

Western Cape Agricultural Trade with the Middle East

Early evidence from March to May 2026

Has trade improved or deteriorated?

Department of Agriculture

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**Western Cape
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Executive summary

This report presents an analysis of the Western Cape agricultural trade with 16 selected Middle Eastern markets during March to May 2026. The value of selected exports within HS Chapters 01–24 and 50–53 remained above the comparable 2025 level, while imports contracted and the operating environment became more costly and uncertain.

Selected exports March-May 2026	Selected imports March-May 2026	Trade balance March-May 2026
R2.99 billion +7.1% year-on-year	R148.3 million -20.3% year-on-year	R2.85 billion +9.0% year-on-year

Main findings

- Total selected trade reached R3.14 billion in March-May 2026, 5.4% above the comparable 2025 period. The increase was driven by exports rather than by a broad expansion in two-way trade.
- Monthly performance was uneven. Exports fell by 24.0% year-on-year in March, then increased by 12.1% in April and 41.4% in May. Imports recorded their sharpest decline in April, at 48.9%.
- Export growth was concentrated. The United Arab Emirates and Saudi Arabia accounted for 79.4% of exports, while the top five export markets accounted for 91.3%. Saudi Arabia alone added R564.5 million, offsetting declines in several established markets.
- HS 08 fruit and nuts represented 82.1% of exports and HS 02 meat and edible offal a further 10.2%. The available chapter-level data do not identify the individual fruit or meat products responsible for the changes.
- HS 31 fertiliser imports from the selected markets declined by 17.0%, but the value change cannot be interpreted as lower fertiliser prices or improved availability without quantities and detailed product codes.

Assessment: In nominal value terms, exports and the trade balance improved. In logistics, import continuity and input-cost exposure, conditions deteriorated. The most appropriate overall description is resilience under pressure.

Data source: Quantec Regional Trade (TRD11), derived from SARS customs data; author calculations. Values are in current South African rand.

1. Introduction

Middle Eastern markets are important to Western Cape agriculture both as destinations for high-value agricultural exports and as part of global energy, fertiliser and shipping networks. The conflict that began on 28 February 2026 immediately affected maritime risk. On 1 March, the International Maritime Organization advised shipping companies to exercise maximum caution and, where possible, avoid the affected region. Major carriers subsequently rerouted vessels, suspended crossings and introduced war-risk or emergency surcharges. [2,3]

The analysis covers the first three months of the disruption, from the beginning of March to the end of May 2026. It first considers the broad Western Cape trade position, followed by exports, imports, agricultural inputs, key markets, domestic cost pressures and policy considerations.

1.1 Research approach, scope and method

The study adopted a descriptive comparative research approach to assess how Western Cape agricultural trade with selected Middle Eastern markets performed during the first three months of the 2026 regional trade disruption. The analysis was developed in response to the central research question:

How did Western Cape agricultural trade with selected Middle Eastern markets change during the first three months of the 2026 disruption, and what does the available evidence indicate regarding export performance, imports, agricultural input exposure and associated trade risks?

To answer this question, the analysis was structured around several related sub-questions:

- Did Western Cape agricultural trade with the selected Middle Eastern markets improve or weaken during March–May 2026 compared with the corresponding period in 2025?
- Which export and import product groups recorded the most significant changes?
- Which were the leading export destinations and import source markets, and how concentrated was trade among the main markets?
- What do the observed trade patterns, logistics disruptions, agricultural input exposure and domestic price and cost pressures imply for policy considerations?

Monthly Western Cape regional trade data were obtained from Quantec Regional Trade (TRD11), derived from SARS customs data. The Western Cape was treated as the reporting region and trade flows with 16 selected Middle Eastern markets were extracted separately for exports and imports. The selected Middle Eastern markets included Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Palestinian Territory (Occupied), Qatar, Saudi Arabia, Syrian Arab Republic, Turkey, the United Arab Emirates and Yemen. The main agricultural product coverage consisted of HS Chapters 01–24 and 50–53, while HS 31 fertilisers and selected broader input-related chapters were examined separately where relevant.

The main comparison is March - May 2026 against the corresponding March - May 2025 period. This year-on-year comparison was selected because it compares broadly corresponding months and therefore reduces, although does not eliminate, the influence of agricultural seasonality. January and February 2025 and 2026 are also presented to show the trade pattern immediately preceding the disruption period. They are treated as a pre-disruption reference period rather than a formal baseline, since monthly agricultural trade can vary considerably because of seasonal production, marketing and shipment patterns.

Trade performance was assessed primarily in current South African rand values. Value was used as the principal common measure because it allows different agricultural commodities and product groups

to be aggregated and compared on a consistent basis. Physical quantities are considerably less suitable for an aggregate comparison across heterogeneous products. For example, kilograms of fruit, meat, cotton and fertiliser cannot meaningfully be added together to assess the relative economic importance of total trade. Quantity information remains important, however, when examining a specific commodity or HS6 product and can be used in more detailed follow-up analysis.

The analytical process proceeded in layers. First, aggregate export, import, total trade and trade-balance movements were assessed. The analysis then examined monthly patterns, leading destination and source markets, HS chapter composition and market and product concentration. Agricultural input exposure, particularly fertiliser, was assessed separately. The trade results were subsequently considered alongside evidence on shipping disruption, market-access constraints and potential domestic price-transmission channels before drawing an overall assessment and identifying policy considerations.

The analysis is descriptive rather than causal. Observed changes during March–May 2026 cannot be attributed solely to the regional conflict. Changes in recorded trade value may reflect a combination of changes in physical quantities, international prices, the rand exchange rate, product composition, market substitution, seasonal patterns and the timing of individual shipments. The study therefore identifies changes and vulnerabilities observed during the disruption period without attempting to estimate the independent causal effect of the conflict.

Below is a summary of the approach:

Item	Approach adopted
Geographical coverage	Western Cape as reporting region and 16 selected Middle Eastern partner markets.
Main product coverage	HS 01–24 and HS 50–53. HS 31 fertilisers and selected broader input-related chapters are screened separately.
Main analytical period	March–May 2026, representing the first three months of the disruption covered by the available trade data.
Main comparison	March–May 2025 compared with March–May 2026. The corresponding months are used to reduce the influence of seasonality.
Pre-disruption reference	January–February 2026 is used to indicate the trade pattern immediately preceding the disruption, with January–February 2025 shown as the corresponding year-on-year comparator. These months are not treated as a formal baseline.
Primary measure	Trade value in current South African rand. Results are not adjusted for inflation or exchange-rate movements.
Use of quantities	Value is used for aggregate comparison across heterogeneous products. Quantity data are more appropriately interpreted at individual commodity or detailed HS-code level and are not aggregated across unlike products.
Interpretation	Descriptive comparative analysis. Changes are assessed during the disruption period but are not attributed exclusively to the conflict.
Main limitations	A single year-on-year comparator cannot fully control for normal seasonality or commercial variation. Nominal trade values may reflect price, quantity, exchange rate, product-mix and shipment-timing effects. Detailed product conclusions require supporting HS6 and quantity evidence.

Note: The conflict start date and associated shipping disruption are used to define March–May 2026 as the main analytical period. January–February provides a pre-disruption reference, while March–May 2025 provides the corresponding year-on-year comparator.

2. Broad Western Cape trade position

Across the selected products and markets, total trade increased from R2.98 billion in March-May 2025 to R3.14 billion in March-May 2026, an increase of 5.4%. Exports rose by R197.7 million, while imports fell by R37.7 million. The trade balance consequently widened by 9.0% to R2.85 billion.

The widening balance should be interpreted carefully. It reflects both higher exports and lower imports. A larger surplus is therefore not evidence that the full trade relationship has improved. Lower imports may also indicate weaker supply, altered sourcing, shipment delays or changes in product mix.

Monthly Western Cape agricultural trade with selected Middle Eastern markets

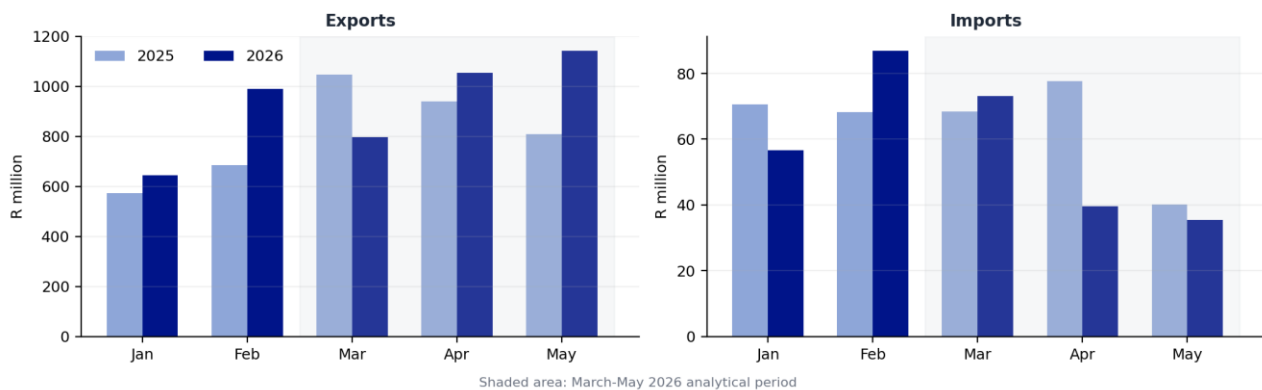


Figure 1: Monthly selected exports and imports, 2025 and 2026 (R million)

Source: Quantec Regional Trade (TRD11), derived from SARS customs data; author calculations.

The monthly profile was volatile. Export value was lower than a year earlier in March, but recovered in April and May. Import value rose in March, declined sharply in April and remained below the 2025 level in May. This sequence is consistent with uneven shipment timing and route disruption, but the available data cannot isolate the conflict effect from normal seasonal and commercial variation.

Assessment: The broad trade value improved, but the improvement was not smooth or broad-based. Export resilience coexisted with weaker imports and greater operational uncertainty.

3. Export performance

Selected Western Cape agricultural exports to the region reached R2.99 billion in March-May 2026, 7.1% above the comparable period in 2025. This was a positive nominal outcome, but the growth rate was much lower than the 30.2% increase recorded during January-February. January-February is not used as a formal baseline, but the slowdown is a useful indication that the conflict-period performance was more constrained.

3.1 Export markets

Table 1: Top five export markets, March-May 2026.

Market	2026 value	Share	YoY	Interpretation
United Arab Emirates	R1 300.0m	43.4%	-11.1%	Remained the largest market, but value declined.
Saudi Arabia	R1 076.4m	36.0%	+110.3%	The main source of export growth.
Turkey	R151.1m	5.0%	+169.6%	Strong growth from a smaller base.
Jordan	R111.1m	3.7%	+87.0%	Strong growth from a smaller base.
Iraq	R93.4m	3.1%	-50.9%	Declined, but stayed in the top five.

Source: Quantec Regional Trade; author calculations.

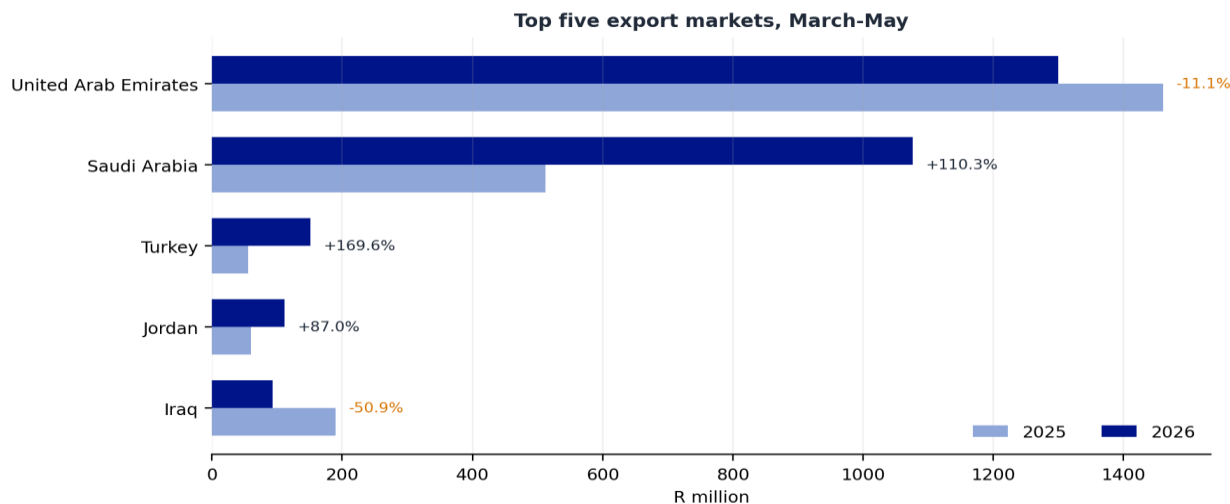


Figure 2: Top five export markets, March-May 2025 and 2026

The top five markets accounted for 91.3% of exports. The United Arab Emirates and Saudi Arabia alone accounted for 79.4%. The increase in Saudi Arabia was R564.5 million, almost three times the total net export increase. It therefore offset declines in the UAE, Israel, Iraq, Qatar and other markets. The positive headline result was consequently highly dependent on one market rather than being a general improvement across the region.

3.2 Export products

Table 2: Leading export chapters, March-May 2026.

HS	Chapter	2026 value	Share	YoY
HS 08	Fruit and nuts	R2 459.2m	82.1%	+4.7%
HS 02	Meat and edible offal	R306.0m	10.2%	+157.3%
HS 04	Dairy, eggs and honey	R54.8m	1.8%	-53.0%
HS 22	Beverages	R33.2m	1.1%	-40.0%
HS 15	Animal or vegetable fats and oils	R31.8m	1.1%	+894.5%

Note: HS 15 recorded high percentage growth from a very small base.

Fruit, nuts and meat combined accounted for 92.4% of export value. This concentration means that changes in a limited number of value chains determine the regional result. The HS 08 chapter includes citrus, grapes, apples, pears, stone fruit and nuts, but the supplied chapter-level evidence cannot determine which individual commodities drive the increase. HS6 value and quantity data are required before such claims are made.

Assessment: Exports improved in nominal value, but the result was concentrated by market and product. It should be described as resilient rather than broad-based growth.

4. Import performance and agricultural inputs

Selected imports declined from R186.0 million in March-May 2025 to R148.3 million in March-May 2026. The 20.3% contraction was driven mainly by the April decline, when imports were 48.9% lower than a year earlier. Imports are small relative to exports within the selected product scope, but they remain important for particular food products, intermediate goods and supply relationships.

4.1 Import markets

Table 3: Top five import source markets, March-May 2026

Market	2026 value	Share	YoY
Turkey	R74.9m	50.5%	-4.8%
United Arab Emirates	R26.1m	17.6%	-0.4%
Egypt	R26.1m	17.6%	-39.1%
Saudi Arabia	R9.4m	6.4%	+125.6%
Israel	R7.9m	5.4%	+94.4%

The import side was even more concentrated than the export side. Turkey, the UAE and Egypt accounted for 85.8% of selected imports, and the top five markets accounted for 97.5%. The overall decline was driven by Egypt and several smaller suppliers, while higher imports from Saudi Arabia and Israel partly offset the contraction.

4.2 Import products

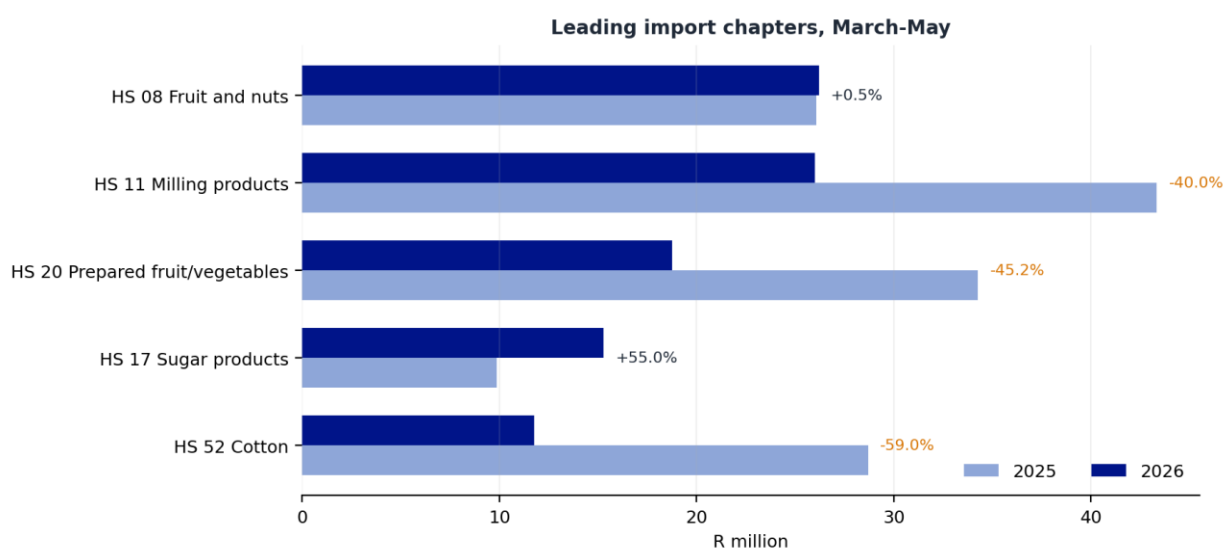


Figure 3: Leading import chapters, March-May 2025 and 2026

The five leading import chapters each followed a different path. HS 08 fruit and nuts were broadly unchanged at R26.2 million. HS 11 milling products declined by 40.0%, HS 20 prepared vegetable and

fruit products by 45.2%, and HS 52 cotton by 59.0%. HS 17 sugar and confectionery increased by 55.0%. The import contraction was therefore concentrated on several established product groups rather than being uniform across all chapters.

4.3 Fertiliser and broader input exposure

HS 31 fertiliser imports fell by 17.0%, from R12.5 million in March–May 2025 to R10.4 million in March–May 2026. Egypt accounted for virtually all recorded fertiliser import value from these markets during March to May 2026, while imports from Israel fell to almost zero. The monthly pattern was uneven, with negligible imports in March, followed by R3.2 million in April and R7.2 million in May. This variability, together with the concentration of supply, highlights the value of monitoring quantities and more detailed product-level data.

A broader review of input-related trade shows substantial flows with the Middle East in HS 27 mineral fuels and oils, with trade valued at R20.55 billion during January to May 2026. Exposure was also recorded in HS 38 chemical products, HS 39 plastics, HS 84 machinery and HS 31 fertilisers. These figures represent economy-wide trade and fall outside the headline agricultural trade totals used in this report. The broad HS chapters cannot be attributed solely to agriculture, but they indicate potential exposure through energy, chemicals, machinery and other inputs used across the economy, including agriculture.

Assessment: Selected import value declined, particularly in April. Fertiliser import value fell, but this does not indicate cheaper inputs or improved availability. Quantity data and HS6 detail remain essential for interpretation.

5. Domestic price transmission

Trade values and domestic prices measure different parts of the transmission process. A decline in recorded import value may occur at the same time as higher domestic prices if quantities fall, the exchange rate weakens, shipping costs rise or product sourcing changes. The trade data should therefore be read alongside the departmental price tracker rather than used as a substitute for it.

The main price channels are fuel, fertiliser, freight and the exchange rate. National Treasury described the regional conflict as a negative supply shock operating through oil, gas and fertiliser prices, with implications for agricultural output and food inflation. [5] The Agricultural Business Chamber of South Africa (Agbiz) estimates that fuel accounts for roughly 13% and fertiliser about 35% of grain farmers' input costs. These exposures are especially relevant to the Western Cape during winter-crop planting and to fruit value chains during harvesting, packing and export. [6]

The domestic effect may occur with a lag. Changes in Brent crude oil and the rand exchange rate are transmitted through fuel-price adjustments, transport and cold-chain costs. Fertiliser prices may respond through energy costs, global supply conditions, freight and exchange-rate movements. The price tracker should therefore continue to monitor Brent, USD/ZAR, coastal diesel, fertiliser or urea prices, relevant producer-price indicators and selected fresh-produce prices.

Assessment: The available trade data do not establish whether domestic farm-input prices improved or deteriorated. External evidence points to greater upward cost risk, while confirmation should come from the price tracker and product-level import quantities.

6. Policy considerations

The evidence supports a preparedness and risk-reduction response rather than a conclusion that all trade has deteriorated. The following priorities fall within, or can be supported through, a provincial coordination and intelligence role.

Priority	Practical direction
Logistics continuity	Maintain engagement on cargo at risk, route changes, transit times and cold-chain capacity.
Market readiness	Prepare phytosanitary and market-access options before disruption, certified fresh produce cannot always be redirected. [4]
Concentration monitoring	Monitor the UAE and Saudi Arabia closely while maintaining alternative channels in Turkey, Jordan and other markets.
Input intelligence	Track Brent, USD/ZAR, diesel, fertiliser and HS 3102-3105 quantities and unit values; set alert thresholds.
Evidence improvement	Extend the baseline to 2023, add HS6 quantities and update when June-July 2026 data are available.

Exporters Western Cape specifically highlighted the difficulty of redirecting fresh-produce cargo because of destination-specific phytosanitary and import protocols. [4]

7. Has trade improved or deteriorated?

The value of selected Western Cape agricultural exports to the Middle East increased by 7.1%, while total selected trade rose by 5.4% and the trade balance widened by 9.0%. Export performance therefore remained above the comparable 2025 level during the first three months of the disruption.

Export growth was highly concentrated in Saudi Arabia, while several markets recorded declines. Selected imports contracted, with a particularly sharp decline in April, while both export and import flows remained concentrated in a small number of markets and products.

In operational terms, conditions became more challenging. Shipping companies altered routes, suspended services and introduced additional risk charges, while fresh-produce exporters faced constraints in redirecting certified cargo. Fuel and fertiliser cost risks also increased. [2–6]

Assessment: Trade improved in nominal export value, while selected import value declined and operating conditions became more challenging. Overall, the Western Cape trade position remained resilient during the first three months of the disruption, but with greater exposure to operational and cost risks.

8. Conclusion

During the period March-May 2026, Western Cape agricultural exports to selected Middle Eastern markets remained resilient despite significant disruption. Export value rose and the trade surplus widened, supported mainly by strong growth in Saudi Arabia and selected smaller markets. However, imports weakened, market and product concentration remained high, and logistics and input-cost risks increased.

The next analytical step is not simply to wait for more months, but to improve the depth of the evidence. HS6 values and quantities are required for the main fruit, meat and fertiliser flows, together with a longer monthly baseline and the integration of the departmental price tracker. These additions will allow future updates to distinguish more clearly between price effects, shipment timing, market substitution and real volume changes.

Sources and notes

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3. **Reuters, 1 March 2026.** Shipping companies divert vessels around Cape of Good Hope after strikes on Iran.
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Data interpretation notes

- Values are nominal/current rand and may be affected by exchange-rate and price movements.
- One comparison year is insufficient to separate conflict effects from normal seasonality.
- A decline in import value is not proof of lower prices or lower domestic cost pressure.
- The trade data end in May 2026 and do not capture subsequent developments in the conflict or shipping environment.
- Percentage changes from very small bases should be interpreted together with absolute rand values.