



**Western Cape
Government**

FOR YOU

Agriculture



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*

8 June 2026

PRESENTATION OUTLINE

- **Middle East Geopolitical Tensions: Implications for South Africa**
 - **Key drivers of value chain costs**
- **Consumer Level (CPI – Impact on households)**
- **Trade Movements (Price and volume trends)**
- **Take away points**
- **On the radar (Week ahead)**
- **News**

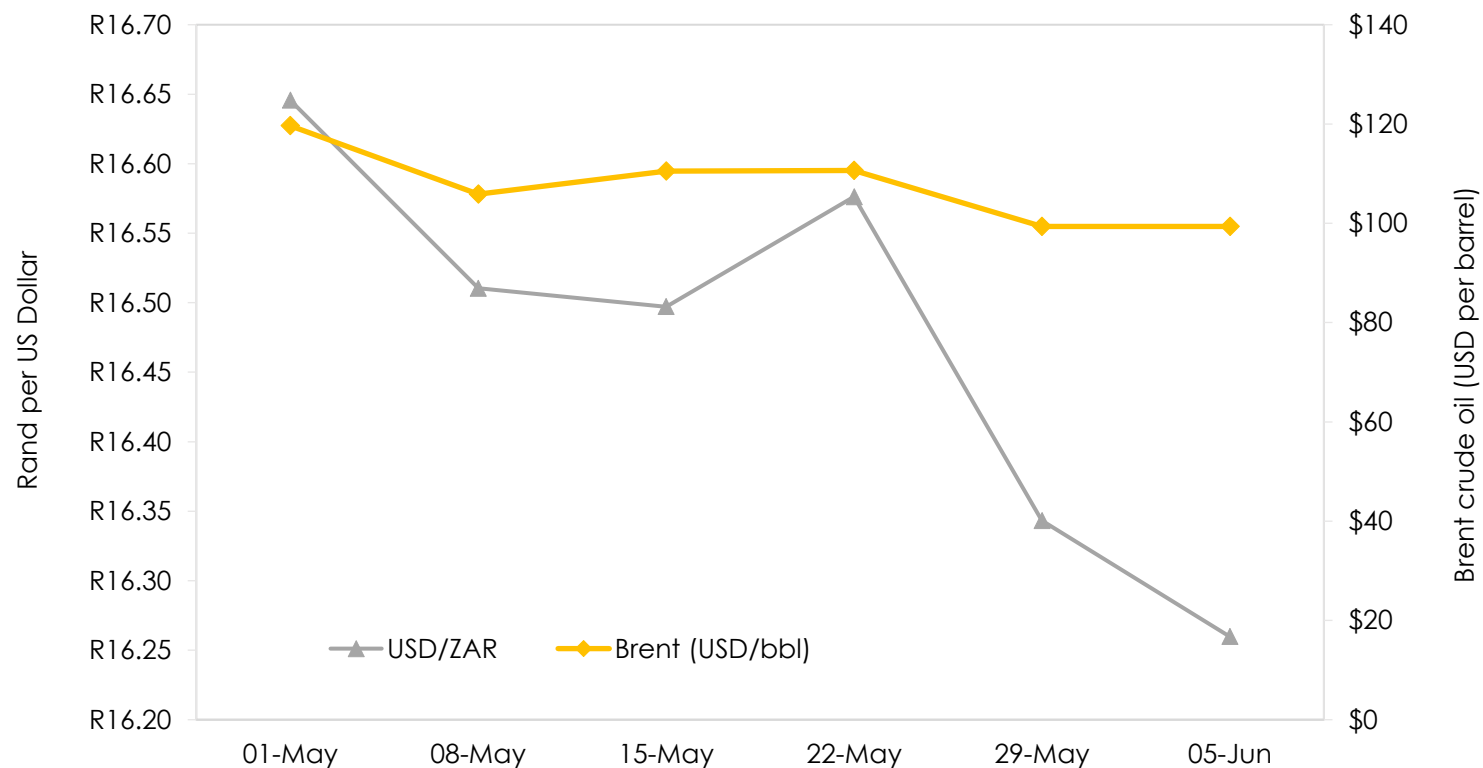


MIDDLE EAST TRADING COUNTRIES



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

WEEKLY BRENT CRUDE PRICES AND USD/ZAR EXCHANGE RATE



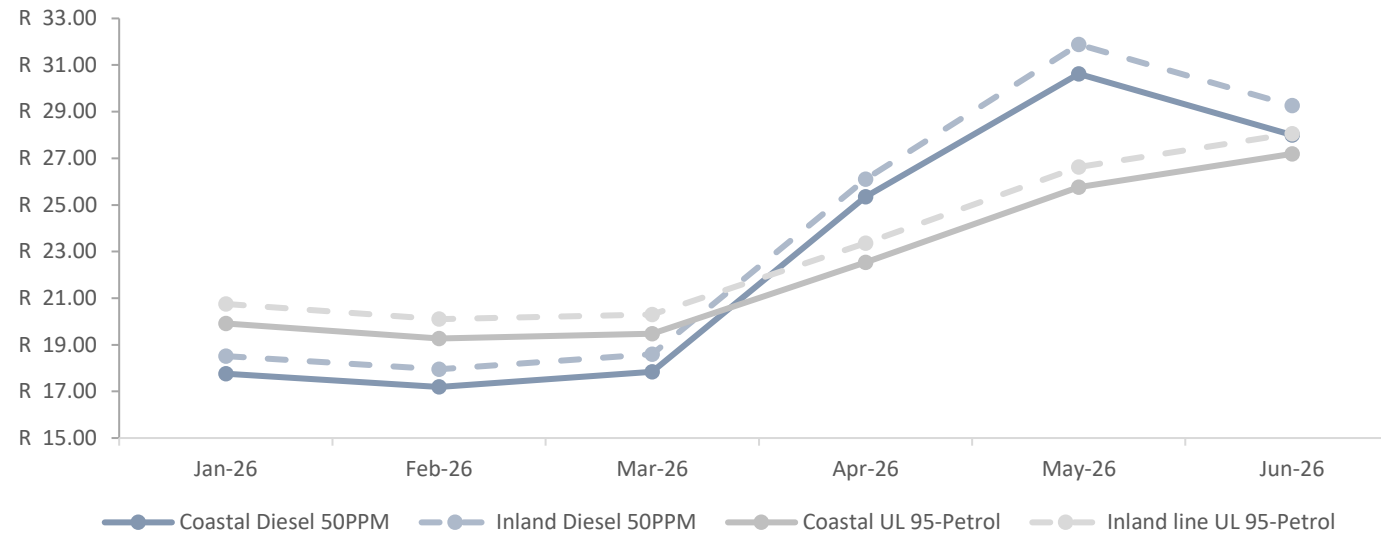
▼ Brent crude prices eased in early June, averaging about US\$97–US\$99 per barrel, down from the early-May peak above US\$100.

⚖️ The USD/ZAR exchange rate remained broadly stable on average R16.5 per US dollar, with limited week-to-week volatility.

🛢️ Despite the recent pullback, Brent prices remain elevated compared to Q1 levels (about \$80/bbl on average), while a stable rand continues to moderate fuel cost pressures.

Source: US Energy Information Administration; South African Reserve Bank; www.countryeconomy.com (latest week's data used for Brent crude)

SOUTH AFRICAN DOMESTIC MARKET FUEL PRICE TRENDS: DIESEL AND PETROL (INLAND AND COASTAL)



WHY ARE INLAND FUEL PRICES HIGHER?

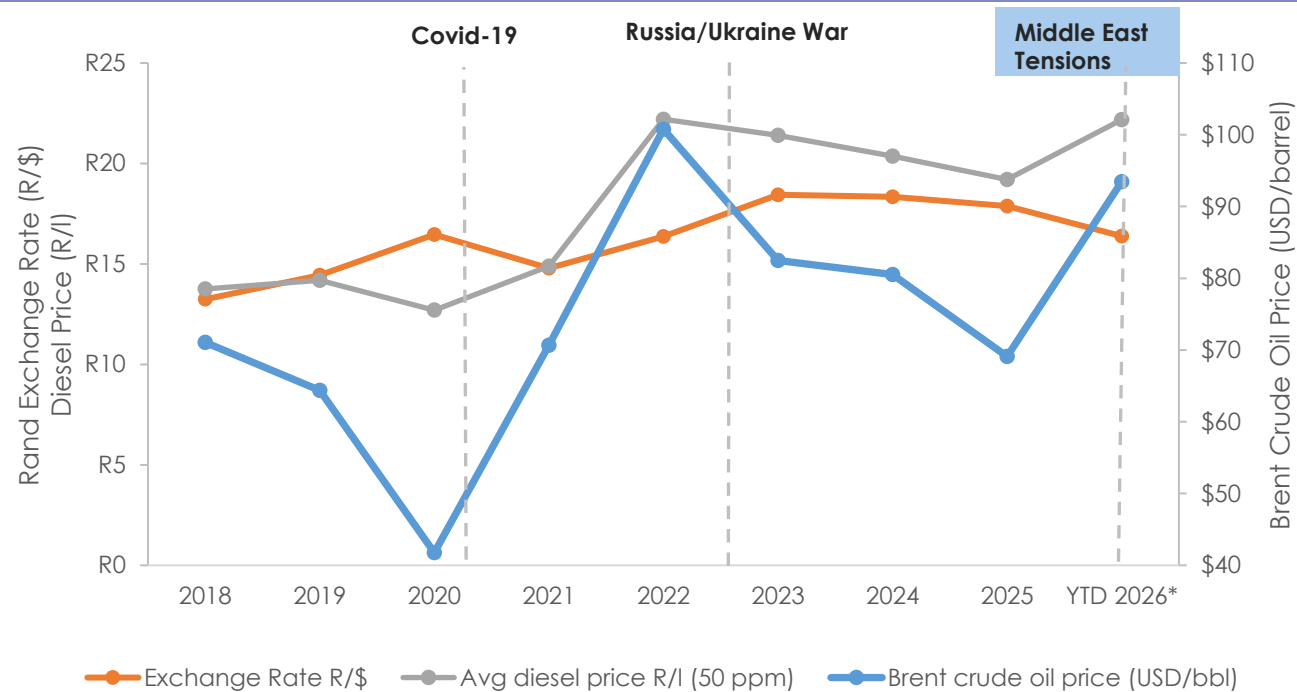


Transport and distribution costs keep inland prices above coastal levels.

 Fuel prices have surged since March, led by diesel, driving a step-change in cost pressures.

 The April–May spike reflects global prices, while June petrol increases were driven by the withdrawal of fuel levy relief, with diesel declining due to lower international prices.

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.

FRESH PRODUCE MARKET PRICES AND CONSUMER INFLATION

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/>

Diesel price drop brings temporary relief to logistics sector

<https://netlogistics.co.za/blog/diesel-price-june-2026-cross-border-freight-costs/>

Diesel Just Dropped R3.25 a Litre

www.netlogistics.co.za



Fuel crisis fears loom over South Africa's citrus season

<https://www.logisticsbusinessafrica.co.za/fuel-crisis-fears-loom-over-south-africas-2026-citrus-season/>

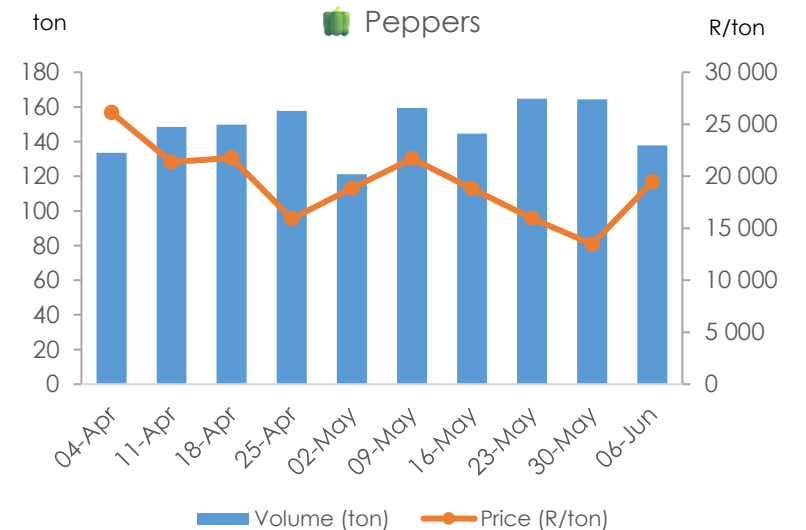
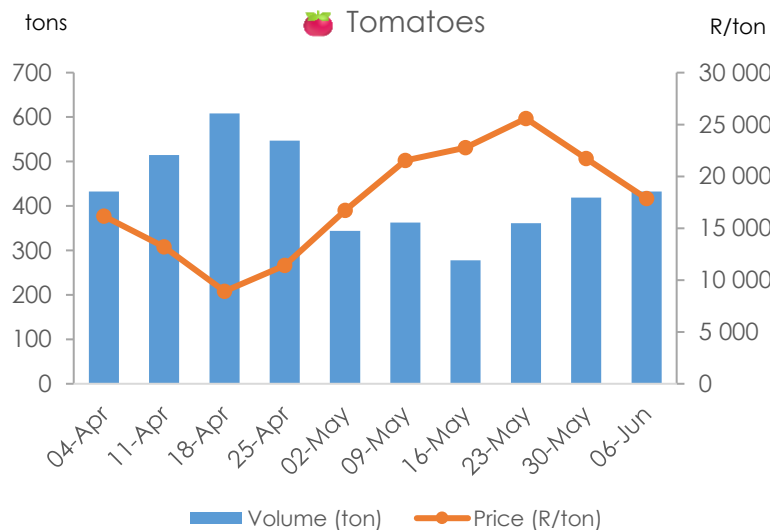
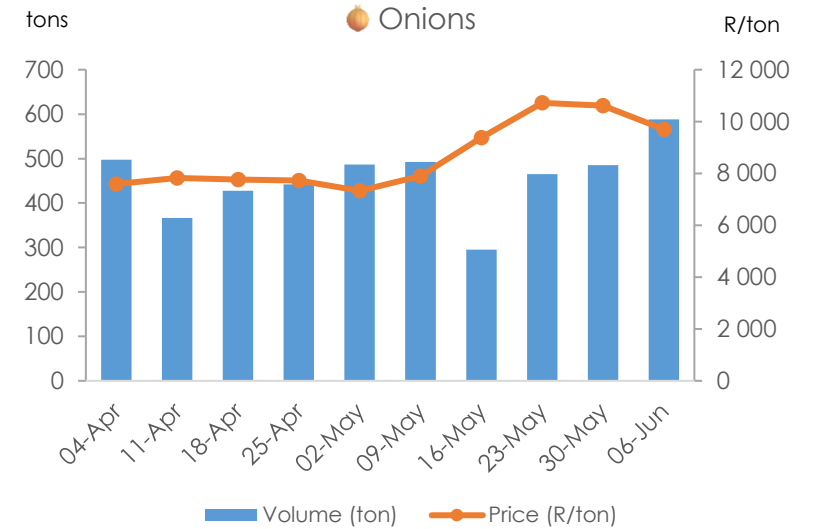
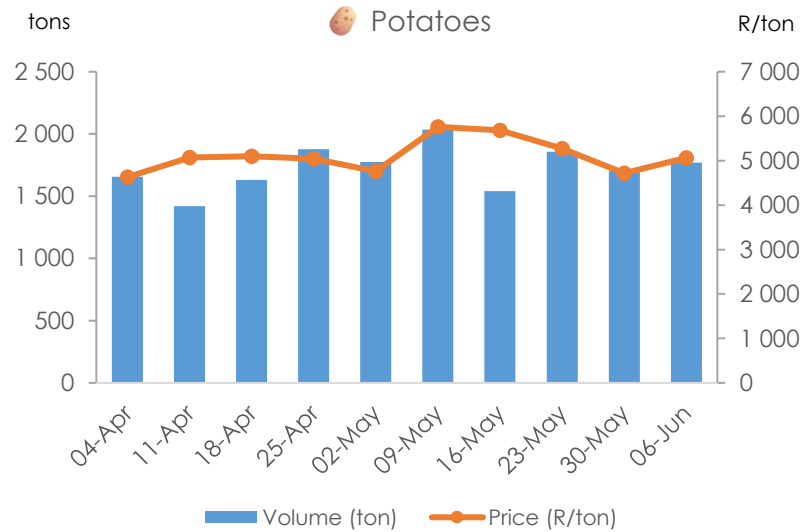




WESTERN CAPE FRESH PRODUCE MARKET: VEGETABLE MARKET TRENDS

From early April to early June, tomato (+45%) and onion (+30%) prices strengthened due to tighter supply, while pepper prices declined by 40% despite stable volumes.

- **Tomato** volumes fell by 25–30% from April to mid-May, pushing prices up to around R26,000 per ton
- **Onion** prices rose by about 30% to R10,000–R11,000 per ton as volumes tightened in May
- **Pepper** prices fell by 40% (R28,000 to R16,000 per ton) despite stable volumes





WESTERN CAPE FRESH PRODUCE MARKET: FRUIT MARKET TRENDS

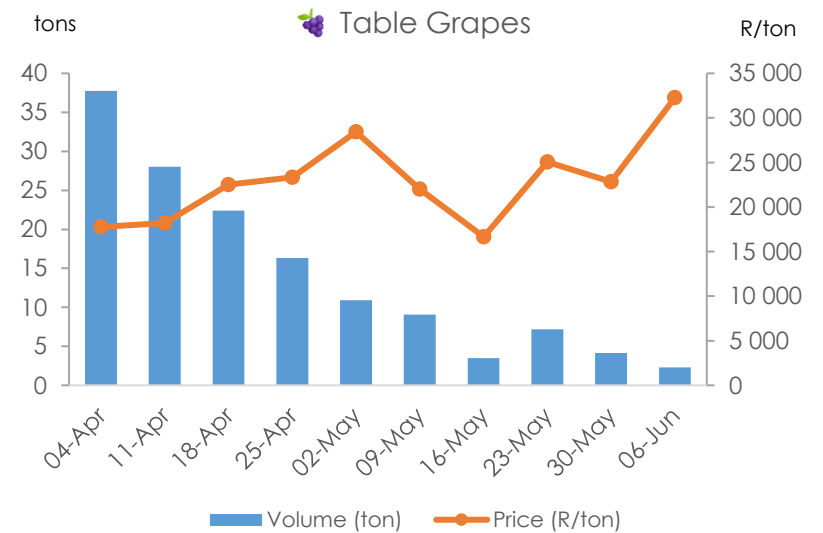
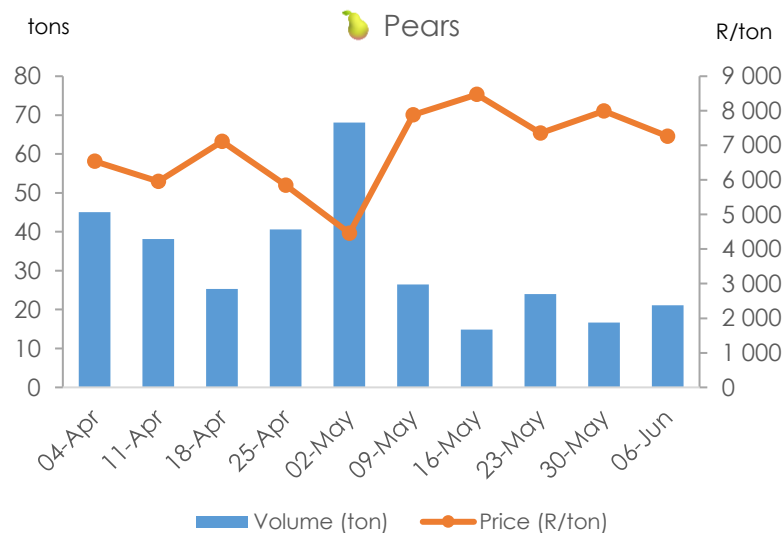
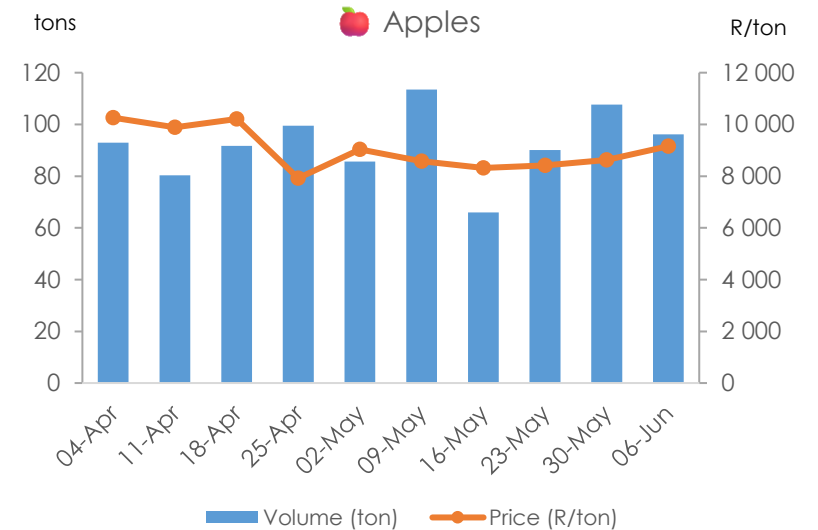
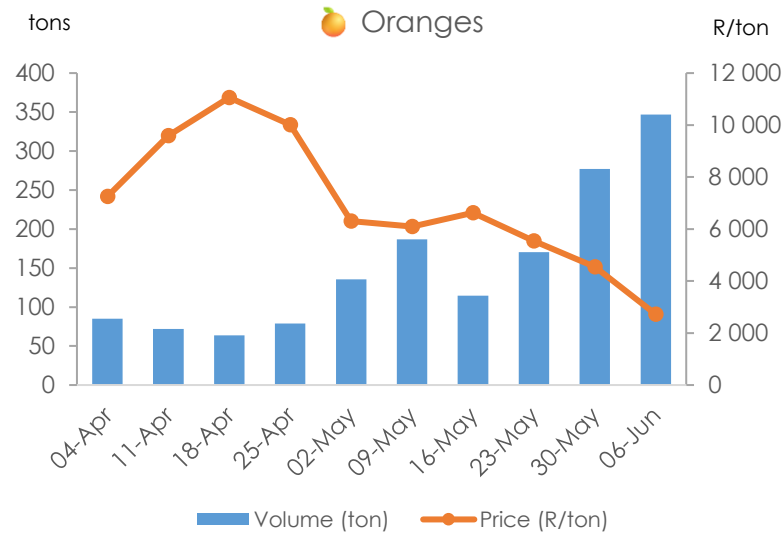
Key insight:

Table grape prices rose by about 60% (R18,000 to above R30,000 per ton) as volumes declined sharply toward the end of the season.

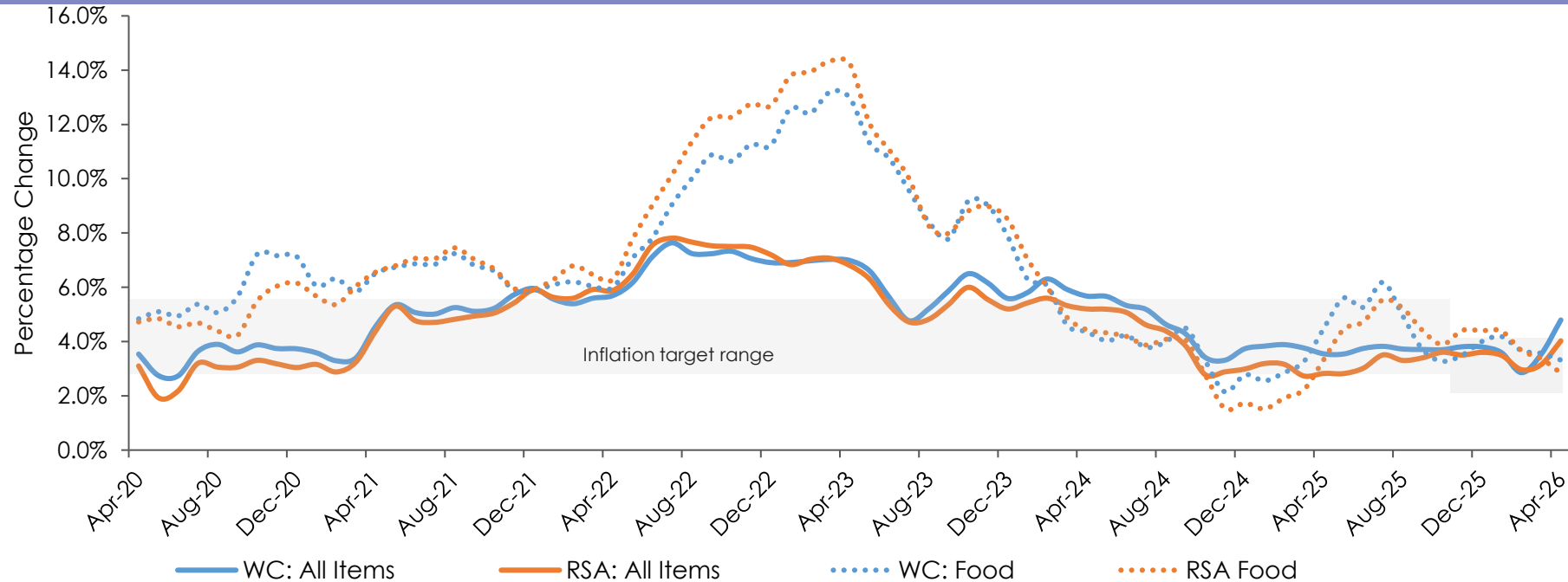
- **Orange** prices declined by about 50% (R10,000 to R4,000 per ton) as volumes increased steadily through May

- **Apple** prices remained relatively stable (R9,000–R11,000 per ton) despite fluctuating volumes

- **Pear** prices increased by about 30% (R5,000 to R8,000 per ton) amid volatile supply



SOUTH AFRICA AND WESTERN CAPE CONSUMER INFLATION : ALL ITEMS AND FOOD



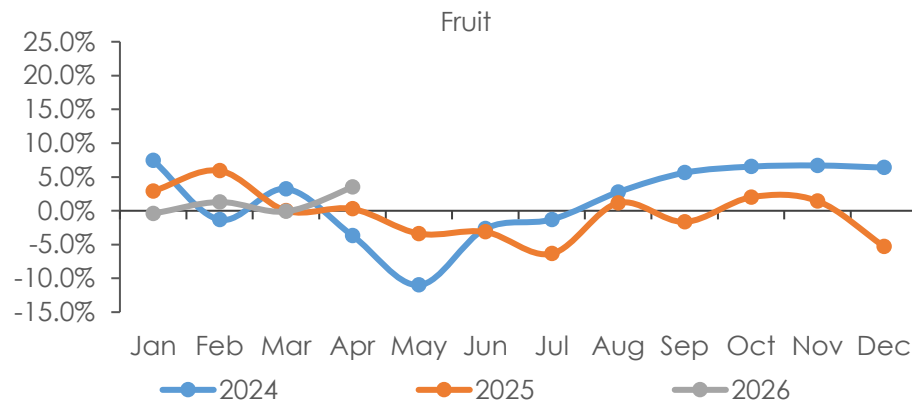
📦 **Annual headline** inflation was 4% in April 2026 increasing from 3.1% in March 2026. Food inflation was considerably more volatile than headline inflation, peaking above 14% during 2022–2023 before moderating thereafter.

🎯 Both Western Cape and national inflation have largely returned to within the SARB target range (3%–6%) until 12 November 2025, indicating improved price stability. Thus a new target range of 2-4% was set.

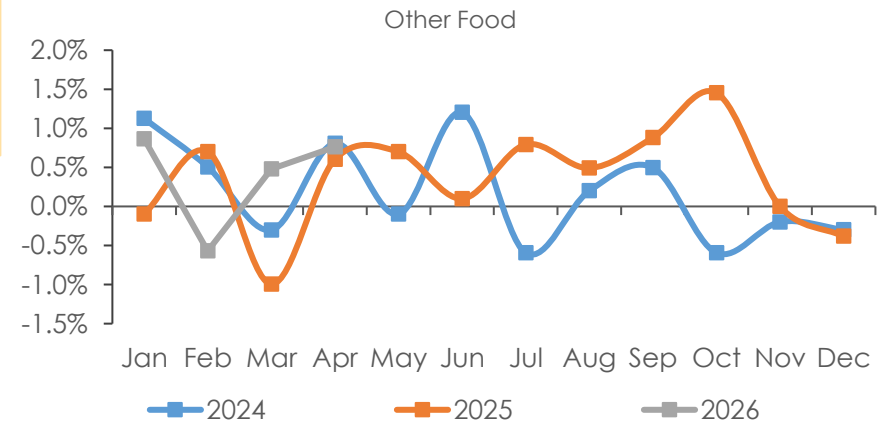
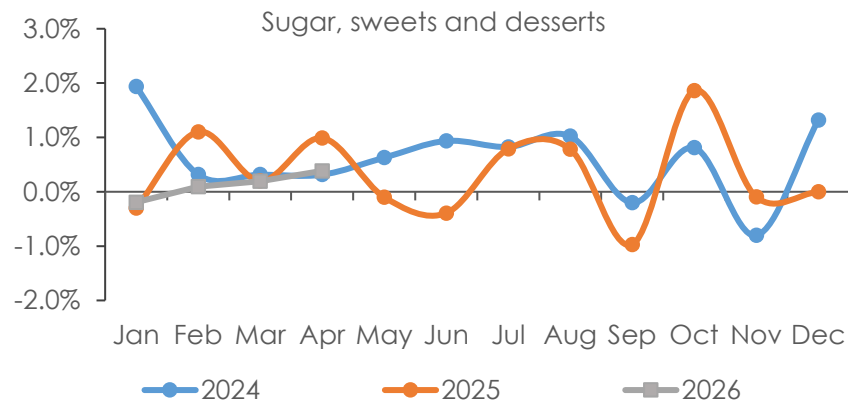
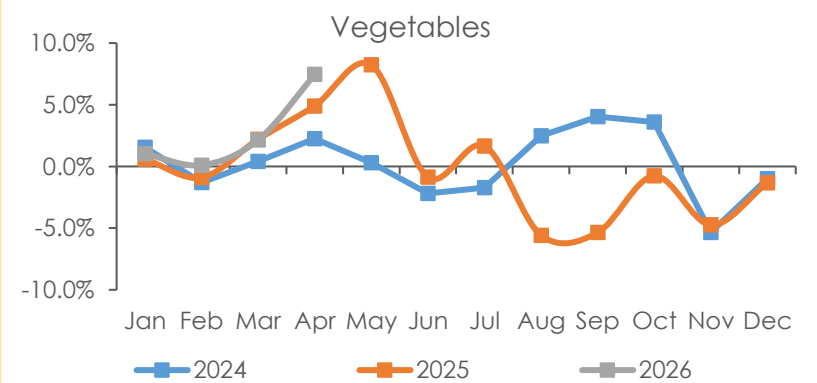
🌍 The 2022–2023 inflation surge was driven by global commodity price shocks, supply chain disruptions, higher fuel costs and geopolitical tensions.

SELECTED PRODUCTS AVERAGE CONSUMER INDEX PRICE CHANGES MONTH-ON-MONTH (%)

In 2025, vegetable prices were more volatile than 2024 and 2026, peaking near +8% in May, while fruit declined mid-year (-10%) before stabilising.



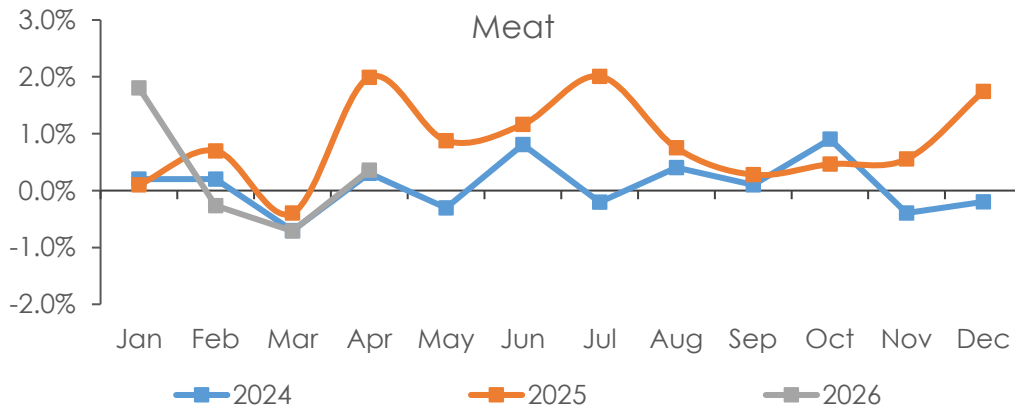
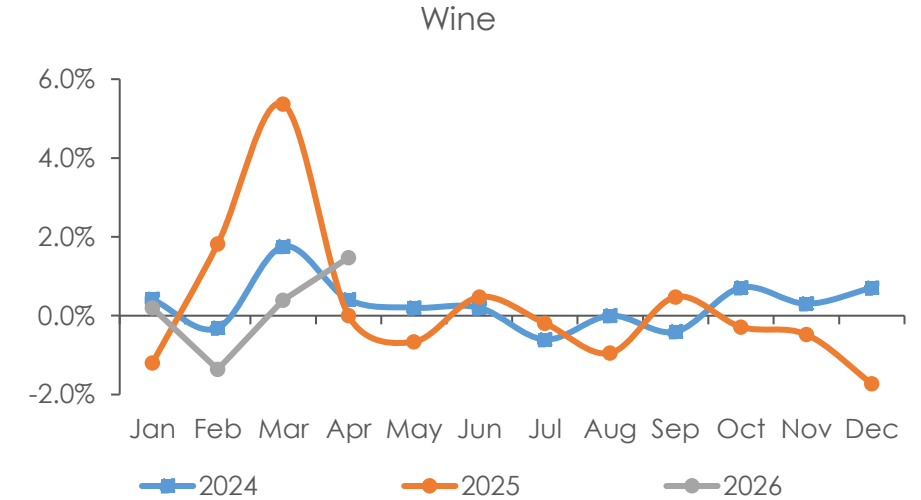
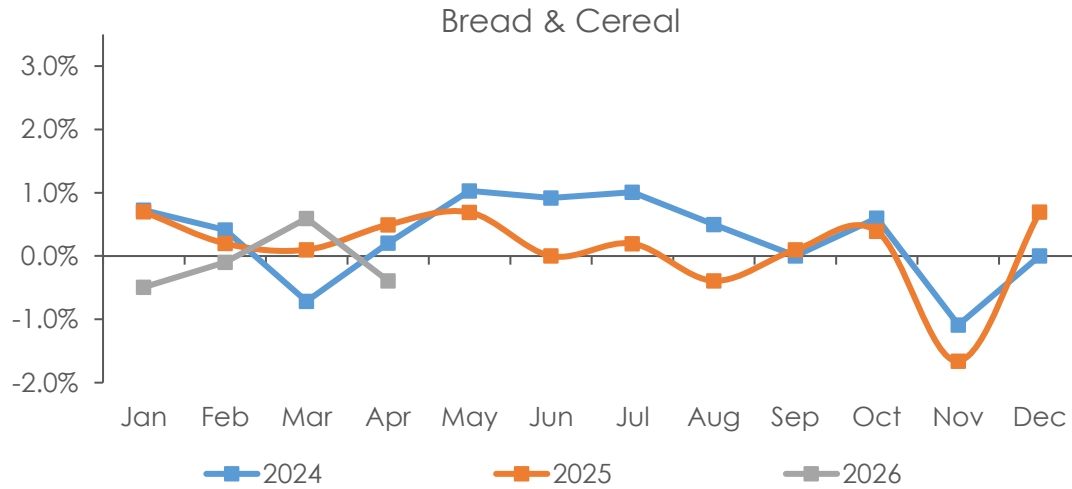
- Vegetables (2025): 0% to +8% by May, then down to -2% by August; more pronounced than 2024 and 2026 trends
- Fruit (2025): declined to -10% in May, recovering to around +5%, while 2024 remained mostly positive and 2026 near stable
- Other foods (2025): stable within $\pm 1\%$ throughout, consistent with 2024 and 2026



Source : StatsSA, 2026

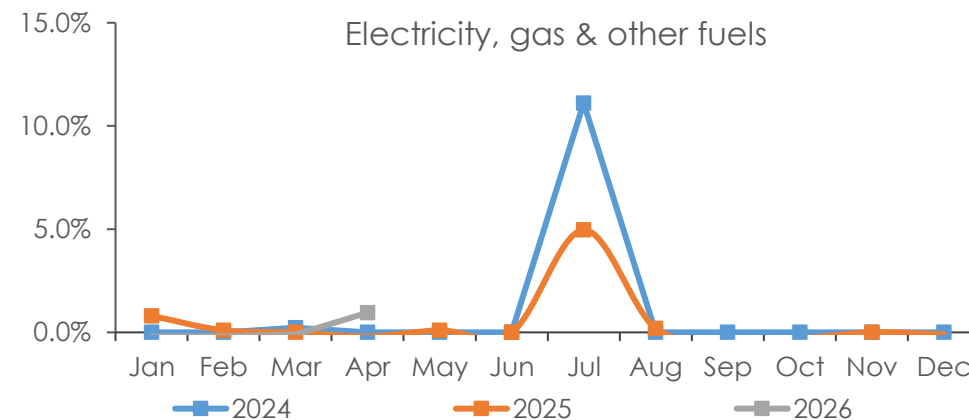
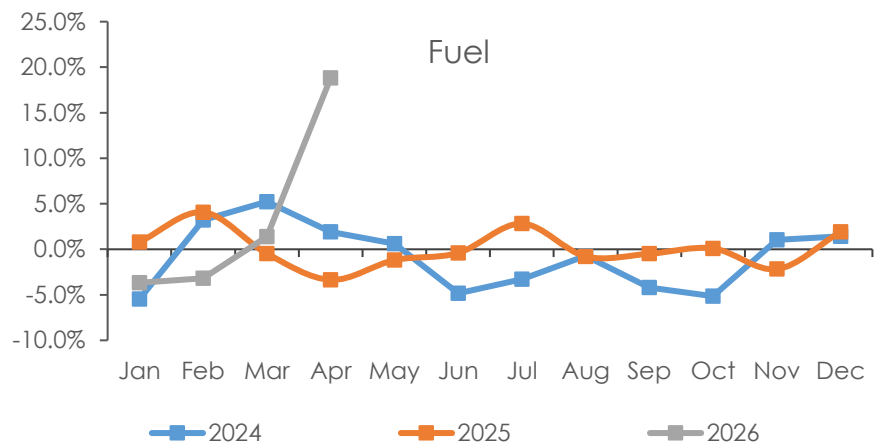
SELECTED PRODUCTS AVERAGE CONSUMER INDEX PRICE CHANGES (CONTINUE)

MONTH-ON-MONTH (%)



- Bread and cereals remained relatively stable, mostly within $\pm 1\%$, with a brief dip to around -2% in late 2025
- Wine prices were volatile in 2025, peaking near $+5\%$ early in the year before moderating toward year-end
- Meat prices showed moderate increases, rising to around $+2\%$ mid-year in 2025, with smaller fluctuations in 2024 and 2026

WESTERN CAPE CONSUMER INFLATION: FUEL, TRANSPORT AND ELECTRICITY, GAS & OTHER FUELS MONTH-ON-MONTH (%)



Fuel:

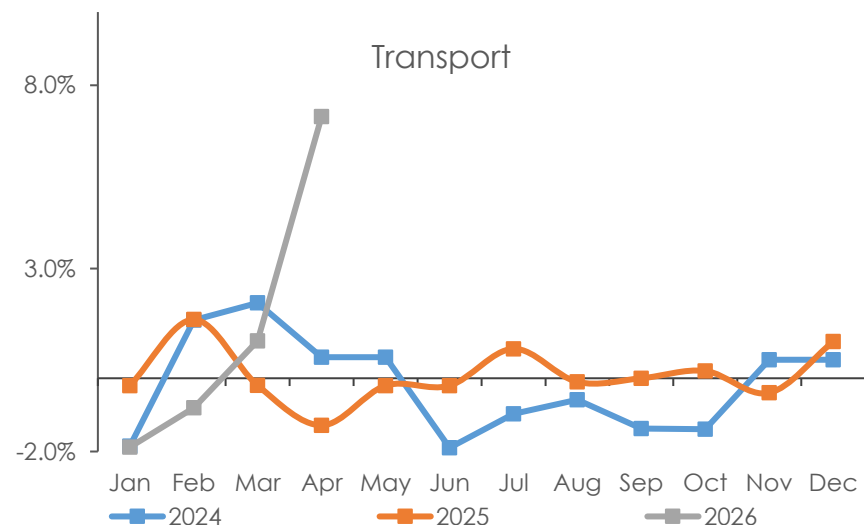
Highly volatile and externally driven (oil, exchange rate); typically, -5% to +5% m/m, with shocks reaching $\pm 15\%$ – 20% .

Transport:

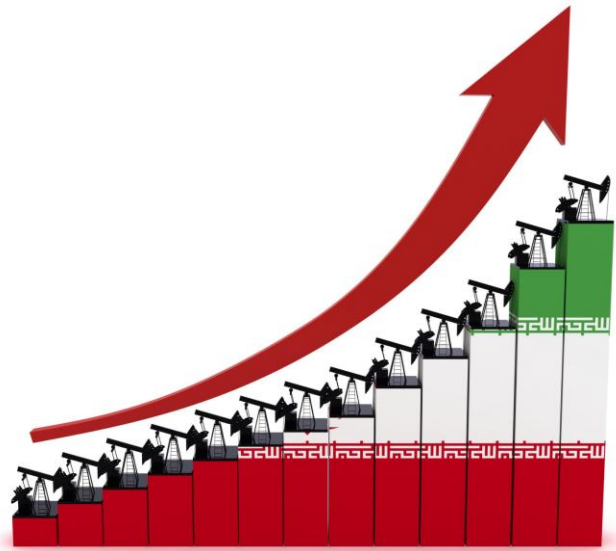
Relatively stable, as fuel volatility is offset by gradual shifts in fares and vehicles; $\pm 1\%$ – 2% m/m, 3% – 7% y/y.

Electricity, gas & other fuels:

Administered tariff-driven, with mid-year spikes; typically, $+8\%$ – 12% y/y, with 5% – 10% m/m increases during adjustments.



TAKE AWAY MESSAGE: FROM ENERGY SHOCKS TO AGRICULTURAL VALUE CHAIN COSTS AND PRICES



Geopolitical Risk and Energy Prices

Recent fuel price increases (Q2 2026), alongside strong export growth to GCC markets, indicate rising cost pressures despite resilient external demand, with implications for price transmission along the value chain.

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.

Food and Export Price Inflation

Higher transport and input costs place upward pressure on producer and food prices, while compressing margins where cost pass-through is constrained, with gradual transmission to consumer inflation.


ON THE RADAR: WEEK OF 8 JUNE 2026


 **Exchange rate:** The USD/ZAR exchange rate strengthened in late May and early June to around R16.3–R16.5 per US dollar, indicating some easing in import cost pressures.

 **Oil price:** Brent crude prices eased from mid-May into early June, averaging about US\$95–US\$97 per barrel, down from early-May levels above US\$100.

 **Fuel prices (SA):** Despite the recent pullback, Brent prices remain elevated compared to Q1 levels (about \$80/bbl on average), while a stronger rand is helping to moderate fuel cost pressures.

 **Export logistics:** Elevated fuel, freight and insurance costs continue to increase export expenses, with most pressure absorbed through tighter margins rather than reduced volumes.

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

 **Policy watch:** Policy watch: The SARB's recent 25 basis point repo rate increase, together with the phased withdrawal of fuel levy relief (June–July 2026), points to tighter financial conditions and sustained cost pressures.

 **Data watch:** Q1 2026 GDP (9 June 2026) and May 2026 CPI (17 June 2026)



Thank you

Riekie Cloete
Email: Riekie.Cloete@westerncape.gov.za
Tel no: 021 808 5207