



<https://www.engineeringnews.co.za/article/agri-bodies-call-for-proactive-proportionate-fuel-policy-as-rural-supply-starts-being-rationed-2026-03-30>

Agri bodies call for proactive, proportionate fuel policy as rural supply starts being rationed

30TH MARCH 2026 BY: MARLENY ARNOLDI - ONLINE NEWS EDITOR



Photo by: Bloomberg

Industry bodies Agri SA and the Agricultural Business Chamber of South Africa (Agbiz) have confirmed some rural

areas are already starting to experience fuel supply constraints as a result of global fuel supply pressures and behavioural responses brought about by the conflict in the Middle East.

The organisations implored the Department of Mineral and Petroleum Resources to consider a temporary adjustment to the current fuel pricing mechanism in response to the emerging supply constraints in rural areas.

Agri SA and Agbiz undertook a joint survey among farmers and fuel retailers servicing the agriculture sector from March 24 to 27. While public statements have indicated that national fuel supply remains stable, the survey results pointed to a more nuanced reality at farm level.

Respondents across multiple regions reported constrained supply and increasing instances of rationing, with retailers limiting volumes owing to uncertainty of replenishment.

The organisations say these constraints are starting to affect farming and agribusiness operations at a critical time in the production cycle.

“The current situation does not appear to be driven by a single identifiable factor, but rather by a combination of global oil market volatility, supply chain dynamics and behavioural responses in the market. In such conditions, pricing signals play a critical role,” Agri SA states.

Agbiz and Agri SA propose an immediate out-of-cycle fuel price adjustment to better reflect current market conditions and the introduction of temporary reviews that occur more regularly than the standard monthly adjustment as long as the currently energy price volatility persists.

This is in line with what associations in the fuel retail sector have also asked for.

Agri SA COO **Jolanda Andrag** emphasises that these measures are not intended to increase costs to the sector but to ensure that pricing reflects underlying conditions more accurately, thereby reducing incentives for panic buying or supply withholding.

Agbiz CEO **Theo Boshoff** says fuel represents a significant input cost in agriculture, typically accounting for between 12% and 18% of production costs.

“Any disruption in availability, particularly during peak planting, harvesting, or transport periods, poses a direct risk to food production, supply chains, and ultimately food security,” he states.

AgriSA and Agbiz say they are committed to supporting a well-functioning and stable fuel supply system, backed by proactive, proportionate policy responses in times of volatility.

CITRUS INDUSTRY

Meanwhile, with the 2026 citrus season starting soon, the Citrus Growers' Association of Southern Africa (CGA) says it is closely monitoring fuel availability and cost owing to the conflict in the Middle East.

These factors will impact the upcoming citrus season, which begins in earnest from April.

The CGA says it has received reports of isolated diesel shortages, which is concerning.

While official assurances indicate that national supply remains stable, industry participants have reported limited diesel availability at certain stations, seemingly caused by unusual buying patterns and controlled allocation by industry players.

The CGA emphasises the urgent need for an integrated national approach involving government, fuel suppliers, logistics operators, growers and exporters.

"Strong coordination, transparency and contingency planning will be essential to ensure the upcoming season proceeds with as

little disruption as reasonably possible. The government must take into account the important contribution of agriculture exports in the economy," says CGA CEO Dr **Boitshoko Ntshabele**.

South Africa is the world's second largest exporter of citrus, and citrus is South Africa's largest agricultural export sector.

CGA points out that 95% of the national citrus crop moves by road to ports. Should controlled selling or limited availability of diesel persist, it could directly affect the functioning of the citrus supply chain.

"This points to the problems inherent in a logistics system almost wholly reliant on trucks. Over the longer term, greater freight rail activity is needed and the CGA is grateful that private sector involvement in rail is progressing, but it needs to happen at a greater scale and a faster pace," says Ntshabele.

The CGA expresses its support for fuel measures recently proposed by Agbiz, Agri SA and the Fuels Industry Association of South Africa.

"Recent developments place additional strain on our sector, which supports 140 000 jobs at farm level. We therefore encourage government to assist in mitigating negative impacts and to create an enabling environment that supports the continued growth of the citrus industry.

"This includes action on improved market access to China, India, the US and the EU. We need better access and more markets now more than ever," says Ntshabele.

The CGA will soon publish its estimates for the 2026 citrus season, giving an overview of expected volumes available for export.

LONGER-TERM VIEW

For South Africa to become more resilient to external shocks of this nature, there needs to be a focus on targeted efficiency measures and a realistic assessment of existing constraints, says consultancy EY, rather than through idealised demand reduction.

EY cites suggestions from the International Energy Agency as being to prioritise public transport, protect food and essential logistics and providing limited temporary fiscal relief to ease the pass-through of these price shocks. The consultancy says global demand-management strategies often emphasise remote work and reduced travel, but these measures face structural constraints in South Africa.

While these suggestions are broadly sensible, EY says they do not sufficiently account for developing-economy realities.

“Structural constraints in contexts such as South Africa limit the effectiveness of standard demand-side responses. Most employment is location-dependent, with only 10% to 15% of the labour force being able to work remotely,” explains EY Africa chief economist **Angelika Goliger**.

She adds that oil demand is tightly linked to diesel-intensive sectors such as freight, mining, and agriculture. In addition, the scope for rapid behavioural or regulatory adjustments is limited by practical implementation and compliance challenges, rather than policy intent.

“These trade-offs are further intensified by limited fiscal space, which restricts many African governments, including South Africa’s, from sustaining broad price interventions without risking debt sustainability and broader budget stability.” 

Phone: +27 (0)11 622 3744

Email: newsdesk@engineeringnews.co.za

Website: www.engineeringnews.co.za

To subscribe email
subscriptions@creamermmedia.co.za or [click here](#)

To advertise email
advertising@creamermmedia.co.za or [click here](#)

