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FOR YOU
Agriculture

Western Cape Department of Agriculture

WESTERN CAPE AGRICULTURAL PRICE TRACKER

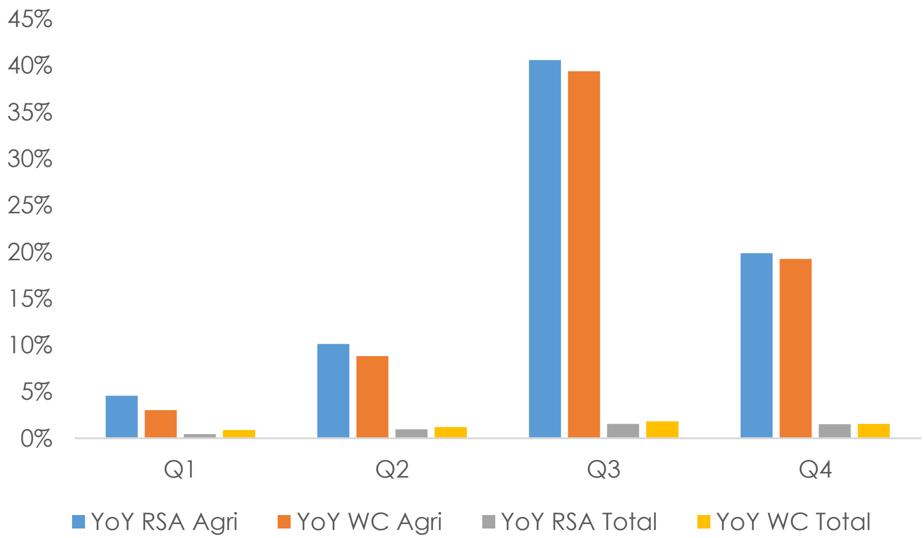
Tracking how global market forces shape local cost pressures across the agricultural value chain

31 March 2026

PRESENTATION OUTLINE

- **Western Cape Economic Context** ***(Where we are)***
- **Market Drivers** ***(What is driving costs)***
- **Producer Level** ***(PPI - How producers are affected)***
- **Consumer Level (*CPI – Impact on households*)**
- **Trade *Movements (Export Price and volume trends)***
- **Concluding Remarks**
- **On the radar (Week ahead)**

Quarterly GDP Growth at Constant Prices (% YoY)
Agriculture vs Total Economy, Western Cape and South Africa (2024–2025)



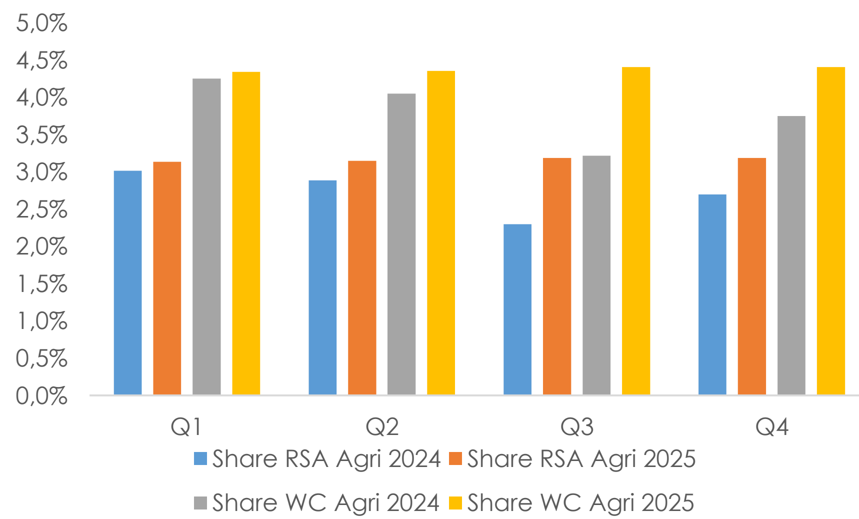
Agriculture Supported Real GDP Growth in Q2 2024–25

- Strong Q2 growth in Western Cape agriculture reflects peak harvest activity and higher real output volumes.
- Agriculture outperformed the broader economy, where growth remained constrained by weak domestic demand and subdued investment activity.
- Rising input costs (fuel and fertiliser) continued to limit overall real GDP expansion despite sectoral gains.

Agriculture's Share to Real GDP Increased in 2025

- Agriculture's share increased as production volumes grew faster than slower-performing sectors.
- Export-oriented horticulture remained resilient, supported by stable global demand and a favourable exchange rate.
- Slower growth in energy- and investment-sensitive sectors raised agriculture's relative contribution to GDP.

Note: Agriculture refers to primary Agriculture, Forestry and Fishing sector. Shares are calculated relative to total GDP at constant prices.



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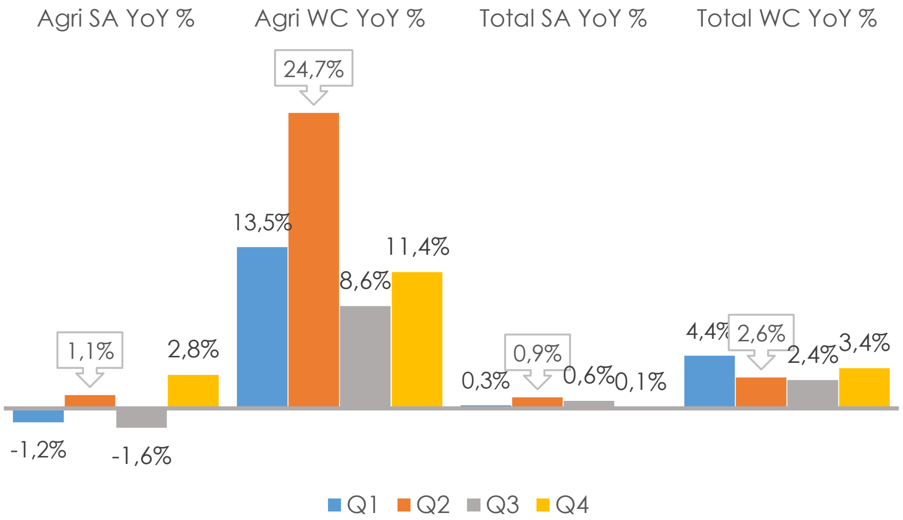
Source: Quantec, Statistics South Africa, LFS

Quarterly Employment Growth and Workforce Share (% YoY)
Agriculture vs Total Economy, Western Cape and South Africa (2024–2025)

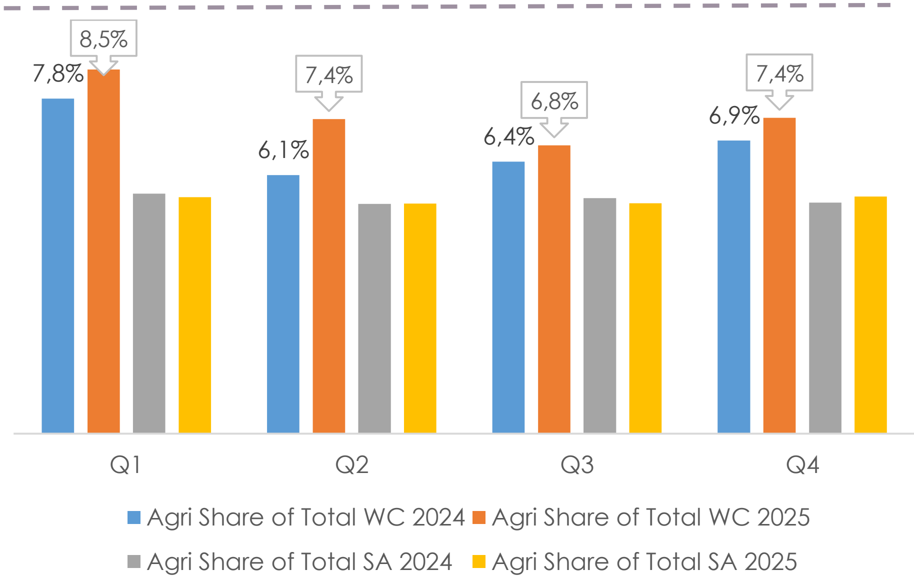


Agriculture Led Employment Growth in Q2 2024–25

- Strong Western Cape agricultural growth in Q2 reflects peak harvest activity alongside improved export demand following easing global supply chain disruptions.
- Elevated input cost pressures linked to ongoing Middle East tensions and energy price volatility constrained broader national employment growth.
- National employment growth remained modest as high interest rates and slow domestic economic recovery limited expansion outside agriculture.

Agriculture's Share of WC Employment Increased in 2025

- Increased agricultural employment share in 2025 reflects seasonal labour demand and relative resilience of the sector compared to slower-growing industries.
- Export-oriented horticulture benefited from stable global demand and a relatively supportive exchange rate, sustaining labour absorption in the Western Cape.
- Persistent cost pressures from fuel and fertiliser, influenced by global energy markets, limited expansion in other sectors, indirectly increasing agriculture's employment share.



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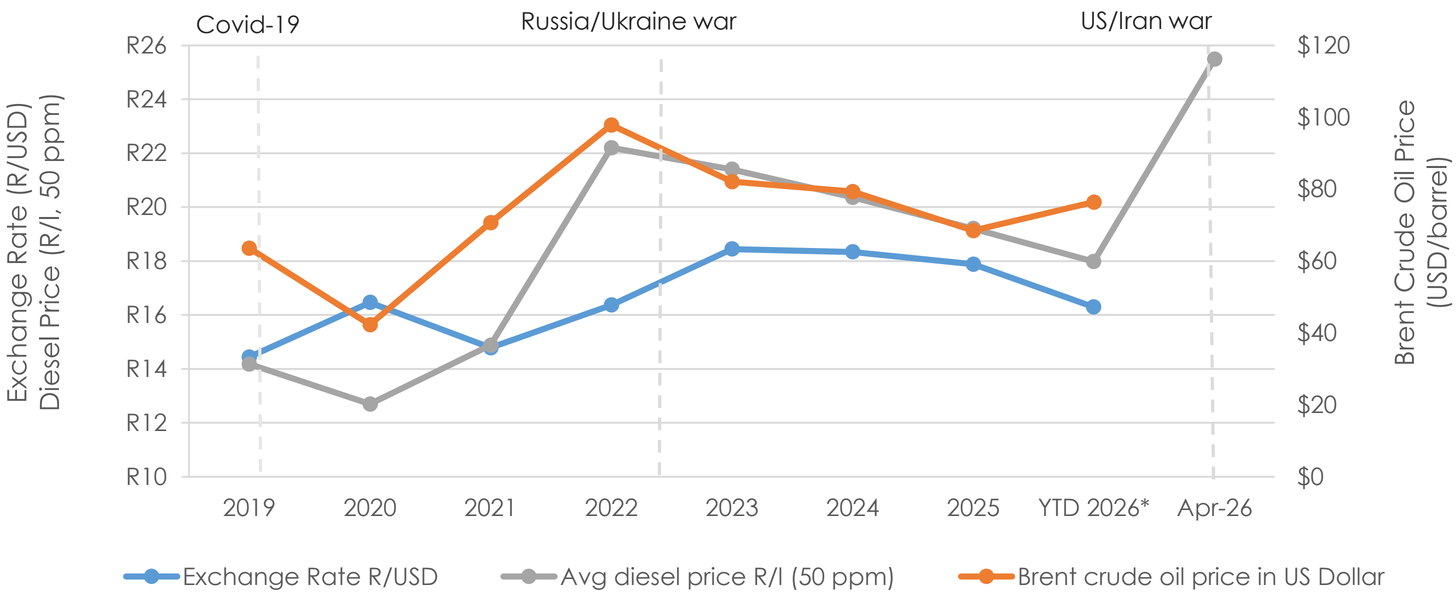
Source: Quantec, Statistics South Africa, LFS

Key Drivers of Diesel Fuel Prices: Oil Price, Exchange Rate and Global Shocks

Diesel prices reflect global oil price dynamics and exchange rate pass-through to domestic fuel costs



- Global events disrupted oil demand and supply since 2019
- Brent crude and diesel prices moved closely during major shocks
- Exchange rate movements amplified local price volatility
- From 1 April 2026 average diesel price (Inland and Coastal) is R25.49/liter

Sources: FRED (St. Louis Fed), DMRE, EIA (via FRED)

Fuel Price Changes: March to April 2026

April 2026 fuel price adjustments show broad-based increases, with diesel (50 ppm), the key agricultural input, rising by approximately 40% on average.

INLAND	March	April	Change (R)	% Change
Petrol 93	R20.19	R23.25	+R3.06	15.2%
Petrol 95	**R20.30**	**R23.36**	**+R3.06**	**15.1%**
Diesel 0.05% (50pp)	**R18.53**	**R25.90**	**+R7.37**	**39.8%**
Diesel 0.005%	R18.60	R26.11	+R7.51	40.4%
Illuminating Paraffin	R12.54	R28.14	+R15.60	124.4%

COASTAL	March	April	Change (R)	% Change
Petrol 93	R19.40	R22.46	+R3.06	15.8%
Petrol 95	**R19.47**	**R22.53**	**+R3.06**	**15.7%**
Diesel 0.05% (50pp)	**R17.70**	**R25.07**	**+R7.37**	**41.6%**
Diesel 0.005%	R17.84	R25.35	+R7.51	42.1%
Illuminating Paraffin	R11.52	R27.12	+R15.60	135.4%

Note: Fuel levy of R3.00 is already incorporated.

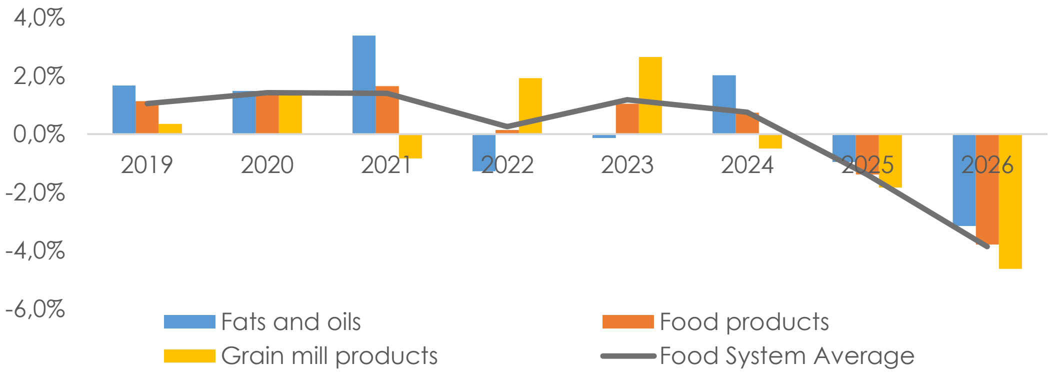
The minister of Finance proposed fuel levy of R3.00 of Wednesday 2026 1 April to Tuesday 5 May 2026

Petrol will change to R4.10/l to R1.10/l, Diesel R3.93/l to R0.93/l excl. levy of Road Accident Fund, Carbon Fuel Levy

Source: https://www.thesouthafrican.com/news

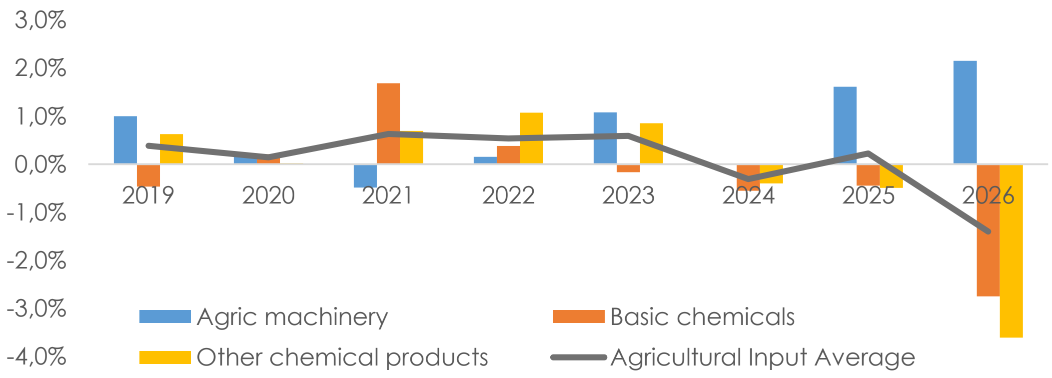
Import Price Dynamics: Food System and Agricultural Inputs (%) (2019–2026)

Annual Trends in Food System Import Price Pressures (%), 2019–2026



- Fats and oils spike (2021–2022) reflects global vegetable oil supply disruptions linked to the Russia–Ukraine War.
- Grain mill volatility (2022–2023) reflects global grain market shocks and Black Sea export disruptions.
- Food product increases (2021–2023) reflect cumulative cost pressures from inputs, logistics and exchange rate pass-through.

Annual Trends in Agricultural Import Price Pressures (%), 2019–2026



- Basic chemicals spike (2021–2022) reflects fertiliser cost increases linked to global energy markets and supply disruptions.
- Chemical product volatility reflects fluctuations in agrochemical prices driven by energy costs and post-pandemic adjustments.
- Agricultural machinery increases (2024–2026) reflect delayed investment cycles and exchange rate effects on imported capital goods.

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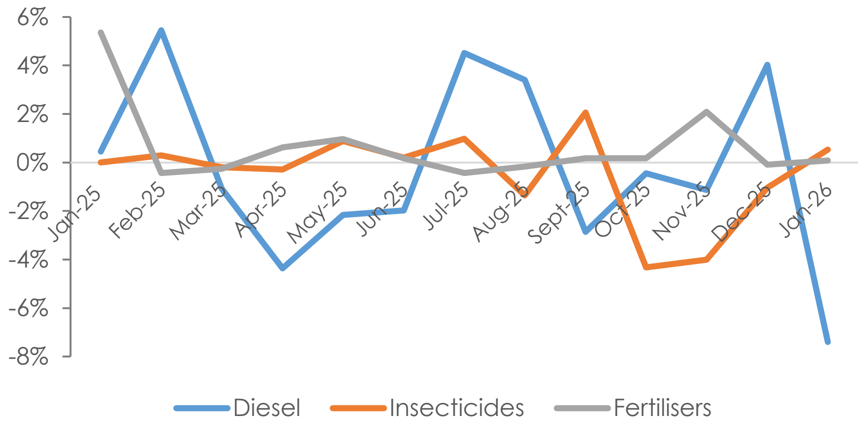
Sources: Statistics South Africa, Import and Export Unit Value Index (Adapted)

Agricultural Input Costs and Farmgate Price Movements (%) (2025–2026)



Input Cost Volatility and Farmgate Price Movements Signal Margin Pressure (2025–2026)

• Diesel price volatility, driven by global oil markets and exchange rate movements, continues to shape short-term production costs.

• Fertiliser and insecticide prices remain relatively stable but elevated, reflecting global input cost pressures and seasonal demand patterns.

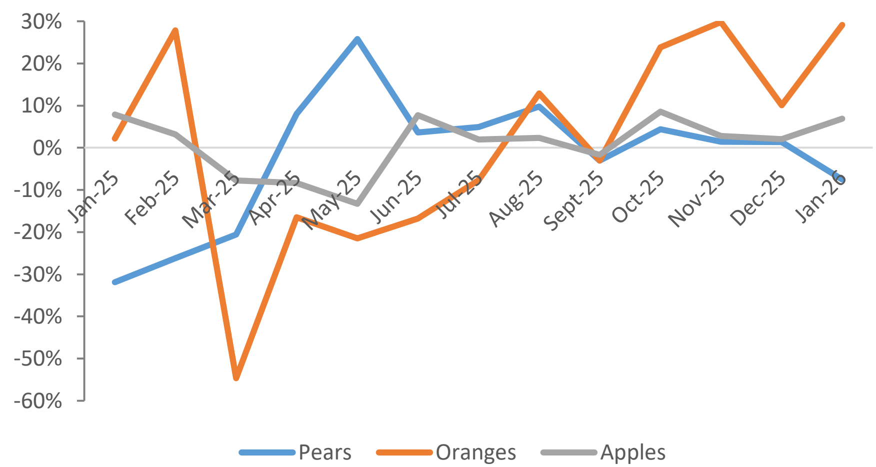
• Farmgate prices show strong volatility linked to seasonal supply cycles and export market dynamics, creating uneven revenue conditions.

Farmgate Prices Show High Volatility Driven by Seasonal and Export Dynamics (2025–2026)

• Fruit prices exhibit sharp monthly fluctuations, reflecting seasonal harvest patterns and shifting supply conditions.

• Citrus prices, particularly oranges, show pronounced swings linked to export demand changes and logistics constraints.

• Price variability across crops highlights uneven revenue conditions, contributing to uncertainty in farm-level income.



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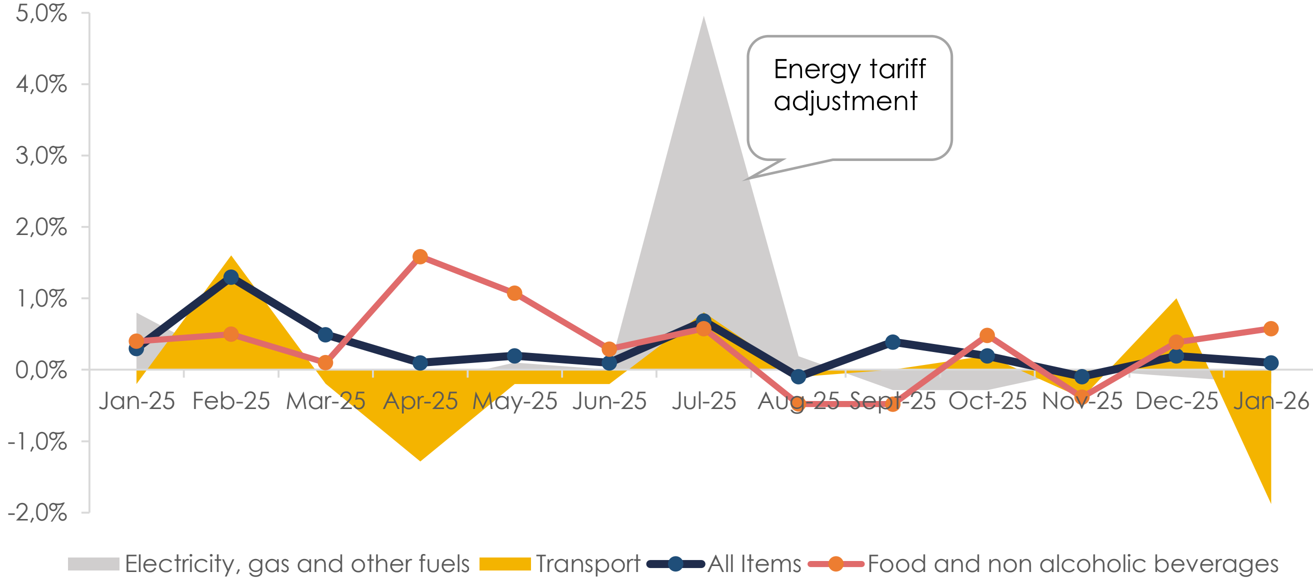
Statistics South Africa, PPI, P012.1

CPI Trends and Key Cost Drivers (MoM): Jan 2025 – Jan 2026

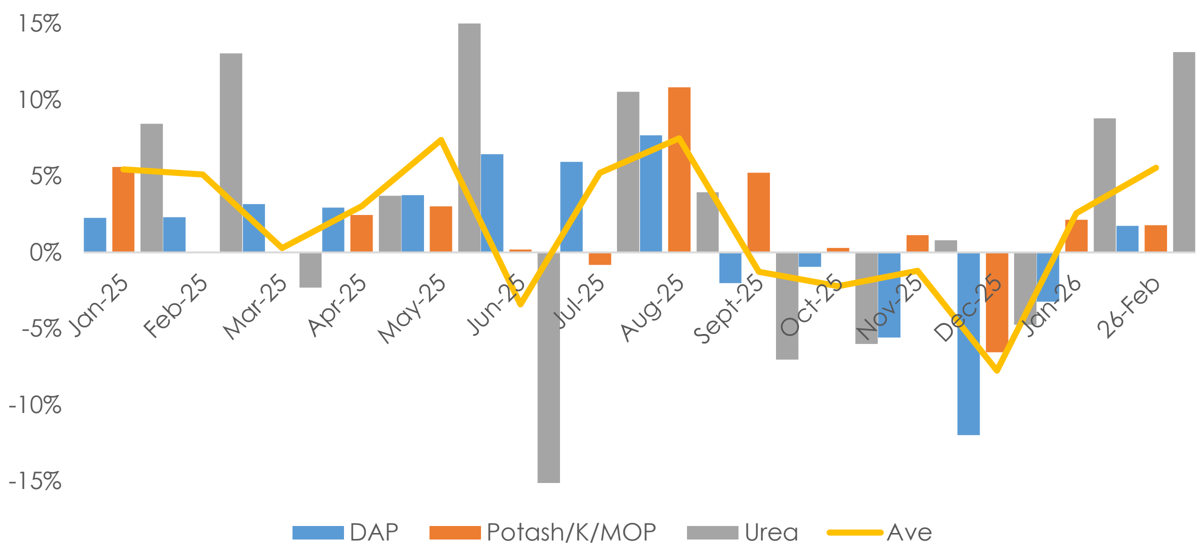
While headline CPI appears stable, persistent cost volatility suggests potential delayed inflationary pressures.



- Headline inflation remained relatively stable over the period, despite noticeable volatility in underlying components
- Energy and transport costs showed sharp month-to-month fluctuations, highlighting ongoing cost-pressure risks for both producers and households
- Food price movements were more moderate but remain critical for consumer impact, with forward monitoring required given recent variability

Fertiliser Prices to monitor: MoM% change

Fertilizer: MoMΔ Jan 25 - Jan 26



- Urea volatility driven by energy prices and geopolitical supply risks
- DAP price easing reflects demand correction and shifting trade conditions
- Potash showing relative firmness amid tightening global stocks

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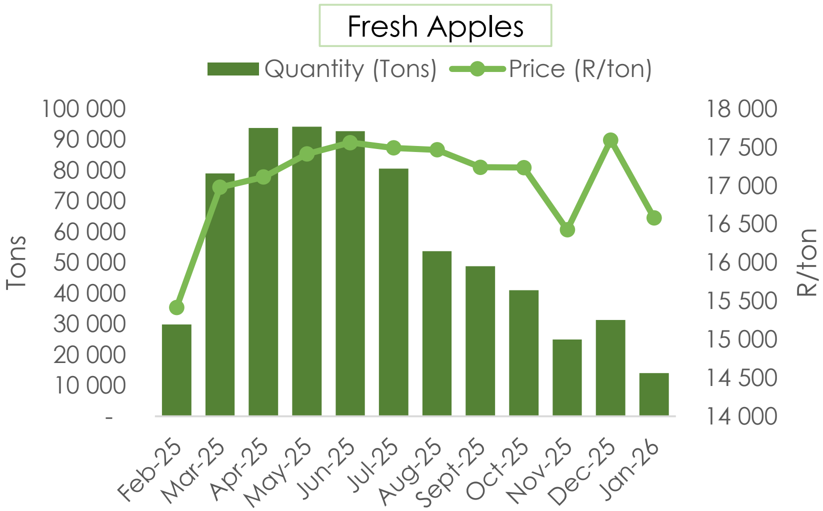
Source: Quantec Easy Data/IMF

Export Price and Volume Trends:
Fresh Apples and Pears (Rolling 12-Month)

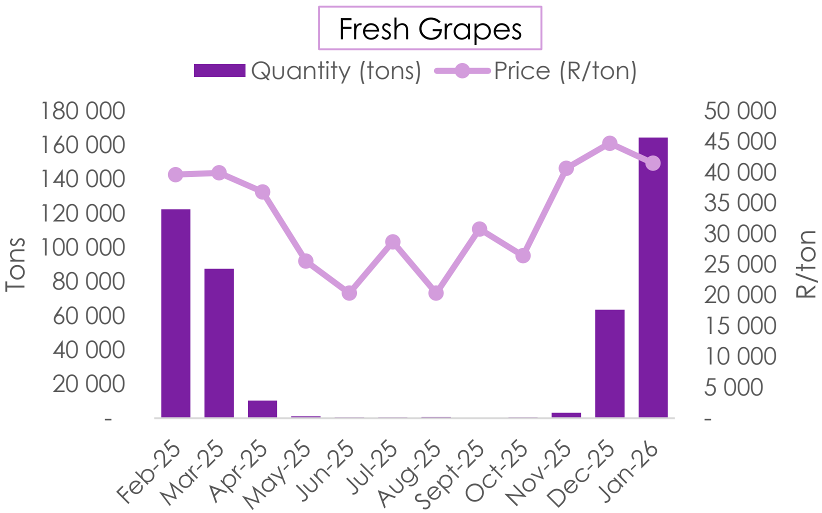


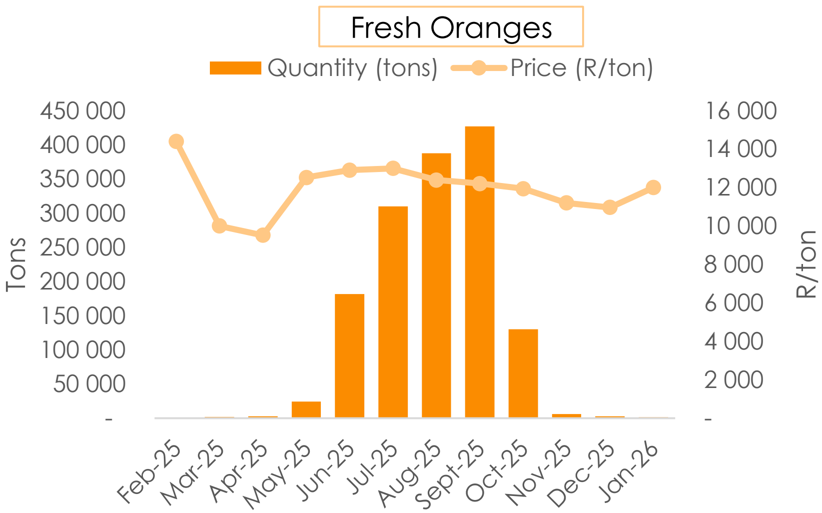
- Peak export volumes (Apr–Jun) align with Western Cape harvest conditions and strong EU/UK seasonal demand cycles
- Mid-year export strength supported by stable global logistics recovery following earlier supply chain disruptions (post-COVID-19 pandemic)
- Late-year volume decline reflects seasonal supply constraints, with additional pressure from rising input costs linked to global energy and fertilizer markets (e.g. Russia–Ukraine war)

- Peak exports (Apr–Jun) coincide with harvest timing and strong Northern Hemisphere demand.
- Stable mid-year prices indicate steady export demand and efficient market absorption.
- Late-season volatility reflects tightening supply and changing export market conditions.

Source: ITC Trade Map

Export Price and Volume Trends:
Fresh Grapes and Oranges (Rolling 12-Month)





- Early-season export volumes reflect Western Cape harvest timing and strong initial demand from EU and UK markets.
- Price volatility during the season reflects supply timing shifts and sensitivity to export market conditions.
- Late-season volume recovery and price strengthening suggest improved demand conditions and tighter global supply.

- Export peaks align with citrus harvest and strong international demand cycles.
- Stable prices indicate consistent demand and efficient export logistics.
- End-season declines reflect harvest completion, with prices remaining supported.

Source: ITC Trade Map

‘Take away points’

- **Agriculture emerged as a key growth driver in 2025**, significantly outperforming the rest of the economy and increasing its contribution to GDP.
- **The Western Cape maintains a structurally higher agricultural GDP share** than the national average, supported by its diversified, export-oriented production base.
- **Cost pressures have eased from 2022–2023 peaks**, but price volatility remains elevated across fuel, fertiliser, and imported inputs.
- **Upstream price movements do not pass through evenly or immediately**, implying delayed and uneven impacts on producer margins and consumer food prices.
- **Agriculture’s performance helped cushion broader economic weakness**, reinforcing its role as a stabilising sector in periods of slow growth.

On the radar for the week ahead

- **Oil prices and the exchange rate**

Ongoing tensions in the Middle East and uncertainty around global oil supply continue to drive volatility, while a weaker rand amplifies fuel cost pressures locally.

- **Fertiliser markets (especially urea)**

Rising natural gas prices and supply disruptions linked to geopolitical tensions (Middle East and Black Sea region) are sustaining volatility in global fertiliser markets.

- **Export demand conditions for horticulture**

Slower economic growth in the EU and UK, combined with shifting demand patterns in Asia and ongoing global shipping constraints, are influencing export volumes and prices.

- **Food inflation signals**

Recent food price movements reflect earlier increases in fuel, fertiliser and logistics costs, with potential delayed pass-through still filtering into consumer prices.

- **Weather conditions ahead of the next production cycle**

El Niño-related weather risks and uneven rainfall patterns across South Africa may affect planting conditions, yields and short-term price expectations.

Thank you

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