News Release

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Australians finding value in the supermarket despite higher food prices

The family barbecue. The Friday night takeaway. The groceries packed into school lunchboxes.

Across Australia, households continue to face higher food costs than they did less than a decade ago, but many are finding ways to stretch their grocery budgets through smarter shopping habits and more flexible choices at the checkout.

According to ANZ's latest Food for Thought report, food inflation is not experienced equally across households.

What ends up in the trolley matters, meaning two families can face very different cost pressures depending on the products they buy each week.

Matthew Mann, Director, Research & Analysis, ANZ Institutional, said while food prices remain higher than they were several years ago, Australian consumers have become increasingly adaptable in responding to those pressures.

"People don't buy inflation - they buy groceries. That's why the cost of living can feel very different from one household to the next.

"A family with growing teenagers buying beef mince, steak, fresh vegetables, cheese, yoghurt, lunchbox snacks and a weekly takeaway meal may have experienced far more price pressure than an empty-nester couple, a single-person household or a family that is comfortable adjusting what they buy when prices change.

"Many Australians are finding value through relatively simple decisions, whether that's choosing chicken instead of beef more often, buying supermarket-brand milk, pasta or canned tomatoes, stocking up on coffee pods, breakfast cereal or laundry detergent when they're on special, or cooking one extra meal at home each week."

ANZ analysis shows vegetable prices have risen by almost 65 per cent since 2017, while beef and veal prices have risen by almost 60 per cent, compared with around 32 per cent for overall inflation.

Yet not every food category has experienced the same level of price growth, helping explain why household experiences of food inflation can differ significantly.

The report highlights that consumers are increasingly responding by switching brands, choosing different proteins, planning meals around supermarket specials and becoming more selective about discretionary purchases.

"We're seeing shoppers compare prices more closely, buy pantry staples when they're discounted and make greater use of leftovers to reduce food waste.

"A household that waits until coffee, cereal, soft drinks or lunchbox treats are on promotion may face a very different grocery bill to one that buys those same products at full price every week.

"Food inflation doesn't just change prices, it changes habits. Understanding how consumers respond is becoming just as important for food businesses as understanding the costs that drive inflation in the first place," concluded Mr Mann.

Further insights can be found in the Q3 2026 edition of ANZ’s Food for Thought report.

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