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JOINT MEDIA STATEMENT

AgriSA and Agbiz welcome extended fuel levy relief, warn of mounting risks to winter and summer crop production

AgriSA and Agbiz welcome government's decision to extend and phase the temporary fuel levy relief measures through May and June 2026. The intervention provides important short-term cost relief to farmers and consumers amid sustained global oil price volatility.

However, both organisations caution that the relief, while necessary, does not fully offset the deeper structural pressures facing the agricultural sector, particularly fuel availability constraints, rising input costs, and the renewed spike in global oil prices linked to the ongoing Middle East conflict.

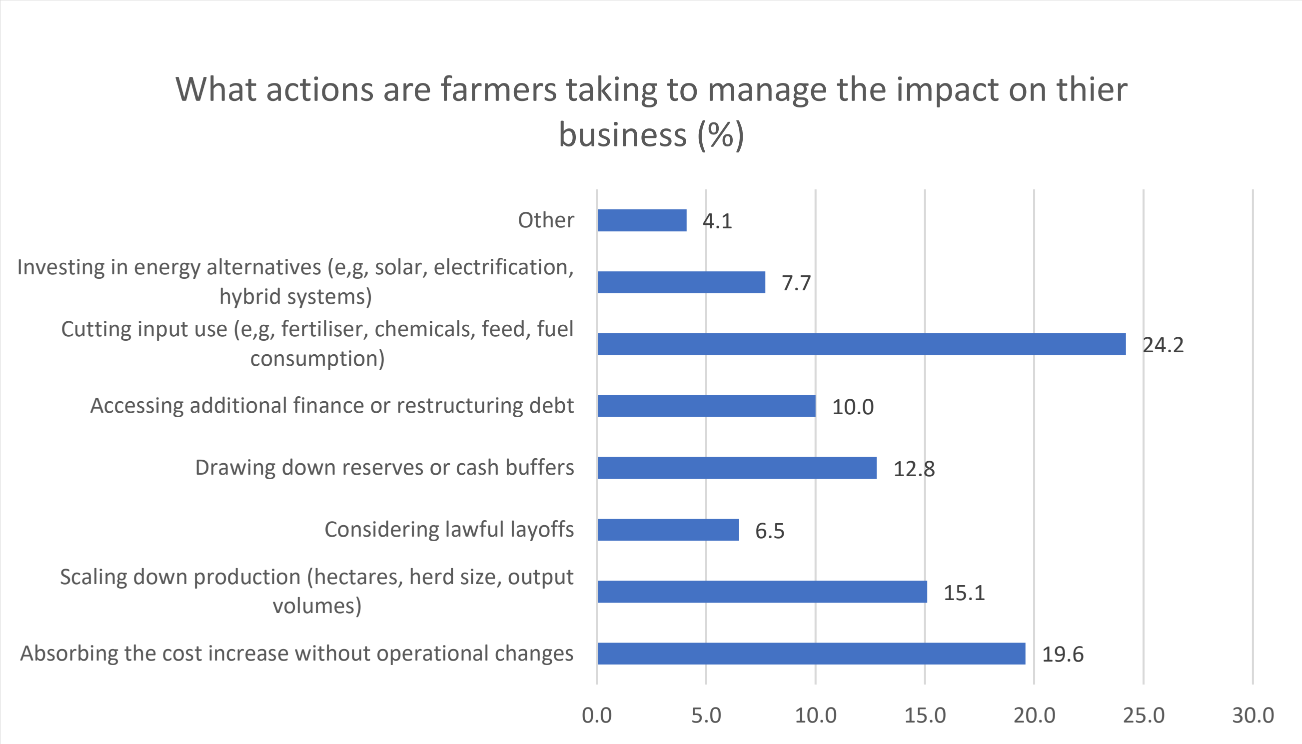
While the levy reduction offers temporary breathing room, recent joint surveys of farmers and fuel distributors indicate that the sector's primary concern remains price, reliability of fuel supply and the cumulative cost burden of inputs. Reports from the supply chain point to ongoing disruptions, including delayed deliveries, allocation limits, and in some cases only a fraction of normal volumes being supplied. Farmers are correspondingly receiving partial deliveries or facing delays during critical operational periods.

These challenges are compounded by higher fertiliser costs, weaker commodity prices, and uncertain weather conditions, placing additional strain on farm-level profitability.

The timing of these pressures is particularly concerning. South Africa's winter crop season is now underway, with planting progressing across key production regions. Current data already point to a likely contraction in wheat plantings for the 2026/27 season, expected to decline by around 6% to the lowest level in 12 years. This reflects the combined effect of lower global prices, rising input costs, and increased production uncertainty. Delays in planting due to fuel constraints, or reduced input application, could further weigh on yields and overall output.

Looking ahead, AgriSA and Agbiz warn that continued fuel supply disruptions and cost volatility, now amplified by higher global oil prices, pose a material risk to the 2026/27 summer crop season. This is despite a strong current outlook, with South Africa expected to harvest a record 20.8 million tonnes of grains and oilseeds in the 2025/26 season. While this provides short-term stability for food supply and prices, it should not obscure the growing risks to future production cycles.

Diesel remains a non-discretionary input across all farming systems, powering planting, irrigation, harvesting, and logistics. As such, supply disruptions and renewed price increases have immediate and compounding effects on agricultural output. Survey evidence shows farmers are already adjusting operations by scaling down production, cutting input use, drawing down financial reserves, and exploring alternative energy solutions, clear indicators of a sector under increasing strain.



AgriSA and Agbiz stress that stabilising agriculture will require a coordinated response that addresses both fuel price and supply reliability. This includes ensuring consistent availability of fuel to agricultural regions, improving transparency on supply conditions, and addressing logistical bottlenecks in the distribution system. The organisations also welcome the ongoing review of the fuel price formula and emphasise the importance of incorporating agricultural production realities into future regulatory frameworks.

AgriSA and Agbiz remain committed to working with government and industry stakeholders to ensure that South Africa's agricultural sector remains resilient, productive, and capable of supporting both food security and economic growth.

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