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**Fertiliser price expectations for October 2013**

**Corné Louw** (senior economist: Industry Services, Grain SA)

» Except for the price of ammonia, the prices of international fertiliser sources has sharply decreased during the first two weeks of September

International trends in fertiliser prices can be used with relative accuracy to predict changes in local fertiliser prices. From August 2013 to 12 September 2013 international fertiliser prices was seen to change as follows (Table 1):

**Table 1: Average international fertiliser prices (dollar value).**

Fertiliser	August 2013	12 September 2013	% change
	dollar/ton	dollar/ton	%
Ammonia (Middle East)	434	432	-0,5%
Urea (46) (Eastern Europe)	338	309	-8,6%
DAP (USA Gulf)	397	373	-6,0%
Potassium chloride (CIS)	395	368	-6,8%
rand/dollar exchange rate	10,06	10,05	-0,1%

Table 2 shows the international fertiliser price movements in rand terms. From this table it can be seen that international fertiliser prices sharply decreased during the first two weeks of September (except for ammonia). Should this trend persist for the rest of September and the exchange rate does not weaken further, it can be expected that the prices of most local fertiliser products can sharply decrease in October.

**Table 2: Average international fertiliser prices (rand value).**

Fertiliser	August 2013	12 September 2013	% change
	rand/ton	rand/ton	%
Ammonia (Middle East)	4 366	4 342	-0,5%
Urea (46) (Eastern Europe)	3 397	3 105	-8,6%
DAP (USA Gulf)	3 996	3 749	-6,2%
Potassium chloride (CIS)	3 968	3 698	-6,8%

**Historical fertiliser price statistics**

Tables 3 and 4 indicate the movement of international fertiliser prices in dollar and rand terms over a period of a year.

**Table 3: Average international fertiliser prices (dollar value).**

Fertiliser	August 2012	August 2013	% change
	dollar/ton	dollar/ton	%
Ammonia (Middle East)	645	436	-32,4%
Urea (46) (Eastern Europe)	418	353	-15,6%
DAP (USA Gulf)	510	403	-21,0%
Potassium chloride (CIS)	472	395	-16,3%
rand/dollar exchange rate	8,273	10,056	+17,7%

Table 4: Average international fertiliser prices (rand value).

Fertiliser	August 2012	August 2013	% change
	rand/ton	rand/ton	%
Ammonia (Middle East)	5 337	4 361	-18,3%
Urea (46) (Eastern Europe)	3 458	3 397	-1,8%
DAP (USA Gulf)	4 215	3 996	-5,2%
Potassium chloride (CIS)	3 906	3 968	+1,6%

Table 5 shows what happened with local fertiliser prices over a year period. Except for the price of LAN, local price changes correlated well with international price changes over a year period. The trend for LAN was however expected, because LAN competes directly with urea in the local market.

Table 5: Average local fertiliser prices.

Fertiliser	September 2012	September 2013	% change
	rand/ton	rand/ton	%
LAN (28)	4 879	4 791	-1,8%
Urea (46)	6 150	5 994	-2,5%
MAP	8 229	7 861	-4,5%
Potassium chloride	7 005	7 229	+3,2%

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## Agri Mega in full swing

*Susan Engelbrecht (Communication and Media Liaison: Grain SA)*

»A cool and windy Bredasdorp is the setting where the Agri Mega Week kicked off on Wednesday, 18 September.

From early in the morning, Grain SA members arrive at the cosy and comfy members' tent. These photos show how lovely the tent is decorated to make Grain SA members feel welcome. The expo runs until Saturday, 21 September and all Grain SA members are heartily invited to come and pay a visit during the two remaining days.



Liana Stroebel, Agricultural Development co-ordinator for the Western Cape, talking to developing farmers who visited the Grain SA tent on Wednesday morning.



This tractor is used during the Tractor Maintenance Course that is presented free of charge to developing farmers and farm workers.



*Cape proteas and a warm atmosphere awaits those members of Grain SA who visits the Agri Mega Week 2013.*

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### What to expect of the fuel price this October

**Wandile Sihlobo (economist: Industry Services, Grain SA)**

»According to the latest Central Energy Fund Fuel update report, the petrol price is expected to **DECREASE** on 2 October 2013 by 10 cents per litre and the diesel price is expected to **INCREASE** by 14 cents per litre.

The rand's value is still playing a major role in the expected increase of the domestic fuel prices. The rand was stronger on the morning of 18 September, despite the fact that the dollar is unchanged from the levels seen the day before. The US Federal Reserve's decision on stimulus tapering remains a key factor and domestically, labour unrests still play a huge role.


On the international markets, the tension in the Middle East (Egypt and Syria) is still seen as a major threat to fuel prices, even though the concern over a military strike against Syria has been eased.

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