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South Africa 8

Spare a thought for SA farmers

In the wake of the Middle East war, SA's agricultural value chain is currently being confronted with rising input costs, disrupted trade flow and heightened logistical risk.

Nokukhanya Mntambo · 15 Apr 2026 04:04

Despite the persisting challenges, the current outlook for citrus exporters is favourable. Image: AdobeStock

A report released by Absa has warned that producers who have not secured their fertiliser stock will face higher costs and tighter supply availability amid strained global supply chains on the back of the war in the Middle East.

The lender released the autumn edition of the Absa AgriTrends Report on Tuesday, in which it detailed some of the challenges set to face the agricultural sector in the short and long term.

In the spring edition, released six months ago, the foot and mouth disease was the prevailing issue. The focus has now shifted to geopolitical tensions between the US, Israel and Iran.

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The conflict has intensified instability across major shipping routes since February. With the Strait of Hormuz partially disrupted, some carriers have suspended routes, rerouted vessels, or omitted ports to manage delays and operational risks.

As a result, Middle Eastern markets face the possibility of reduced availability of fresh produce, particularly where transit times are extended. Absa says these logistical disruptions materially elevate the cost and risk profile for South African exporters.

- South African exporters are facing higher freight costs, driven by elevated bunker fuel surcharges, doubled surcharges on some routes, and restricted vessel availability.
- Longer transit times raise the risk of fruit arriving in poor condition, potentially causing it to miss optimal market windows.
- Diversions to alternative markets may also reduce sales value, especially where phytosanitary rules or size specifications restrict market access.

Loffie Brandt, sector executive for agriculture at Absa AgriBusiness, says the most immediate impact on South African agriculture stems from rising cost pressures.

Petrol and diesel prices have climbed by around 15% and 40% per litre respectively month-on-month in April.

> **This means producers entering the planting or harvesting season will face increased cost pressures, as diesel consumption typically peak during these times.**

Government previously stepped in to lower petrol and diesel prices for the April fuel adjustments, but Absa's agri-economists agree that the extent of the intervention is likely to be limited down the line, in a bid to protect South Africa's fiscus.

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Fertiliser prices have also responded to the conflict. Urea, a fertiliser used to boost crop yields, exceeded $500 per tonne in early March, with additional adjustments expected across other fertiliser categories.

“Producers will need to adapt operations to shifting cost structures while maintaining quality and supply consistency,” Brandt says.

> **While demand for South African produce in the Middle East currently remains firm, Absa says exporters should prepare for a volatile trading environment if the conflict persists for a prolonged period.**

“Yet the local agriculture sector has demonstrated its resilience and ability to adapt to changing market conditions in an agile manner over the years and despite current challenges, there are also opportunities,” he adds, with cautious optimism.

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The bank says the current outlook for citrus exporters is favourable. EU markets, in particular, look promising and for oranges specifically, duty-free access to the US and tightening Northern Hemisphere supply is expected to contribute to a favourable pricing environment.

“The US remains a key counter-seasonal market for South African citrus, though access conditions have shifted significantly,” says Brandt.

In addition, harvesting for apples and pears are currently in full swing. Apples can be successfully stored for four to six months and pears for two to four months – which could enable producers to wait for a better opportunity to export.

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Agoa extended – and SA is included

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