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Further food price pain on the cards for consumers as agri sector faces higher input costs

14TH APRIL 2026 BY: SABRINA JARDIM - SENIOR ONLINE WRITER



Photo by: Creamer Media

While developments around the conflict in the Middle East remain unpredictable, the South African

agricultural value chain is already being confronted with rising input costs, disrupted trade flows and heightened logistical risks.

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

Urea, a fertiliser used to boost crop yields, has reached its highest level in several years, and was trading above \$650/t by early April.

Additional adjustments are also expected across other fertiliser categories.

Brandt warns that producers who have not secured their fertiliser stock will face higher costs and tighter supply availability as global supply chains remain strained.

“With petrol and diesel prices, respectively, climbing by around 15% and 40% per litre month-on-month in April, producers entering planting or harvesting season will face cost pressures as diesel consumption typically peaks during these times. Rising fuel prices also carry wider inflationary effects across the economy and may delay anticipated interest rate cuts.”

In addition, although producer margins may tighten in the near term, elevated freight and fuel costs are likely to be reflected in final pricing.

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

Brandt notes that logistical disruptions materially elevate the cost and risk profile for South African exporters who face higher freight costs, driven by elevated bunker fuel surcharges, doubled surcharges on some routes and restricted vessel availability.

Longer transit times also raise the risk of fruit arriving in poor condition, potentially missing optimal market windows. At the same time, diversions to alternative markets may result in reduced revenue for producers.

These insights are drawn from the Autumn edition of the Absa AgriTrends Report.

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

Continued monitoring of oil markets, shipping conditions and currency movements will be essential as the situation evolves.

Yet, it notes that 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.

The current outlook for citrus exporters is favourable, says Brandt.

“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”.

In addition, harvesting for apples and pears is currently in full swing – pear harvesting of late varieties usually ends in April, while apples continue until May.

Apples can be successfully stored for four to six months and pears for two to four months.

“This could enable producers to wait for a better opportunity to export.”

For South African households, the report indicates that one of the most immediate impacts of the conflict will be rising food prices.

“Higher oil and diesel prices have a ripple effect on the food supply chain as it impacts operational costs related to farm machinery,

fertiliser production, transport, cold storage and ultimately prices on supermarket shelves,” says Brandt.

For consumers, this means a steady erosion of purchasing power as the cost of staples climbs.

“The burden will fall most heavily on lower-income households, which already spend a sizeable portion of their income on food, forcing difficult trade-offs such as reducing protein intake or cutting back on other essentials.

“In effect, the conflict risks turning food inflation into a regressive tax on the most vulnerable, deepening cost-of-living pressures even if broader inflation eventually stabilises.” 

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