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WESTERN CAPE MONTHLY FOOD PRICE INFLATION BRIEF: JUNE 2026

1. Introduction

This June 2026 brief provides an update of monthly food price changes in South Africa (SA) and the Western Cape's (WC). South Africa and its Provinces face several socio-economic challenges; household food insecurity, low income, and high unemployment rate. While food availability is not a crisis at national; food access remains a critical challenge for households across the country. To discuss this in detail, the next section presents a global overview of food prices, followed by domestic food price pressures, energy price changes, Strait of Hormuz vessel or ship movement, and the outlook for the food prices in South Africa for the rest of the year.

2. Global Food Price:

The global food price index recorded an average monthly food price increase of 1.7% in June 2026 (year-on-year) (FAO, 2026).Rise in the global food inflation is attributed to vegetable oils and meat indices increase, offset by downward pressure in sugar, cereal, and dairy products. The global cereal prices in June 2026 declined driven by rapid harvest progress and strong supply prospects in the Black Sea region, outweighing the crop's estimates in the United States of America and Australia. Additionally, decline in cereal price pressure came from a stronger United States dollar and softer energy markets amidst expected reduced military tensions around the Strait of Hormuz. World maize prices were at 6.2% in June, reflecting prospects of ample supplies in exporting countries in South America, with declining crude oil prices that weighed on biofuel demand.

Global prices of barley and sorghum also declined by 3.4% and 7.7%, respectively in June, due to improved production outlooks and spillovers from weaker maize and wheat markets, which reduced the competitiveness of sorghum and barley as feed grains. On the other front, the world rice prices grew by 3.2% in June 2026, as Asian demand for Indica rice strengthened, while weather concerns and elevated production, transport and market costs. Global vegetable oils prices increased by 3.8% in June 2026 (m-on-m). This rise was determined by combined effect of higher palm and rapeseed oil quotations and stable sunflower prices. International meat prices increased, reaching new record high. The rise in global meat prices was due to higher international poultry meat prices (higher export prices in Brazil amid strong global import demand and temporal tighter domestic availability), firmer ovine meat quotations (underpinned by sustained demand

and limited exportable supplies), while the pig and bovine meat prices declined under the observed period.

3. Domestic Food Price Changes

This section discusses inflation rate (food and all items) of South Africa and Western Cape, as illustrated in Figure 1, covering June 2019 until June 2026 on year-on-year basis (y/y). SA's annual headline inflation in June 2026 recorded 5.0%, higher than its record levels (3.02%) in 2025(y/y). The country's annual food price inflation was moderate at 1.44% in June 2026 compared to 4.7% in June 2025(y/y), a deceleration over the period. The primary drivers of food price inflation (1.44%) is attributed to meat (5.0%), fish and other seafood (4.77%), oils and fats (2.32%), sugar, confectionery & desserts (2.45%), milk and other dairy products and eggs (1.61%), other food (4.44%), tobacco (4.34%), alcoholic beverages (3.37%) and non-alcoholic beverages (5.00%), respectively. From May to June 2026(month-on-month), the SA food price increases were in vegetables (2.7%), followed by fish and other seafood (1.8%), milk, other dairy and eggs (1.0%), and oils and fats at 0.6%, respectively (Figure 2 & Table 1). The SA food items' price significant declines were observed in fruits and nuts (-10.0%), followed by vegetables (-3.5%), and cereals products at -1.5%. Cereal, vegetables, and fruit prices were driven by better weather conditions and amply supply harvested locally. This concurs with moderation on consumer food price inflation are 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).

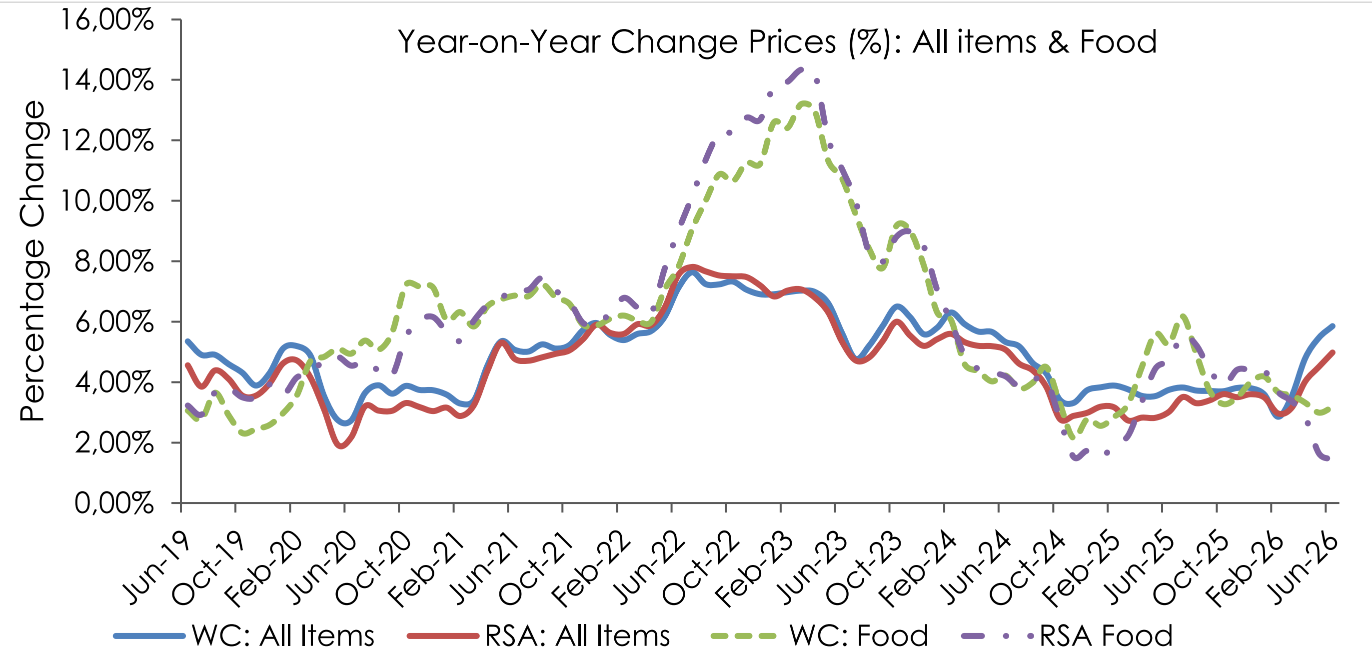
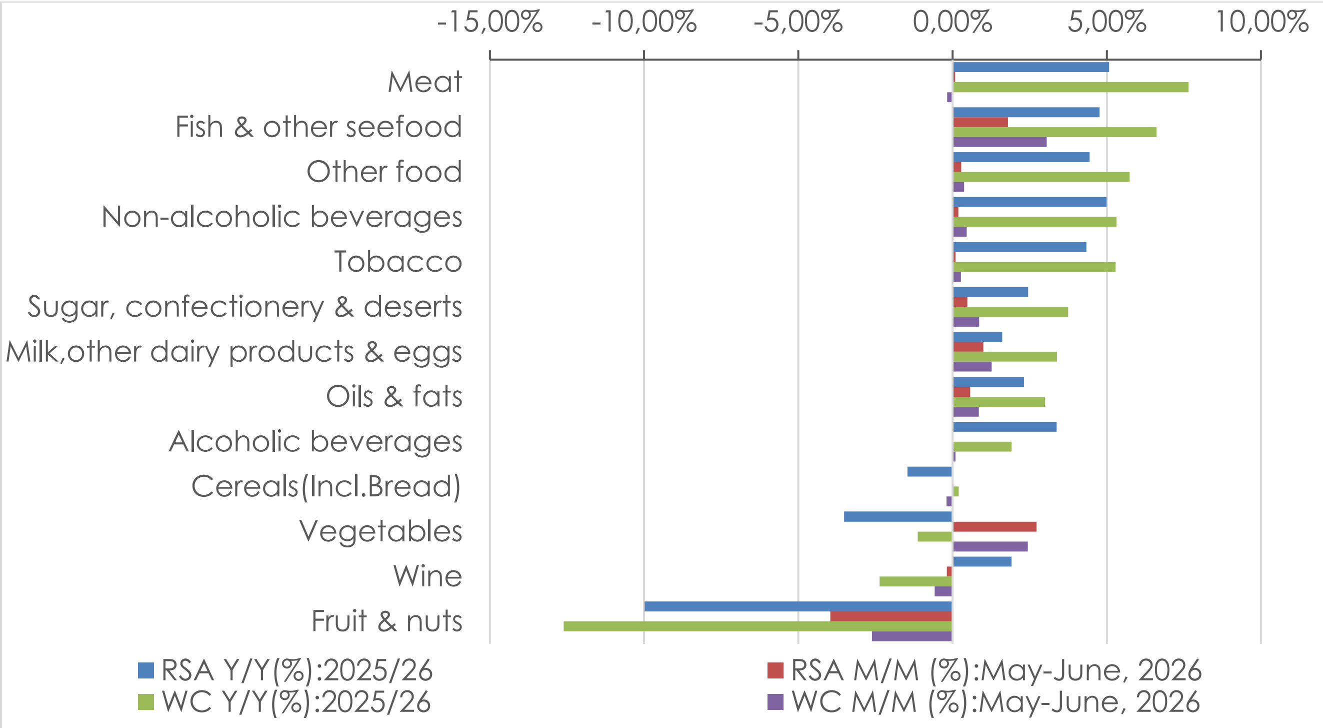


Figure 1: ***RSA and WC Year-on-Year(Y/Y) All items and food inflation rate June 2026***
Source: (StatsSA, 2026)

The WC's annual food prices in June 2026 (y/y) reached 3.17%, higher than the national food price inflation (1.44%) for the same period. The WC annual food price increases in June were driven by meat (7.7%), fish and other seafood (6.6%), sugar, confectionery and desserts (3.7%), milk and other dairy products and eggs (2.7%), oil and fats (3.0%), and other food (5.7%), and tobacco (5.3%) amongst others. The highest WC m/m price increase was in fish and other seafood (3.1%), followed by vegetables (2.4%), and milk, other confectionery and deserts (1.3%), and oil and fats (0.9%) in June (Figure 2).

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



Source: (StatsSA, 2026)

The overall 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 June 2026

Food Product Items	***RSA Y/Y (%):2025/26***	***RSA M/M (%): May-June, 2026***	***WC Y/Y (%):2025/26***	***WC M/M (%): May-June, 2026***
Meat	5,08%	0,1%	7,7%	-0,2%
Fish & other seafood	4,77%	1,8%	6,6%	**3,1%**
Other food	4,44%	0,3%	5,7%	0,4%
Non-alcoholic beverages	5,00%	0,2%	5,3%	0,5%
Tobacco	4,34%	0,1%	5,3%	0,3%

Sugar, confectionery & deserts	2,45%	0,5%	3,7%	0,9%
Milk, other dairy products & eggs	1,61%	1,0%	3,4%	**1,3%**
Oils & fats	2,32%	0,6%	3,0%	0,9%
Alcoholic beverages	3,37%	0,0%	1,9%	0,1%
Cereals (Incl.Bread)	**-1,46%**	0,0%	0,2%	-0,2%
Vegetables	**-3,52%**	2,7%	**-1,1%**	**2,4%**
Wine	1,91%	-0,2%	**-2,4%**	-0,6%
Fruit & nuts	**-9,98%**	-4,0%	-12,6%	-2,6%

Source: (StatsSA, 2026)

Among other underpinning factors of food prices, is the meat (beef, poultry, and sheep meat) price changes can be linked to elevated international food prices, short supplies of meat due to ban of Brazilian, Belgium, Denmark, and the Netherlands meat imports due to highly pathogenic Avian Influenza (HPAI) disease outbreak in July 2025, high feed costs and head rebuild, and rising logistical cost associated with closure of Strait of Hormuz. Notwithstanding product price upward pressures, WC monthly price declines were fruit and nuts (-2.6%), wine (-0.6%) and cereals (-0.2%) products in June, this reflecting amply supply, the base effects, and the overall decline in food prices since 2025 (Figure 2 & Table 1). 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 shows the WC monthly(m/m) price changes for electricity, gas and other fuels, fuel, and transport from 2025 to 2026. In June 2026, the WC fuel prices increased by 3.1% (m/m), whereas the transport rose by 1.8%, and 0.2% in terms of electricity, gas and other fuels. As the Middle East conflict escalation persist, the price pressures in the latter commodities can intensify given their nature that are linked to the global brent crude oil prices.

This attribution is a direct impact of the closure and the logistical disruption occurring in the Strait of Hormuz. The South African government has implemented some contingency plans that includes fuel levy to absorb the cost of fuel and energy amid the growing world crude oil prices. From May the local fuel prices has seen a decline. As the war persist, we might seem more domestic fuel prices and fertilizer prices going up and this might affect the primary farm activities as mechanisation work depends on diesel fuel and transportation of farm inputs.

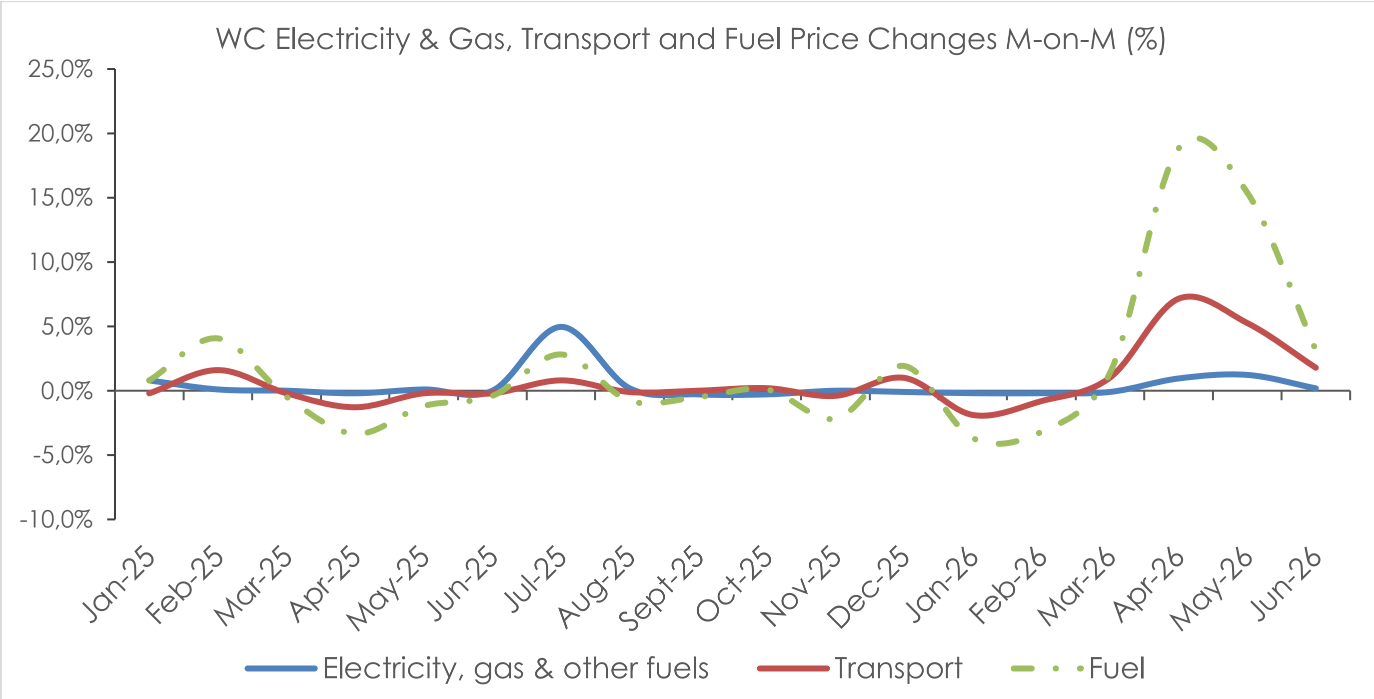


Figure 3: WC M-on-M price changes on Electricity, Gas & other fuels, Fuel, and Transport
Source: (StatsSA,2026)

Diesel price hikes are an additional cost to farmers, particularly on mechanisation, 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 seven months in 2026. About 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 23rd of July 2026 due to the military conflict between Iran, and the USA-Israel. 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 23 July 2026, the 7-day moving average of the number of ships who passed through the Strait of Hormuz reached 11.14, compared to its record (109) in 2025.

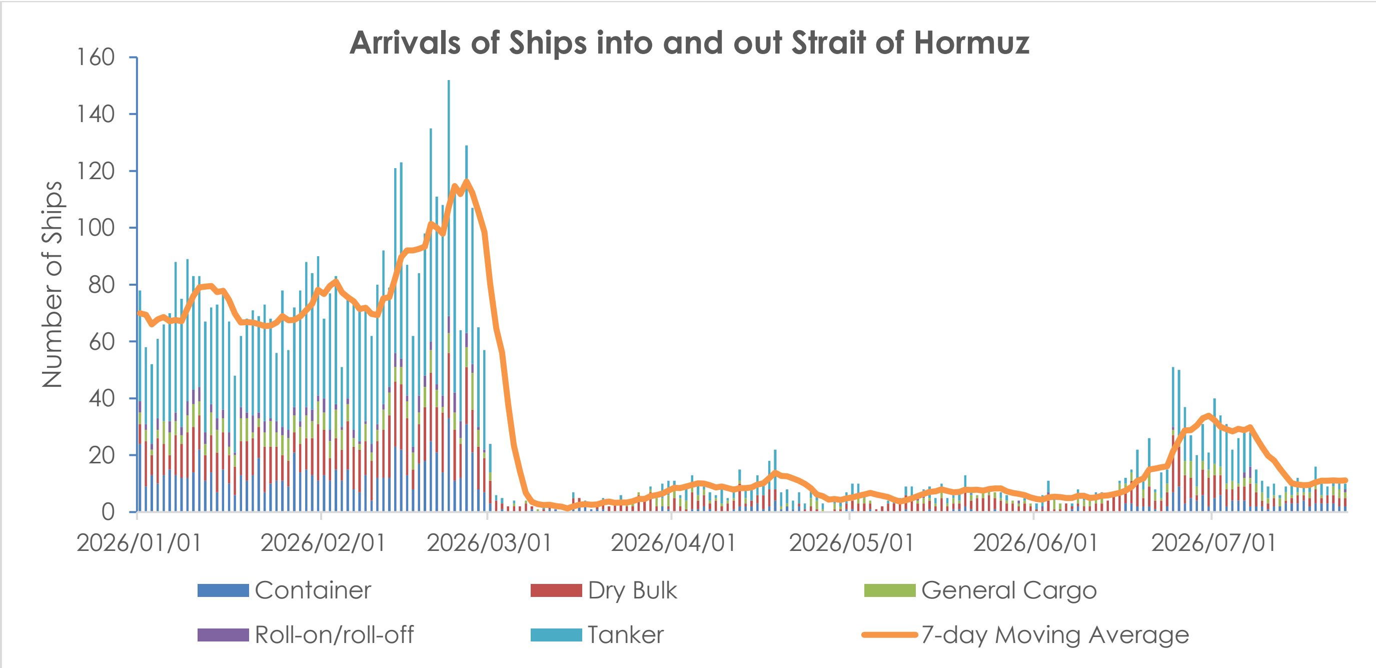


Figure 4: Ships movement in and out of Strait of Hormuz
Source: (IMF, 2026)

The latest reopening up of the strait will start bringing down the pressure of inflation in the world, thereby allowing the ease of doing business and reducing price pressure for oil consumers in Asia and Europe (NPR, 2026). Reopening of the Strait of Hormuz to full operation, would assist countries affected, particularly the import-dependent countries on food items, fuel and fertilizer.

6. Concluding remarks

The SA's headline inflation was at 5% (y/y) in June 2026, higher than its record of 3.02% in June 2025. Inflation in the food category declined from 1.64% for SA in May, to 1.44% in June, and 3.27% for WC Province in June, from 3.1% in May. Drivers of the 1.44% food price inflation were meat (5.08%), fish and seafood (4.77%), oils and fats (2.32%), sugar, confectionery and deserts (2.45%), other food (4.44%), and tobacco (4.34%). In the WC, these included meat (7.7%), fish and other seafood (6.62%), sugar, confectionery and deserts (3.74%), milk, other dairy products and eggs (3.39%), oils and fats (3.0%) other food (5.74%), and tobacco (5.29%) on year-on-year basis. At the international level, the escalation of the Middle Eastern conflict has impacted logistical infrastructure and shipping lines; including the Strait of Hormuz and the Red Sea. In the past two months to date, the SA motorists including farmers experienced elevated fuel prices. South Africa, the rise in prices of meat was associated with foot-and-mouth disease, avian influenza, feed prices, and weather disruptions among others. On a monthly basis, there have been some cases of price relief in fruit and nuts and wine at national level sub-categories. 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)

June 2026 global food price pressures showed a deceleration in some food sub-categories. The core of moderating consumer food price inflation is lower prices for sugar, cereals and dairy products; driven by global export supplies, demand, good weather conditions, and prospects of positive harvest in major food producing countries. At local level decline in food prices was observed in cereals (including bread), fruits and nuts (-9.98%), and wine (-3.52%) on y/y basis.

- **De-Escalation**: The MoU signed by Iran-USA to reopen the Strait of Hormuz might lead to reductions in the global fuel prices. However, if not, the war in the Strait of Hormuz will be the major risk in the near term, possibly leading to an increase in fuel costs.
- ***Domestic risk factor***: Regardless of the foot and mouth disease cases, floods in critical production regions (WC), appointment of the new minister of Agriculture, and escalating agricultural inputs (fertilizers and fuel); looking ahead,
- **Mid-term risk**: the forecast El Nino drought that will affect the next season's crop, the impact can only be assessed after 2027 on domestic food price inflation.

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