



National Agricultural  
Marketing Council  
Promoting market access for South African agriculture

# Markets and Economic Research Centre



## Input cost monitoring

*An update on selected items*

*December 2014*

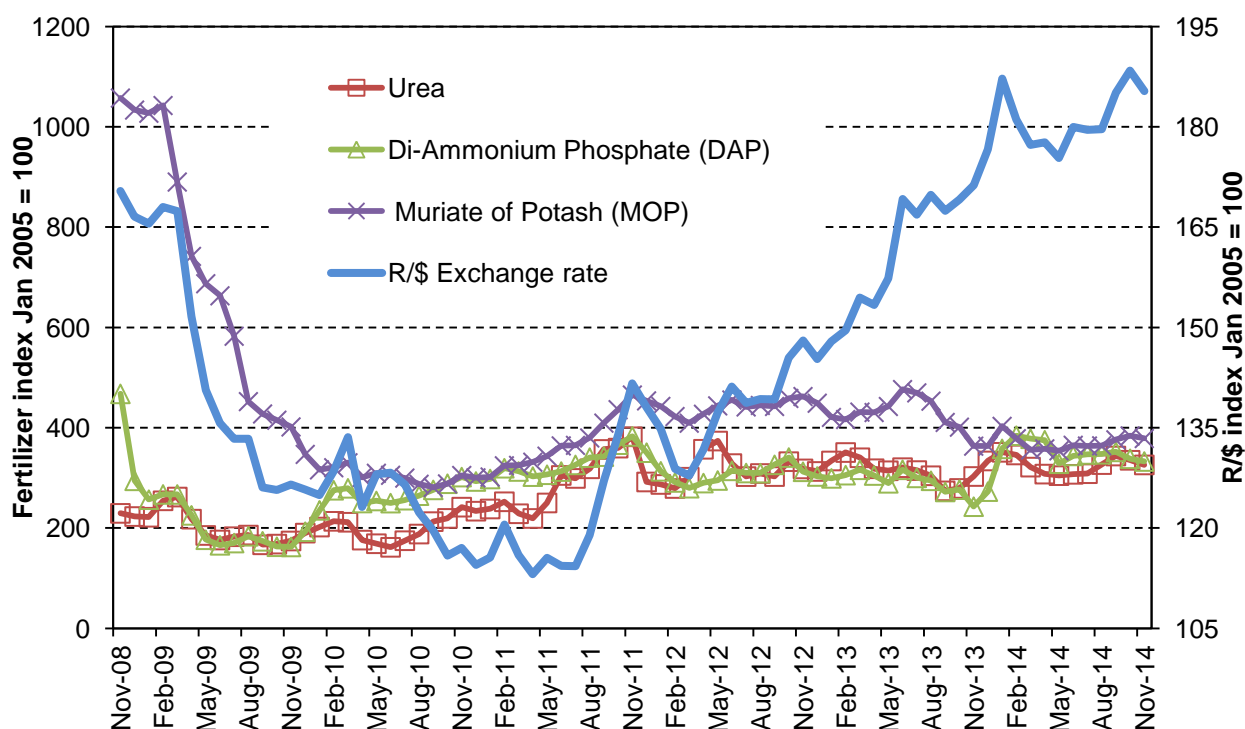
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**1. International price trends for selected fertilisers:**

As depicted in Figure 1, the prices of international fertilisers moved mostly sideways since the end of 2009 after record highs during 2008. From November 2008 to November 2014 the prices of Muriate of Potash (MOP) and Di-Ammonium Phosphate (DAP) decreased by 64.2 % and 28.8 % respectively whilst the price of Urea increased by 42.1 %. During the same period the R/\$ exchange rate depreciated by 8.8 %.

From November 2013 to November 2014, the international price of DAP, Urea and MOP increased by 37.1 %, 7.6 % and 4.2 % respectively. During the same period the R/\$ exchange rate depreciated by 8.2 %.



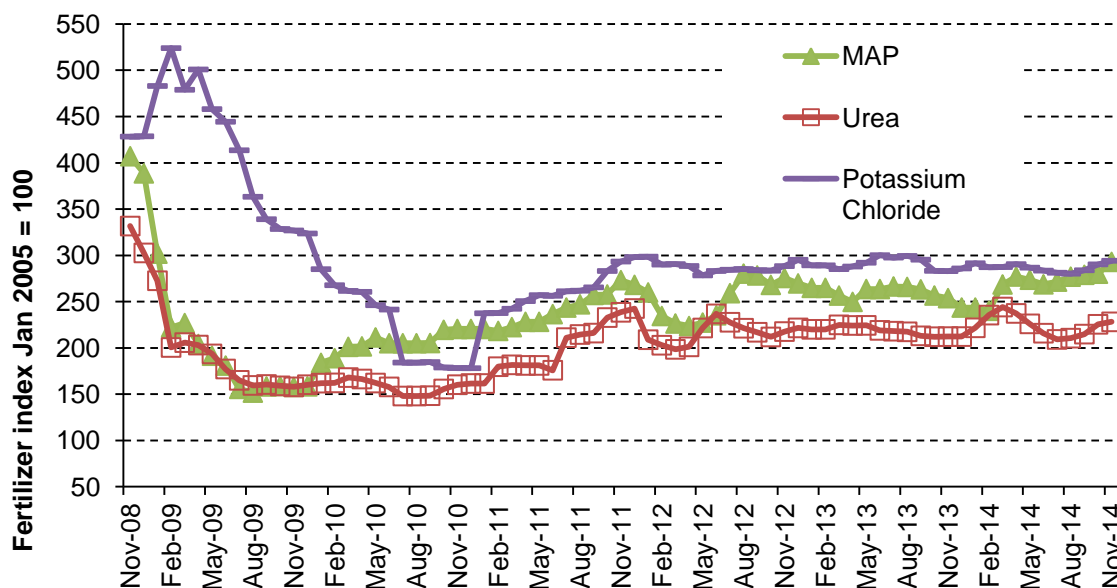
**Figure 1: International price trends for selected fertilisers**

Source: Own calculations based on data from Grain SA, 2014.

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

As depicted in Figure 2, the prices of local fertilisers showed similar sideways movements as the international prices since the end of 2009. From November 2008 to November 2014 the prices of Mono-Ammonium Phosphate (MAP), Urea and Potassium chloride decreased by 28 %, 31.2 % and 31.3 % respectively.

From November 2013 to November 2014, the local price of MAP, Urea and Potassium chloride increased by 15.4 %, 7.5 % and 3.9 % respectively.



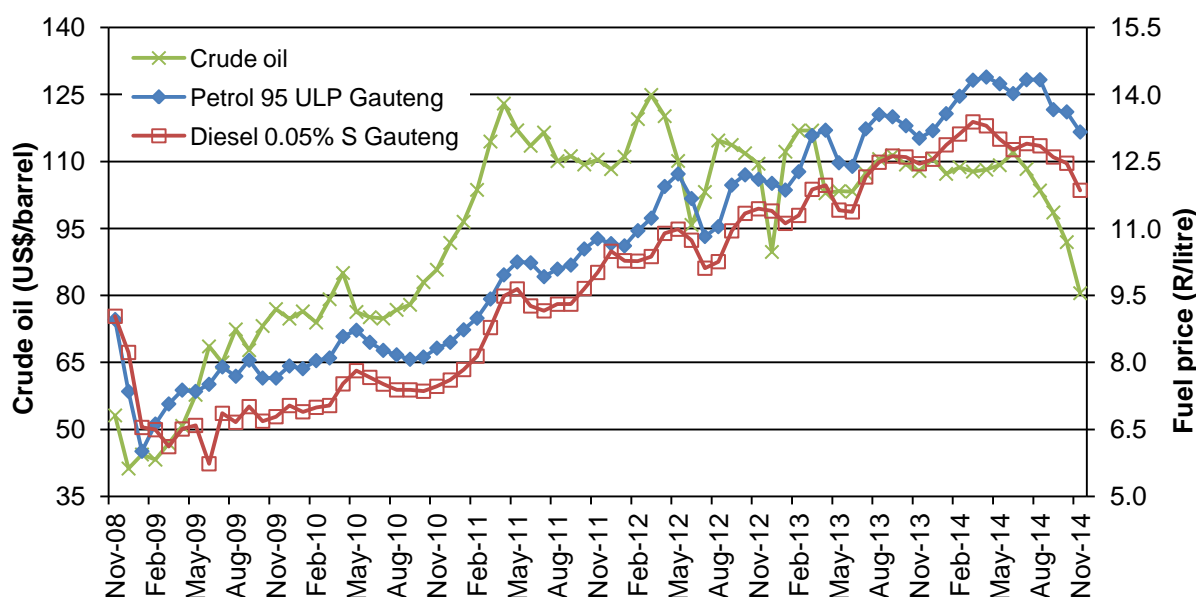
**Figure 2: Local price trends for selected fertilisers**

Source: Own calculations from price lists, 2014.

### 3. Fuel prices

As depicted in Figure 3, the prices of crude oil, petrol and diesel followed mostly the same trends. From November 2008 to November 2014 the price of petrol and diesel increased by 46.9 % and 31.2 %, respectively, whilst the US\$ price of crude oil increased by 51.5 %. The Rand price of crude oil increased by 65.5 % during the same period mainly due to the increased oil price and a depreciation of 9.2 % of the rand per US\$ exchange rate.

From November 2013 to November 2014, the prices of petrol increased by 1.1 %, whilst the price of diesel and crude oil decreased by 4.8 % and 25.4 % respectively, with a further depreciation of the R/\$ exchange rate by 8.2 %.



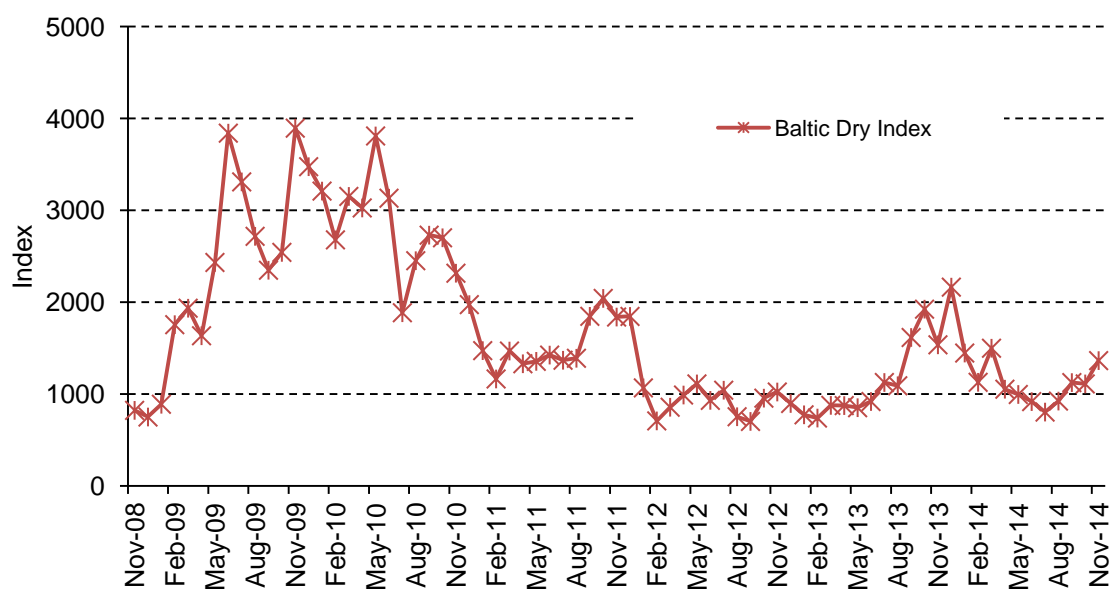
**Figure 3: Crude oil and fuel prices**

Source: Grain SA and Department of Energy, 2014.

#### 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 increased by 65.7 %.

The BDI for November 2014 was 1 366 index points, a 11.2 % decrease in comparison with November 2013.



**Figure 4: Baltic Dry Index**

Source: SAGIS, 2014.

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