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WESTERN CAPE MONTHLY FOOD PRICE INFLATION BRIEF: JULY 2026

1. Introduction

This brief provides an update of monthly food price changes in South Africa (SA) and for the Western Cape (WC) Province. The country faces a triple-legged socio-economic challenge; inequality, poverty, and unemployment. While food availability is not a crisis at the country's level; food access and food insecurity remains a critical challenge for households across South Africa. Therefore, food inflation has a disproportional impact on households with different levels of income, with low-income households being severely affected. The next section presents a global overview of food price inflation, followed by domestic food price changes, energy price dynamics and the outlook for food prices.

2. Global Food Price:

The global food prices food price increased by 1.0% in July 2026 (year-on-year) (FAO, 2026). Driven by cereal, sugar, and vegetable oils price increases, partially offset by downward pressure on meat and dairy products. The global cereal prices in July 2026 increased by 3.4% driven by wheat surged prices (5.8%), heightened concerned about disruptions occurring in the Black Sea region affecting export flows and the damaged on the export infrastructure, and the recent recorded heatwaves affecting crop yield and productivity in the key wheat producing countries.

World maize prices increased in July recording 3.6% from the previous month (June), this reflecting the hot and dry weather impact on crop yield of the Corn (maize) Belt in the United States, and the spillover effects arising from firmer energy markets amid the heightened geopolitical tensions in the Middle East. Sorghum global prices increased corresponding to the surge in global maize prices. On the contrary, global barley prices declined by 1.9%, due to favourable crop prospects in Australia and the Black Sea region, offsetting the heat-related yield losses recorded the European Union Region. Lastly, the global rice prices remained steady in July caused by demand-driven price declines for all the major traded rice varieties.

World vegetable oils prices surged by 2.0% in July 2026 (m-on-m) and making its highest record since June 2022. This rise was determined by higher palm and soy oil prices. The global palm oil prices increases are underpinned by firmer demand from Indonesia's biodiesel sector and higher crude oil market prices. The world soy price increase was due to the persistent robust feedstock demand in the United States of America, and global import demand. The global sunflower and rapeseed oil prices respectively declined, underpinned by prospects of amply supplies in 2026/27 production season.

Global meat prices declined in July (m-on-m), reaching 2.8% record, but higher than its levels in 2025. This is the first month decline recorded in 2026, representing lower quotations (i.e. Brazil poultry) across all the meat categories, excluding ovine meat, amply export supplies and abundant supplies of pig meat in the EU, and weaker bovine meat demand from Asia. In terms of global sugar prices, the increase in July (5.6%) was driven by concern arising from the potential impacts of hot and dry weather on crop yields in the European Union and the El Nino-linked weather conditions have on production in key producing countries in Asia. There is an expectation that of strong sugarcane demand in Brazil after the mandatory ethanol blend in gasoline.

3. Domestic Food Price Changes

This section further discusses inflation rate (food and all items) of South Africa and Western Cape, as illustrated in Figure 1, covering July 2019 until July 2026 on year-on-year basis (y/y). SA's annual headline inflation in July 2026 recorded 4.3%, higher than its record levels (3.51%) in 2025(y/y). The nation's annual food price inflation was moderate at 0.6% in July 2026 compared to 5.5% in June 2025(y/y), a significant deceleration over the period. The major driver of food price inflation (0.6%) is attributed to fish and other seafood (6.6%), followed by oils and fats (2.84%), sugar, confectionery & desserts (2.15%), milk and other dairy products and eggs (1.91%), meat (1.55%), other food (4.42%), tobacco (4.62%), alcoholic beverages (3.37%) and non-alcoholic beverages (5.29%), respectively in July 2026.On a monthly basis, June to July 2026 (month-on-month), the SA food price inflationary increases were in fish and other seafood (1.88%), followed by vegetables (0.27%), and milk, other dairy and eggs (0.10%), wine (0.19%), and other food at 0.38%, respectively (Figure 2 & Table 1). Monthly food price significant declines were observed in fruits and nuts (-2.24%), oils and fats (-0.76%), cereals products (including bread) at -0.69%, meat (-0.18%), and sugar, confectionery & desserts (-0.19%). The prices declines were eased by weather conditions, amply supply harvested, and vaccine distribution domestically. This moderation on consumer food price inflation is due to lower prices for grains, fruit (even though WC and EC recently experienced floods), vegetables and meat, supported by amply local supply (Sihlobo, 2026b).

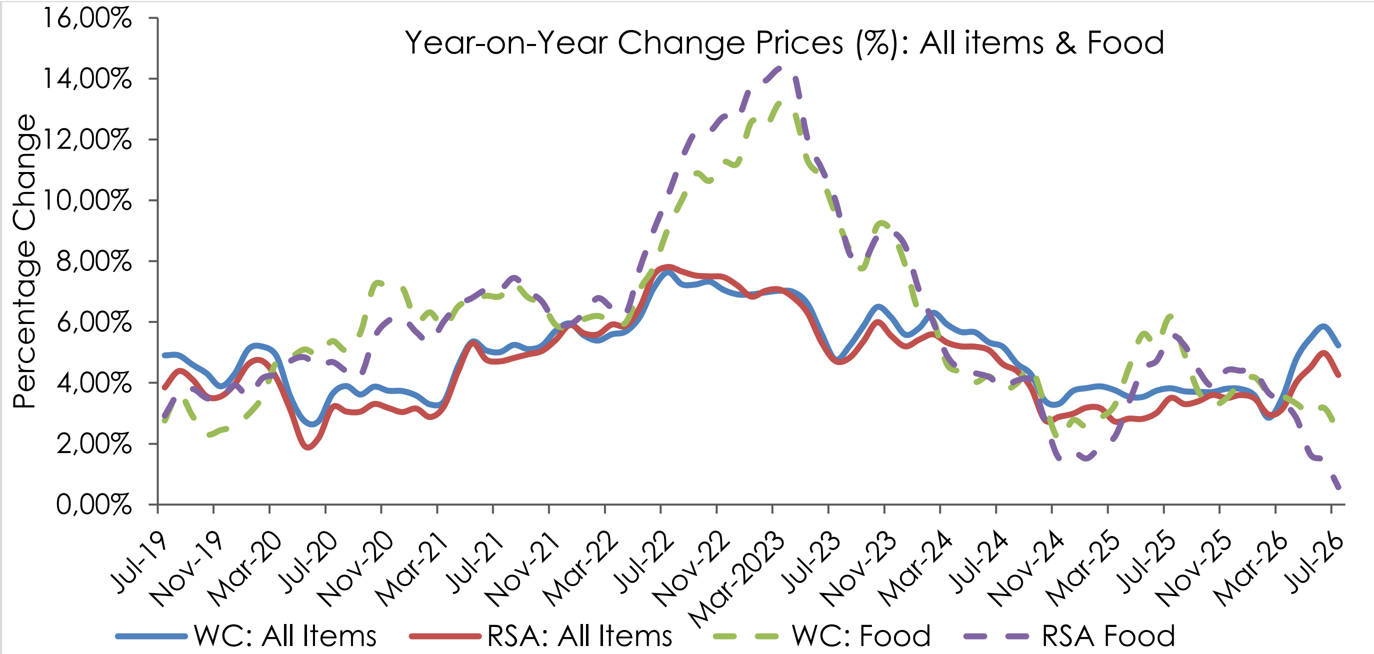

Figure 1: ***RSA and WC Year-on-Year(Y/Y) All items and food inflation rate July 2026***

Source: (StatsSA, 2026)

The WC's annual food prices in Jule 2026 (y/y) reached 2.4%, much higher than the country's food price inflation (0.66%) in the same period. The WC annual food price surges in July were observed in fish and other seafood (8.1%), meat (5.3%), sugar, confectionery and desserts (3.0%), milk and other dairy products and eggs (3.0%), oil and fats (2.9%), and other food (5.3%), and tobacco (5.3%) amongst others. The highest WC m/m price increase was in fish and other seafood (0.54%), followed by cereal (0.7%), wine (1.36%), and other food (1.1%) in July (Figure 2).

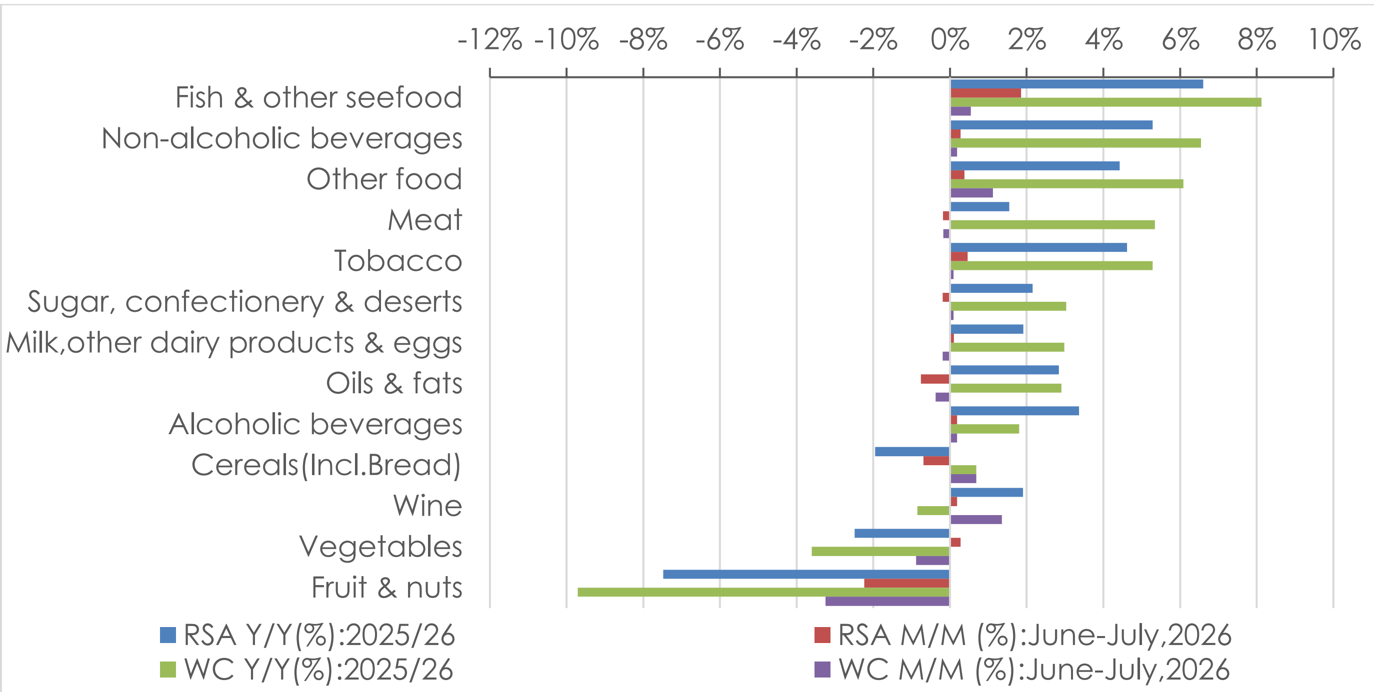

Figure 2: ***July 2026 prices change for selected products in SA and WC***

Source: (StatsSA, 2026)

Whereas significant declines in WC food price changes(monthly) are seen in fruit and nuts (-3.2%), vegetables (-0.9%), oils and fats (-0.4%), and meat (-0.2%) under the reviewed period. The overall inflation view; the fundamental of agricultural supply both at domestic and international level remain solid and lead to a moderation in the food prices inflation for the rest of 2026 (Sihlobo, 2026).The U.S-Iran deal to reopen the Strait of Hormuz is expected to further soften the food price inflation.

Table 1: The RSA & WC Inflation for Food and Beverage Products in July 2026

Food Product Items	***RSA Y/Y (%) July:2025vs26***	***RSA M/M (%): June-July,2026***	***WC Y/Y (%) July:2025vs26***	***WC M/M (%): June-July ,2026***
Fish & other seafood	7%	1,9%	8,1%	0,5%
Non-alcoholic beverages	5%	0,3%	6,5%	0,2%
Other food	4%	0,4%	6,1%	1,1%
Meat	2%	-0,2%	5,3%	-0,2%
Tobacco	5%	0,5%	5,3%	0,1%
Sugar, confectionery & deserts	2%	-0,2%	3,0%	0,1%
Milk, other dairy products & eggs	2%	0,1%	3,0%	-0,2%
Oils & fats	3%	-0,8%	2,9%	-0,4%
Alcoholic beverages	3%	0,2%	1,8%	0,2%
Cereals (Incl. Bread)	-2%	-0,7%	0,7%	0,7%
Wine	2%	0,2%	-0,9%	1,4%
Vegetables	-2%	0,3%	-3,6%	**-0,9%**
Fruit & nuts	-7%	-2,2%	-9,7%	**-3,2%**

Source: (StatsSA, 2026)

Among other underpinning factors driving the country's food price deflation, is the strong local grain supplies (bumper summer crop), currency stability (relative supportive rand exchange rate), improved meat supplies, and favorable fresh-produce availability in the country. Observing monthly or quarterly domestic food prices does not necessarily fully reflect the global agricultural market price changes, hence a yearly observation is preferable.

4. Energy Price Changes:

Figure 3 below demonstrates the WC monthly(m/m) price changes in electricity, gas and other fuels, fuel, and transport from 2025 to 2026(see Figure 3). In July 2026, the WC fuel and transport prices declined by -8% (m/m) and -3%(m/m), respectively. While electricity, gas and other fuels rose by 6% in the same month (July). Electricity and water are a big input cost for farm production and other primary activities

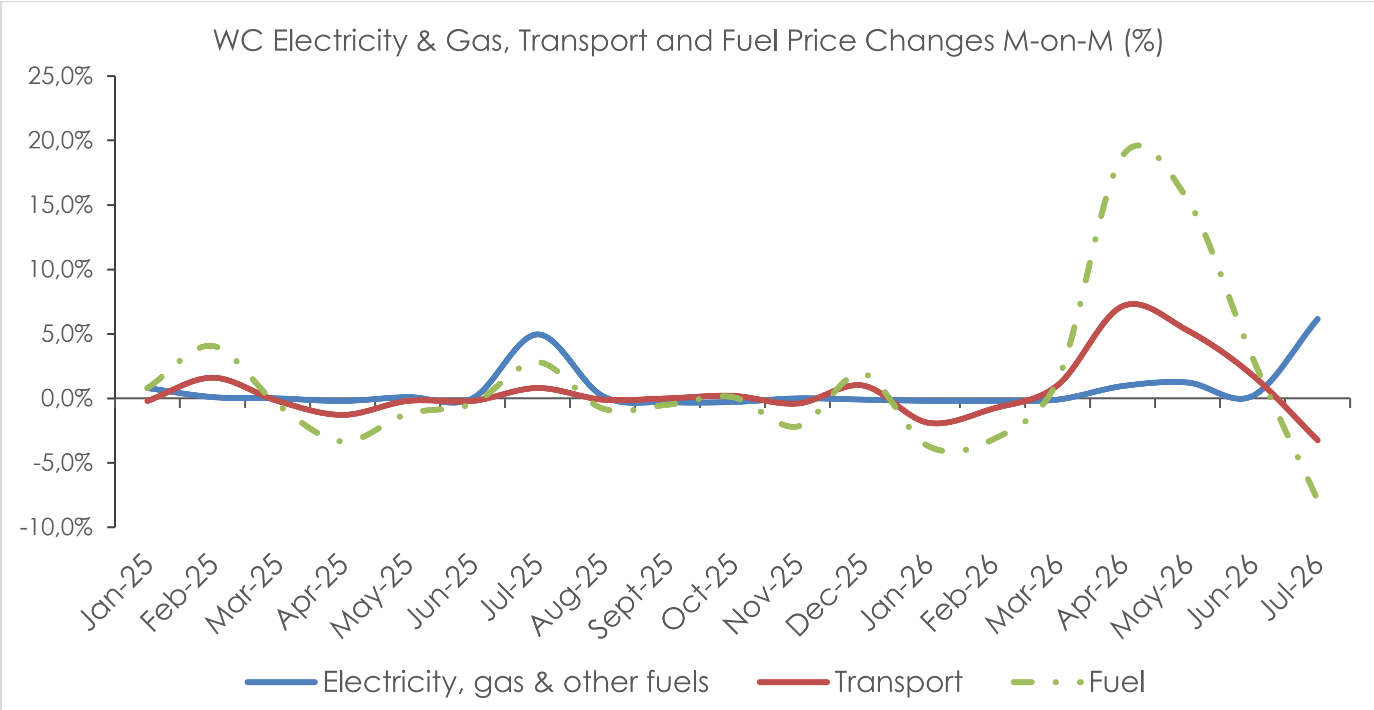

Figure 3: ***WC M-on-M price changes on Electricity, Gas & other fuels, Fuel, and Transport***
Source: (StatsSA,2026)

As the Middle East conflict persist; the price pressures of the above important commodities project a decline linked to the soften global brent crude oil prices. The local fuel prices have been on the decline in the past two months. However, as the war continues and government levy on petrol gets removed, we might see more domestic fuel prices and fertilizer prices unstable with spots in some remaining months of the year. This might affect the financial planning of the primary farm and post-gate farm activities. It is worth noting that fuel (diesel and petrol) price hikes are an additional cost to farmers; particularly on mechanisation, transportation of farm inputs, planting, harvesting and transporting the agricultural goods to the local markets or export ports across the country.

5. Strait of Hormuz vessel or ship movement:

Figure 4 below illustrates the arrivals of ships in the Strait of Hormuz(chokepoint) over the past eight months in 2026. Approximately, 20% of the global oil supplies(trade) and one-third of global fertilizer trade transit through the Strait of Hormuz (World Bank, 2026), and fuel costs rose 30–38% while costs for many fertilizers and their components increased since the Iran conflict began (Industrial Info Resources, 2026). The number of ships passing through this strategic canal have declined significantly from the 28th of February to the 16th of August 2026 due to the war between Iran, and the USA-Israel around the Straut of Hormuz. Closure of Strait of Hormuz, the Red Sea (a shipping choke point) caused rerouting of ships, leading to longer transit times and higher freight charges, pushing up the landed food costs. On the 16 August 2026, the 7-day moving average of the number of ships who passed through the Strait of Hormuz reached 3.57, compared to its record (79.57) recorded on the 28 of March 2026.

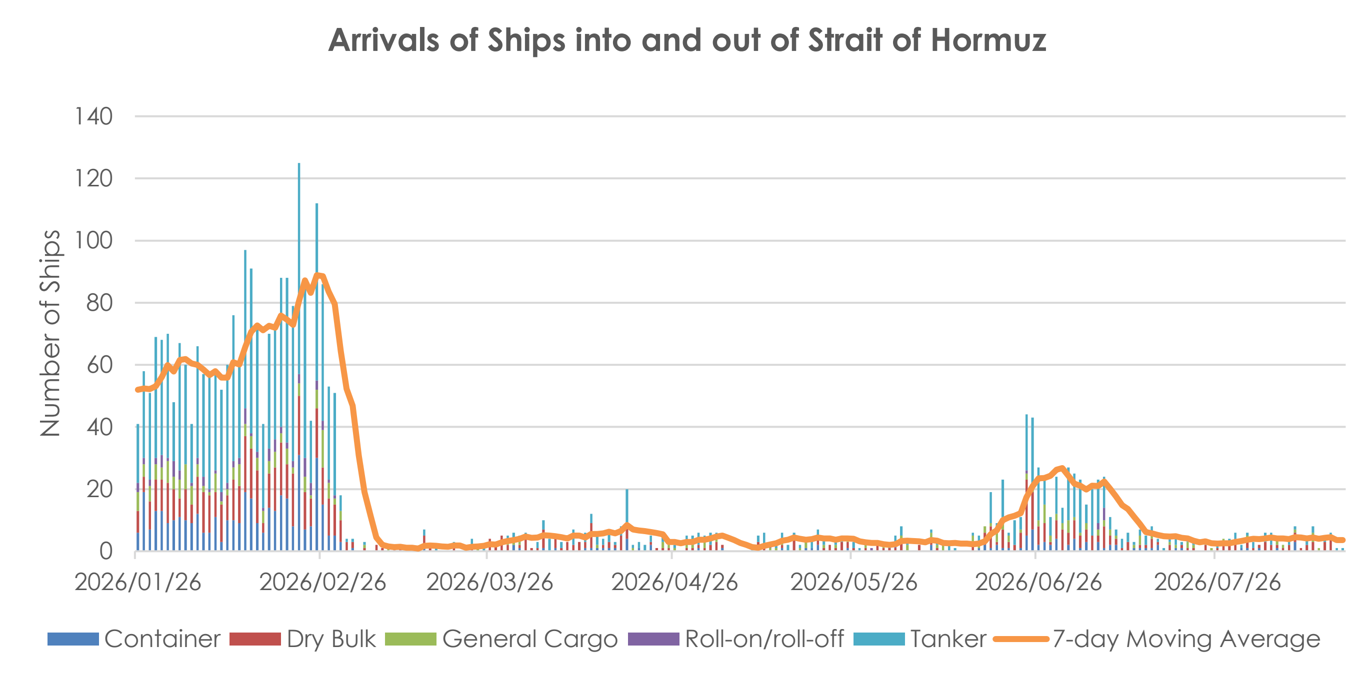

Figure 4: *Ships movement in and out of Strait of Hormuz*
Source: (IMF, 2026)

The reopening up of the Strait of Hormuz and effective operation will bring down the pressure of crude prices in the world, thereby allowing the ease of global inflation, allowing doing business to be efficient and reduces price pressures on consumers. Additionally, reopening the Strait of Hormuz to its full operation will assist countries affected particularly the import-dependent countries on food items, fuel and fertilizer.

6. Concluding remarks

The SA's headline inflation was at 4.3% (y/y) in July 2026, higher than its record of 3.02% in July 2025. The country's annual food price inflation moderated at 0.6% in July 2026 compared to 5.5% in July 2025(y/y), a significant deceleration over 16 years. The major drivers of food price inflation (0.6%) is attributed to fish and other seafood (6.6%), followed by oils and fats (2.84%), sugar, confectionery & desserts (2.15%), milk and other dairy products and eggs (1.91%), meat (1.55%), other food (4.42%), tobacco (4.62%), alcoholic beverages (3.37%) and non-alcoholic beverages (5.29%), respectively in July 2026. At the international level, cereal prices increased by 6.9% y/y in July 2026 underpinned by maize and wheat prices increases as the concerns over supplies due to continuous disruptions in the Black Sea region, hot and dry weather conditions affecting crop yield in the USA Corn(maize) belt. The domestic grain market remains stable due to firmer rand exchange rate and the bumper harvest.RSA Monthly food price declines were observed in fruits and nuts (-2.24%), oils and fats (-0.76%), cereals products (including bread) at -0.69%, meat (-0.18%), and sugar, confectionery & desserts (-0.19%). This can be attributed to larger domestic harvest, leading to a strong export of citrus, table grapes and stone fruit among other products.

Outlook (the near term)

July 2026 global food price change decelerated in most food sub-categories. The core annual moderating consumer food price inflation was lower prices for fruits and nuts, cereals and vegetables in July 2026; driven by global export supplies, good weather conditions, firmer rand exchange rate, bumper grain supply, and prospects of positive harvest in major food producing countries.

- **De-Escalation**: The war in the Strait of Hormuz remains be the major risk in the near term, possibly leading to rise in crude oil prices and eventually causing global fuel price hikes.
- ***Domestic risk factor***: in the near-term, food price outlook remains subdued due to stronger summer grain supplies, softer fresh-produce prices, and stronger rand exchange rate. Moreover, risks will be attributed to administered-price increases, electricity and water tariffs, ports and other logistics costs, and control of the foot-and-mouth disease outbreak.
- **Mid-term risk**: the potential El Nino drought risks will affect the next season's crop (2026/27 production season)

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