Western Cape Government
FOR YOU
Agriculture

Western Cape Department of Agriculture

WESTERN CAPE AGRICULTURAL PRICE TRACKER

How global shocks are driving local agricultural costs

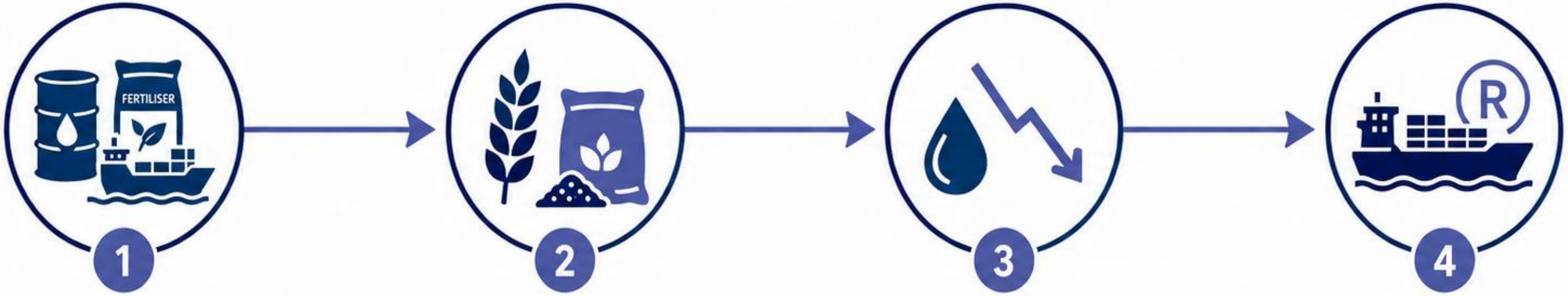
20 July 2026

PRESENTATION OUTLINE

- 🌍 **Special Focus: Middle East Shock — Where Are We Now?**
- 📈 **Consumer Prices (*CPI – Impact on households*)**
- 🚢 **Fresh Produce Market Movements *(Price and volume trends)***
- ✅ **Key Takeaways**
- 📡 **On the Radar (Week ahead)**
- 📰 **News**

Middle East Shock: Where Are We Now?

From temporary price relief to renewed energy and freight pressure



APRIL 2026

International price shock

- Oil, fertiliser and freight costs rose sharply.
- The shock coincided with winter-crop input procurement and planting preparations.

MAY–JUNE 2026

Costs became embedded

- Producers purchased and applied key inputs at elevated prices.
- Much of the crop-establishment cost was locked into the 2026 season.

EARLY JULY 2026

Partial price relief

- Oil and domestic fuel prices eased from earlier peaks.
- Lower prices mainly benefited purchases still to be made.

20 JULY 2026

Renewed price escalation

- Brent crude rose above US$90/bbl, following a 15.9% weekly increase.
- Intensified hostilities and restricted Strait of Hormuz traffic renewed fuel and freight-cost risks.

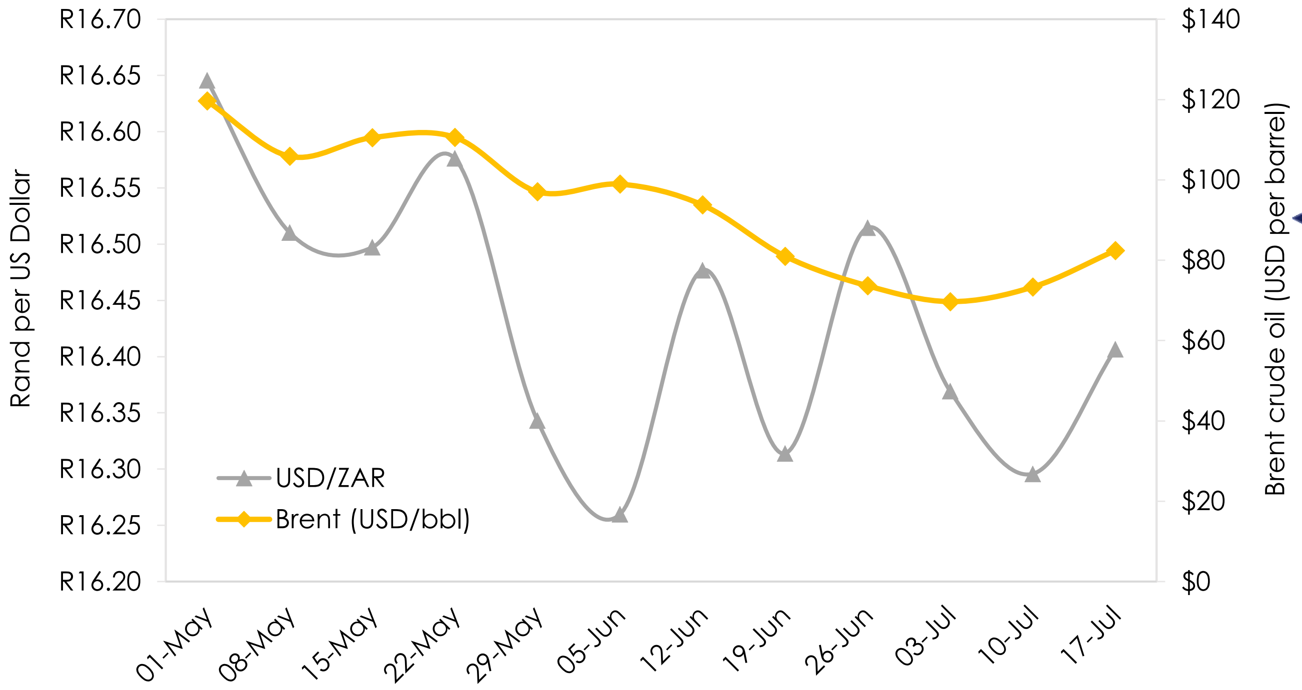
Earlier input costs remain embedded, while renewed oil and shipping pressures may increase the cost of completing the 2026 production season.

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

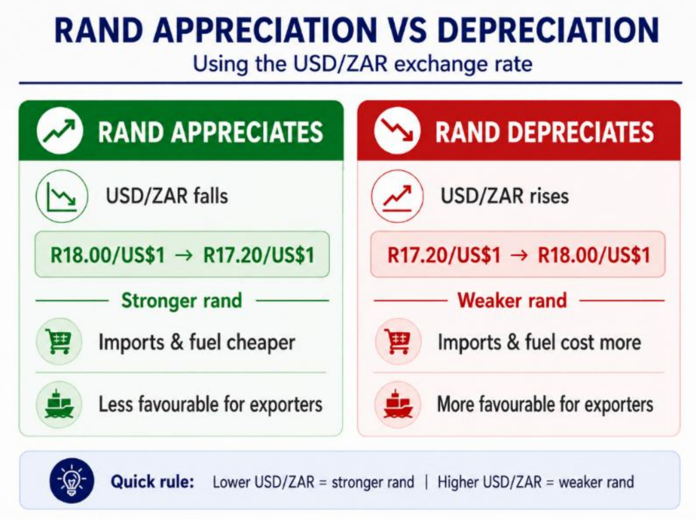
Source: www.factinstitute.com

WEEKLY BRENT CRUDE PRICES AND USD/ZAR EXCHANGE RATE



MARKET UPDATE | 20 JULY

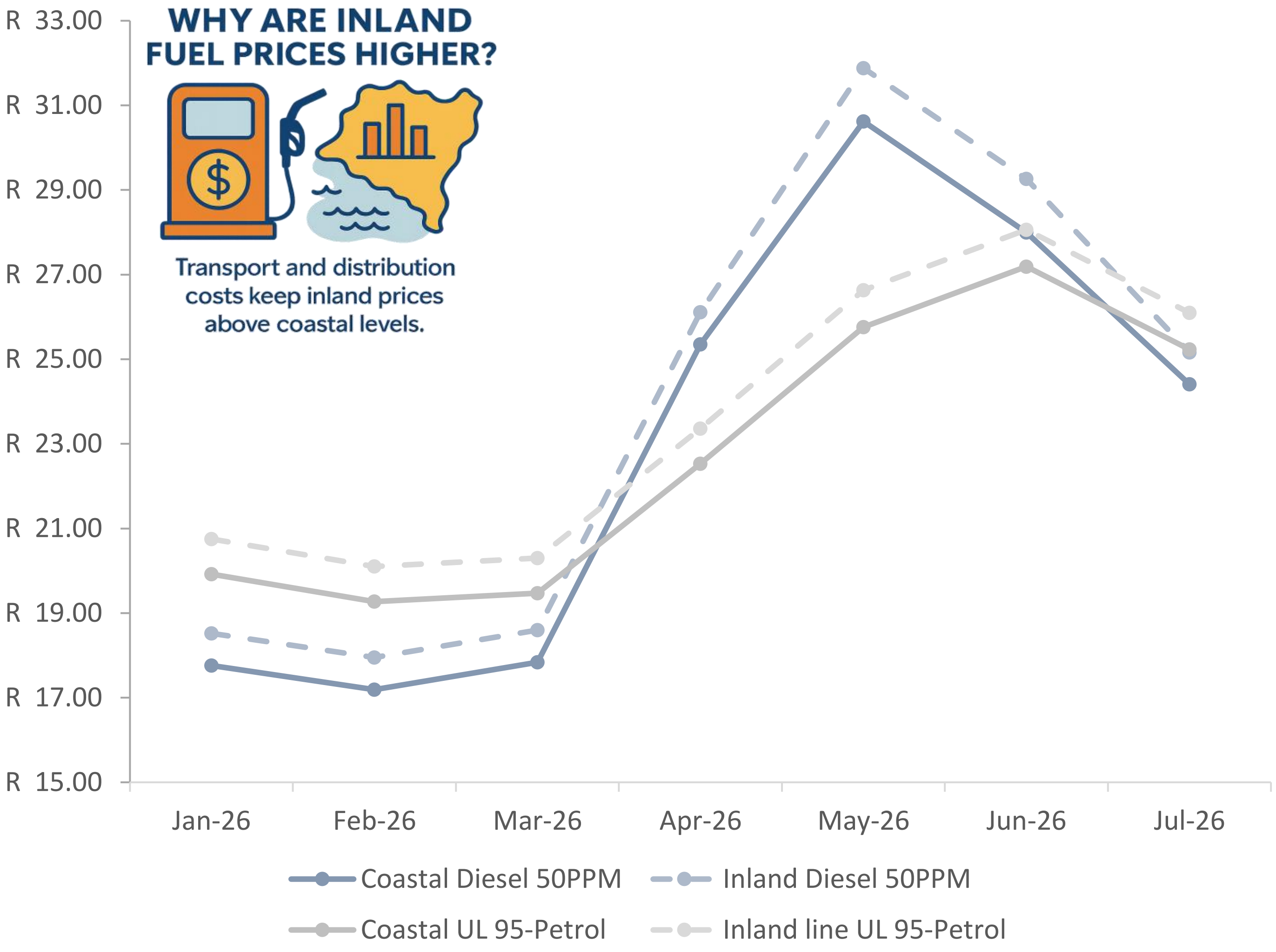
BRENT > US$90/BBL ↑



- ▲ Brent rebounded from ~US$70–US$72/bbl in early July to above US$90/bbl on 20 July.
- 💱 USD/ZAR remained relatively firm at around R16.2–R16.6/US$, partly cushioning imported cost pressures.
- ⛽ July fuel cuts reflect earlier oil-price declines, but the latest Brent surge raises renewed fuel and freight-cost risks.
- 🌍 Escalating Middle East tensions and restricted shipping reversed the earlier easing.

Source: US Energy Information Administration; South African Reserve Bank; www.countryeconomy.com; Reuters, 20 July 2026

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



⛽ Fuel prices surged from March, led by diesel, increasing cost pressures.

⚠️ June saw mixed movements: petrol rose (levy reinstatement), while diesel declined.

📊 In July, prices eased further, particularly diesel, reflecting lower global oil prices.

🔄 Despite easing, inland prices remain above early-2026 levels, keeping input costs elevated.

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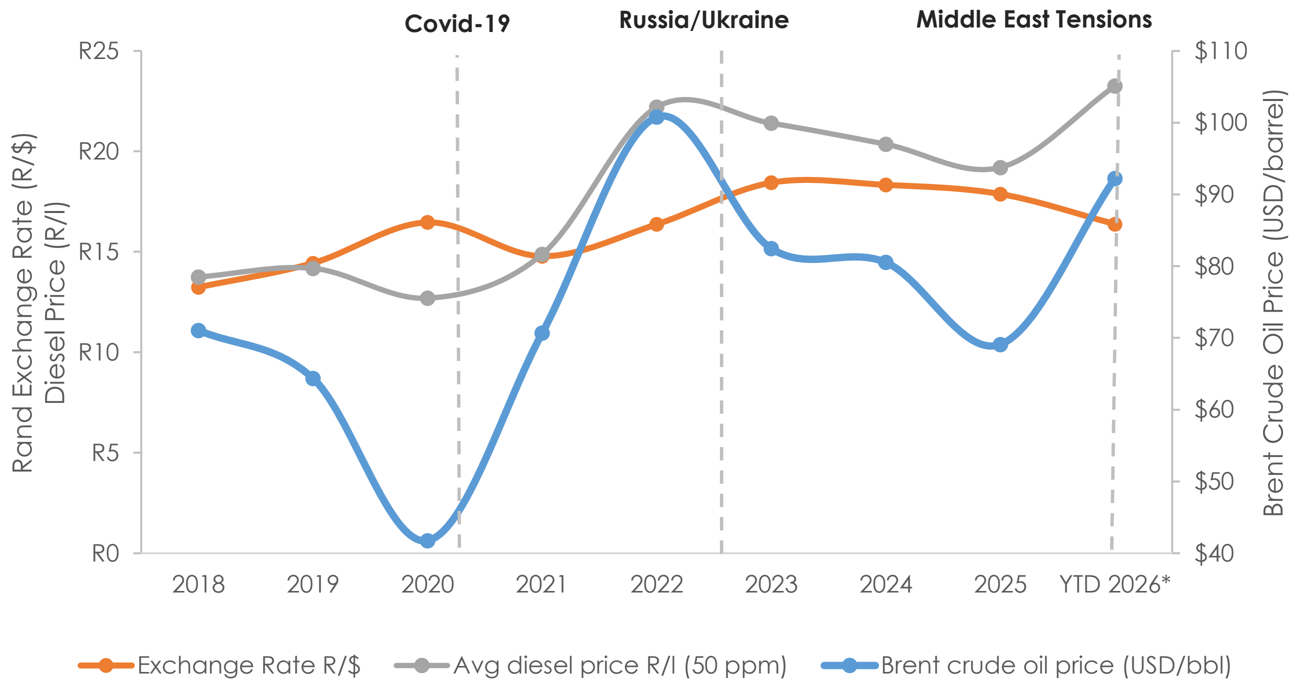
Source: DMRE

KEY DRIVERS OF DIESEL FUEL PRICES: OIL PRICE, EXCHANGE RATE AND GLOBAL SHOCKS



- 🌎 Global shocks and easing supply conditions drove sharp oil price volatility into 2026.
- ⛽ Diesel prices peaked in 2022 and remained elevated into 2025–YTD 2026, sustaining cost pressures.
- 📉 In 2026, diesel prices remain closely linked to oil prices and the rand, reinforcing volatility in input costs.

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

CONSUMER INFLATION

NEWS ROUNDUP

NB! Deadline looms: **Register water use** by **23 July** or risk penalties - Food For Mzansi

Western Cape Government Cabinet receives preliminary assessment of weather-related disaster costs

Impact on **communities**:

- **231 029 people** were affected
- **22 890 houses** were damaged
- Over **230 roads** were affected
- **11 fatalities** were reported, with one person still missing

https://www.westerncape.gov.za/department-premier/article/western-cape-government-cabinet-receives-preliminary-assessment-weather-related-disaster

Oil jumps 3% as US, Iran expand strikes in the Middle East

https://www.reuters.com/business/energy/brent-oil-tops-90-us-iran-intensify-attacks-middle-east-2026-07-20/

South Africa's Valencia season will be shaped by fruit size and market timing

https://www.freshplaza.com/north-america/article/9855743/south-africa-s-valencia-season-will-be-shaped-by-fruit-size-and-market-timing/

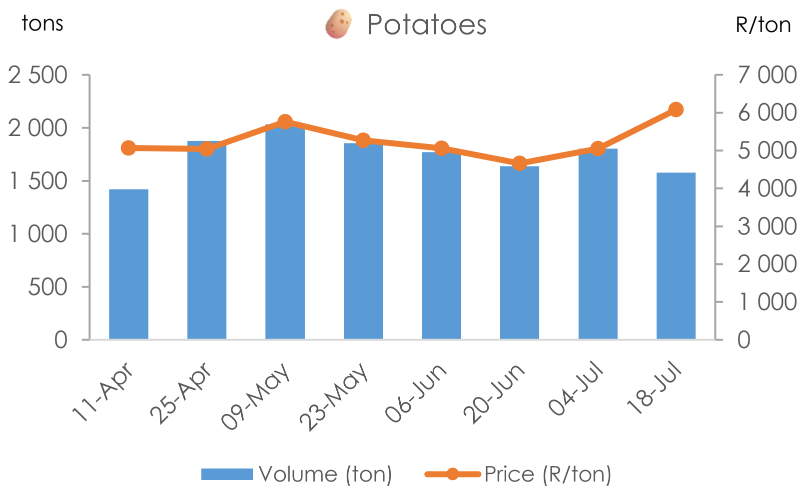
All efforts must focus on fixing performance at the Port of Cape Town ahead of the 2025/26 export season

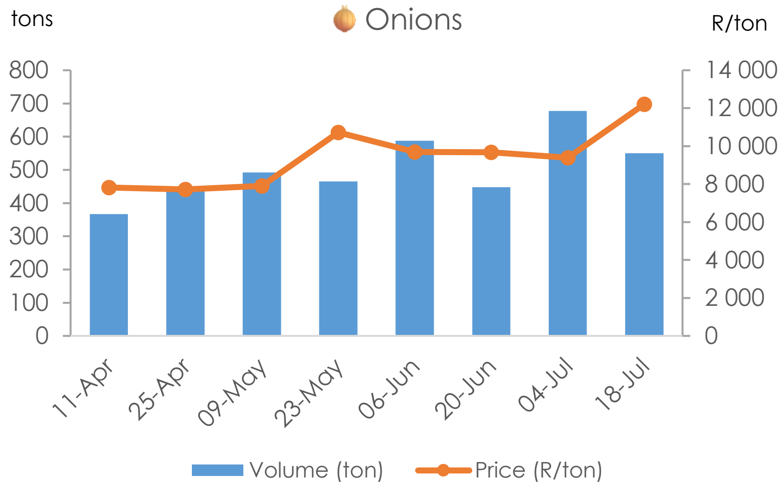
https://www.elsenburg.com/all-efforts-must-focus-on-fixing-performance-at-the-port-of-cape-town-ahead-of-the-2025-26-export-season/

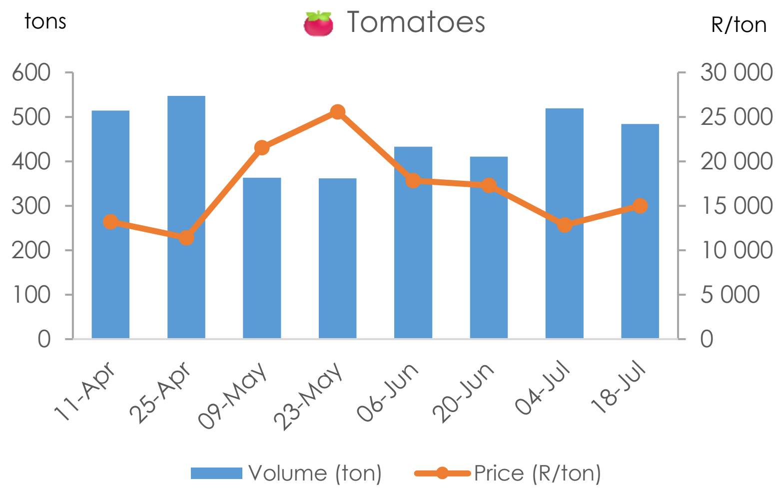
WESTERN CAPE FRESH PRODUCE MARKET: VEGETABLE MARKET TRENDS

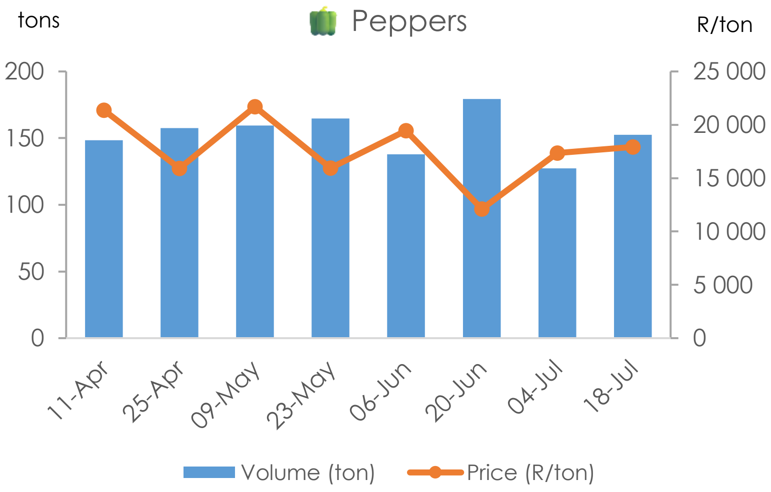
From April to July, prices were mixed: onions and potatoes increased, tomatoes eased after a May peak, and peppers recovered in July after a June decline.

- **Potatoes:** R4,700–R6,100/t from April to July, ending highest in July.
- **Onions:** Up from ~R8,000/t (April) to ~R12,000/t (July).
- **Tomatoes:** Peaked at ~R26,000/t (May), easing to ~R14,500/t (July).
- **Peppers:** Fell from ~R21,000/t (April) to ~R11,500/t (June), recovering to ~R18,000/t (July).







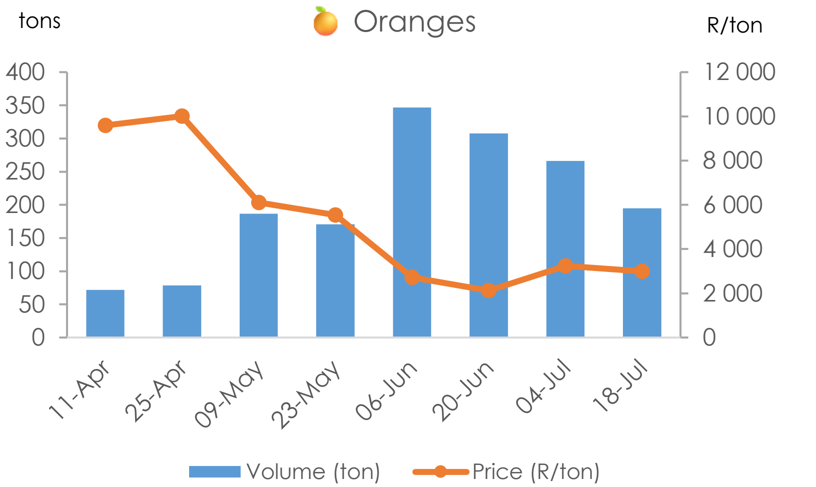


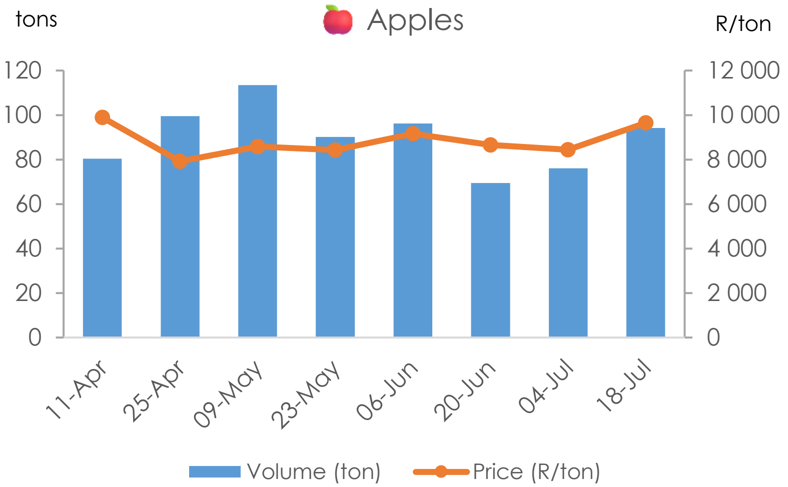
Source: Techno Fresh, Cape Town Fresh Produce Market

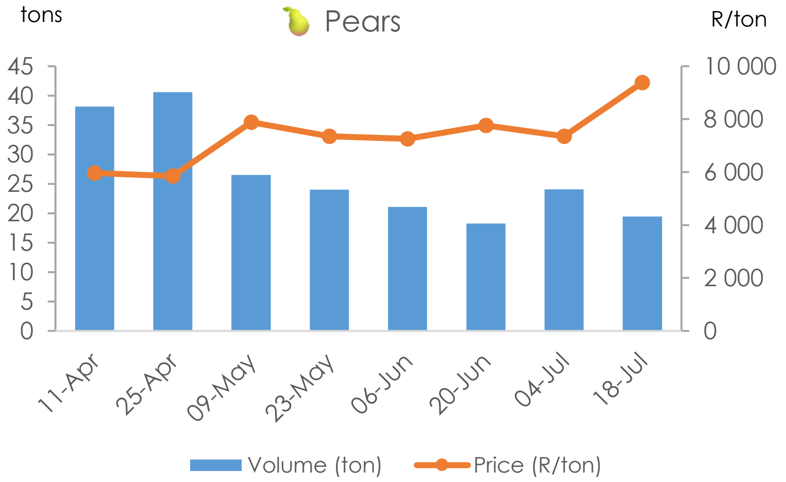
WESTERN CAPE FRESH PRODUCE MARKET: FRUIT MARKET TRENDS

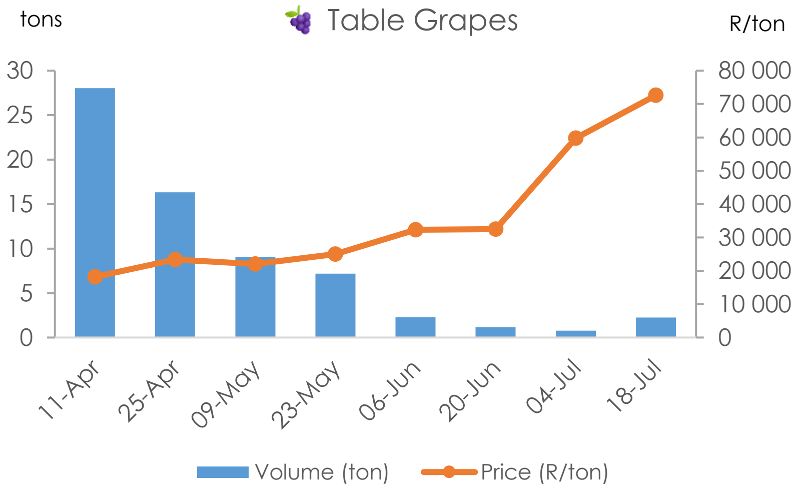
Key insight:
From April to July, fruit prices were mixed: oranges declined sharply, apples remained stable, pears trended higher, and table grape prices rose strongly on low volumes.

- **Oranges:** Fell from ~R10,000/t (April) to ~R3,000–R4,000/t (July).
- **Apples:** Mostly stable at ~R8,000–R9,500/t from April to July.
- **Pears:** Increased from ~R6,000/t (April) to ~R9,500/t (July).
- **Table grapes:** Rose from ~R18,000/t (April) to ~R70,000/t (July) on very low volumes.









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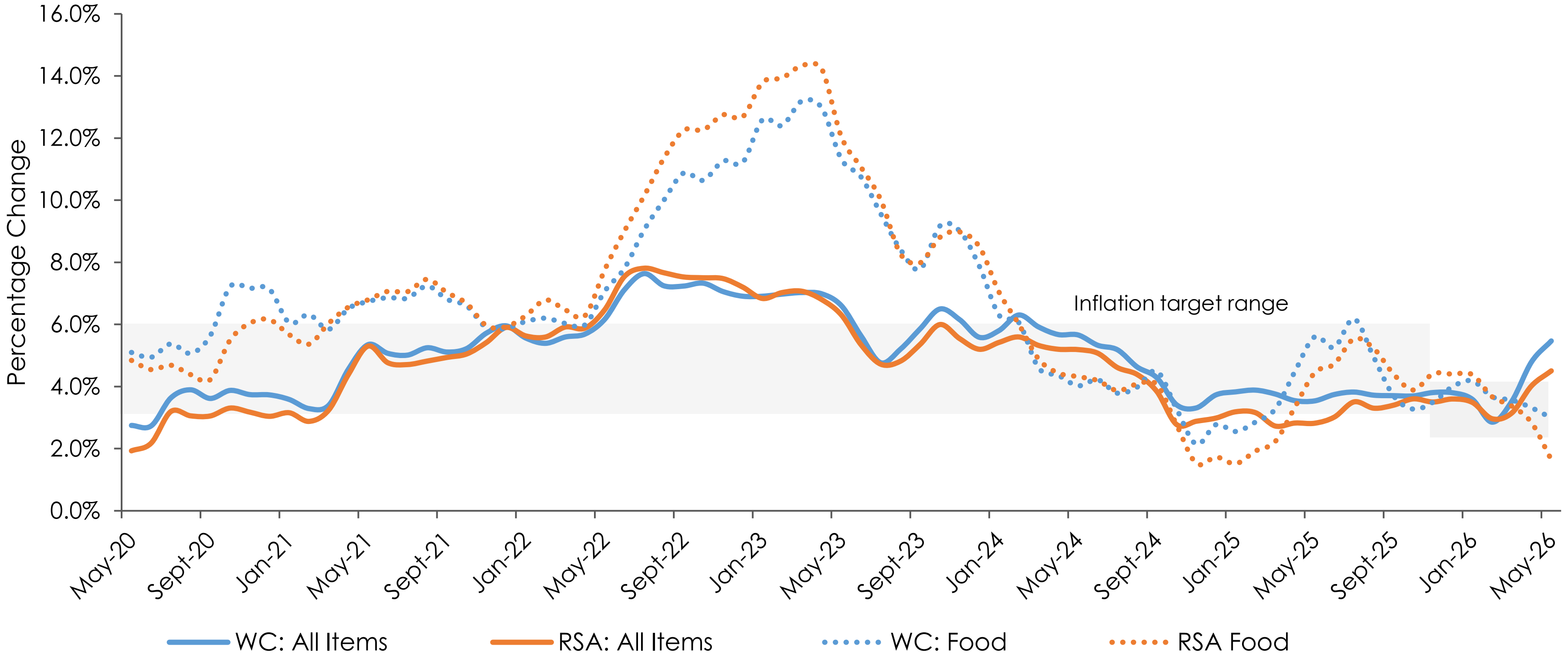
Source: Techno Fresh, Cape Town Fresh Produce Market

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



📦 SA annual headline inflation rose to 4.5% in May 2026, up from 3.4% in April, while Western Cape inflation increased to 5.5% from 4.8%.

🎯 Current headline inflation is well below the 2022–2023 highs and is broadly comparable to levels seen in mid-2021 and parts of late-2024/early-2025. Under the previous 3%–6% target range, both SA and WC remain within range, but under the new 2%–4% target range, both are currently above target.

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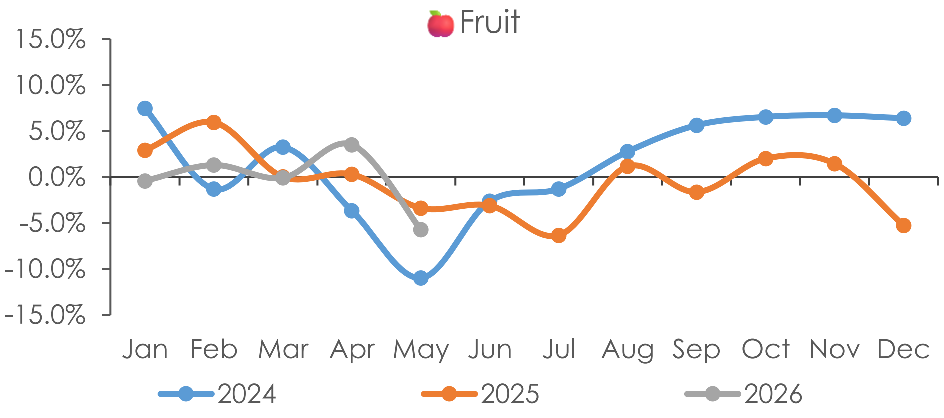
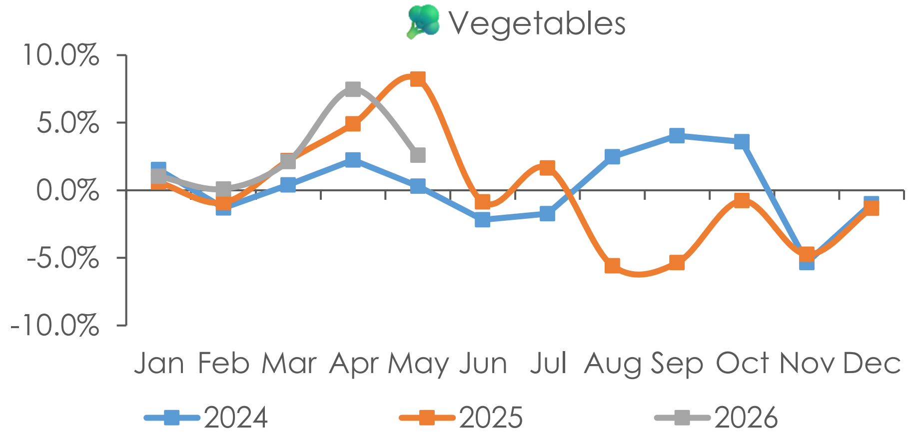
Source: StatsSA

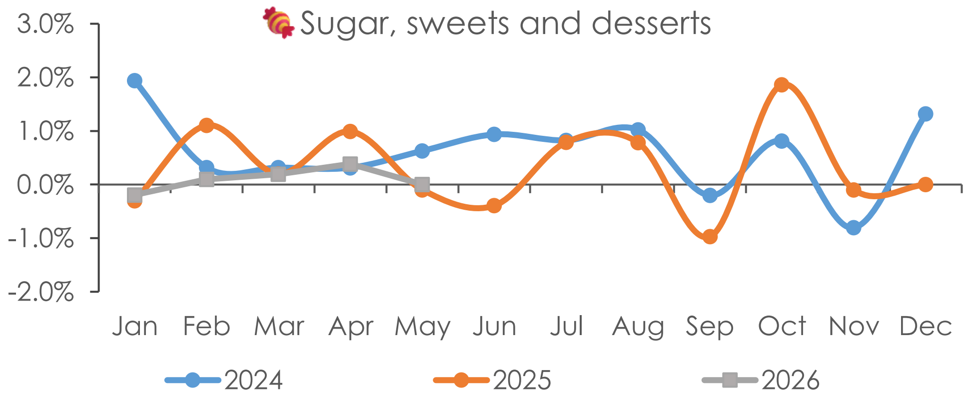
SELECTED PRODUCTS AVERAGE CONSUMER INDEX PRICE CHANGES MONTH-ON-MONTH (%)

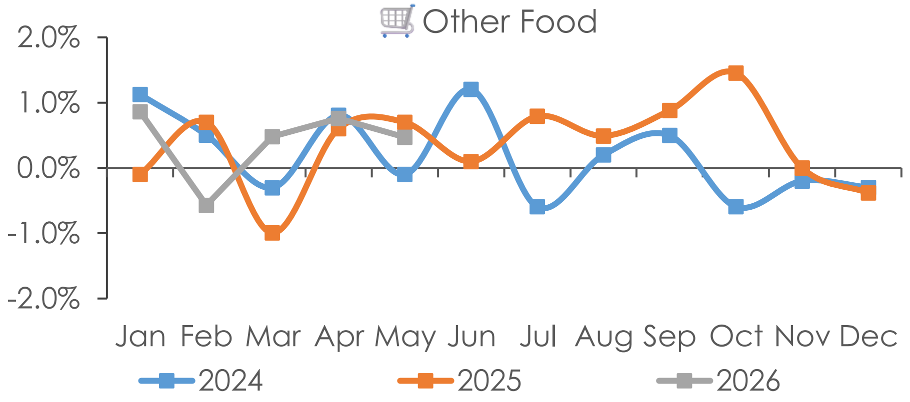
In 2025, fruit and vegetable prices showed stronger month-on-month volatility than in 2024 and early 2026, with vegetables peaking near +8% and fruit falling sharply mid-year before stabilising.



- **Fruit**: 2025 fell sharply to around −10% in May before recovering. 2026 remained more moderate, despite a May decline.
- **Vegetables**: 2025 was the most volatile, peaking near +8% in May. 2026 also rose early in the year, but less sharply.
- **Sugar, sweets and desserts**: 2025 stayed relatively stable. 2026 also showed only small monthly changes.
- **Other foods**: 2025 movements were mostly contained within a narrow range. 2026 has remained similarly subdued.







Source : StatsSA, 2026

TAKE AWAY MESSAGE:

Energy Cost Shock Impact on Agriculture

Input-driven pressures influence costs across the value chain

Margins: Relief interrupted by renewed energy risks

Temporary Relief Received

July fuel cuts eased some immediate cost pressure.

New Pressure Emerging

Renewed conflict is lifting oil, freight and future fuel-cost risks.

Take-away: Recent fuel-price relief may be short-lived. Earlier planting costs remain embedded, while renewed oil and logistics risks could delay margin recovery.

WEEK OF 20 JULY 2026

🌐 **Exchange rate:** Rand around R16.5/US$, steady but under pressure ahead of the SARB decision.

🛢️ **Oil price:** Brent rebounded to ~US$89–US$91/bbl on renewed supply risks.

⛽ **Fuel prices (SA):** July cuts implemented but expected August relief is narrowing.

🚢 **Export logistics:** Renewed Strait of Hormuz disruption raises shipping, freight and export-route risks.

🌧️ **Weather outlook:** El Niño raises 2026/27 summer drought risk.

🌱 **Global inputs (fertiliser):** Urea at ~US$400–US$425/t; prices remain high and volatile.

🌾 **Global grains:** Good global supplies are keeping prices relatively low, but weather, conflict and shipping disruptions could push prices higher again.

🌿 **WC winter crops:** Conditions are generally favourable in the Swartland and Overberg, but excessively wet fields persist around Mossel Bay and George.

📅 **Key dates (July):**

- 📊 22 July: SA CPI (food inflation)
- 🏛️ 23 July: SARB MPC (interest rates / rand)
- 🌾 28 July: Preliminary winter-crop area estimate (local crop outlook)
- 🏭 30 July: SA PPI (producer and input price pressures)



Thank you

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