

INPUT COST MONITOR:

Trends in selected agricultural input prices – an update

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National Agricultural
Marketing Council

Promoting market access for South African agriculture

536 Francis Baard Street
Meintjies Plein
A Block, 4th Floor
Arcadia
Pretoria
Tel: +27(0)12 341 1115
Fax: +27(0)12 341 1811
Web: www.namc.co.za

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 April 2007 to April 2013 the prices of Urea, Di-Ammonium Phosphate (DAP) and Muriate of Potash (MOP) increased by 63.1 %, 40.6 % and 166.2 % respectively. During the same period the R/\$ exchange rate depreciated by 29.3 %.

From April 2012 to April 2013, the international price of DAP and MOP increased by 8.8 % and 1.3 % respectively, whilst the price for Urea decreased by 8.9 %. During the same period the R/\$ exchange rate depreciated by 17 %.

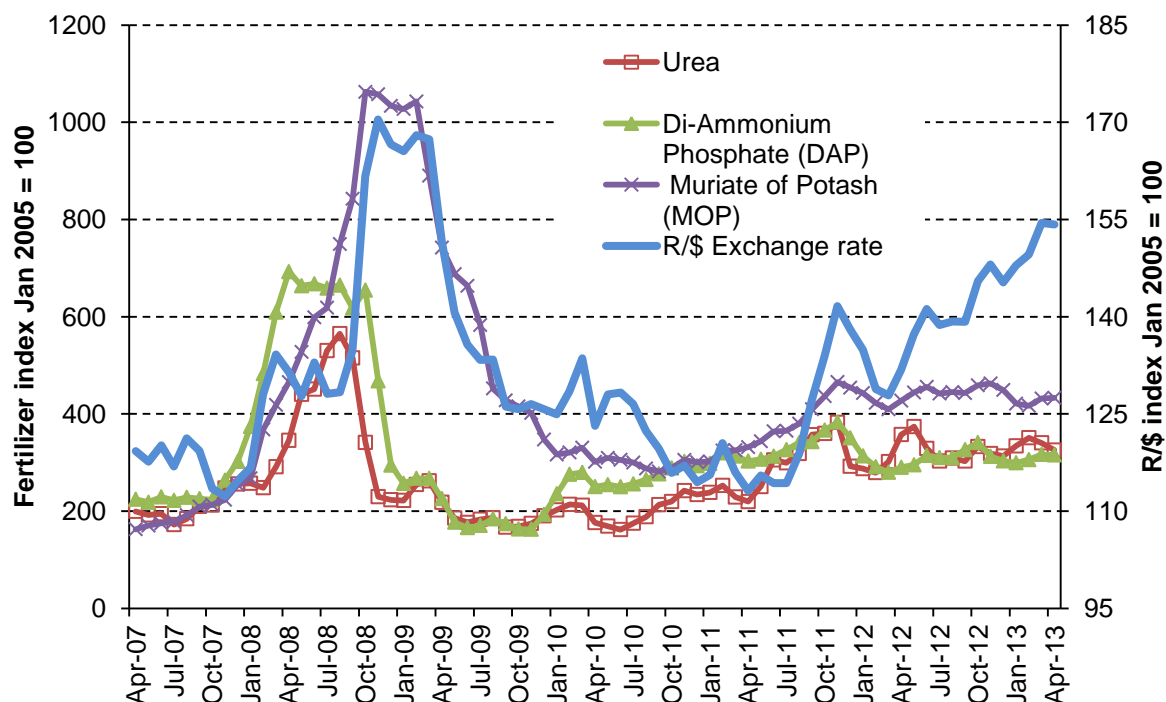


Figure 1: International price trends for selected fertilisers

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 April 2007 to April 2013 the prices of Mono-Ammonium Phosphate (MAP), Urea and Potassium chloride increased by 73.8 %, 62.7 % and 120 % respectively.

From April 2012 to April 2013, the local price of MAP and Urea increased by 13 % and 6.6 % respectively, whilst the price of Potassium chloride decreased by 0.2 %.

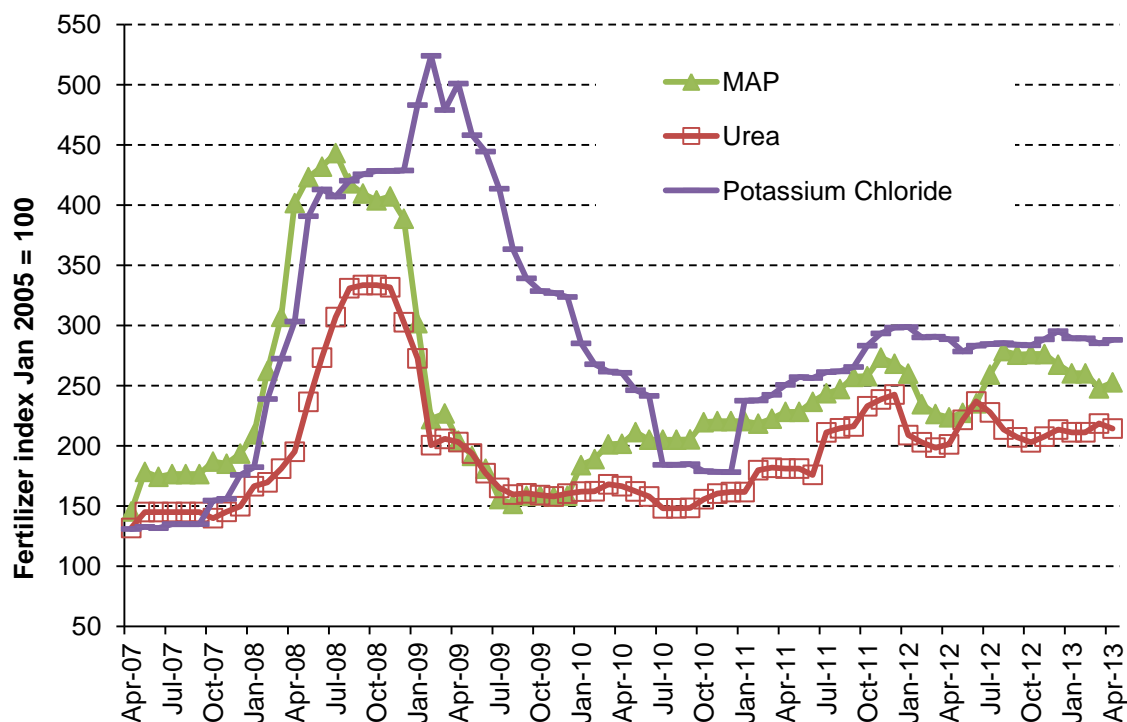


Figure 2: Local price trends for selected fertilisers
 Source: Own calculations from price lists, 2013.

3. Fuel prices

As depicted in Figure 3, the prices of crude oil, petrol and diesel followed the same trends and from April 2007 to April 2013 increased by 62.4 %, 97.9 % and 102.8 %, respectively.

From April 2012 to April 2013, the prices of petrol and diesel increased by 10.6 % and 9.9 % respectively, whilst the price of crude oil decreased by 8.8 %.

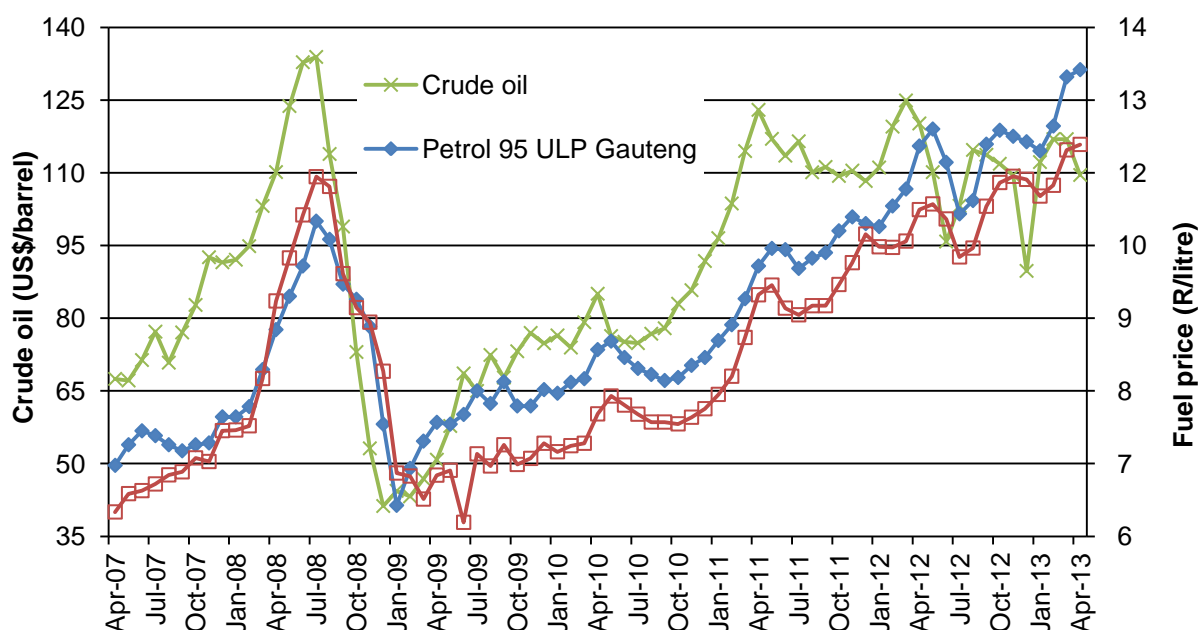


Figure 3: Crude oil and fuel prices
 Source: Grain SA and SAPIA, 2013.

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 89.4 %.

The BDI for April 2013 was 877 index points, a 11.5 % decrease in comparison with April 2012.

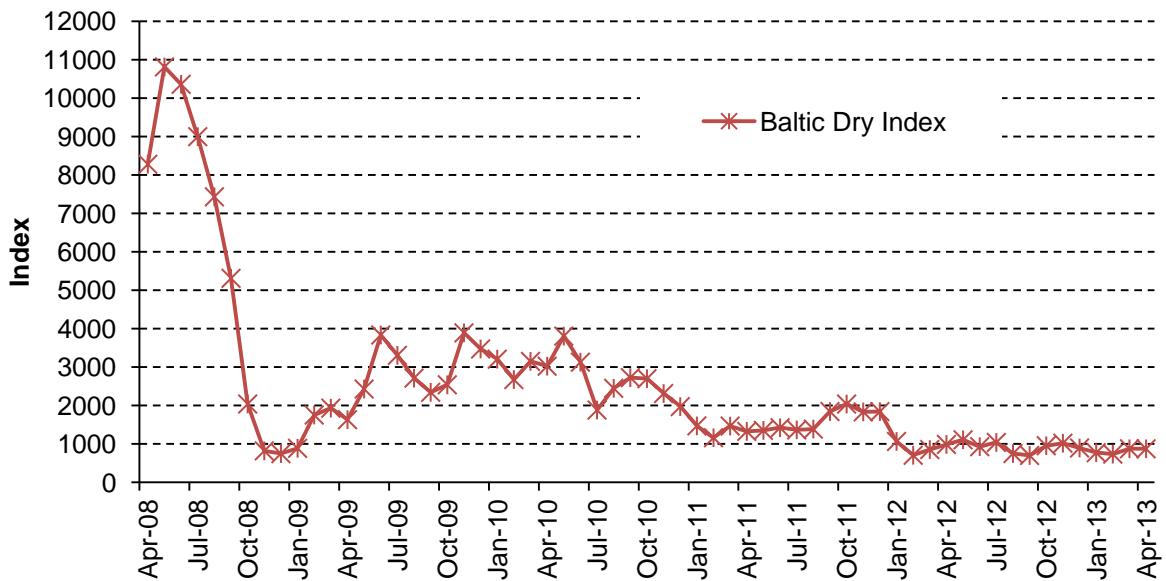
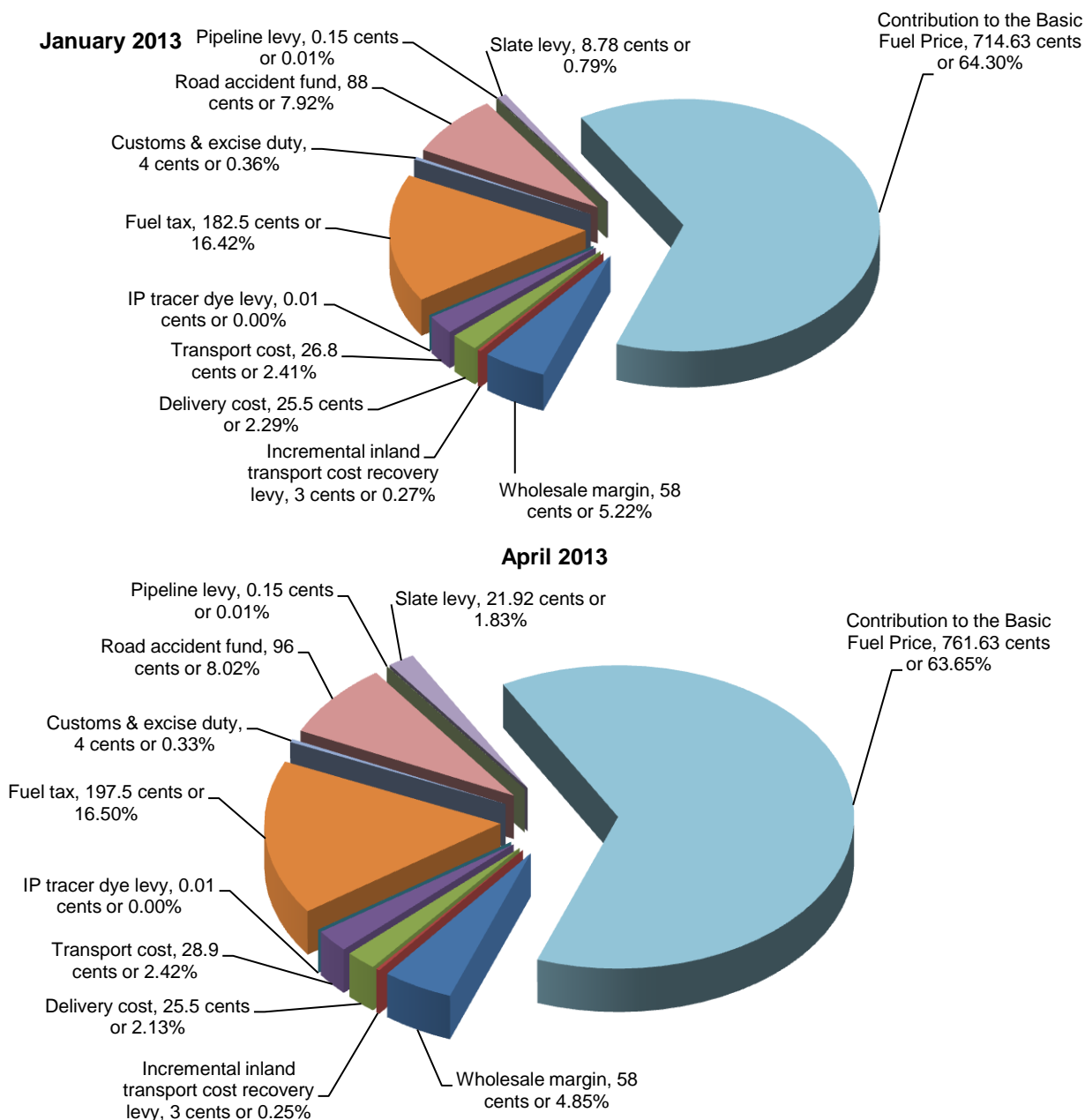


Figure 4: Baltic Dry Index
 Source: SAGIS, 2013.

5. Composition of diesel price

Figure 5 depicts the composition of the inland 0.05 % sulphur diesel price during January 2013 and April 2013. During January 2013 the Basic Fuel Price was 714.63 cents or 64.30 % of the wholesale pump price of 0.05% sulphur diesel in Gauteng. During this time the total margins, taxes and levies accounted for 396.74 cents or 35.7 % of the wholesale price of diesel.

During April 2013 the total margins, taxes and levies increased to 434.98 cent or 36.4 % of the wholesale pump price of diesel. The wholesale pump price of diesel increased by 7.7 % from January to April 2013.



Source: Dept of Energy, 2013.

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