

# INPUT COST MONITOR:

## Trends in selected agricultural input prices – an update

*July 2013*



**National Agricultural  
Marketing Council**

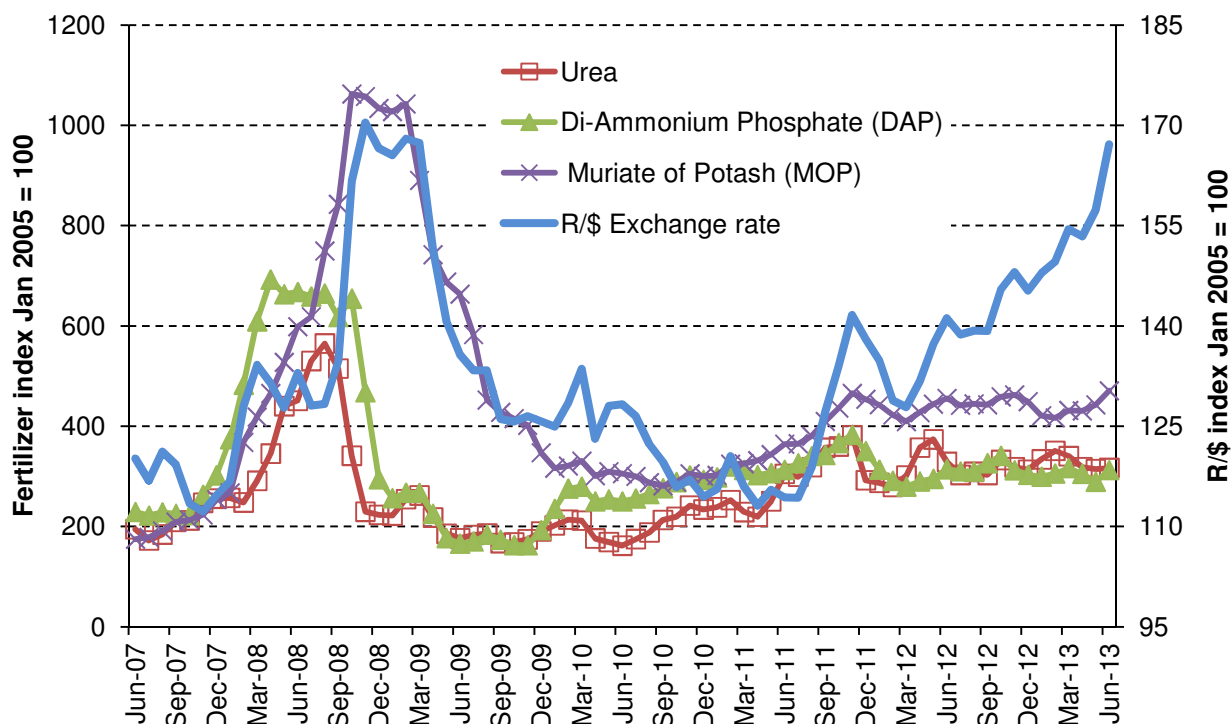
Promoting market access for South African agriculture

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**1. International price trends for selected fertilisers:**

As depicted in Figure 1, the prices of international fertilisers showed volatility but with a constant increasing trend. From June 2007 to June 2013 the prices of Urea, Di-Ammonium Phosphate (DAP) and Muriate of Potash (MOP) increased by 62.8 %, 36.4 % and 169.4 % respectively. During the same period the R/\$ exchange rate depreciated by 39.1 %.

From June 2012 to June 2013, the international price of Urea and DAP decreased by 3.7 % and 0.6 % respectively, whilst the price for MOP increased by 3.3 %. During the same period the R/\$ exchange rate depreciated by 18.4 %.



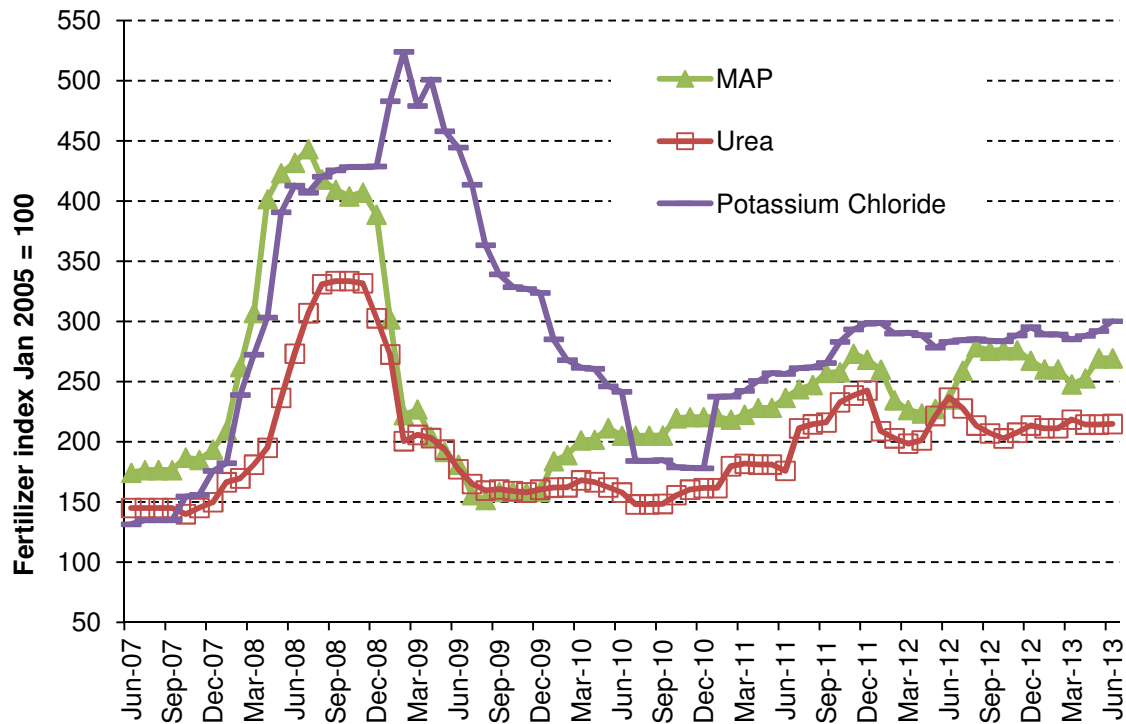
**Figure 1: International price trends for selected fertilisers**

Source: Own calculations based on data from Grain SA, 2013.

**2. Local price trends for selected fertilisers:**

As depicted in Figure 2, the prices of local fertilisers showed similar volatility and also with a constant increasing trend. From June 2007 to June 2013 the prices of Mono-Ammonium Phosphate (MAP), Urea and Potassium chloride increased by 54.6 %, 48.1 % and 128.1 % respectively.

From June 2012 to June 2013, the local price of MAP and Potassium chloride increased by 14.5 % and 6 % respectively, whilst the price of Urea decreased by 9.3 %.



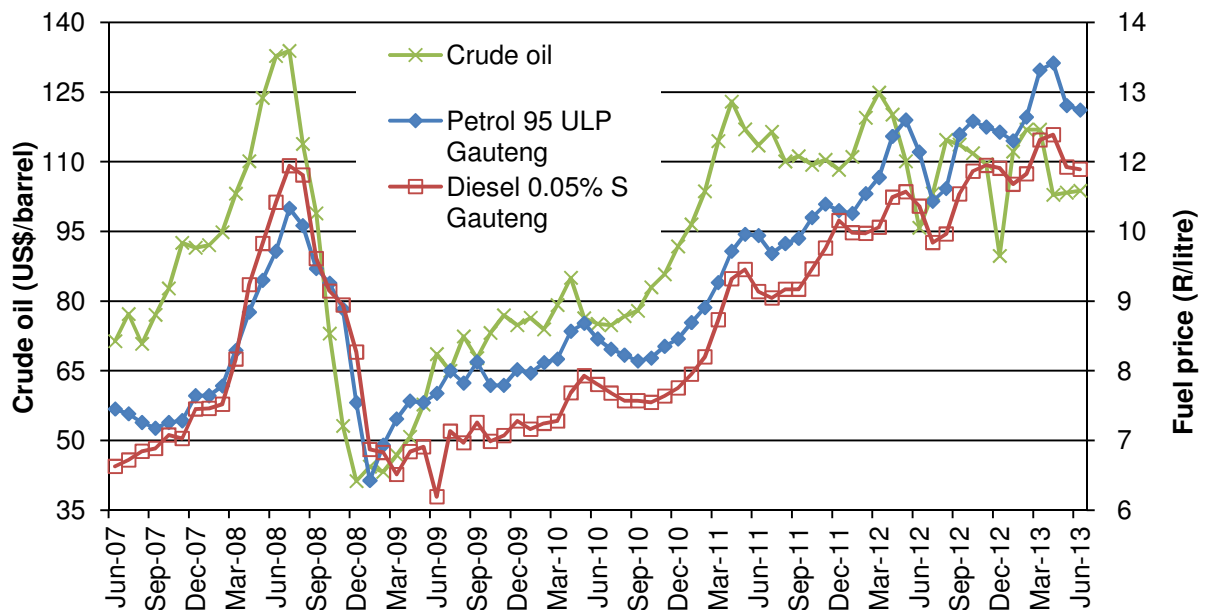
**Figure 2: Local price trends for selected fertilisers**

Source: Own calculations from price lists, 2013.

**3. Fuel prices**

As depicted in Figure 3, the prices of crude oil, petrol and diesel followed the same trends and from June 2007 to June 2013 increased by 45.4 %, 71.1 % and 81.8 %, respectively.

From June 2012 to Junel 2013, the prices of petrol and diesel increased by 6.2 % and 5.9 % respectively, whilst the price of crude oil increased by 8.3 %.



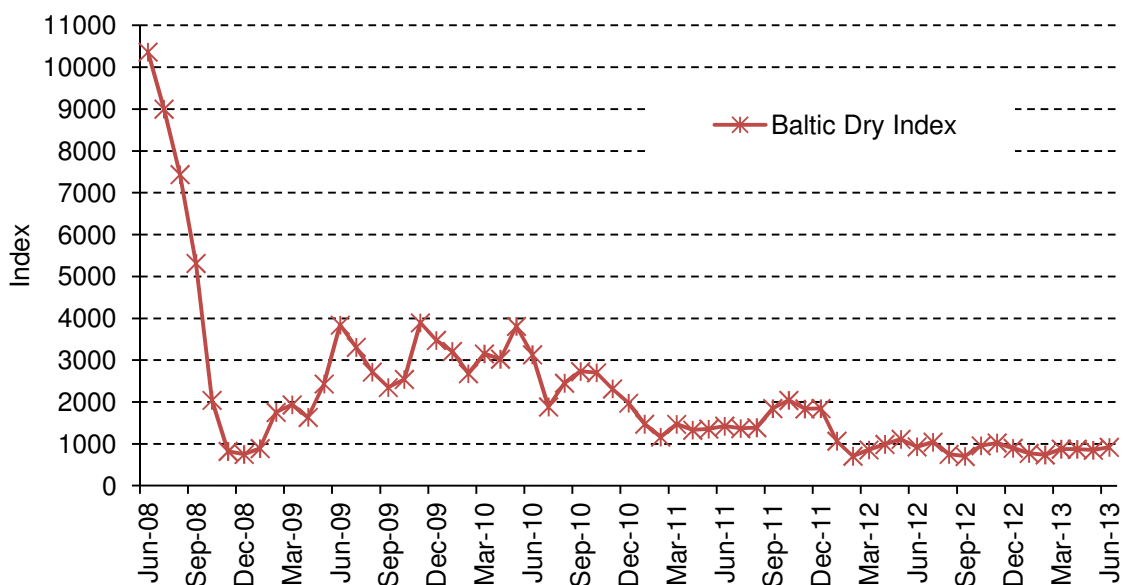
**Figure 3: Crude oil and fuel prices**

Source: Grain SA and SAPIA, 2013.

#### 4. Baltic Freight Index

The Baltic Dry Index (BDI) measures international freight rates for dry bulk cargo, and is significantly influenced by the demand to move raw materials internationally and the supply of shipping capacity. Figure 4 shows that during the depicted period the index decreased by 91.1 %.

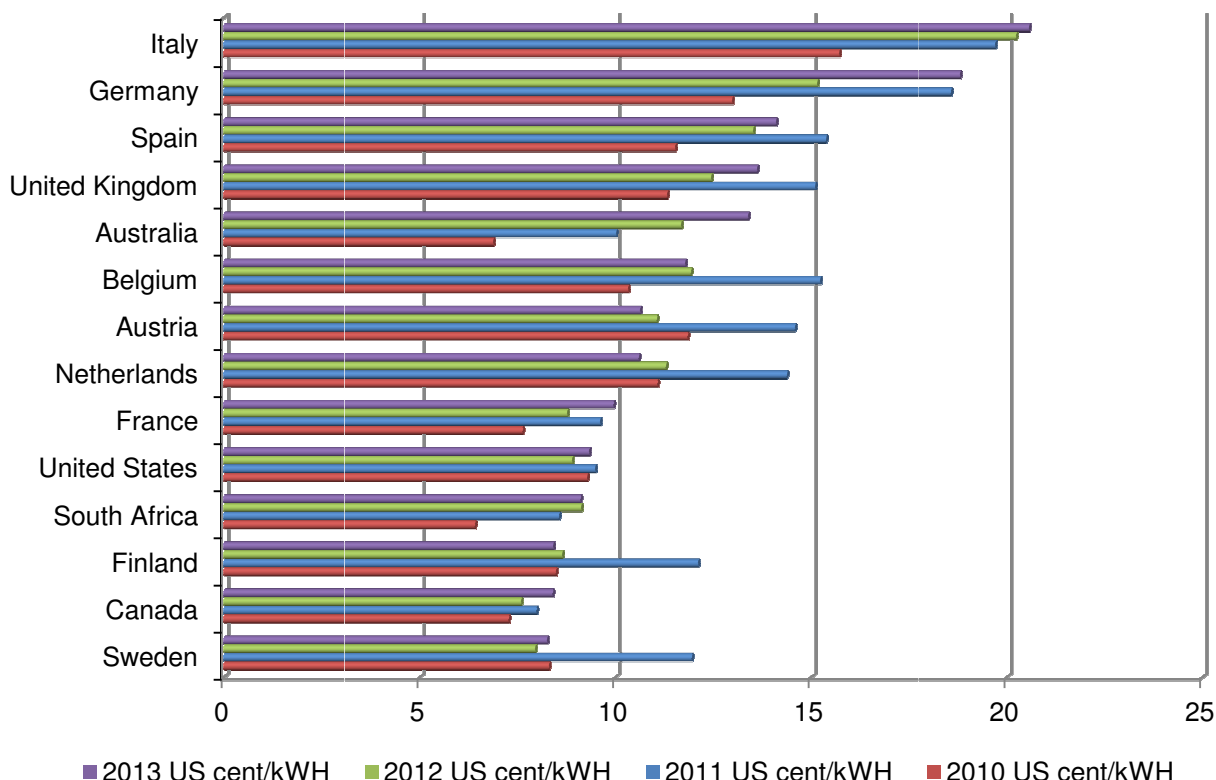
The BDI for June 2013 was 921 index points, a 1.3 % decrease in comparison with June 2012.



**Figure 4: Baltic Dry Index**  
 Source: SAGIS, 2013.

**5. International electricity cost comparison**

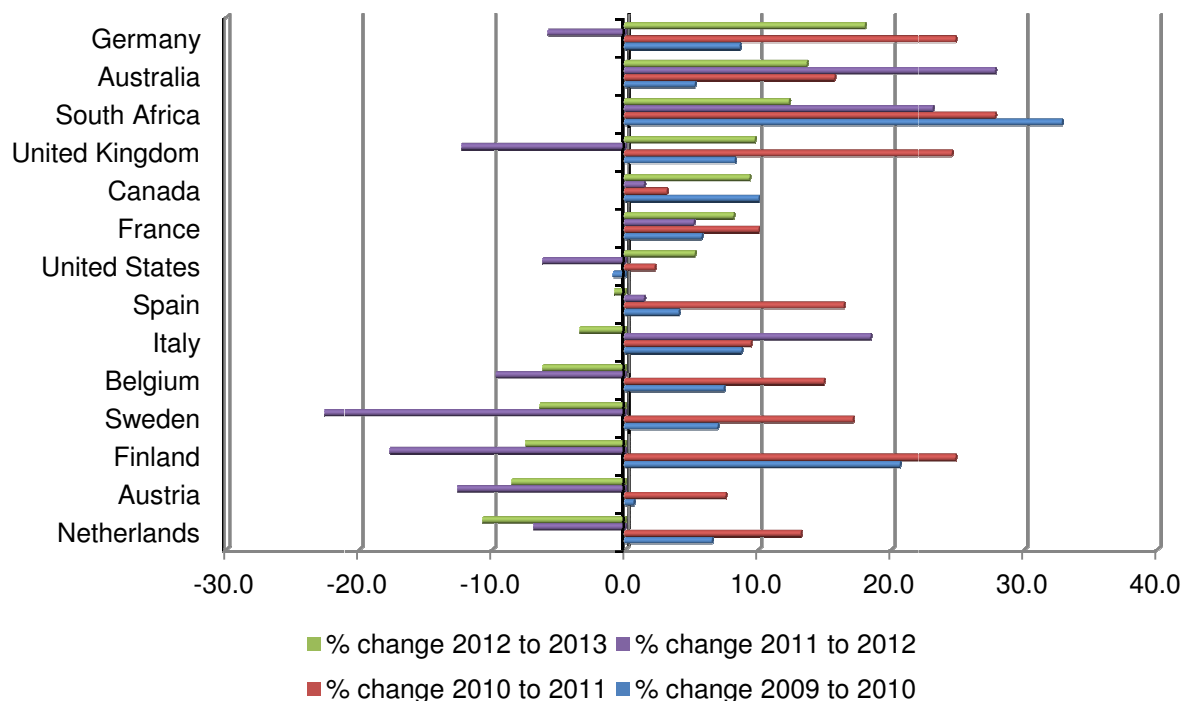
Figure 5 depicts the international electricity cost comparison from 2010 to 2013. The survey is based on prices as of 1 June 2012 for the supply of 1,000 kW with 450 hours use. All prices are in US cents per kilowatt hour and exclude VAT. Where there is more than a single supplier, an unweighted average of available prices was used. Where available in each country and widely used by the consuming public, deregulated or liberalized contract pricing was used in this survey.



**Figure 5: International electricity cost comparison**

Source: NUS Consulting, 2013.

South Africa still does not have the most expensive electricity in the world compared to developed countries but as depicted in Figure 6 the country incurred the third highest increase from 2012 to 2013. The cost of electricity in South Africa increased by 12.3% during 2013 with the highest increase in Germany of 18% followed by Australia with 13.6%.



**Figure 6: Changes in international electricity cost**

Source: NUS Consulting, 2013.

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