



FOOD-INPUT COST POLICY ADVISORY REPORT

Issue 02 - September 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 August 2026 official data is used in this report (see link below from the Stats SA website):

<https://www.statssa.gov.za/publications/P0141/P0141August2026.pdf>

EXECUTIVE SUMMARY

During August 2026, the CPI released by Statistics South Africa (Stats SA) indicated that the annual headline CPI increased to 4.4%, while the inflation rate for food and NAB recorded its first monthly increase in 2026 to 1.1% in August. NAMC's 28-item urban food basket decreased by 0.6% in August 2026 when compared to the same period last year, reaching R1 348.68. This is equivalent to a 0.4% month-to-month decrease from the R1 353.75 cost recorded in July 2026. Between August 2026 and August 2025, among these 28 items, some items recorded price increases that exceeded the 3% inflation target set by the South African Reserve Bank (SARB). Notable products in this category include bananas, which experienced a substantial price surge of 23.5%, followed by lettuce (15.7%), onions (14.3%), tomatoes (6.9%), tinned fish (6.6%), Ceylon black tea (5.3%), beef offal (19.6%), 2 litre long-life full cream milk (4.4%), white bread (4.2%), sunflower oil (3.9%), IQF chicken portions (3.4%), and instant coffee (3.0%), respectively.

Between August 2022 and August 2026, international fertiliser prices measured in US dollars per ton decreased significantly. During this period, the prices for Ammonia and muriate of potash (MOP) both experienced a significant decrease of 49% falling from US\$958/ton to US\$485/ton for Ammonia and from US\$810/ton to US\$416/ton for MOP, respectively. This was followed by Urea, which decreased by 27% from US\$503/ton to US\$368/ton, and Di-Ammonium Phosphate (DAP) with a slight decline of 0.1% from US\$838/ton to US\$837/ton. During the same period, the exchange rate, which plays a crucial role in importing agricultural inputs from global markets, appreciated by 4.1%, strengthening from R16.87/US\$ to R16.17/US\$. On a year-on-year basis, international prices for Ammonia, DAP, and MOP all increased by 52%, 13%, and 11%, while a decrease of 18% was observed for Urea. On a month-on-month basis (July 2026 and August 2026), international prices for Ammonia, Urea, DAP, and MOP all decreased by 21%, 4%, 3%, and 2%, respectively. Domestic fertiliser prices also decreased over the period under review. However, on a year-on-year basis (August 2025 and August 2026), the prices of Ammonia, DAP, and MOP increased by 39%, 3%, and 1%, while Urea decreased by 25%, respectively.

Between August 2025 and August 2026, prices of fuel, most particularly for diesel and petrol, increased by 30.9% (from R20.00/litre to R26.17/litre) and 18.2% (from R21.51/litre to R25.42/litre), respectively. A similar trend was observed in crude oil prices, which increased by 19.3% (from US\$69.06/barrel to US\$82.37/barrel) and by 10.5% in rand terms (from R1 226.51/barrel to R1 355.81/barrel). During this period, the exchange rate appreciated by 7.3% against the US dollar, dropping from R17.76 to R16.46. For freight rates, both the Baltic Dry Index (BDI) and the Global Oilseeds Freight Index (GOFI) increased by 47.59% and 19.58%, respectively, when comparing August 2025 and August 2026. As of August 2026, the BDI had reached 2930.75 index points, while the GOFI has risen to 183 points from 153 points reported in August 2025. Therefore, the 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 food categories. Between August 2026 and July 2026, the sugar price index surged by 11.9% from 81.9 to 91.7 points, followed by dairy (2.3%), cereals (2.2%), meat (1%), and oil price indices (0.6%), respectively. On the other hand, the annual growth rate (August 2026 vs August 2025) for the dairy price index contracted significantly by 22%, while the meat price index remained constant: oils, cereals, and sugar price indices all grew during this period.

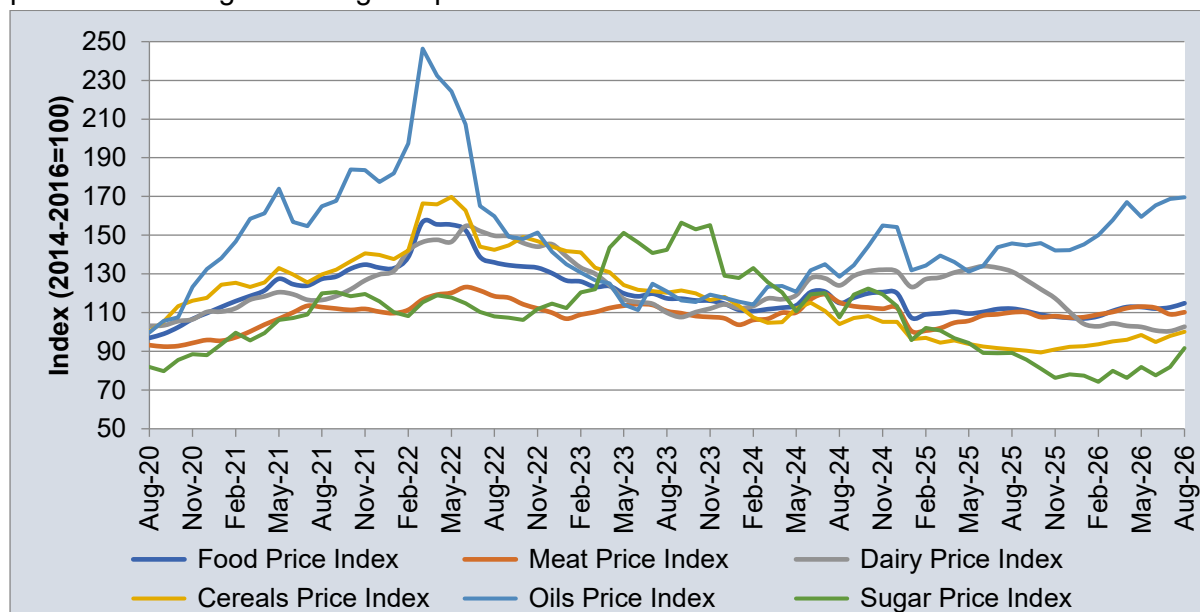


Figure 1: Real price indices for the five major food categories

Source: FAO, 2026

B. Domestic Indices

Figure 2 shows trends in the Consumer Price Index (CPI) along with the inflation rate for food and non-alcoholic beverages (NAB) from August 2020 to August 2026. In August 2026, Statistics South Africa (SA) confirmed that the annual headline CPI was 4.4%, up by 2.3%, in relative terms, from 4.3% reported in July 2026. The inflation rate for food and NAB recorded its first monthly increase in 2026, increasing from 0.9% in July to 1.1% in August, equivalent to approximately 22% monthly increase, in relative terms. In August 2025, headline inflation and inflation for food and non-alcoholic beverages were 3.3% and 5.2%, respectively.

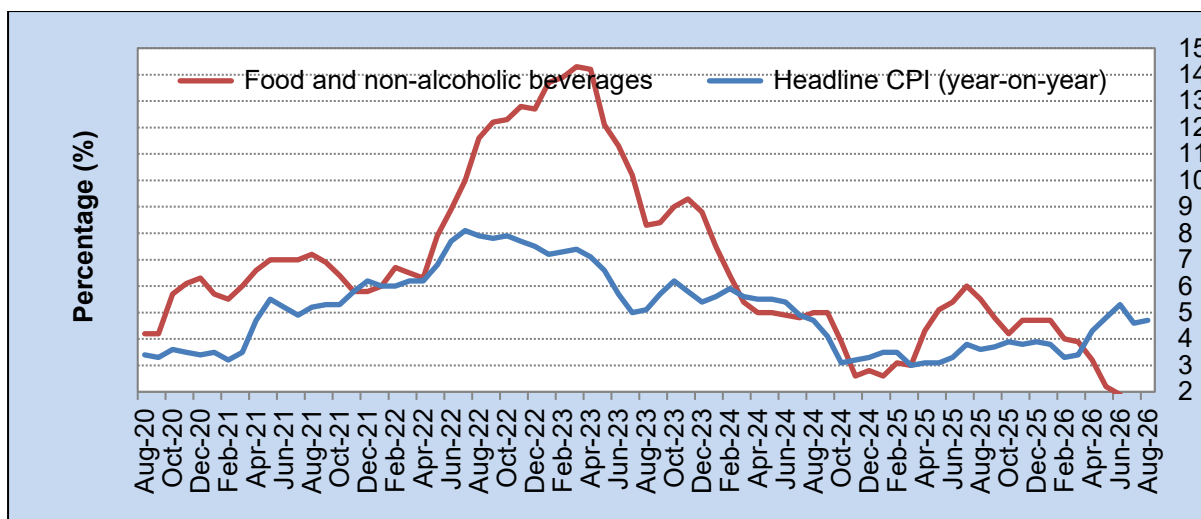


Figure 2: Headline CPI and food and non-alcoholic beverage inflation

Source: Stats SA, 2026

Figure 3 presents components of the food and non-alcoholic beverages index changes. The following changes between August 2026 and August 2025, in descending order, were reported: fish & other seafood (7.5%), other foods (4.2%), unprocessed foods (3.1%), oils and fats (2.6%), milk, other dairy products & eggs (2.1%), sugar, confectionary & desserts (2%), meat (1.5%), vegetables (-0.6%), processed foods (-1.2%), cereal products (-1.9%), fruit & nuts (-5.5%). On the other hand, between August 2026 and July 2026, the following increases, in descending order, were recorded: fruit & nuts (2.7%), fish & other seafood (1.1%), other foods (0.5%), meat (0.4%), oils & fats (0.3%), milk, other dairy products & eggs and unprocessed foods both up by 0.2%, processed foods (0.1%). Conversely, cereal products and vegetables recorded declines of 0.2% and 1.3%, with sugar, confectionary & desserts recording no change.

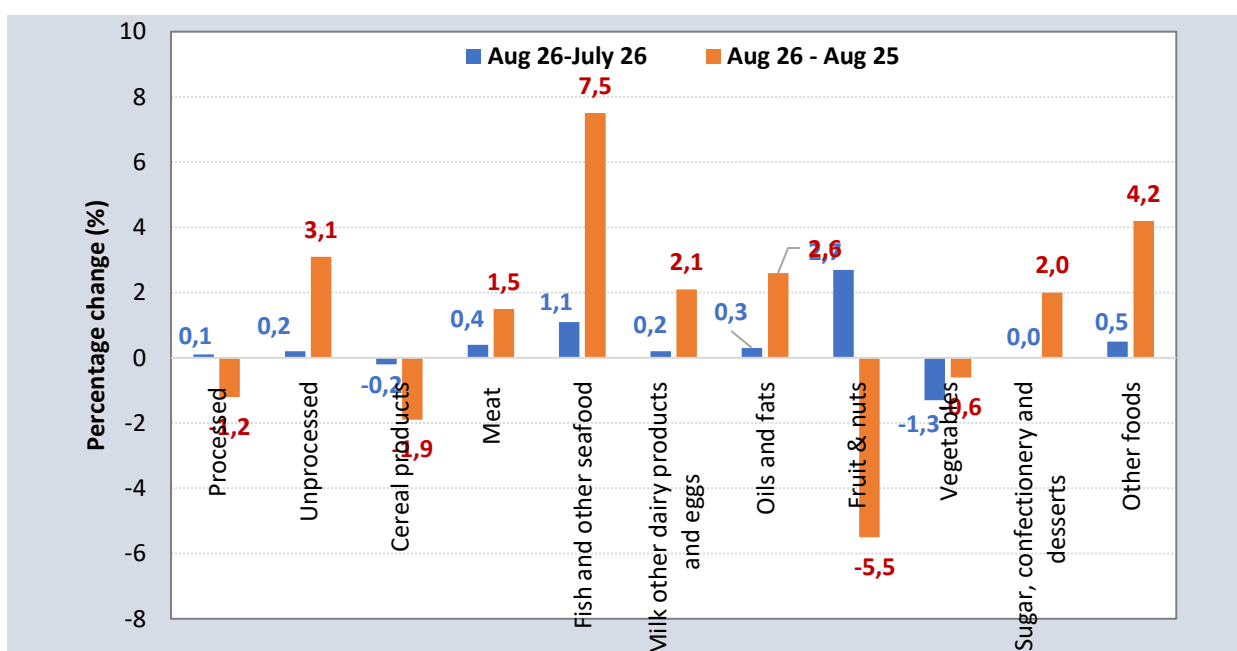


Figure 3: Annual (August 2026 vs. August 2025) and monthly (August 2026 vs. July 2026) changes in CPI for the different food categories

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 and food inflation rates for South Africa and other selected countries from June 2026 to August 2026. South Africa's overall inflation for August 2026 reached 4.4%, while the country's food inflation recorded its first monthly increase to 1.1%. The food categories with large annual contribution to South Africa's food inflation included fish & other seafood, other foods, unprocessed foods, oils & fats, milk, other dairy products & eggs, sugar, confectionery & desserts, and meat. During this period, Turkey registered the highest overall and food inflation rates amongst all the countries considered in this section. For example, Turkey's overall inflation rate declined to 31.51% in August 2026, while its food inflation dropped to 33.79% from 37.53% in July 2026. The United States' (US) overall inflation rate remained at 3.4%, as in July 2026, while its food inflation rate declined by 10% in relative terms, from 3% in July 2026 to 2.7%. For the United Kingdom (UK), overall inflation rate surged by 7% in relative terms, from 2.9% in July 2026 to 3.1% in August 2026, while its food inflation rate remained at 1.3%, as in July 2026. Among the BRICS countries (Brazil, Russia, India, China, and South Africa), China continued to record the lowest overall inflation at 0.8%, while India recorded the highest food inflation rate at 5.95% in August 2026. Overall inflation rate for both Zambia and Botswana declined by 5% and 1%, respectively in August 2026, while food inflation rate also dropped to 5.9% for Botswana and to 6% for Zambia.

Table 1: Overall inflation and food inflation from June 2026 to August 2026

Country	June 2026		July 2026		August 2026	
	Overall inflation (%)	Food inflation (%)	Overall inflation (%)	Food inflation (%)	Overall inflation (%)	Food inflation (%)
Botswana	10.7	5.7	9.4	6.6	9.3	5.9
Brazil	4.6	3.8	4.4	3.4	4.2	3.5
China	1.0	-1.6	0.5	-1.5	0.8	-1.4
India	4.4	5.3	4.4	5.5	4.8	6.0
Namibia	4.4	2.5	4.4	3.7	5.0	4.0
Russia	6.0	3.4	6.0	4.4	6.3	5.1
South Africa	5.0	1.6	4.3	0.9	4.4	1.1
Turkey	32.1	35.5	31.8	37.5	31.5	33.8
United Kingdom	2.6	1.7	2.9	1.3	3.1	1.3
United States	3.5	3.0	3.4	3.0	3.4	2.7
Zambia	6.5	6.7	6.5	6.4	6.2	6.0

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 August 2022 to August 2026. Due to supply disruptions 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 still higher than before the conflict in Ukraine.

International prices for Ammonia and muriate of potash (MOP), measured in US Dollars per ton (US\$/ton), both experienced a significant decrease of approximately 49%, falling (from US\$958/ton to US\$485/ton) for Ammonia and (from US\$810/ton to US\$416/ton) for MOP. This was followed by Urea, which decreased by 27% from US\$503/ton to US\$368/ton, and Di-Ammonium Phosphate (DAP) with a slight decline of 0.1% from US\$838/ton to US\$837/ton. Between August 2025 and August 2026, international prices for Ammonia, DAP, and MOP all increased by 52%, 13% and 11%, while a decrease of 18% was observed for Urea. On a month-on-month basis (July 2026 and August 2026), international prices for Ammonia, Urea, DAP, and MOP all decreased by 21%, 4%, 3%, and 2%, respectively.

Between August 2022 and August 2026, international prices measured in Rand per ton (R/ton), decreased significantly, as previously noted. Ammonia, MOP, Urea, and DAP decreased by 51% (from R15 999/ton to R7 842/ton), 50% (from R13 527/ton to R6 727/ton), 29% (from R8 400/ton to R5 951/ton), and 3% (from R13 995/ton to R13 534/ton), respectively. 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 4.1% appreciation between August 2022 and August 2026. Compared to the same period in the previous year (August 2025 and August 2026), the prices of Ammonia, DAP, and MOP increased by 39%, 3%, and 1%, while Urea decreased by 25%. Meanwhile, between July 2026 and August 2026, prices for ammonia, Urea, DAP, and MOP all decreased by 23%, 5%, and 4% for DAP and MOP, respectively.

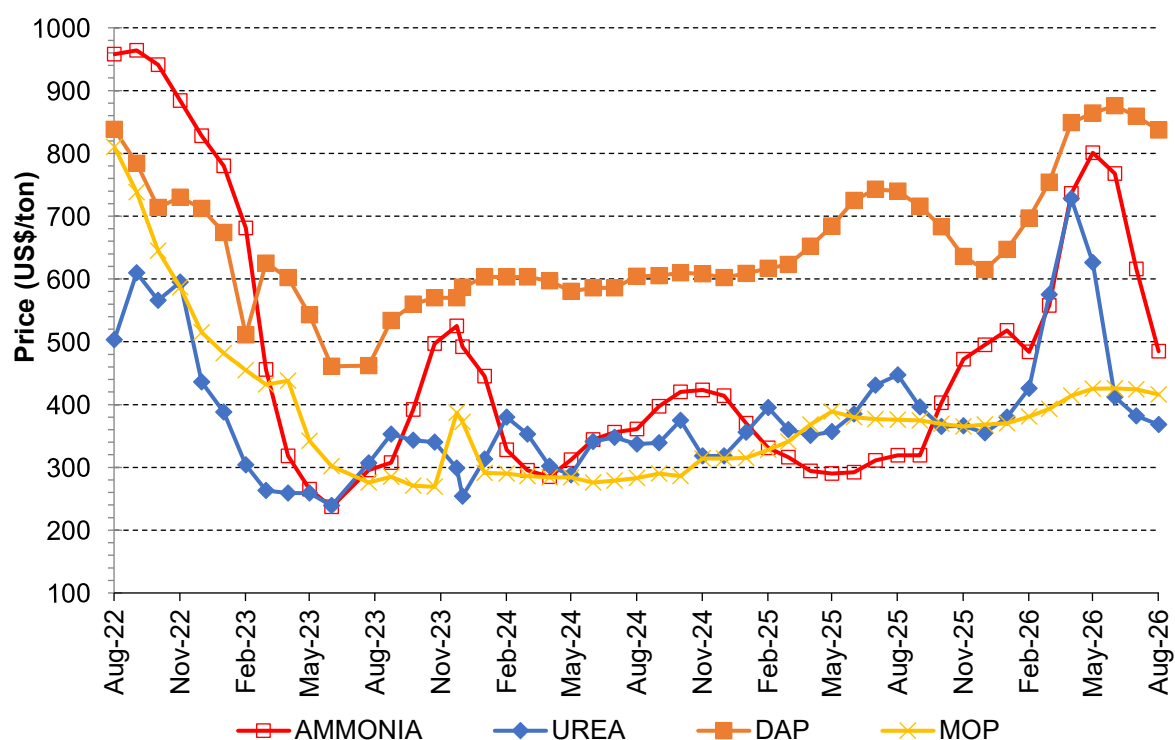


Figure 4: International price trends for selected fertilisers

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

E. Domestic Price Trends

Figure 5 shows domestic price trends for fertilisers from August 2022 to August 2026. During this period, the domestic price per ton of potassium chloride (KCL) recorded a 46% decline, from R23 660 to R12 867, followed by Mono-ammonium Phosphate (MAP), which declined by 23% (from R22 978 to R17 705), and Urea Granular, falling by 10% (from R15 291 to R13 706), respectively. On the other hand, the domestic price per ton of Ammonium Nitrate (LAN) was the only one that surged by 5%, increasing from R13 059 to R13 708. On a year-on-year basis (August 2025 and August 2026), while the domestic prices of LAN, KCL, and Urea Granular all increased by 37%, 33%, and 18%, MAP prices declined slightly by 3%, respectively.

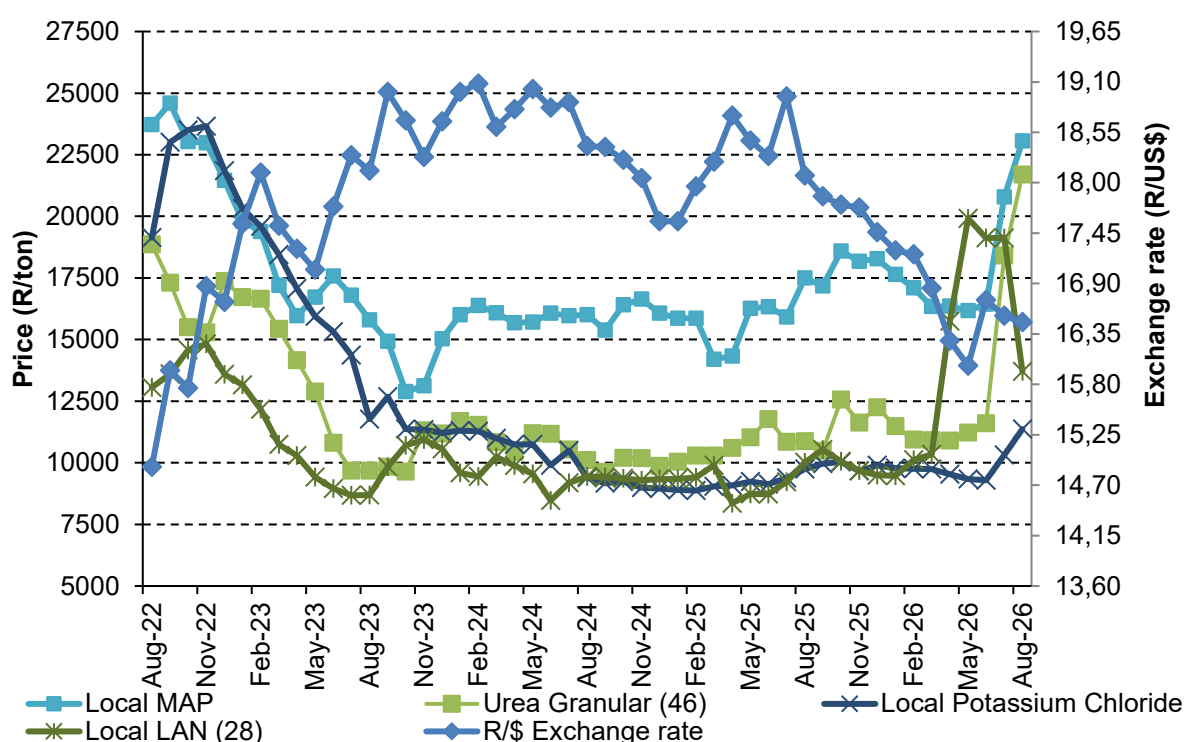


Figure 5: Domestic price trends for selected fertilisers and exchange rate.

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 the price trends for crude oil, diesel, petrol, and the exchange rate from August 2020 to August 2026. During this period, diesel and petrol prices saw significant increases of 94% (from R13.49/litre to R26.17/litre) and 67.6% (from R15.17/litre to R25.42/litre), respectively. Meanwhile, crude oil prices rose by 82.1% (from US\$45.23/barrel to US\$82.37/barrel), while in rand terms, crude oil prices grew by 74% (from R779.31/barrel to R1 355.81/barrel).

Between August 2025 and August 2026, diesel and petrol prices increased by 30.9% (from R20/litre to R26.17/litre) and 18.2% (from R21.51/litre to R25.42/litre), respectively. A similar trend was observed for crude oil prices, which increased by 19.3% (from US\$69.06/barrel to US\$82.37/barrel) and by 10.5% in rand terms (from R1 226.51/barrel to R1 355.81/barrel).

During this period, the exchange rate appreciated 7.3% against the US dollar, moving from R17.76 to R16.46.

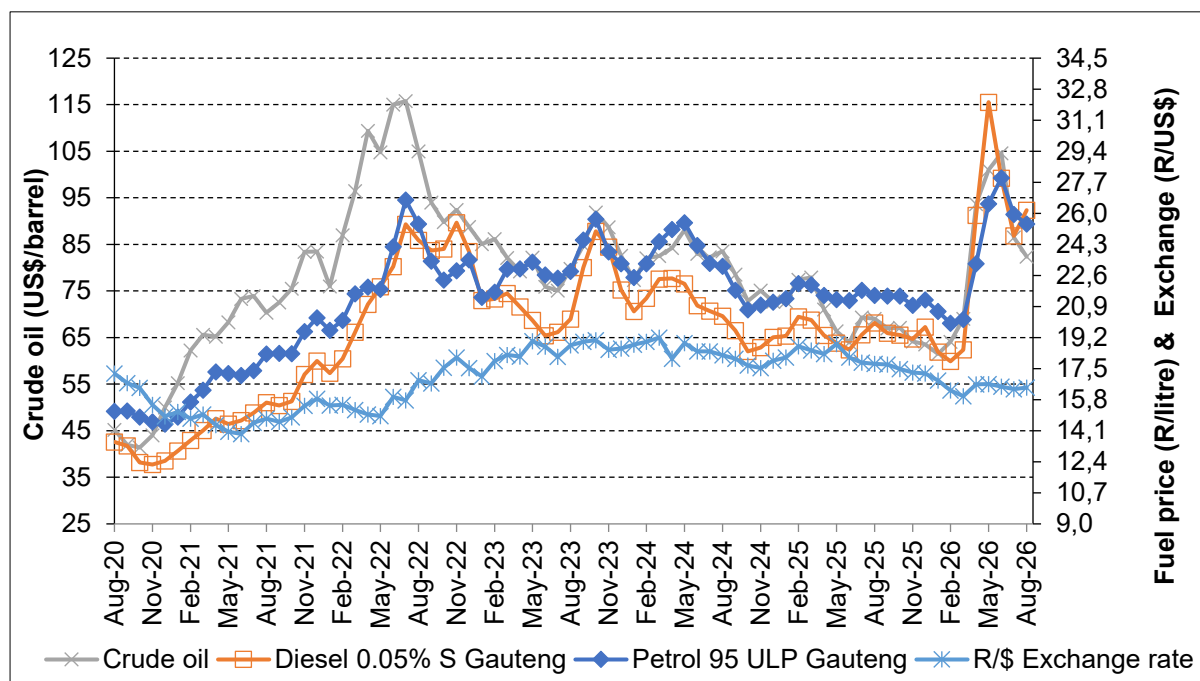


Figure 6: Price trends for crude oil, fuel and exchange rate trends

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 August 2020 and August 2026. During this period, both the BDI and GOFI increased by 92.91% and 47.19%, respectively. Similarly, on a year-on-year basis (August 2025 and August 2026), the BDI and GOFI increased by 47.59% and 19.58%. This suggests that crude oil prices and strong demand, particularly for shipping dry grains and oilseeds, have a significant influence on the movement of both the GOFI and BDI. As of August 2026, the BDI had reached 2930.75 index points, while the GOFI had risen to 183 points from 153 points reported in August 2025.

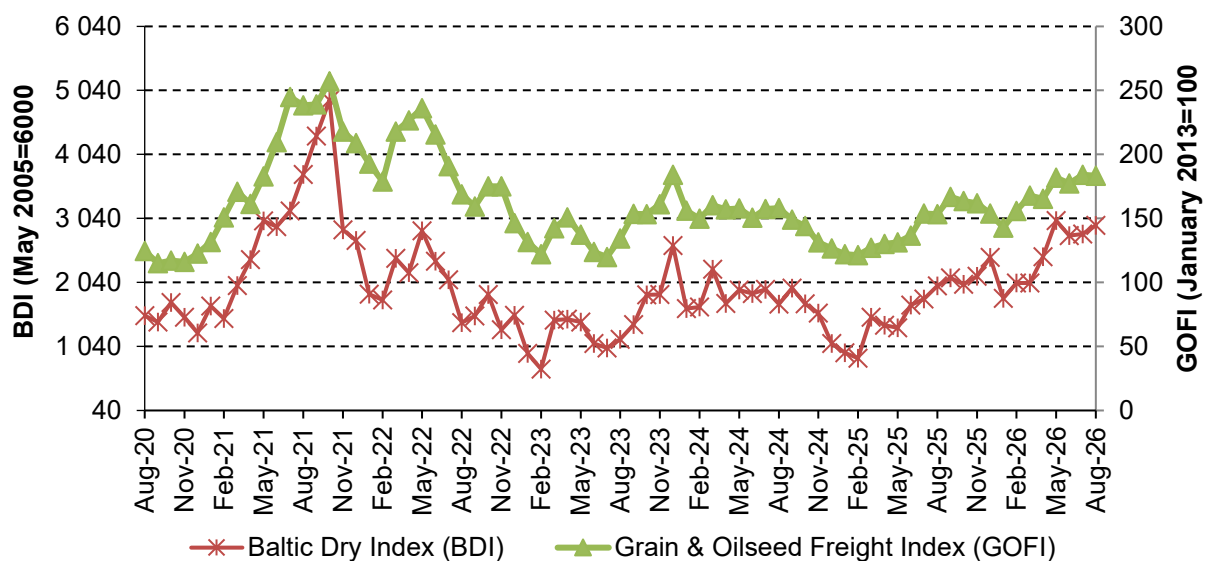


Figure 7: Baltic Dry Index versus Grain and Oilseeds Freight Index

Source: SAGIS, 2026.

Illuminating Paraffin Price

Figure 8 shows price trends for illuminating paraffin in the coastal and Gauteng areas from August 2020 to August 2026. During this period, illuminating paraffin for Coastal regions and Gauteng increased by 167.37% (from R6.62/litre to R17.70/litre) and 152.83% (from R7.42/litre to R18.76/litre), respectively. Similarly, on a year-on-year basis (August 2026-August 2025), paraffin prices in Coastal and Gauteng areas increased by 42.05% (from R12.46/litre to R17.70/litre) and 39.27% (from R13.47/litre to R18.76/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.

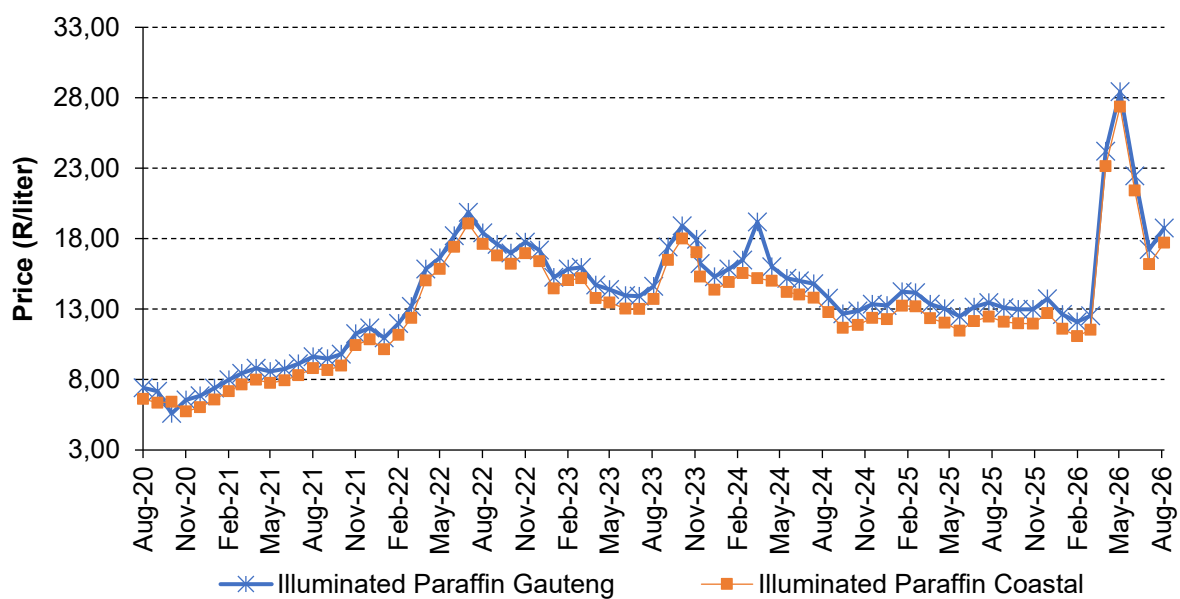


Figure 8: Comparison of illuminating paraffin price between the Coastal and Gauteng regions. Source: DoE, 2026



SECTION B:

PRODUCT OR CATEGORY ANALYSIS

2. SECTION B: PRODUCT OR CATEGORY ANALYSIS

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

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

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

Grain and oil products	%	Meat, meat products, dairy, dairy products, and eggs	%	Fresh and processed fruits and vegetables	%
Maize meal 5kg	-12.9	Polony 1kg	-7.2	Beans – dried 500g	-8.2
Rice 2kg	-12.3	Beef rump steak per kg	-6.5	Oranges per kg	-4.6
Maize meal 2.5kg	-9.7	Beef stew per kg	-6.1	Baked beans - tinned 410g	-4.2
Rice 1kg	-5.8	Eggs 1.5 dozen	-5.7	Apples per kg	-3.8
Brick margarine 500g	-0.9	Beef chuck per kg	-5.2	Potatoes – fresh per kg	-1.0
Samp 1kg	-0.8	Beef brisket per kg	-4.8	Cabbage each	-0.9
Margarine spread 500g	0.05	Beef T-bone per kg	-3.0	Tomatoes per kg	6.9
Cake flour 2.5kg	0.2	Cheddar cheese per kg	-2.4	Onions per kg	14.3
Brown bread 700g	0.7	Beef mince per kg	-1.9	Lettuce each	15.7
Spaghetti 500g	1.5	Sausage per kg	-0.7	Bananas per kg	23.5
Peanut butter 400g	1.9	Chicken giblets per kg	-0.6		
Macaroni 500g	3.6	Tuna - canned 170g	-0.5		
Sunflower oil 750 ml	3.9	Beef fillet per kg	0.5		
White bread 700g	4.2	Pork ribs per kg	0.9		
		Low-fat fresh milk 2l	1.4	Other	%
		Beef sirloin per kg	1.7	White sugar 2.5kg	1.3
		Full cream milk - fresh 2l	2.0	Instant coffee 250g	3.0
		Whole chicken- fresh per kg	2.2	Ceylon/black tea 250g	5.3
		Chicken portions frozen – non-IQF per kg	3.3		
		IQF chicken portions 2kg	3.4		
		Ham 500g	3.8		
		Low-fat milk- long life 1l	3.9		
		Chicken portions- fresh /kg	4.2		
		Full cream milk – long life 1l	4.4		
		Lamb/Mutton leg per kg	5.1		
		Pork chops per kg	5.4		
		Lamb/Mutton stew per kg	5.4		
		Lamb/Mutton rib chop per kg	5.5		

Grain and oil products	%	Meat, meat products, dairy, dairy products, and eggs	%	Fresh and processed fruits and vegetables	%
		Lamb/Mutton loin chop /kg	5.7		
		Lamb/Mutton neck per kg	6.0		
		Fish (excl. tuna) – canned 400g	6.6		
		Bacon 200g	7.8		
		Corned beef 300g	10.4		
		Pork fillet per kg	10.9		
		Lamb/Mutton offal per kg	11.1		
		Beef offal per kg	19.6		

Source: Stats SA, 2026

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

Comparing August 2026 against August 2025, the international price of wheat increased by 42.77%, while domestic wheat prices decreased by 6.9%. Urban consumers paid 0.7% more for a brown bread (700g) and 4.2% more for a white bread (700g). Domestic yellow maize prices decreased by 4.7%, while international yellow maize prices increased by 20.76%. Even though domestic white maize prices decreased by 14.1%, maize meal prices (2.5kg) also decreased by 9.7% in urban areas. During the same period, the urban prices of sunflower oil (750ml) increased by 3.9%. This can be attributed to the observed annual 4.0% increase in domestic prices of sunflower seed.

Comparing August 2026 with August 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, B2/B3, and C2/C3, decreased by 9.3%, 6.9%, and 3.0%, respectively. Lamb/mutton producer prices (R/kg) of classes A2/A3, C2/C3 and B2/B3 increased by 13.2%, 0.5% and 3.3%, respectively. Abattoir selling prices of frozen chicken, fresh chicken and individually quick frozen (IQF) chicken portions decreased by 8.2%, 10.75% and 14.3%, respectively. Baconer and porker producer prices (R/kg) decreased by 17.4% and 14.2%, respectively, during the same period.

B. Monthly urban price comparison: August 2026 vs. July 2026

Table 3 compares prices of selected food items in urban areas for August 2026 and July 2026. Food items showing relatively large monthly price differences are bananas (per kg) with a difference of R2.79, peanut butter (400g) with a difference of R0.79, margarine spread (500g) with a difference of R0.36, Ceylon/black tea (250g) with a difference of R0.15, full cream milk-long life (1l) with a difference of R0.05, sunflower oil (750ml) with a difference of R0.03 and white bread (700g) with a difference of R0.01. The following products showed a decline in prices: brown bread (700g), with a difference of –R0.16; white sugar (2.5kg), with a difference of –R0.24; rice (2kg), with a difference of –R0.42; and maize meal (2.5kg), with a difference of –R0.53. This indicates that urban consumers paid, on average, R0.26 more for these 11 food items during August 2026 compared to July 2026.

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

Product	Urban Food Prices July 2026 (R/unit)	Urban Food Prices August 2026 (R/unit)	Price difference (R/unit)
Full cream milk – long life 1ℓ	20.93	20.98	0.05
Brown bread 700g	17.72	17.56	-0.16
White bread 700g	19.61	19.62	0.01
Bananas per kg	17.74	20.53	2.79
Maize meal 2.5 kg	39.06	38.53	-0.53
Margarine spread 500g	39.76	40.12	0.36
Peanut butter 400g	49.60	50.39	0.79
Rice 2kg	37.84	37.42	-0.42
Sunflower oil 750ml	37.97	38.00	0.03
Ceylon/black tea 250g	66.34	66.49	0.15
White sugar 2.5kg	67.81	67.57	-0.24
Average difference (R/unit)			0.26

Source: Stats SA, 2026

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

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

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

Grain and oil products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
Rice 2kg	-10.0	Chicken portions - fresh per kg	-17.8	Beans - dried 2kg	-26.7
Margarine spread 1kg	-9.1	Eggs 1.5 dozen	-6.9	Potatoes - fresh 10kg	-11.1
Peanut butter 800g	-6.8	Eggs 0.5 dozen	-3.2	Beans – dried 500g	-8.5
Brick margarine 250g	-3.0	Beef chuck per kg	-0.9	Beans – dried 1kg	-8.3
Rice 1kg	-2.1	Full cream milk - long life 500ml	-0.2	Oranges per kg	-4.3
Rice 500g	-1.0	Beef brisket per kg	1.3	Cabbage each	-3.5
Peanut butter 400g	-0.8	Full cream milk - long life 1ℓ	1.4	Potatoes – fresh per kg	0.7
White bread 600g	0.0	Full cream milk - fresh 1ℓ	1.6	Onions per kg	10.3
Sunflower oil 500ml	0.2	Full cream milk - fresh 500ml	3.4	Tomatoes per kg	11.7
Brown bread 600g	1.7	Full cream milk - fresh 2ℓ	4.4	Apples per kg	13.7
Brick margarine 500g	2.6	Beef rump steak per kg	6.8	Bananas per kg	21.5
Peanut butter 270g	2.6	Beef T-bone per kg	7.3	Cabbage per kg	60.0
Brown bread 700g	3.1	Beef fillet per kg	10.5		
White bread 700g	4.2	Fish (excl tuna) - tinned 400g	330.2	Other	%
Brick margarine 125g	4.9			Ceylon/black tea 200g	-14.8
Sunflower oil 750ml	5.1			Ceylon/black tea 125g	-7.5
Sunflower oil 2ℓ	7.5			White sugar 5kg	0.0
				White sugar 1kg	0.8
				Instant coffee 750g	3.4
				Instant coffee 250g	4.4
				Ceylon/black tea 62.5kg	4.9

Grain and oil products	%	Meat, meat products, dairy, dairy products and eggs	%	Fresh and processed fruits and vegetables	%
				White sugar 2.5kg	7.7
				Ceylon/black tea 250g	8.4
				Instant coffee 100g	19.1

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 August 2026

Table 5 presents a comparative analysis of prices of selected food items in urban and rural areas during August 2026. The latest data from Stats SA reveal price variations across several products when purchased in urban versus rural areas. Urban consumers paid more for Ceylon/black tea, which exhibited the highest price difference of R8.59, followed by peanut butter (R4.52), sunflower oil (R1.40), and white bread (R0.06), compared to rural consumers. For the nine food items, urban households on average pay R0.96 more than households in rural areas.

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

Product	Urban Food Prices August 2026 (R/unit)	Rural Food Prices August 2026 (R/unit)	Price difference (R/unit)
Full cream milk - long life 1ℓ	20.98	21.03	-0.05
Brown bread 700g	17.56	17.85	-0.29
White bread 700g	19.62	19.56	0.06
Bananas per kg	20.53	21.25	-0.72
*Maize meal 2.5kg	38.53	n/a	n/a
*Margarine spread 500g	40.12	n/a	n/a
Peanut butter 400g	50.39	45.87	4.52
Rice 2kg	37.42	39.96	-2.54
Sunflower oil 750ml	38.00	36.60	1.40
Ceylon/black tea 250g	66.49	57.90	8.59
White sugar 2.5kg	67.57	69.92	-2.35
Average difference (R/unit)			0.96

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



SECTION C:

COST DRIVERS AND ECONOMIC FACTORS

3. SECTION C: COST DRIVERS AND ECONOMIC FACTORS

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

Grains and oilseeds: Maize prices increased for the second consecutive month, driven by higher export parity prices amid concerns over global production levels following adverse weather conditions in key producing regions in the Northern Hemisphere and disruptions to export flows from the Black Sea region. However, a strong Rand against the US Dollar, abundant supplies from the 2026 record harvest, and high stock levels helped to cushion the increase. Prices remain lower YoY, and domestic weather conditions will be a key determinant of near-term prices as the current El Niño event unfolds.

Meat: Beef prices continue to moderate, supported by slaughter volumes as vaccination efforts progress. Lower feed costs have bolstered chicken production, placing downward pressure on prices.

Dairy: Seasonal shifts in milk supply continue to influence producer prices. At the same time, input and operating costs across the value chain, together with consumer demand amid prevailing economic conditions, play an important role in determining dairy price movements.

Vegetables: Tomato prices remained under pressure amid elevated stock levels, with product likely discounted to facilitate movement through the market. Onion prices are showing substantial variability, suggesting that product may be held back during periods of lower prices and released as market conditions improve. In the potato market, prices are normalising relative to last year, with prices and sales volumes increasing despite higher stock levels compared with the previous month. Looking ahead, warmer weather conditions and regional shifts in seasonal supply are expected to be key determinants of supply levels and prices in the coming months.

Other critical food price drivers & expectations:

Food commodity price movements are expected to remain relatively moderate in the coming months. Meat prices are likely to continue trending lower as vaccination efforts against animal diseases, particularly FMD and bird flu, progress and slaughter activity gains further momentum.

However, several upside risks to the food inflation outlook remain in the medium-term. The recent decision by the Reserve Bank to increase the repo rate by 25 basis points will raise borrowing costs, adding to pressure from higher production inputs, particularly fuel and fertiliser, should geopolitical tensions in the Middle East persist. At the same time, the strong El Niño weather cycle could affect yields, resulting in lower summer crop production heading into 2027, potentially placing upward pressure on food prices over the medium term. Nevertheless, large carry-over stocks accumulated following the previous two bumper production seasons should provide some buffer against these potential price pressures.



SECTION D:

CONSUMER IMPACT AND AFFORDABILITY

4. SECTION D: CONSUMER IMPACT AND AFFORDABILITY

This section illustrates the impact of food inflation on consumers, as shown 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 August 2025 to August 2026. In August 2026, the cost of this basic NAMC urban food basket was R1 349, decreasing by 0.6% (-R7.57) from August 2025 (year-on-year change). and decreasing by 0.4% (-R5.07) from July 2026 (month-on-month change).

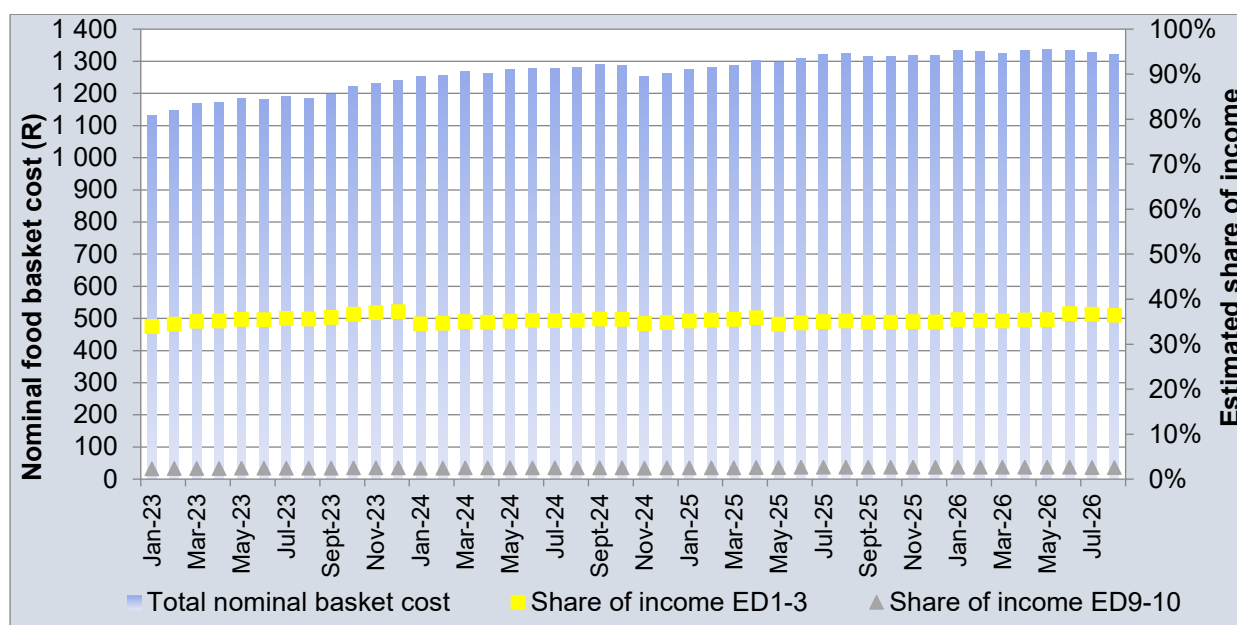


Figure 9: The cost of the NAMC consumer food basket from January 2023 to August 2026

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

A. Inflation dynamics of the NAMC consumer food basket in August 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 August 2025 to August 2026. Food items in the NAMC basket with more severe food inflation (5% and higher) in August 2026 included bananas (23.5%), onions (14.3%), tomatoes (6.9%), canned pilchards (6.6%), and Ceylon/black tea (5.3%).

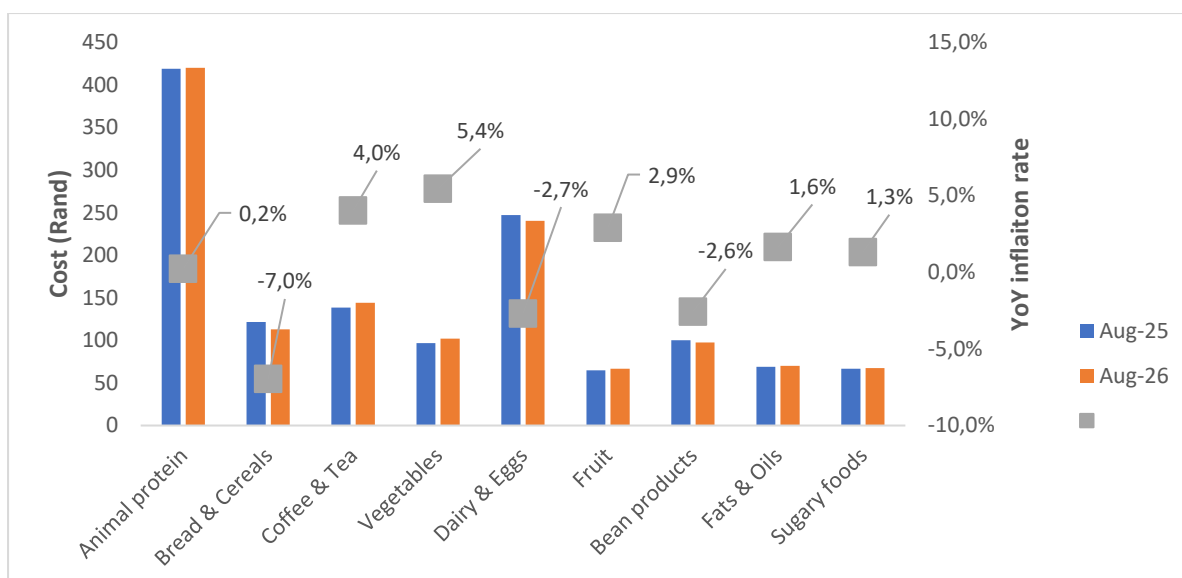


Figure 10: Nominal monthly cost of specific food groups within the basic food basket, comparing August 2025 to August 2026 (annual inflation)

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 August 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, 2000¹Oldewage-Theron et al., 2005²).

Figure 11 illustrates the estimated portion costs for these foods, calculated from monthly food price data for August 2025 to August 2026. In August 2026, the largest cost contribution came from brown bread (40%) and maize meal (34%), followed by milk (13%). 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 August 2026 versus August 2025 prices, the results in **Figure 11** indicated deflation of 2.4% (from R9.75 to R9.52 for the selection of typical portions). From July 2026 to August 2026, the costs associated with the typical portion sizes of very poor consumers for the five most widely consumed food items in South Africa decreased by 0.8%.

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

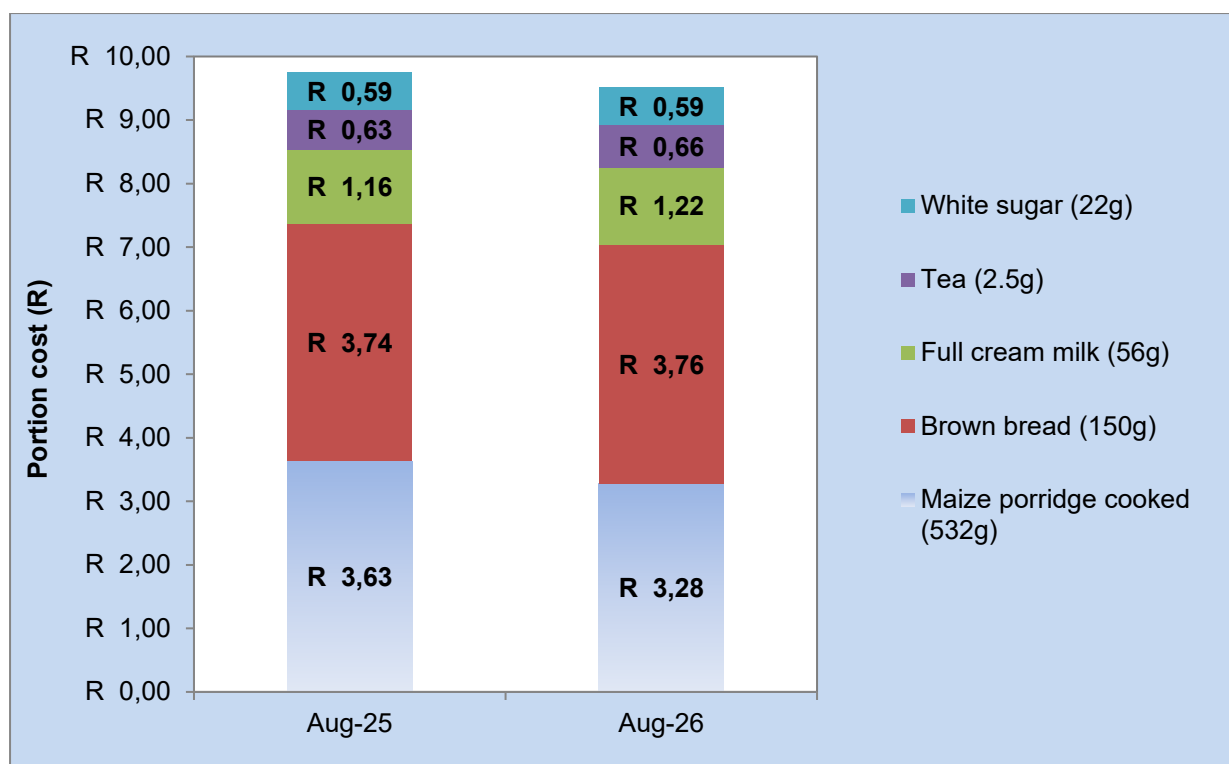


Figure 11: Average nominal cost for the typical portions of the five food items most widely consumed by very poor consumers in South Africa, for August 2025 and August 2026

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 YoY food inflation rates, which also contribute significantly to the typical food expenditure of these households. We observe the following from **Figure 12**:

- y-o-y food inflation above 3% was reported for four of the top ten foods purchased by lower-income households (chicken, white bread, UHT milk and fizzy drinks).
- Taking into consideration typical food expenditure shares, the August 2026 inflation on chicken and milk could harm lower-income consumers' ability to consume adequate quantities of protein-rich foods, thus potentially affecting dietary diversity adequacy. Furthermore, retail price inflation on products like white bread and plant oil could affect consumers' ability to procure convenient energy in their diet.

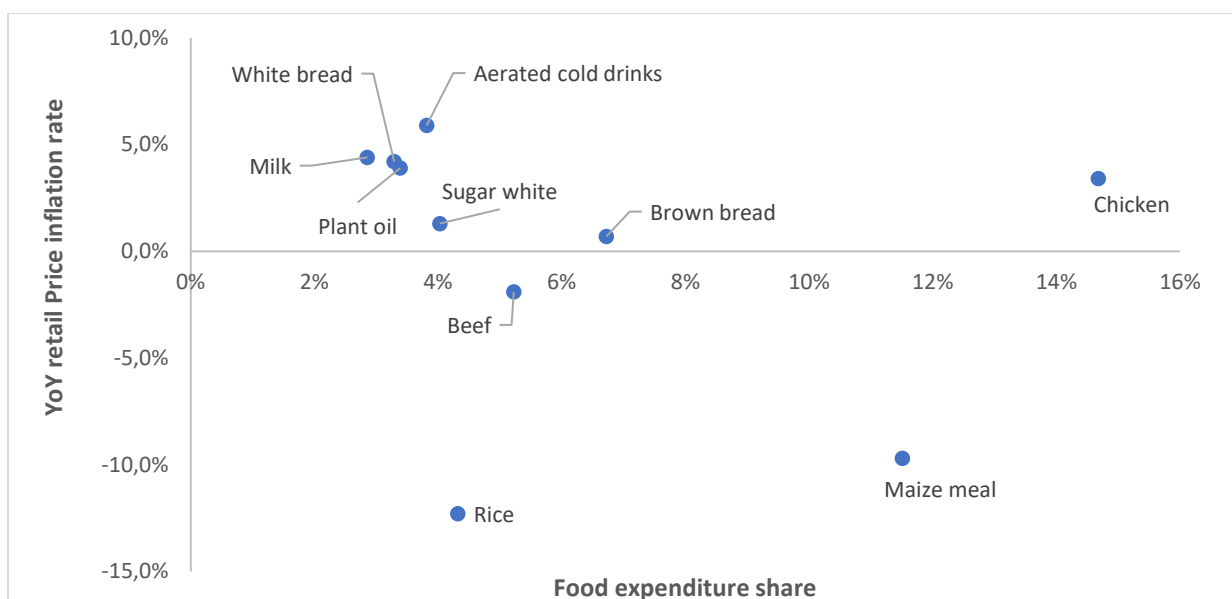


Figure 12: y-o-y inflation on the top 10 food expenditure items of lower-income households in South Africa in August 2026

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 August 2026 official data is used in this report (see link below from the Stats SA website):
<https://www.statssa.gov.za/publications/P0141/P0141August2026.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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