



**Western Cape  
Government**

Agriculture

**FOR YOU**



Western Cape Department of  
Agriculture

# **WESTERN CAPE AGRICULTURAL PRICE TRACKER**

How global shocks are  
driving local agricultural  
costs

*Driven by fuel, logistics and  
global risks*

1 June 2026

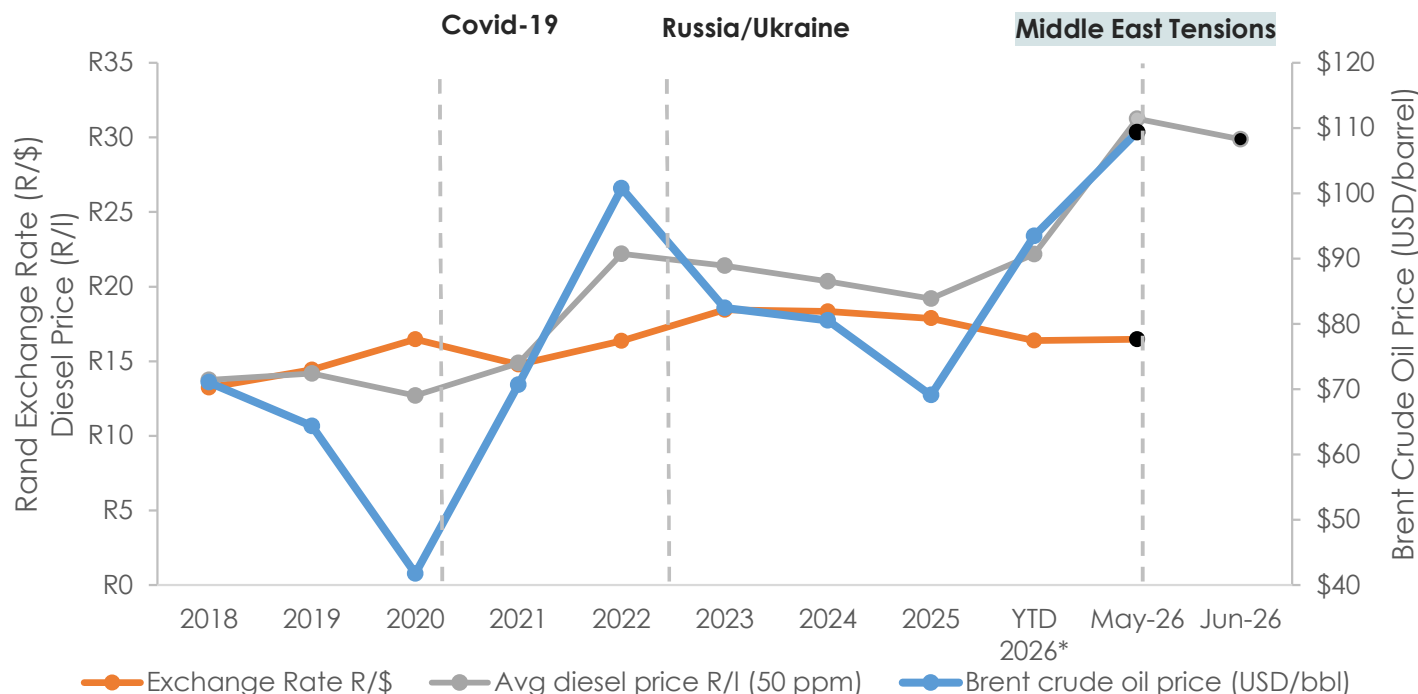
# PRESENTATION OUTLINE

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- **Market Drivers (*What is driving costs*)**
- **Consumer Level (*CPI – Impact on households*)**
- **Trade Movements (*Price and volume trends*)**
- **Take away points**
- **On the radar (*Week ahead*)**
- **News**



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

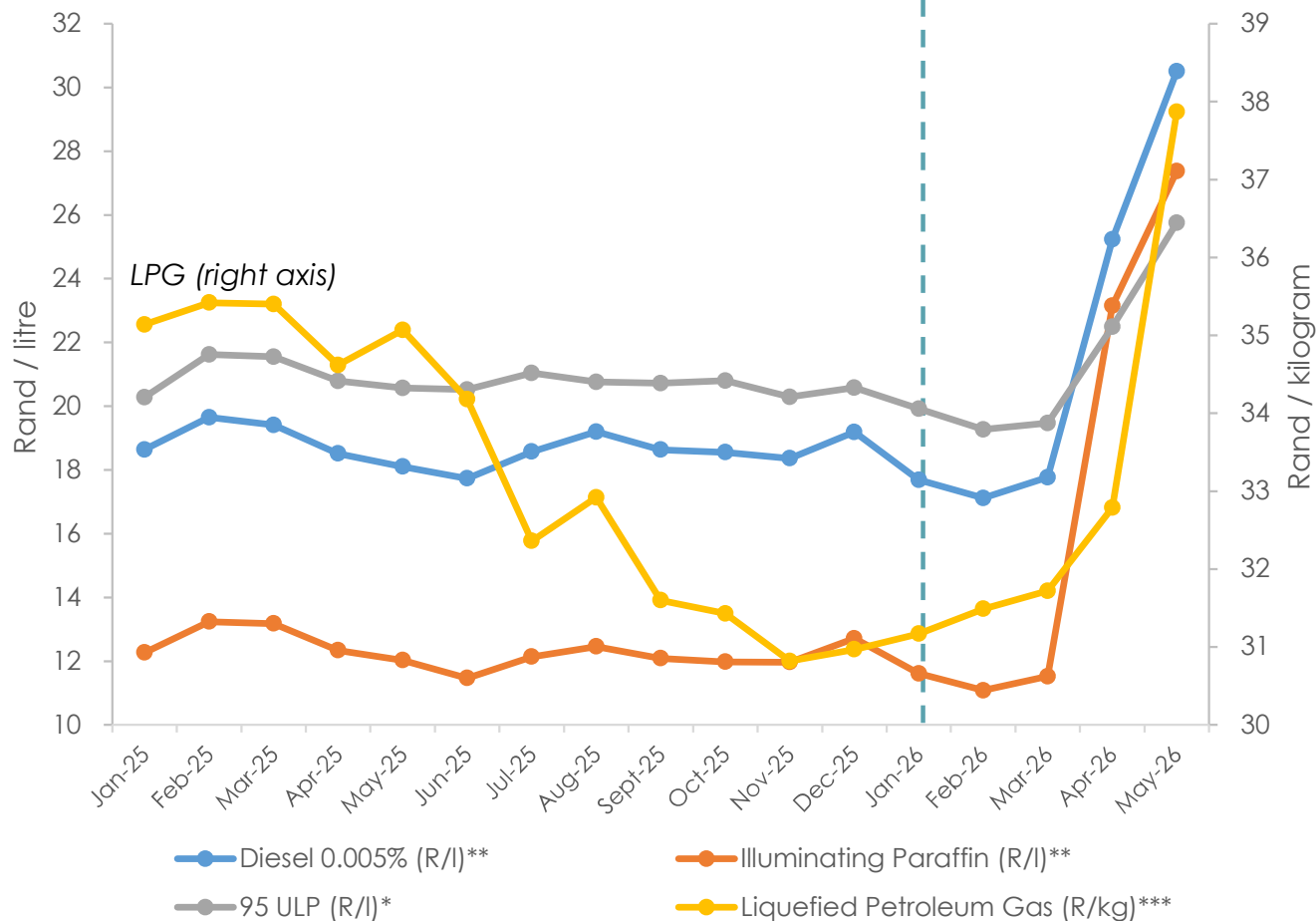


🌍 Global shocks (Covid-19, Russia-Ukraine war, and Middle East tensions) have contributed to persistent volatility and elevated oil and fuel prices since 2019.

🛢️ Diesel prices increased sharply in April–May 2026, reaching R30–R32 per litre, significantly raising on-farm production and logistics costs.

📉 Some diesel price relief is expected to be realised in June, although overall cost levels remain elevated.

# Coastal Fuel Price Trends: Diesel, Petrol, Paraffin and Gas (LPG) Jan 2025 – May 2026



Notes:

- Retail Price for Petrol \*

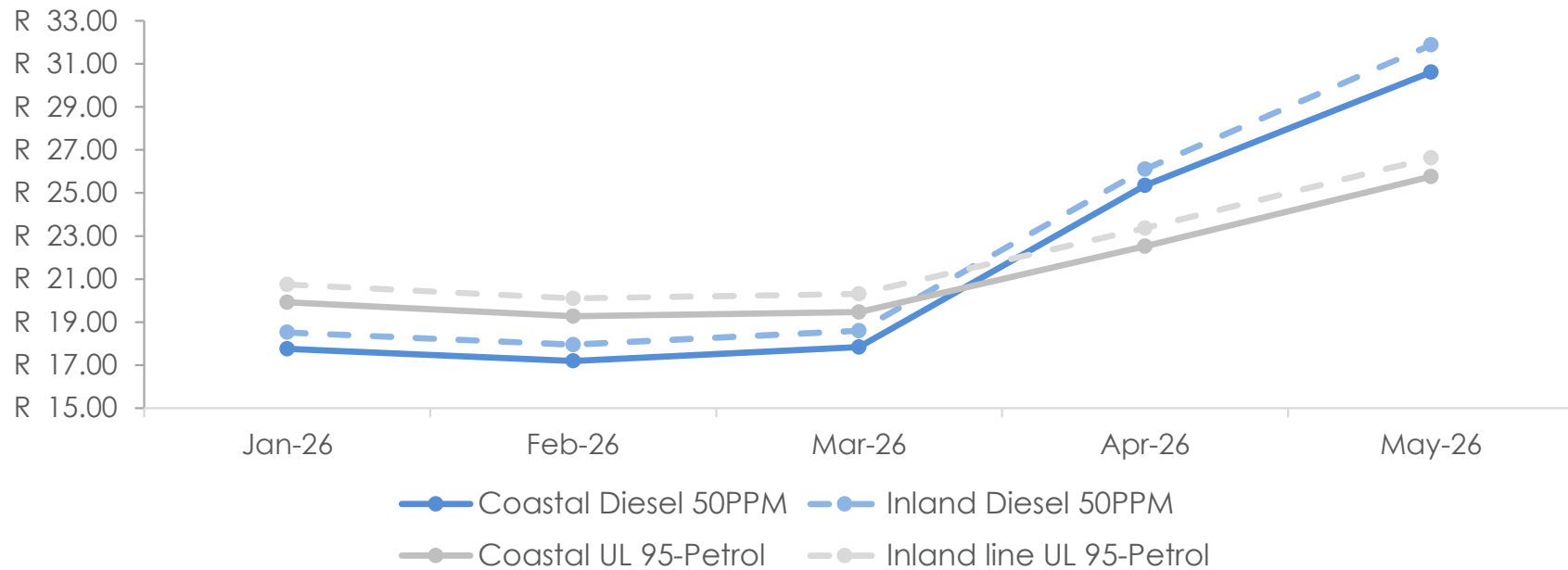
- Wholesale List Price for Diesel & IP \*\*

- Maximum Retail Price for LPG \*\*\*

Detailed coastal June 2026 fuel price data pending release.

- **Fuel prices declined through most of 2025 but rose sharply from April 2026**, increasing inflationary and economy-wide cost pressures.
- **Lower diesel prices eased agricultural production and distribution costs in 2025**, while recent increases are likely to place renewed pressure on food production costs in 2026.
- **Household fuel costs moderated during most of 2025**, but recent volatility in LPG and paraffin prices may increase cost-of-living pressures, particularly for lower-income households.

## 2026 Fuel Price Trends: Diesel and Petrol



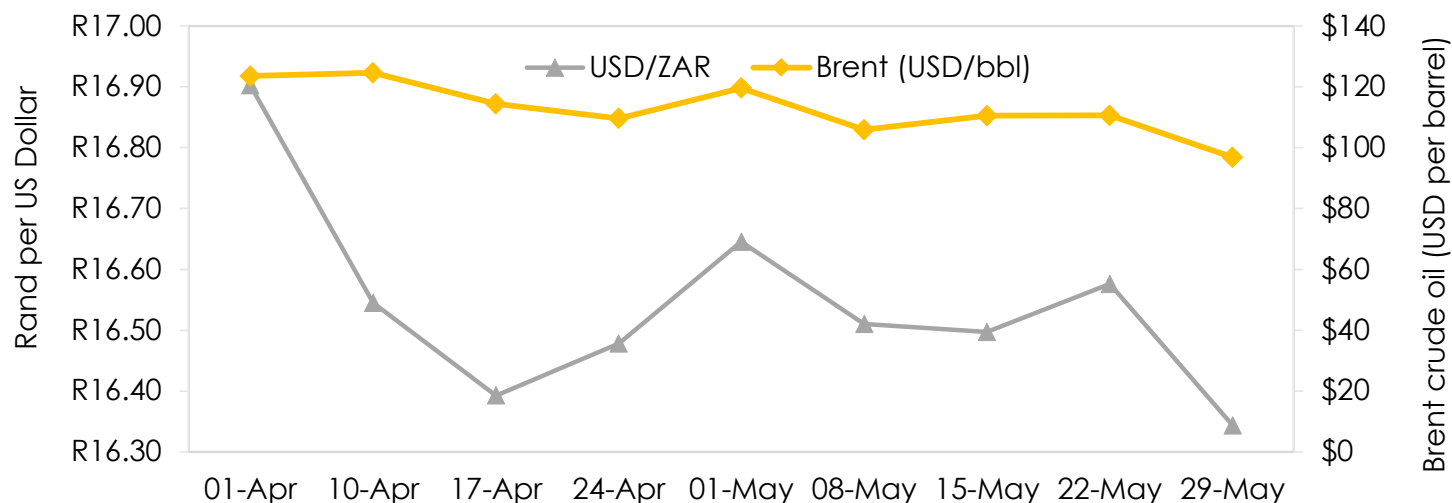
 Fuel prices have risen sharply since March, with diesel increases outpacing petrol and driving a step-change in cost pressures.

 Inland prices continue to trade above coastal levels, reinforcing higher transport and logistics costs across value chains.

 The rapid April–May escalation signals renewed cost risk, particularly for fuel-intensive and transport-dependent agricultural activities.

*Note: Detailed inland/coastal June 2026 fuel price data pending release.*

## Weekly Brent crude prices and USD/ZAR exchange rate



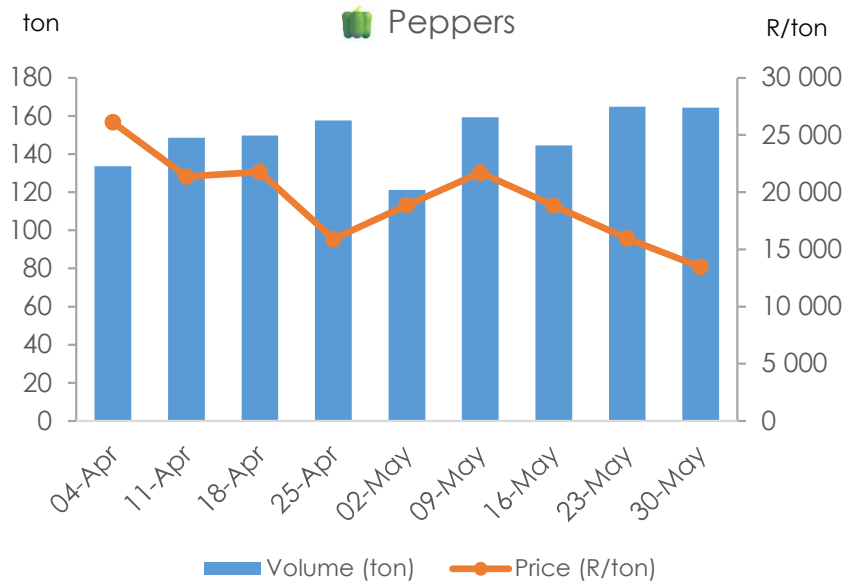
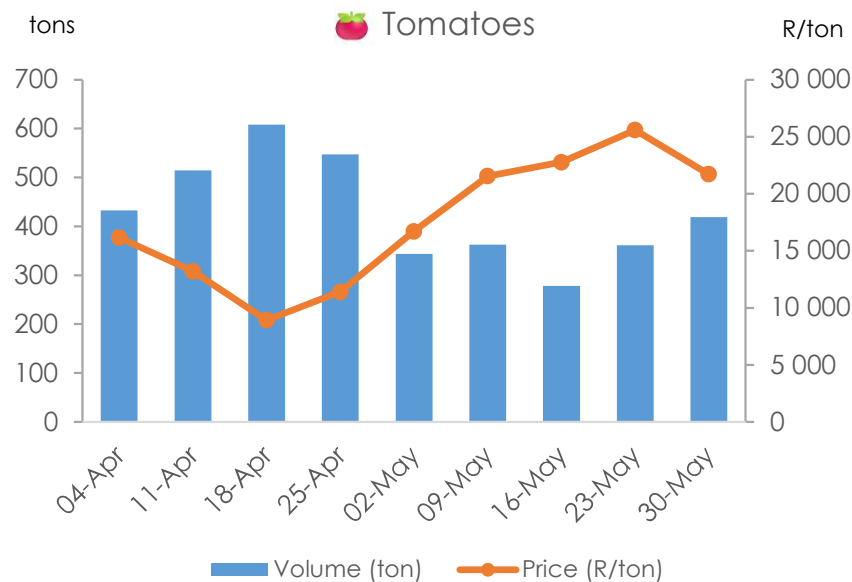
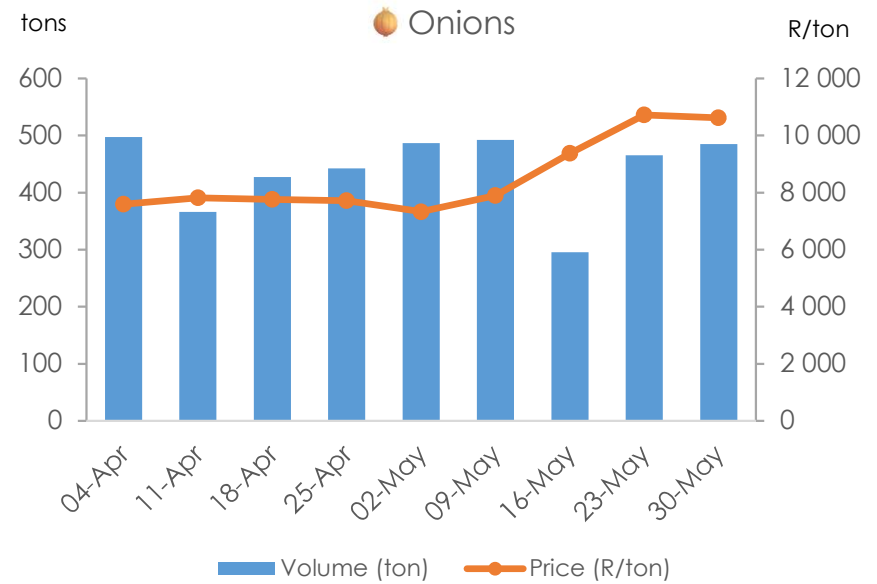
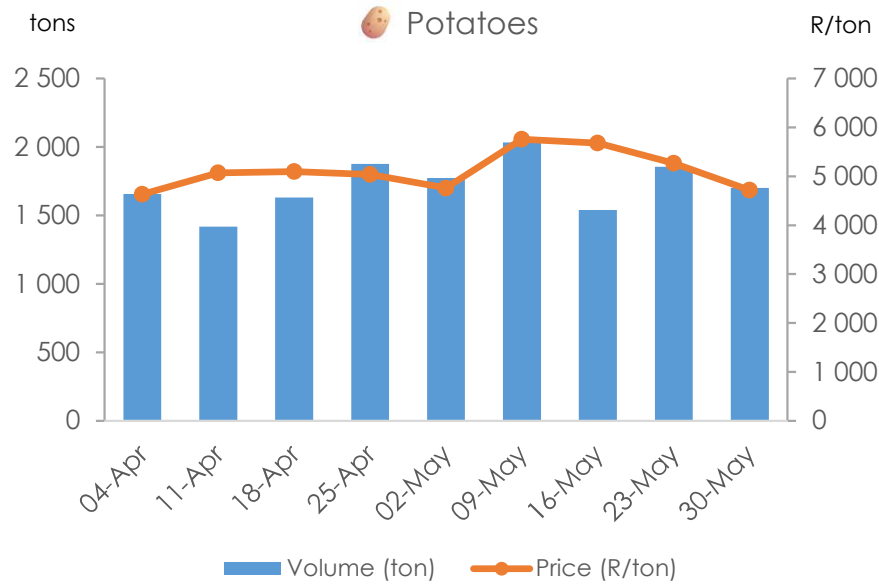
▼ Brent crude prices declined sharply during the past week, averaging approximately US\$97 per barrel, falling from above US\$100 to around US\$92 per barrel by week-end following mid-May volatility.

📍 The USD/ZAR exchange rate remained relatively stable, averaging around R16.50 per US dollar, with modest intra-week fluctuations.

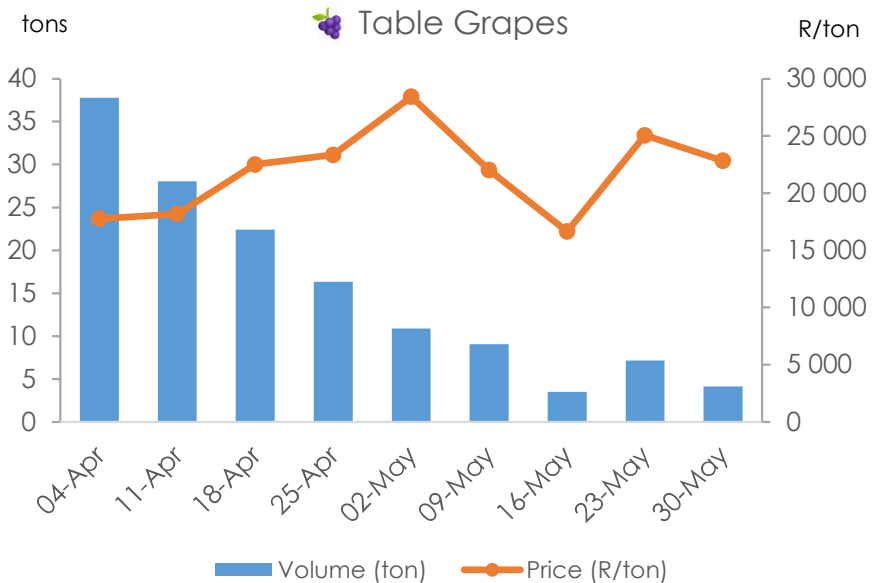
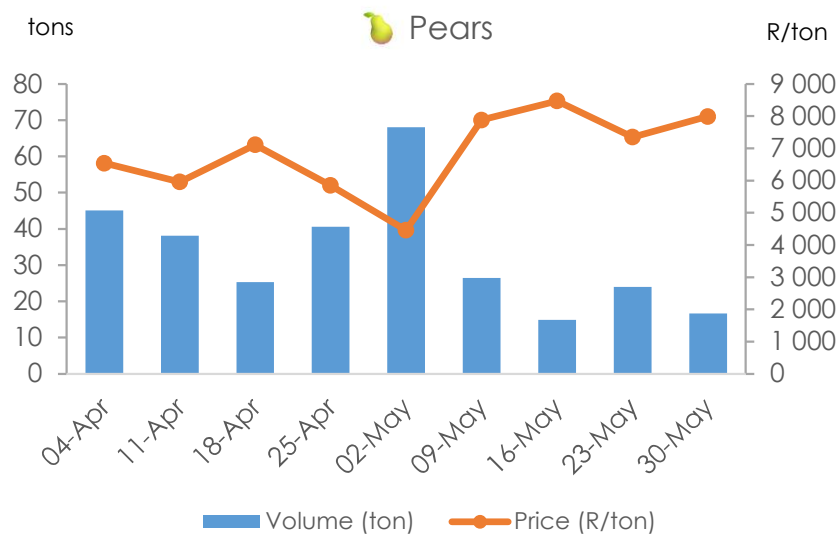
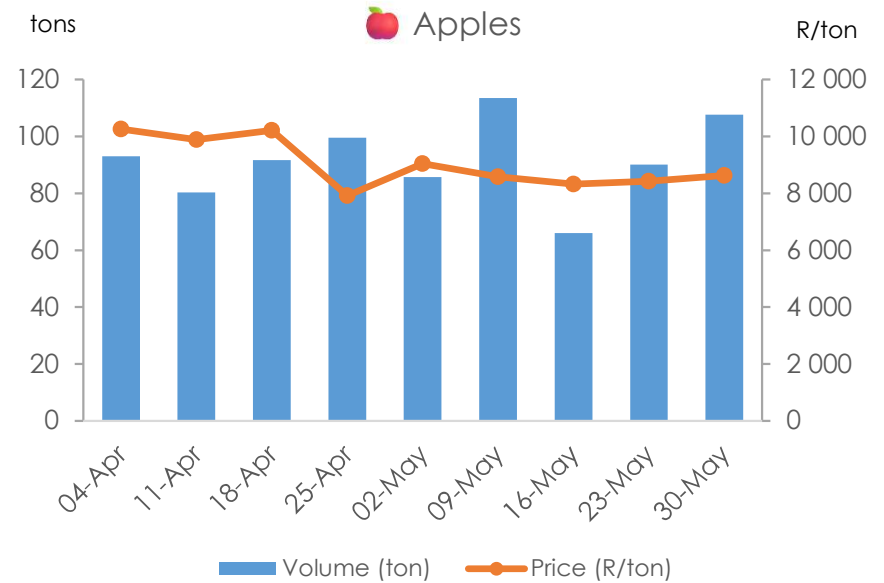
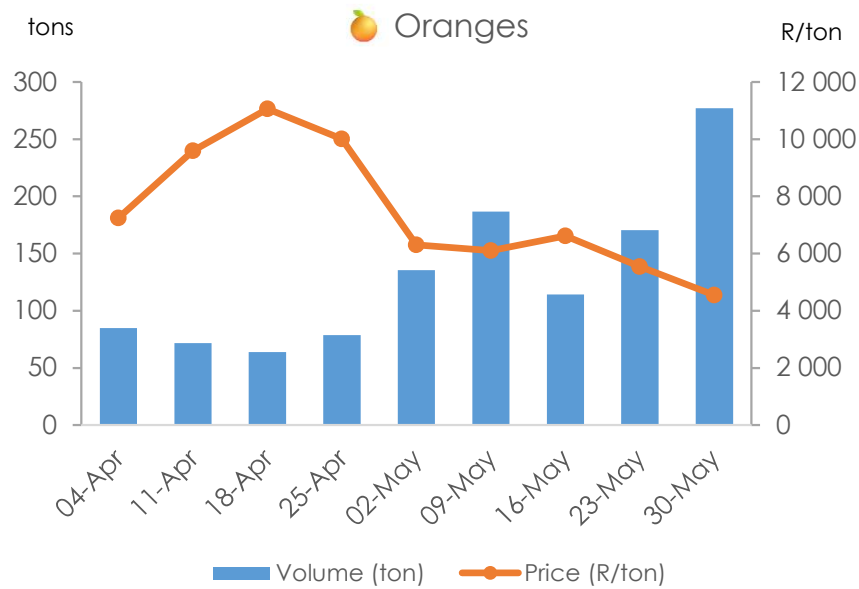
📉 Compared with mid-April 2026, Brent prices remain elevated. The recent price decline, together with a relatively stable rand, has helped to ease fuel cost pressures.

*Note: EIA Europe Brent spot price data for the week ending 29 May 2026 were not yet available at the time of reporting. The latest weekly value is based on ICE Brent futures prices (Investing.com) and will be updated once EIA data are released.*

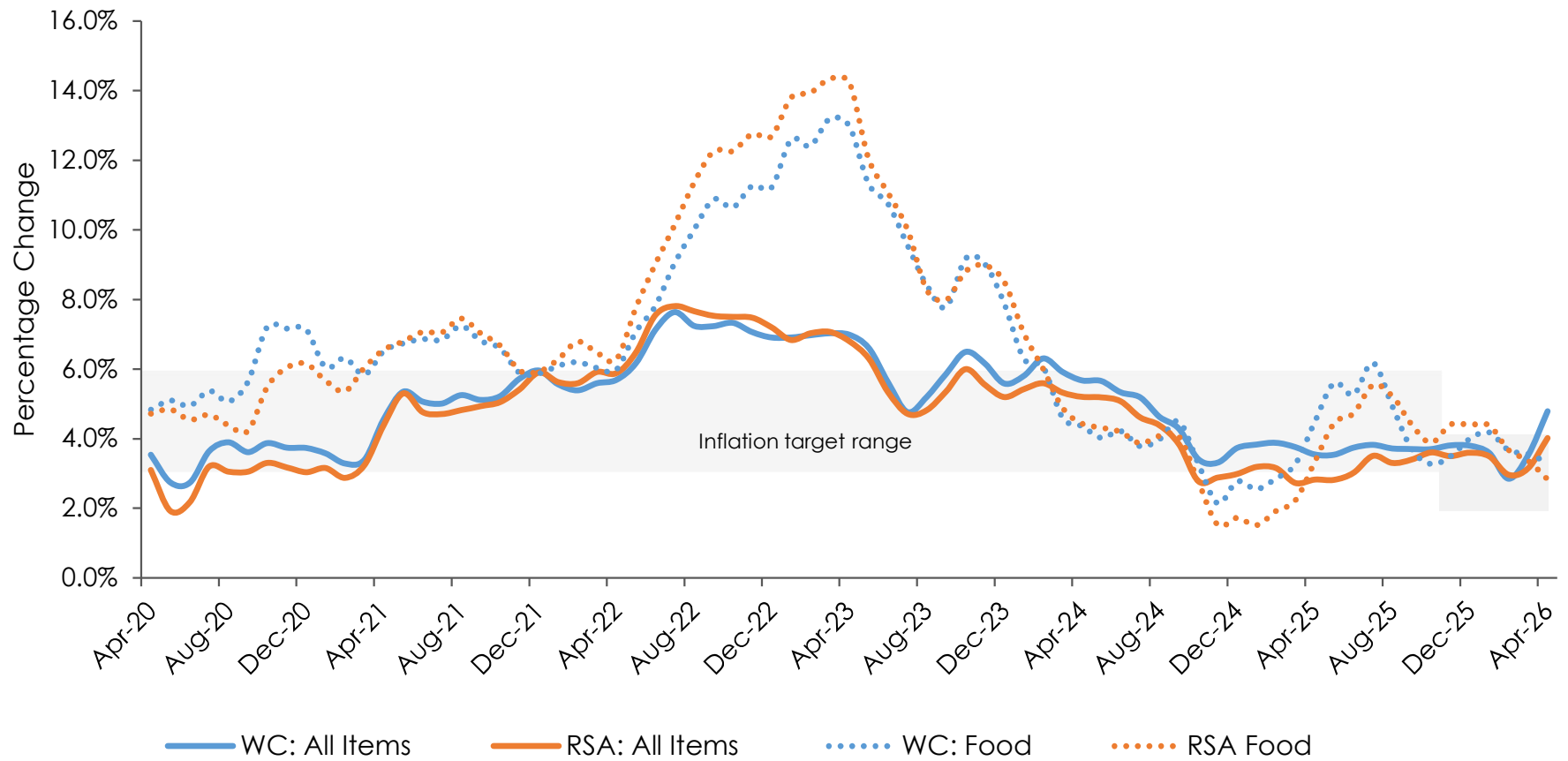
# Cape Town Fresh Produce Market: Selected Vegetables Exported to the Middle East



# Cape Town Fresh Produce Market: Selected Fruit Exported to the Middle East

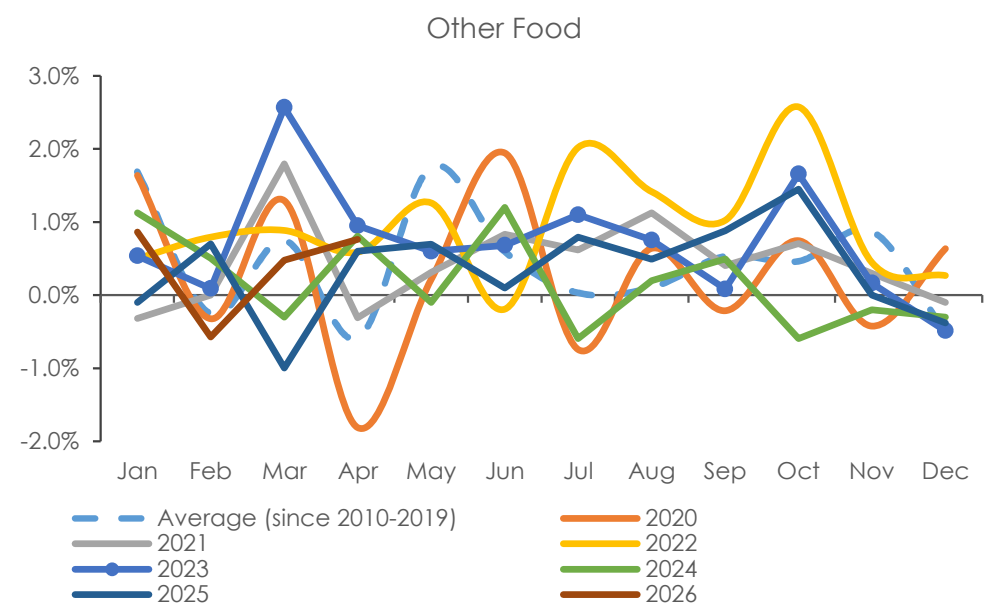
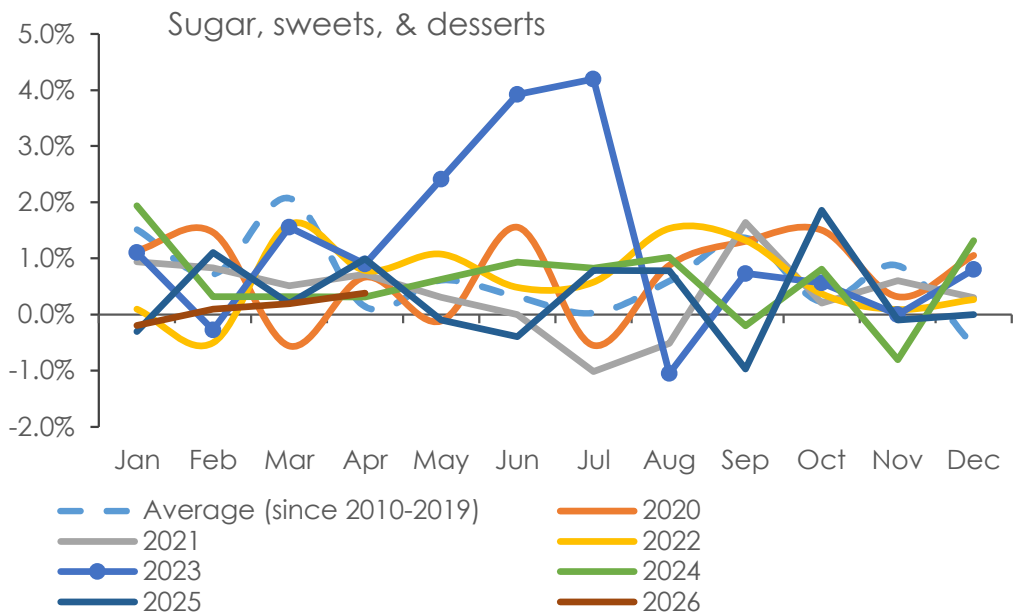
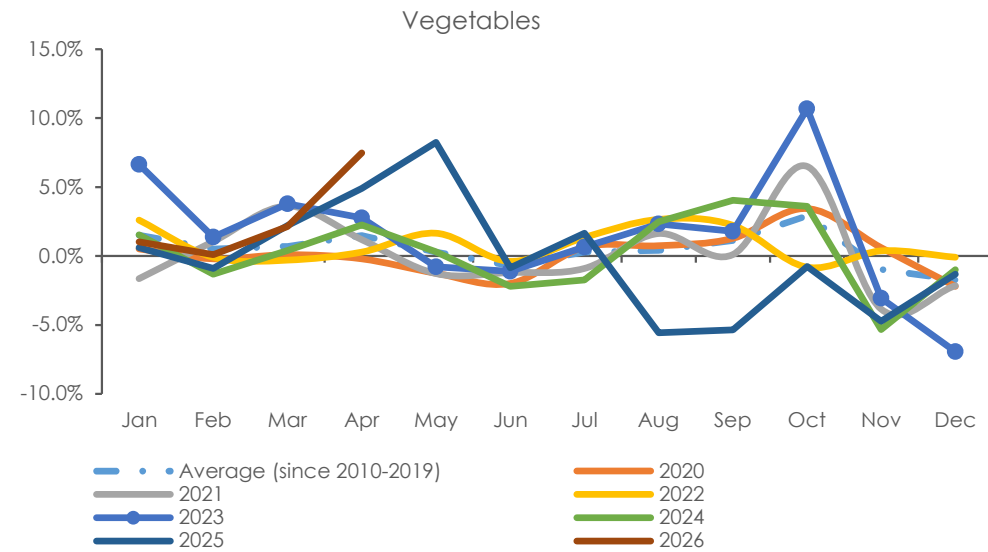
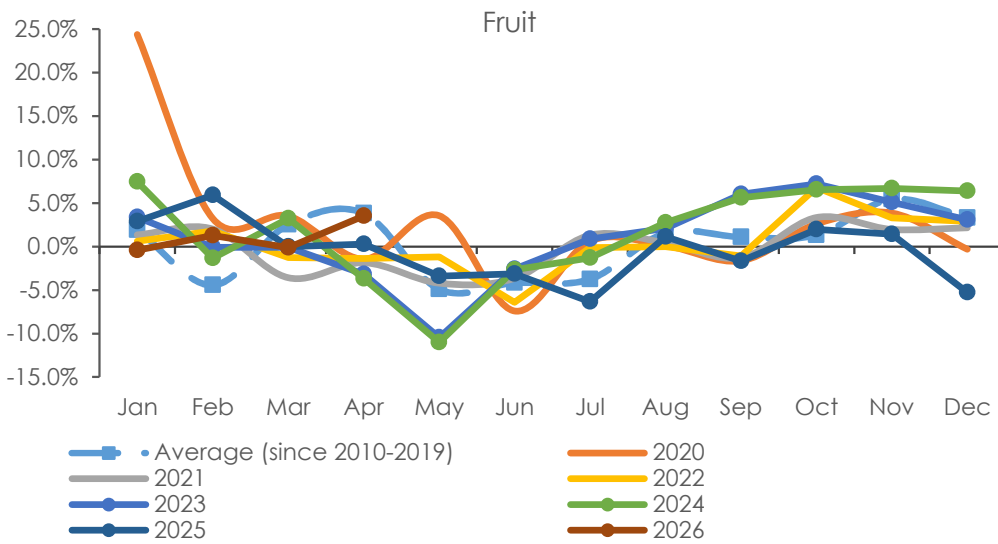


# CPI inflation (y/y): All items and food



# SELECTED PRODUCTS AVERAGE CONSUMER INDEX PRICE CHANGES

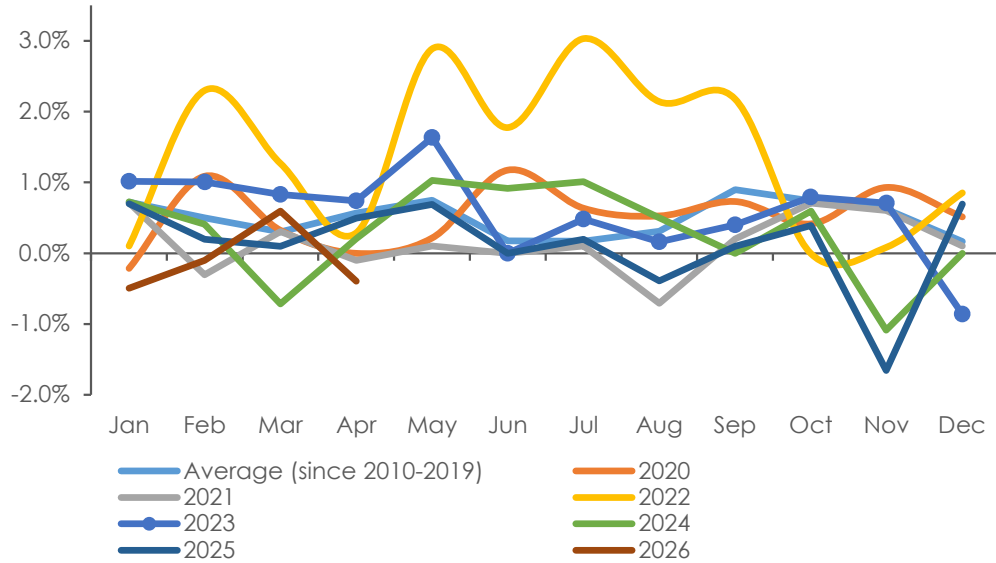
## Month-on-month (%)



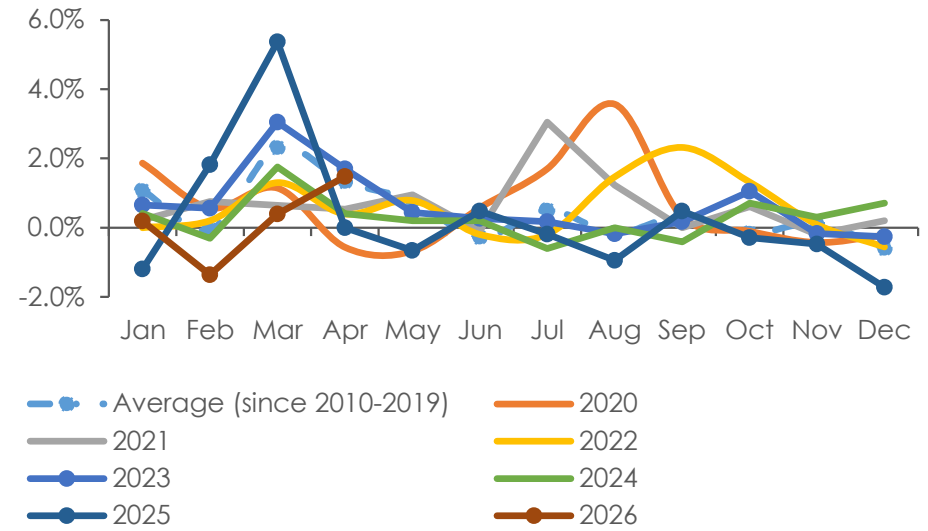
# SELECTED PRODUCTS AVERAGE CONSUMER INDEX PRICE CHANGES (CONTINUE)

## Month-on-month (%)

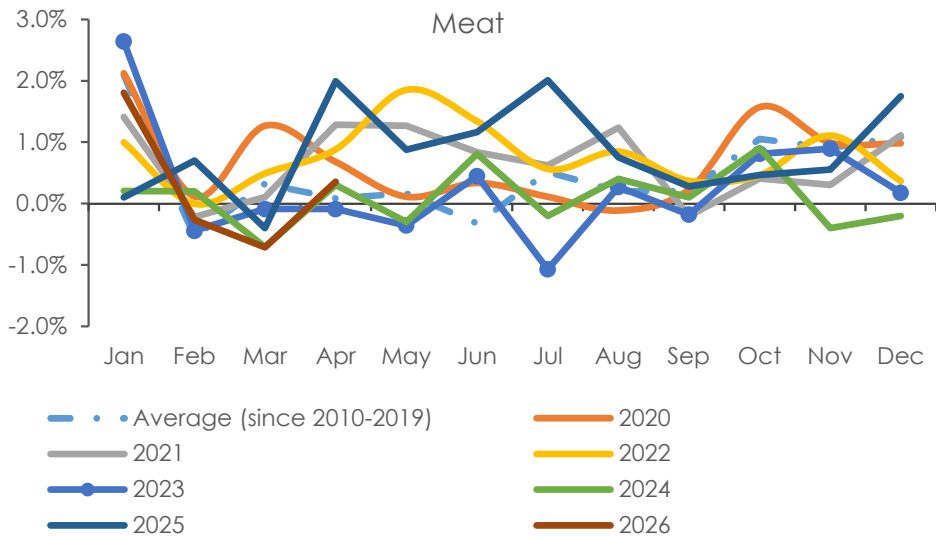
Bread & Cereal



Wine



Meat



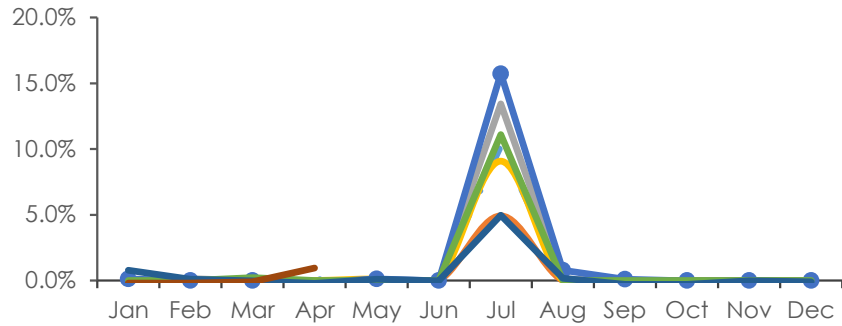
# Absolute Prices (Monthly): All Urban at national level

## Food Basket for South African Consumers

Product Purchased	Unit of Measure	Apr-25	Jan-26	Feb-26	Mar-26	Apr-26	M-on-M(%)	Y-on-Y (%)
Bread flour	2.5 Kilogram	R46.65	R46.65	R46.68	R46.84	R46.91	0%	1%
Maize meal	5 Kilogram	R77.55	R70.97	R72.59	R69.52	R68.88	-1%	-11%
Brown bread	700 Gram	R17.48	R17.58	R17.54	R17.49	R17.57	0%	1%
IQF Chicken portions	2 Kilogram	R95.81	R102.10	R102.69	R102.08	R101.80	0%	6%
Low fat milk - fresh	2 Litre	R35.68	R35.67	R36.02	R35.89	R36.12	1%	1%
Sunflower-seed oil (cooking oil)	2 Litre	R80.59	R83.18	R82.79	R82.45	R83.23	1%	3%
Oranges - Fresh	Per Kilogram	R31.17	R28.69	R30.53	R32.56	R28.24	-13%	-9%
Apples - fresh	1 Unit	R4.95	R5.27	R5.33	R5.21	R5.26	1%	6%
Cabbages-fresh (green & red)	Each	R23.50	R19.32	R19.68	R21.22	R21.86	3%	-7%
Green/red/yellow pepper - fresh	Per Kilogram	R56.50	R61.24	R58.35	R59.65	R63.83	7%	13%
Tomatoes - fresh	1 Kilogram	R32.95	R25.97	R27.00	R29.44	R31.79	8%	-4%
Carrots - fresh	1 Kilogram	R19.40	R15.73	R15.64	R15.97	R17.14	7%	-12%
Onions - fresh	1 Kilogram	R23.01	R21.97	R21.57	R22.37	R25.68	15%	12%
Potatoes - fresh	2 Kilogram	R45.09	R38.24	R37.81	R37.18	R37.45	1%	-17%
White sugar	1 Kilogram	R34.03	R34.39	R34.48	R34.44	R34.55	0%	2%
Instant coffee	750 Gram	R158.84	R167.26	R165.82	R167.35	R167.00	0%	5%

# Western Cape Consumers: Electricity, Gas, & other fuels, Transport, and Energy Month-on-month (%)

Electricity, gas & other fuels



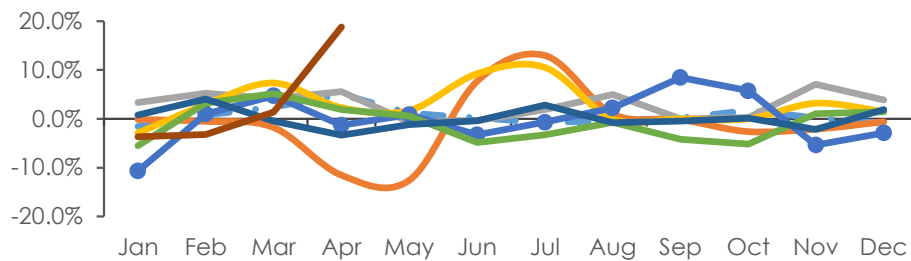
● Average (since 2010-2019)  
 — 2021  
 ● 2023  
 — 2025  
 — 2020  
 — 2022  
 — 2024  
 — 2026

Transport



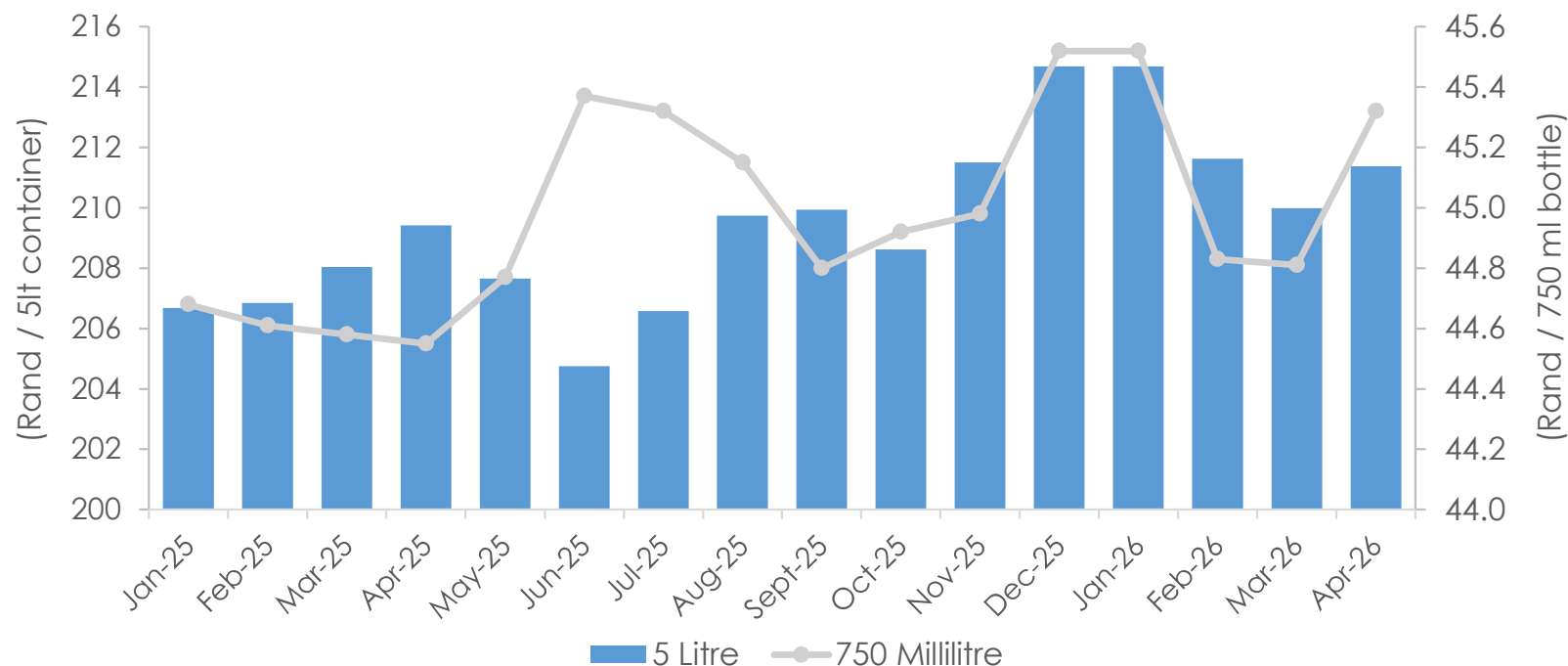
● Average (since 2010-2019)  
 — 2021  
 ● 2023  
 — 2025  
 — 2020  
 — 2022  
 — 2024  
 — 2026

Energy



● Average (since 2010-2019)  
 — 2021  
 ● 2023  
 — 2025  
 — 2020  
 — 2022  
 — 2024  
 — 2026

# Paraffin Prices for Consumers (Urban SA): Monthly Trends by Pack Size Jan 2025 – Apr 2026



- Around 2–3% of South African households still rely on paraffin as a primary energy source, with usage concentrated among low-income urban and informal households, including in the Western Cape.
- Paraffin prices for a 5-litre container increased from about R207 in early 2025 to around R215 by early 2026, directly raising cooking and heating costs for low-income households in the province.

# Middle East Trading Countries



- Bahrain
- Egypt
- Iran
- Iraq
- Israel
- Jordan
- Kuwait
- Lebanon
- Oman
- Palestinian Territory, Occupied
- Qatar
- Saudi Arabia
- Syrian Arab Republic
- Turkey
- United Arab Emirates
- Yemen

# South Africa Exports to the Middle East Ranked by March 2026 Value (High to low Value)

Description	Value (% YoY Change: 2026 vs 2025)			Volume (% YoY Change: 2026 vs 2025)		
	January	February	March	January	February	March
H08: Fruit & Nuts	-1.9%	20.2%	-28.4%	13.7%	24.0%	-27.0%
H02: Meat & Offal	-41.6%	-10.7%	-56.2%	-42.0%	-22.7%	-62.5%
H20: Processed Fruit & Veg	-71.0%	-50.7%	-69.1%	-17.8%	-24.6%	-53.2%
H22: Beverages	-65.2%	19.7%	-91.7%	n/a	n/a	n/a
H04: Dairy	-73.3%	-6.4%	-83.1%	-70.2%	4.4%	-80.6%
H24: Tobacco	-100.0%	-96.7%	n/a	-100.0%	-99.9%	n/a
H21: Food Preparations	-0.1%	60.8%	-84.2%	28.2%	79.8%	-77.9%
H12: Oilseeds	-32.2%	12.9%	-82.2%	-33.0%	16.9%	-85.2%
H07: Vegetables	160.8%	12.5%	-75.1%	280.1%	32.7%	-73.2%
H03: Fish & Crustaceans	137.7%	358.0%	100.0%	56.1%	180.0%	88.8%

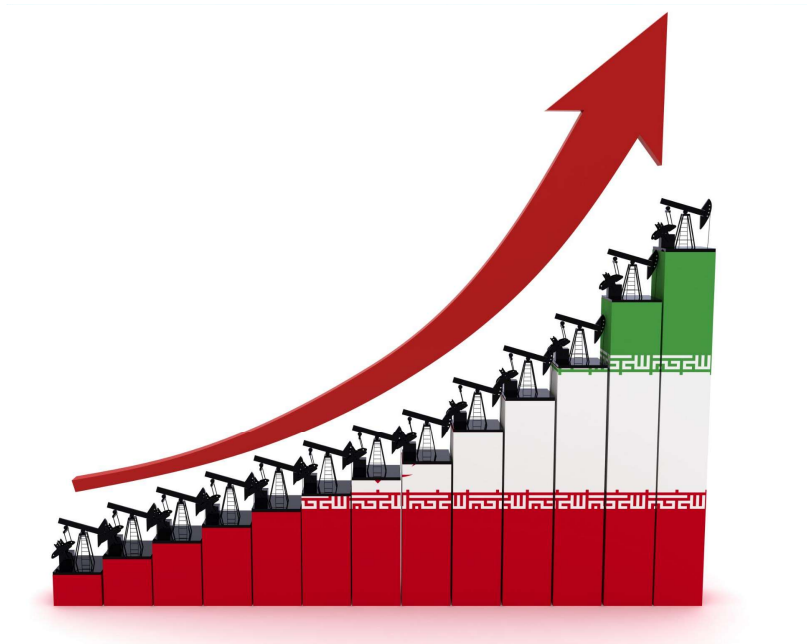
Note: n/a indicates negligible or disrupted trade flows



War Started

## TAKE AWAY MESSAGE:

# From Middle East Tensions to Food and Export Prices



### **Geopolitical Risk and Oil Prices**

Middle East tensions increase uncertainty around oil supply, driving up global crude oil prices and risk premiums.

### **Impact on Agricultural Fuel Costs**

Rising oil prices raise diesel costs, increasing essential on-farm activities and production expenses in agriculture.

### **Transport and Logistics Costs**


Elevated fuel prices hike transport, logistics, and export freight costs, heavily affecting export-focused sectors like horticulture.

### **Resulting Food and Export Price Inflation**

Higher transport and input costs put pressure on prices and squeeze producer margins, with consumer inflation rising gradually rather than immediately.

# On the radar: Week of 1 June 2026


 **Exchange rate:** USD/ZAR is trading around R16.6–R16.7, mostly stable. This helps limit further cost increases but does not offset high global input prices.

 **Oil price:** Brent crude declined during the past week to around USD 92–97/bbl following mid-May volatility. Despite the recent easing, prices remain elevated compared to earlier in 2026, keeping pressure on fuel and logistics costs.

 **Fuel prices (SA):** Diesel prices exceeded R30/litre in May following large increases. Temporary levy relief offers short-term support, but costs remain high and vulnerable as relief is phased out.

 **Export logistics:** High fuel, freight and insurance costs continue to increase export expenses. Most pressure is being absorbed through tighter margins rather than lower export volumes.

 **Weather outlook:** Near-term conditions are supportive but growing El Niño signals for late-2026 increase uncertainty for early production planning and input decisions.

 **Policy watch:** The SARB increased the repo rate by 25 basis points, signalling tighter monetary conditions. Combined with the phased reduction of fuel levy relief from June (ending July 2026), this raises the risk of sustained cost pressures and weaker demand in the agricultural economy.

 **Data watch:** Q2 2026 data releases (including GDP, inflation and agricultural indicators) will become available in the coming weeks and will provide a clearer indication of how recent cost pressures are feeding through the economy.

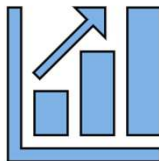
## Western Cape storms cause billions in agricultural losses



<https://www.farmersweekly.co.za/agri-news/south-africa/billions-lost-as-storms-lash-western-cape-farming-areas/>

## SARB raises repo rate by 25bps

<https://businesstech.co.za/news/finance/861838/reserve-bank-hikes-interest-rates-by-25-basis-points/>



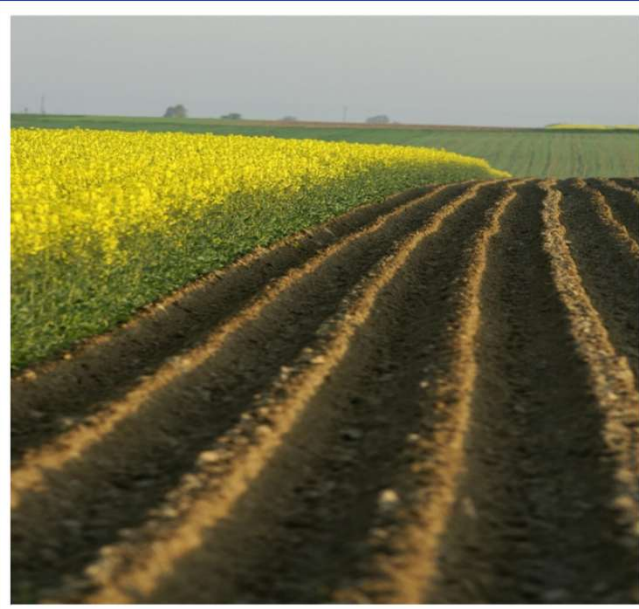
## New EU trade deal could be major blow for SA wine, citrus



## Diesel prices: Expected decrease in June



<https://businesstech.co.za/news/energy/861168/great-news-for-diesel-prices-in-south-africa-for-june/>



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Thank you

Riekie Cloete  
Email: [Riekie.Cloete@westerncape.gov.za](mailto:Riekie.Cloete@westerncape.gov.za)  
Tel no: 021 808 5207