflation rate was -1.7%. Among the BRICS countries (Brazil, Russia, India, China and South Africa), China continued to record the lowest overall inflation at 1.2%, while India registered the highest food inflation rate at 4.78% in May 2026. During the period (March-May 2026), Turkey registered the highest overall and food inflation rates amongst all the countries considered in this section. While Botswana recorded the largest increase in its overall inflation during the period, China's overall inflation remained broadly stable, although its food inflation remained relatively negative throughout the period.

Table 1: Overall inflation and food inflation from March 2026 to May 2026

Country	March 2026		April 2026		May 2026	
	Overall inflation (%)	Food inflation (%)	Overall inflation (%)	Food inflation (%)	Overall inflation (%)	Food inflation (%)
Botswana	4.2	5.8	10.3	5.8	10.7	5.7
Brazil	4.14	2.14	4.39	2.69	4.72	3.87
China	1.0	0.3	1.2	-1.6	1.2	-1.7
India	3.4	3.87	3.48	4.2	3.93	4.78
Namibia	2.1	1.7	3.1	2.0	4.1	2.0
Russia	5.9	4.97	5.6	4.02	5.3	2.86
South Africa	3.1	3.6	4.0	2.9	4.5	1.9
Turkey	30.87	32.36	32.37	34.55	32.61	34.86
United Kingdom	3.3	3.7	2.8	3.0	2.8	2.2
United States	3.3	2.7	3.8	3.2	4.2	3.1
Zambia	7.1	7.8	6.8	7.3	6.6	6.9

Sources: Central banks and statistics reporting institutions of these countries, 2026

D. International Input Price trends

Figure 4 presents international prices for selected fertilisers from May 2022 to May 2026. Due to disruptions in supply from major global producers, trade restrictions by leading exporters, and the record-high fertiliser prices seen globally in the immediate aftermath of Russia's invasion of Ukraine in 2022, prices have somewhat stabilised but are still higher than they were before the conflict in Ukraine.

International prices for Ammonia, measured in US Dollars per ton (US\$/ton), experienced a significant decrease of 25%, falling from US\$1 074 in May 2022 to US\$801 in May 2026. This was followed by muriate of potash (MOP), which decreased by 55% from US\$942 to US\$425; Urea, which increased by 14% from US\$549 to US\$626; and Di-Ammonium Phosphate (DAP),

with the decline of 23%, from US\$1 125 to US\$864. Between May 2025 and May 2026, international prices for Ammonia, Urea, DAP and MOP increased by 176%, 75%, 26%, and 9%, respectively. On a month-to-month basis (April 2026 and May 2026), international prices for Ammonia, MOP, and DAP increased by 9%, 3% and 2%, respectively while Urea decreased by 14%.

Between May 2022 and May 2026, international prices measured in Rand per ton (R/ton), decreased significantly. MOP, Ammonia, and DAP decreased by 50% (from R14 036 to R7 004), 18% (from R16 003 to R13 200), and 15% (from R16 763 to R14 239), respectively. In contrast, Urea increased by 26% (from R8 180 to R10 316). The exchange rate (Rand per US dollar – R/US\$), which plays a crucial role in the importation of agricultural inputs from global markets, experienced a 10.6% depreciation between May 2022 and May 2026. Compared to the same period in the previous year (May 2025 and May 2026), the prices of Ammonia, Urea, and DAP increased by 152%, 60%, and 15%, respectively, while MOP decreased by 0.4%. Meanwhile, on a month-to-month basis, prices for Ammonia, MOP, and DAP increased by 8%, 2% and 1%, respectively while the price of Urea declined by 14%.

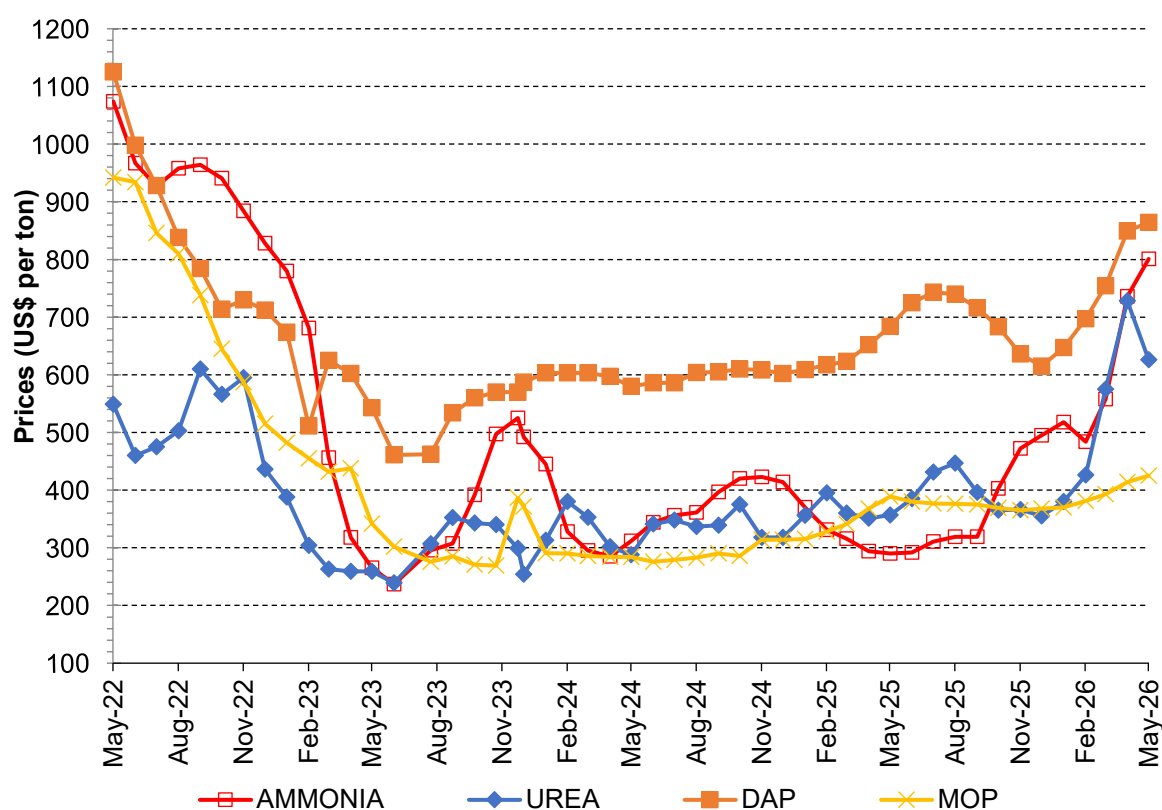


Figure 4: International price trends for selected fertilisers

Source: Own calculations based on data from Grain SA, 2026.

E. Domestic Price Trends

Figure 5 shows domestic price trends for fertilisers from May 2022 to May 2026. During this period, domestic prices per ton of fertilisers generally decreased. Potassium Chloride (KCL) saw a significant drop of 41%, from R19 136 to R11 362. This was followed by Mono-ammonium Phosphate (MAP), which declined by 3%, from R23 718 to R23 053. Between May

2025 and May 2026, all fertiliser prices increased, with the highest increase recorded by LAN (128%), followed by Urea Granular (99%), MAP (32%), and KCL (17%).

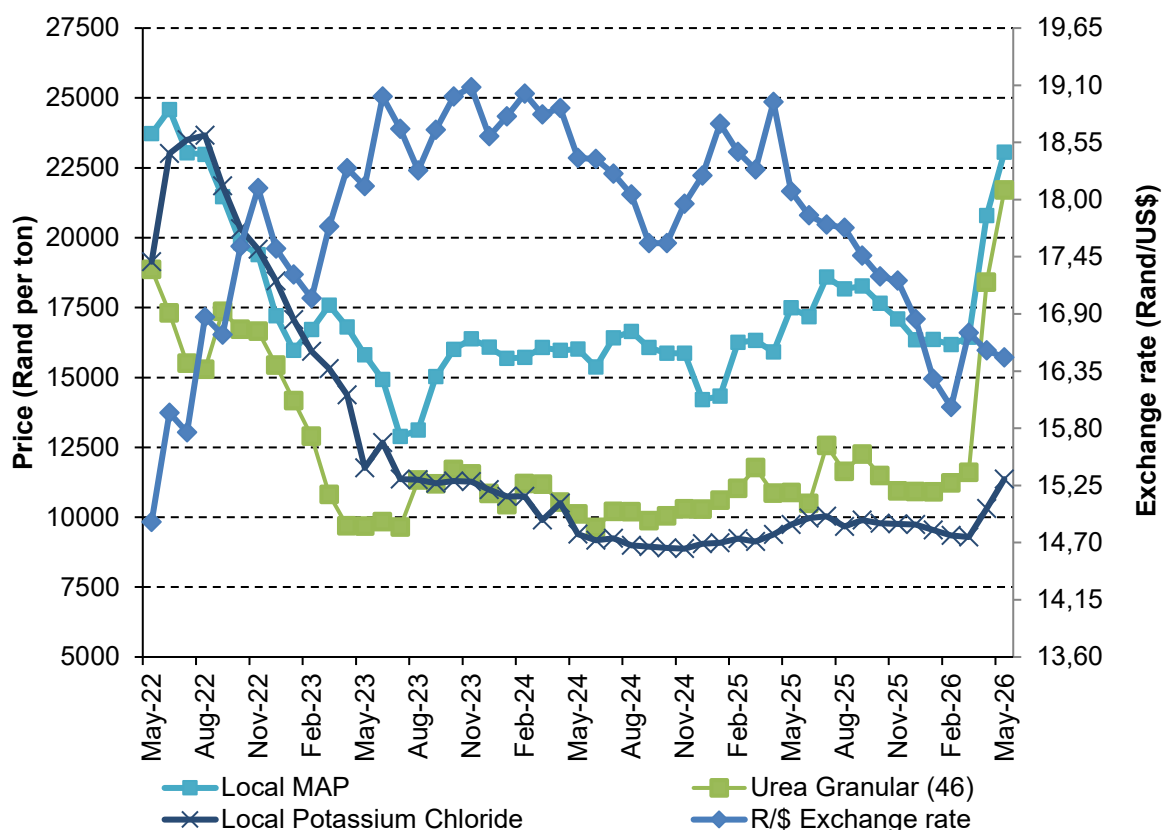


Figure 5: Domestic price trends for selected fertilisers and exchange rate.

Source: Own calculations based on data from Grain SA, 2026.

Fuel prices

Crude oil price (measured in dollars per barrel) and the exchange rate considerably influence domestic fuel prices. Figure 6 shows price trends for crude oil, diesel, petrol, and the exchange rate from May 2020 to May 2026. During this period, petrol and diesel increased by 117% (from R12.22/litre to R26.52/litre) and 189.6% (from R11.08/litre to R32.09/litre), respectively. Meanwhile, crude oil prices rose by 204.7% (from US\$33.15/barrel to US\$101.00/barrel), while in Rand terms, crude oil prices grew by 180.1% (from R600.35/barrel to R1 681.65/barrel).

On a year-on-year basis (May 2025 to May 2026), diesel and crude oil accounted for the highest increase of 69.8% (from R18.90/litre to R32.09/litre) and 52.1% (from US\$66.40/barrel to R101.00/barrel), respectively. A similar trend was observed with crude oil in rand terms with a 34.4% increase (from R1 250.98/barrel to R1 681.65/barrel) and petrol prices, which increased by 24.6% (from R21.29/litre to R26.52/litre) and by 27.9% in rand terms. During this period, the exchange rate continued to appreciate against the US dollar, moving from R18.84 to R16.65.

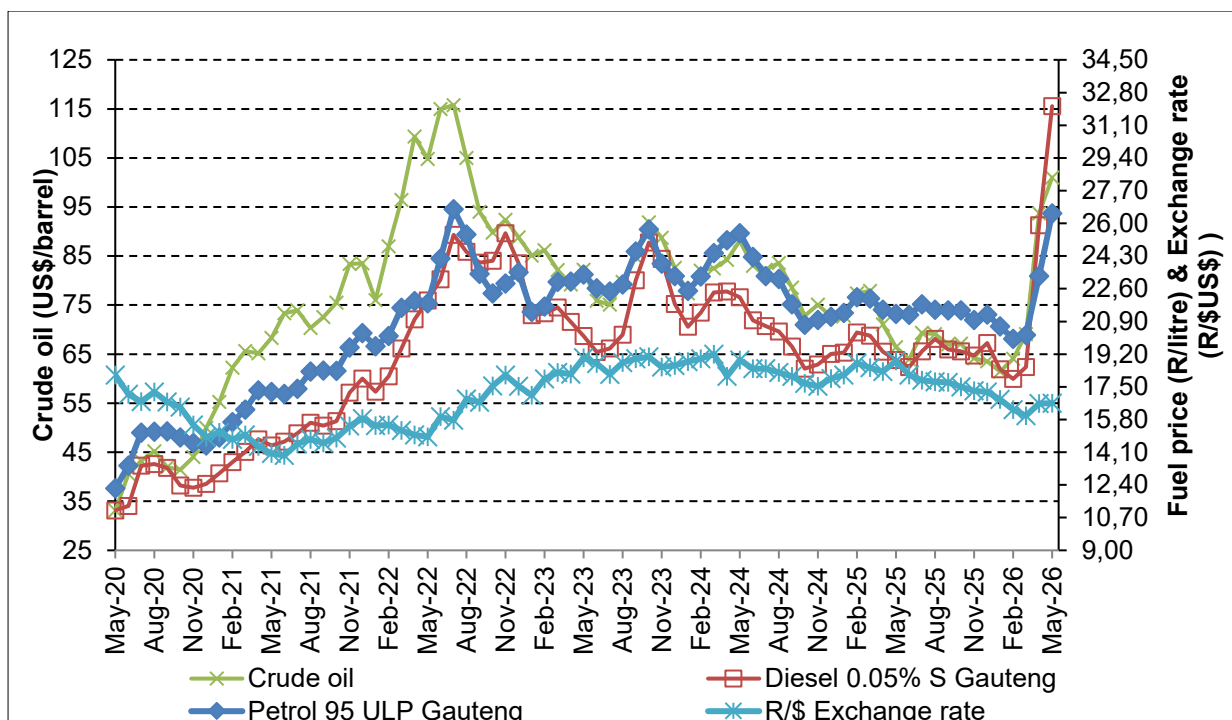


Figure 6: Price trends for crude oil, fuel and exchange rate trends

Source: DoE, 2026.

Freight rates

The Baltic Dry Index (BDI) is used to monitor international freight rates for dry bulk cargo across the world. Specific to grains and oilseeds, the International Grains Council (IGC) introduced the Grain and Oilseeds Freight Index (GOFI), which is used to track international freight rates on grains and oilseeds globally. Using January 2013 as a base year for the GOFI, at least 68 key grains and oilseeds routes are monitored.

Figure 7 illustrates the trends of the Baltic Dry Index (BDI) and the Global Oilseeds Freight Index (GOFI) between May 2020 to May 2026. During this period, the BDI increased by more than 100%, reaching 511.79%, while GOFI surged by 149.83%. Similarly, on an annual basis (May 2025 and May 2026), the BDI and GOFI also increased by 126.12% and 38.48%, respectively. This indicates that crude oil prices have a significant impact on the movements of both the GOFI and BDI. As of May 2026, the BDI had reached 3008.5 index points, while the GOFI had risen to 182 index points from 131 points reported in May 2025.

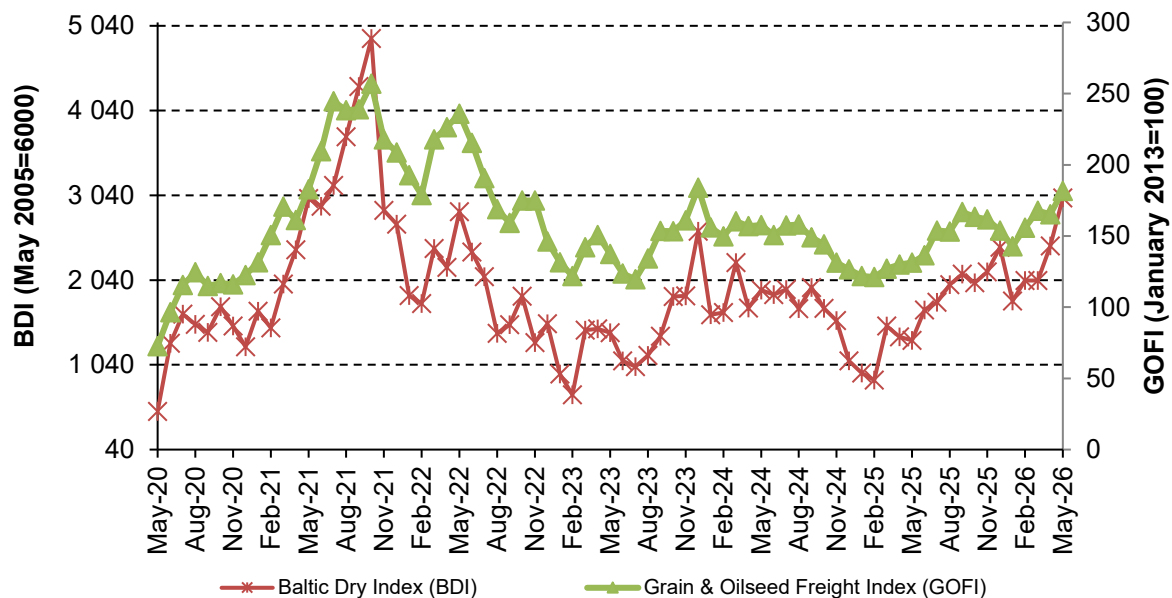


Figure 7: Baltic Dry Index versus Grain and Oilseeds Freight Index

Source: SAGIS, 2026.

Illuminated paraffin price

Figure 8 shows price trends for illuminated paraffin in the Coastal and Gauteng areas from May 2020 to May 2026. During this period, illuminated paraffin for Gauteng and Coastal regions increased by 533.18% (from R4.49/litre to R28.43/litre) and 643.75% (from R3.68/litre to R27.37/litre), respectively. Similarly, annually (May 2025 – May 2026), paraffin prices in the Coastal and Gauteng areas surged drastically by 127.51% (from R12.03/litre to R27.37/litre) and 118.02% (from R13.04/litre to R28.43/litre), respectively. While paraffin remains an essential energy source for many low-income households in South Africa, its price is largely driven by changes in international crude oil and refined fuel prices, geopolitical events, fluctuations in the Rand-US dollar exchange rate, as well as shipping and distribution costs.

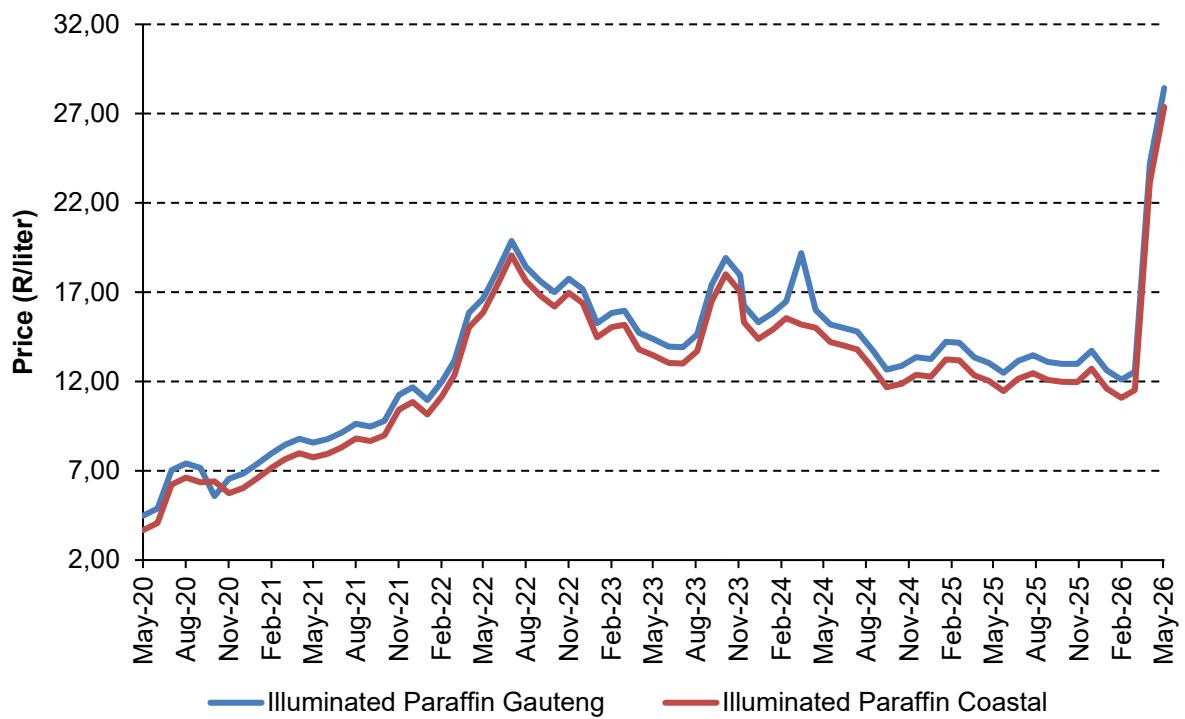


Figure 8: Comparison of illuminated paraffin price between the Coastal and Gauteng regions. Source: DoE, 2026



SECTION B:

PRODUCT OR CATEGORY ANALYSIS

2. SECTION B: PRODUCT OR CATEGORY ANALYSIS

A. Annual urban food price trends: May 2026 vs. May 2025

Table 2 ranks selected food items pertaining to urban areas according to their various inflation rates. The table highlights food items with inflation higher than the 3% inflation upper band set by the South African Reserve Bank (SARB).

Table 2: Food items in the urban areas ranked (May 2026 vs. May 2025)

Grain and oil products	%	Meat, meat products, dairy, dairy products, and eggs	%	Fresh and processed fruits and vegetables	%
Rice 2kg	-14.5	Eggs 1.5 dozen	-6.4	Potatoes – fresh per kg	-17.9
Maize meal 5kg	-10.2	Beef stew per kg	0.2	Lettuce each	-9.1
Rice 1kg	-8.5	Whole chicken- fresh per kg	0.7	Beans – dried 500g	-7.5
Maize meal 2.5kg	-5.8	Tuna - canned 170g	1.1	Cabbage each	-6.1
Margarine spread 500g	-0.7	Low-fat milk- long life 1ℓ	2.4	Baked beans - tinned 410g	-4.3
Cake flour 2.5kg	-0.1	Full cream milk – long life 1ℓ	2.4	Onions per kg	-2.8
Brown bread 700g	0.4	Chicken giblets per kg	2.5	Apples per kg	-1.9
Samp 1kg	1.4	Full cream milk - fresh 2ℓ	2.6	Bananas per kg	0.2
Brick margarine 500g	1.5	Low-fat fresh milk 2ℓ	2.8	Oranges per kg	2.4
Spaghetti 500g	1.8	Powdered milk 900g Fish (excl. tuna) – canned 400g	3.2	Tomatoes per kg	4.0
Sunflower oil 750 ml	2.5	Corned beef 300g	3.5		
Peanut butter 400g	2.6	Ham 500g	4.0		
Macaroni 500g	3.5	Lamb/Mutton rib chop per kg	4.9		
White bread 700g	3.6	Beef brisket per kg	5.0		
		IQF chicken portions 2kg	5.5	Other	%
		Chicken portions- fresh /kg	6.0	White sugar 2.5kg	2.7
		Beef chuck per kg	6.3	Instant coffee 250g	4.6
		Pork ribs per kg	6.3	Ceylon/black tea 250g	9.4
		Lamb/Mutton neck per kg	6.5		
		Lamb/Mutton loin chop /kg	7.0		
		Lamb/Mutton stew per kg	7.3		
		Lamb/Mutton leg per kg	7.6		
		Cheddar cheese per	8.1		
		Polony 1kg	8.2		
		Beef rump steak per kg	8.3		
		Chicken portions frozen – non IQF per kg	8.5		
		Beef fillet per kg	8.7		
		Bacon 200g	9.1		

Grain and oil products	%	Meat, meat products, dairy, dairy products, and eggs	%	Fresh and processed fruits and vegetables	%
		Beef T-bone per kg	9.3		
		Beef sirloin per kg	11.0		
		Beef mince per kg	12.1		
		Lamb/Mutton offal per kg	13.5		
		Pork fillet per kg	14.5		
		Sausage per kg	18.9		
		Pork chops per kg	19.4		
		Beef offal per kg	20.9		

Source: Stats SA, 2026

Note: Food items highlighted in the table above experienced price increases above the SARB inflation target of 3%.

Comparing May 2026 against May 2025, the international price of wheat increased by 27.8%, while domestic wheat prices decreased by 9.3%. Urban consumers paid 0.4% more for a brown bread (700g) and 3.6% more for a white bread (700g). Domestic yellow maize prices decreased by 18.7%, while international yellow maize prices increased by 6.0%. Even though domestic white maize prices decreased by 30.1%, maize meal prices (2.5kg) also decreased by 5.8% in urban areas. During the same period, the urban prices of sunflower oil (750ml) increased by 2.5%. This can be attributable to the observed annual 2.4% decrease in domestic prices of sunflower seed.

Comparing May 2026 with May 2025, overall, the high prices paid by urban dwellers were driven by increases in the various classes of meat on the market. For instance, the average beef producer prices (R/kg) of classes A2/A3, and B2/B3, decreased by 9.3%, and 2.8%, while beef class C2/C3 increased by 7.9%, respectively. Lamb/mutton producer prices (R/kg) of classes A2/A3, C2/C3 and B2/B3 increased by 0.2%, 13.1% and 10.7%, respectively. Abattoir selling prices of frozen chicken decreased by 0.9%, while fresh chicken and individually quick frozen (IQF) chicken portions increased by 10.4% and 7.6%, respectively. Baconer and porker producer prices (R/kg) increased by 12.2% and 12.3%, respectively, during the same period.

B. Monthly urban price comparison: May 2026 vs. April 2026

Table 3 compares prices of selected food items in urban areas for May 2026 and April 2026. Food items showing relatively large monthly price differences are white sugar (2.5kg) with a difference of R0.60, Ceylon/black tea (250g) with a difference of R0.44, full cream milk- long life (1l) with a difference of R0.35, white bread (700g) with a difference of R0.23, sunflower oil (750ml) with a difference of R0.20, and brown bread (700g) with a difference of R0.04. The following products showed a decline in prices; maize meal (2.5kg), with a difference of -R0.07, margarine spread (500g) with a difference of -R0.11, peanut butter (400g) with a difference of -R0.19, rice with a difference of -R0.27, and bananas (per kg) with a difference of -R1.69. This indicates that urban consumers paid on average -R0.04 more for these 11 food items during May 2026 compared to April 2026.

Table 3: Comparison between urban food prices (selected food items)

Product	Urban Food Prices April 2026 (R/unit)	Urban Food Prices May 2026 (R/unit)	Price difference (R/unit)
Full cream milk – long life 1ℓ	20.17	20.52	0.35
Brown bread 700g	17.57	17.61	0.04
White bread 700g	19.38	19.61	0.23
Bananas per kg	23.61	21.92	-1.69
Maize meal 2.5 kg	40.63	40.56	-0.07
Margarine spread 500g	40.12	40.01	-0.11
Peanut butter 400g	49.93	49.74	-0.19
Rice 2kg	38.13	37.86	-0.27
Sunflower oil 750ml	37.23	37.43	0.20
Ceylon/black tea 250g	66.01	66.45	0.44
White sugar 2.5kg	67.34	67.94	0.60
Average difference (R/unit)			-0.04

Source: Stats SA, 2026

C. Annual rural food price trends: May 2026 vs. May 2025

Table 4 ranks selected food items of rural areas according to their various inflation rates. Furthermore, the table highlights food categories with annual rural inflation rates higher than the 3% inflation upper limit set by the SARB.

Table 4: Food items in rural areas ranked by change in inflation (May 2026 vs. May 2025)

Grain and oil products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Peanut butter 270g	-12.7	Full cream milk - fresh 2ℓ	-9.0	Cabbage per kg	-37.5
Rice 2kg	-11.8	Full cream milk - fresh 1ℓ	-3.7	Potatoes – fresh per kg	-24.7
Peanut butter 800g	-11.0	Eggs 0.5 dozen	-3.4	Oranges per kg	-15.2
Margarine spread 1kg	-5.6	Chicken portions - fresh per kg	-2.9	Beans – dried 500g	-12.9
Rice 1kg	-1.5	Eggs 1.5 dozen	-2.9	Potatoes - fresh 10kg	-11.0
Brown bread 600g	-1.3	Full cream milk - long life 500ml	-1.3	Cabbage each	-4.1
Rice 500g	-0.9	Full cream milk - long life 1ℓ	0.3	Tomatoes per kg	-1.9
Sunflower oil 500ml	0.6	Full cream milk - fresh 500ml	9.9	Onions per kg	-1.8
Brown bread 700g	1.9	Beef chuck per kg	11.2	Beans – dried 1kg	-1.3
White bread 600g	2.2	Beef brisket per kg	12.8	Beans - dried 2kg	2.2
Sunflower oil 750ml	2.3	Beef fillet per kg	22.1	Apples per kg	2.3
Whitebread 700g	2.5	Beef T-bone per kg	23.6	Bananas per kg	4.6
Peanut butter 400g	3.0	Beef rump steak per kg	24.5		
Brick margarine 500g	7.6	Fish (excl tuna) - tinned 400g	25.8	Other	%
Brick margarine 250g	7.9			Ceylon/black tea 200g	-8.1
Sunflower oil 2ℓ	8.3			White sugar 2.5kg	-4.5
Brick margarine 125g	10.2			Instant coffee 750g	-1.3
				Instant coffee 250g	0.7
				Ceylon/black tea 250g	2.4

Grain and oil products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
				Ceylon/black tea 125g	3.3
				White sugar 5kg	3.7
				White sugar 1kg	4.8
				Ceylon/black tea 62.5kg	5.5
				Instant coffee 100g	17.5

Source: Stats SA, 2026

Note: Food items highlighted in the table above experienced price increases above the SARB inflation target of 3%.

D. Monthly comparison between urban and rural area prices for May 2026

Table 5 presents a comparative analysis of prices of selected food items in urban and rural areas during May 2026. The latest data from Stats SA reveal price variations across several products when purchased in urban versus rural areas. Price differences for milk, bread and bananas were relatively small. However, urban households paid notably more than rural households for Ceylon/black tea, with a price difference of R8.90, followed by peanut butter (R6.07), white sugar (R3.97), sunflower oil (R1.09), and white bread (R0.24). By contrast, rural households paid more for rice (R2.95), milk (R0.32), bananas (R0.13), and brown bread (R0.05). These findings highlight the persistent presence of spatial price differentials in the cost of the selected food items across different geographical areas. Notably, rural prices for maize meal (2.5 kg) and margarine spread (500g) were not available.

Table 5: Comparison between urban and rural food prices (selected food items)

Product	Urban Food Prices May 2026 (R/unit)	Rural Food Prices May 2026 (R/unit)	Price difference (R/unit)
Full cream milk - long life 1ℓ	20.52	20.84	-0.32
Brown bread 700g	17.61	17.66	-0.05
White bread 700g	19.61	19.37	0.24
Bananas per kg	21.92	22.05	-0.13
*Maize meal 2.5kg	40.56	n/a	n/a
*Margarine spread 500g	40.01	n/a	n/a
Peanut butter 400g	49.74	43.67	6.07
Rice 2kg	37.86	40.81	-2.95
Sunflower oil 750ml	37.43	36.34	1.09
Ceylon/black tea 250g	66.45	57.55	8.90
White sugar 2.5kg	67.94	63.97	3.97
Average difference (R/unit)			1.87

Source: Stats SA, 2026; NAMC calculations, * Rural prices for maize meal (2.5 kg) and margarine spread (500g) were unavailable (n/a) for May 2026 data



SECTION C:

COST DRIVERS AND ECONOMIC FACTORS

3. SECTION C: COST DRIVERS AND ECONOMIC FACTORS

Food commodity price movements in May 2026 were shaped by a combination of supply conditions, demand dynamics, value chain cost pressures and broader macroeconomic factors. These include:

Grains and oilseeds: Large carryover stocks from the previous season, together with a strong 2025/26 crop harvest, have sustained downward pressure on prices. Prices are expected to remain under pressure throughout 2026 due to abundant supply conditions.

Meat: Firm consumer demand supported prices in May despite gradually easing supply constraints. Prices are expected to trend downward as base effects take hold, although the pace of decline will depend on the effective management of animal diseases such as foot-and-mouth disease (FMD), African swine fever (ASF) and highly pathogenic avian influenza (HPAI).

Dairy: Seasonal factors, particularly lower raw milk supply during winter, are placing upward pressure on prices. At the same time, cost build-up along the value chain, including processing and storage continues to support higher retail dairy prices.

Vegetables: High production volumes and shifting regional supply patterns are contributing to relatively low vegetable prices. However, demand from neighbouring countries such as Mozambique may absorb excess supply and help limit further price declines.

From a broader macroeconomic perspective, the recent easing in global oil and fertiliser prices, driven by geopolitical developments, alongside anticipated declines in domestic fuel costs, should help ease pressures across food commodity value chains. This relief, especially if reinforced by a stronger rand against the dollar, is expected to support a more subdued food inflation outlook in the coming months.



SECTION D:

CONSUMER IMPACT AND AFFORDABILITY

4. SECTION D: CONSUMER IMPACT AND AFFORDABILITY

The purpose of this section is to illustrate the impact of food inflation on consumers, as seen in **Figure 9**. The analysis presented in the first part of this section is based on the cost of a basic food basket (as originally compiled by the Food Price Monitoring Committee in 2003, which was revised in January 2017) and based on monthly average food price data for the period May 2025 to May 2026. In May 2026, the cost of this basic NAMC urban food basket was R1 335, increasing by 3.0% (+R38) from May 2025 (y-o-y), and increasing by 0.1% (+R1.89) from April 2026 (month-on-month change).

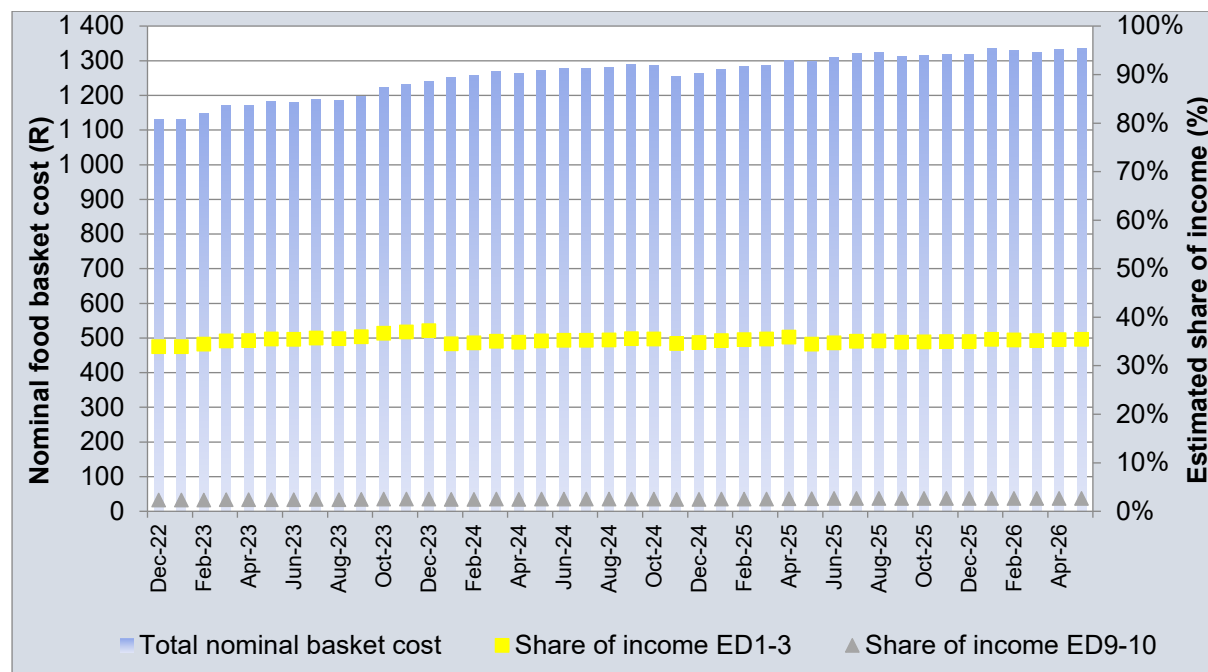


Figure 9: The cost of the NAMC consumer food basket from December 2022 to May 2026

Source: BFAP calculations, based on Stats SA monitored price data for urban areas

A. Inflation dynamics of the NAMC consumer food basket in May 2026

To further explore the impact of inflation on consumers, **Figure 10** presents an illustration of the average monthly nominal cost of specific food groups within the basic food basket, comparing May 2025 to May 2026. Food items in the NAMC basket with more severe food inflation (5% and higher) in May 2026 included beef offal (12.9%), beef mince (12.1%), Ceylon/black tea (9.4%), Polony (8.2%), Cheddar cheese (8.1%) and IQF chicken portions (5.5%).

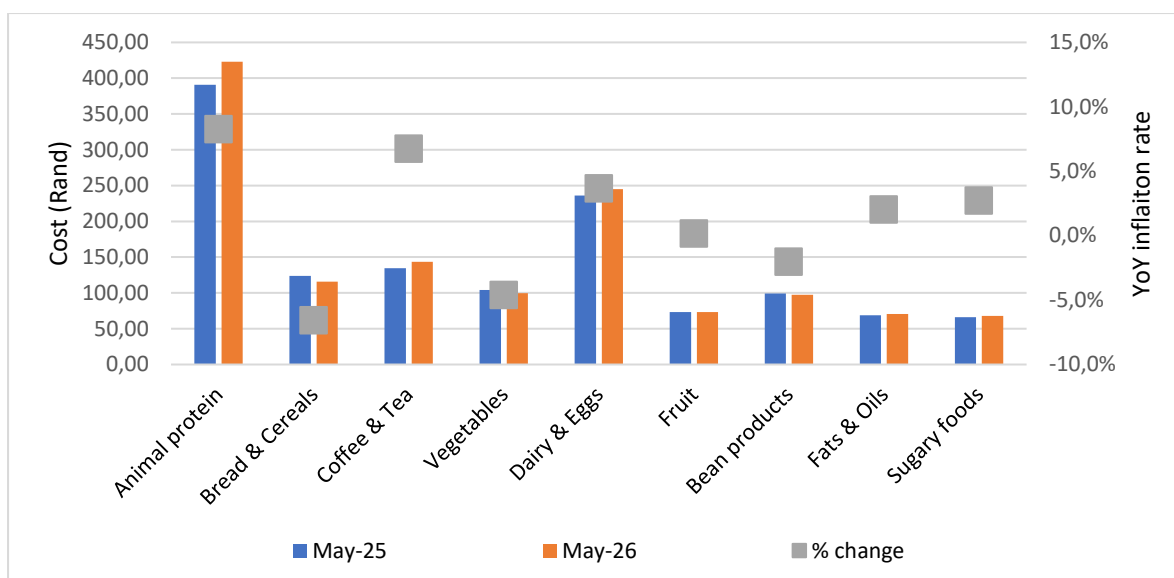


Figure 10: Nominal monthly cost of specific food groups within the basic food basket, comparing May 2025 to May 2026 (annual inflation)

Source: BFAP calculations, based on Stats SA monitored price data for urban areas.

B. Exploring the impact of food inflation on vulnerable households in South Africa in May 2026

In this section the impact of inflation on very poor consumers is explored based on the typical portion sizes of very poor consumers of the five most widely consumed food items in South Africa, represented by maize porridge, brown bread, sugar, tea and full cream milk (National Food Consumption Survey - Steyn & Labadarios, 2000¹; Oldewage-Theron et al, 2005²).

Figure 11 illustrates the estimated portion costs for these foods, calculated from monthly food price data for May 2025 to May 2026. In May 2026 the largest cost contribution came from brown bread (39%) and maize meal (36%), followed by milk (12%). When comparing, the costs associated with the typical portion sizes of very poor consumers for the five most widely consumed food items in South Africa, based on May 2026 and May 2025 prices, the results presented in **Figure 11** indicated deflation of 1.0% (from R9.77 to R9.68 for the selection of typical portions). From April 2026 to May 2026 the costs associated with the typical portion sizes of very poor consumers for the five most widely consumed food items in South Africa only increased by 0.3%.

¹ Steyn NP, Labadarios D. *National Food Consumption Survey: Children aged 1–9 years, South Africa, 1999*. Cape Town: The Department of Health Directorate Nutrition, 2000

² Oldewage-Theron W, Dicks E, Napier C, et al. Situation analysis of an informal settlement in the Vaal Triangle. *Development Southern Africa* 2005; 22 (1): 13-26

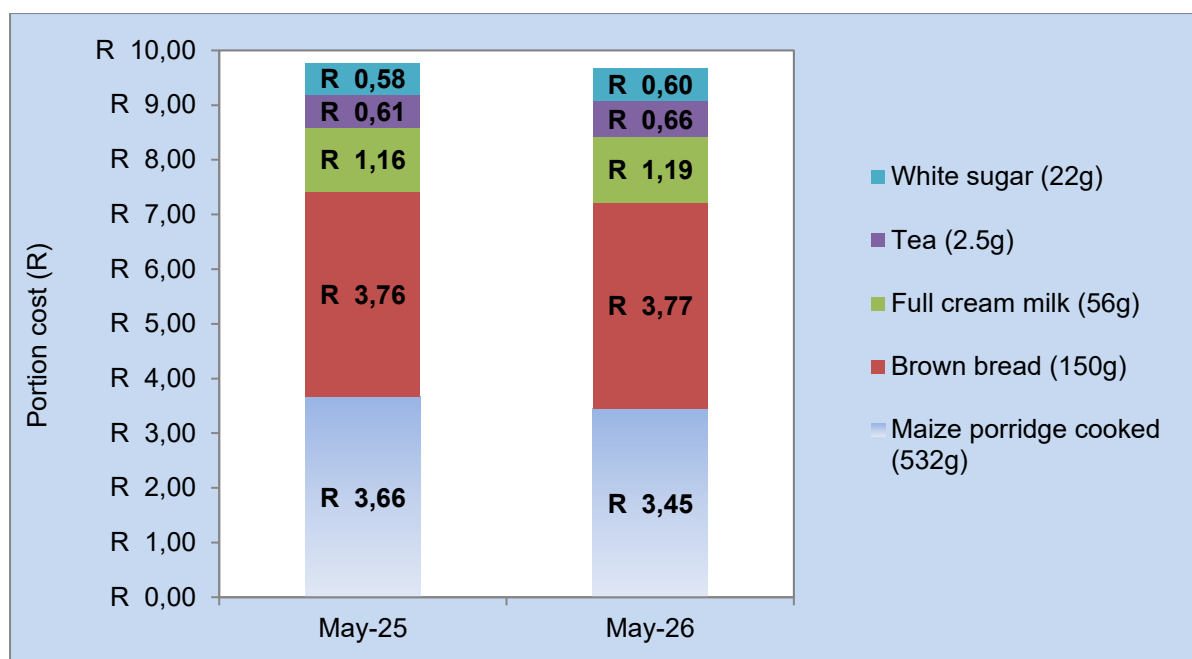


Figure 11: Average nominal cost for the typical portions of the five food items most widely consumed by very poor consumers in South Africa, for May 2025 and May 2026

Source: BFAP calculations, based on Stats SA monitored price data for urban areas

To further explore the impact of inflation on very poor consumers we can consider the YoY inflation on the top 10 food items dominating the food expenditure of the least affluent 50% of households in South Africa (according to the Stats SA Living Conditions Survey 2014/15). Higher vulnerability to food price increases could be viewed as items with higher y-o-y food inflation rates, also contributing significantly to typical food expenditure of these households. We observe the following from **Figure 12**:

- y-o-y food inflation above 3% was reported for three of the top ten foods purchased by lower income households (beef, chicken, aerated cold drinks and white bread).
- Taking into consideration of typical food expenditure shares, the May 2026 inflation on chicken and beef could have a particularly negative impact on lower income consumers' ability to afford adequate quantities of protein-rich foods, thus potentially affecting dietary diversity adequacy. Furthermore, retail price inflation on a product like white bread could affect consumers' ability to procure convenient energy in their diet.

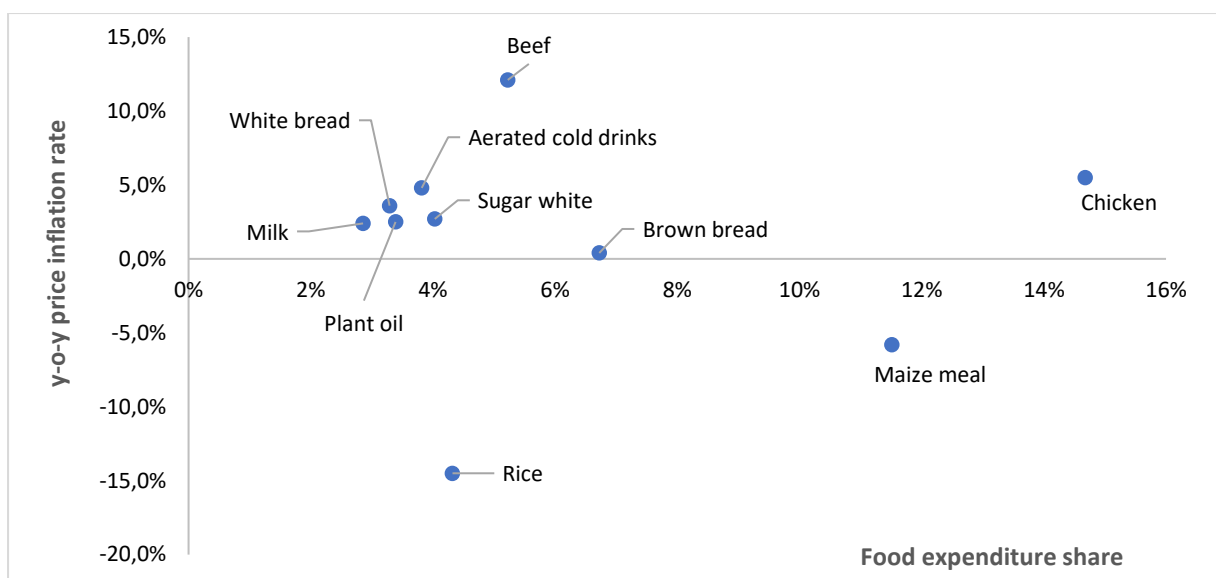


Figure 12: y-o-y inflation on the top 10 food expenditure items of lower income households in South Africa in May 2026

Source: BFAP calculations, based on Stats SA monitored price data for urban areas, with food expenditure shares obtained from the Stats SA Living Conditions Survey 2014/15

5. REFERENCES

The Input Cost Prices publication, released by the National Agricultural Marketing Council (NAMC), analyses historical and current trends in selected agricultural production input prices across both domestic and international markets. The data for this publication is sourced from Grain South Africa (Grain SA), the Department of Energy (DoE), and the South African Grain Information Service (SAGIS) (2026).

Statistics South Africa (Stats SA) updated the Consumer Price Index (CPI) basket of goods and services and the respective weights in the February 2026 CPI release. This update was mainly based on the results of the income and expenditure survey, which began fieldwork in December 2022.

The November 2025 official data is used in this report (see link below from the Stats SA website): <https://www.statssa.gov.za/publications/P0141/P0141November2025.pdf>

*For further insights into food inflation, refer to the monthly **BFAP Food Inflation Brief** <https://www.bfap.co.za/library/>*

DISCLAIMER

BACKGROUND INFORMATION

The NAMC monitors food prices at retail level and releases regular authoritative reports. The Department of Agriculture (DoA), formerly the Department of Agriculture, Forestry and Fisheries (DAFF) established the Food Price Monitoring Committee (FPMC) at the NAMC to track and report food price trends in South Africa; to provide explanations of the observed trends and to then advise the Department on any possible action that could be taken should national and household food security be threatened. The FPMC was established after the high food price episode of 2000/01 season. The functions of the FPMC were continued by the NAMC after the FPMC completed its work in August 2004. The NAMC issues four quarterly Food Price Monitoring reports annually and, since 2005, also publishes an annual Food Cost Review report, which documents the margins between farm and retail prices of the major food products, amongst other topics. In 2015, the NAMC began releasing a quarterly Farm-to-Retail-Price-Spread (FTRPS) publication, which seeks to provide more insight into the factors driving commodity and food price margins. This publication, the Food Basket Price Monthly report, following discussions with industry to keep a more frequent watch on the movements of food prices.

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