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# Fruit and Vegetable markets

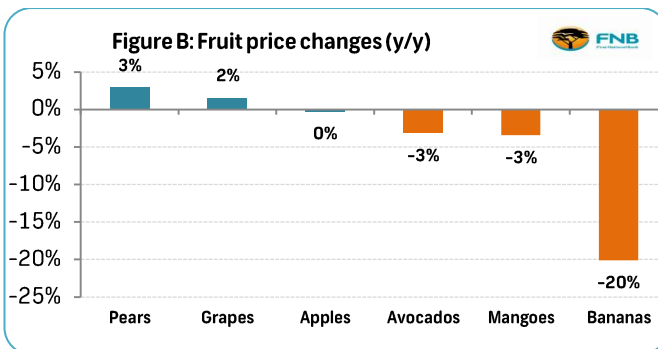
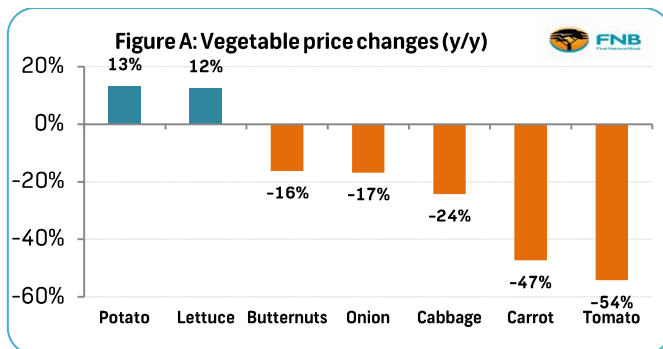
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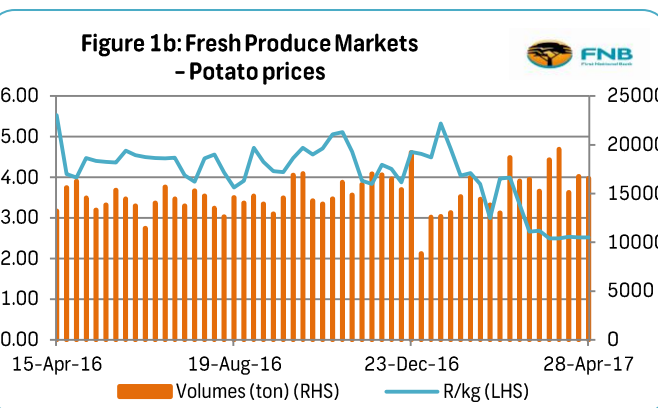
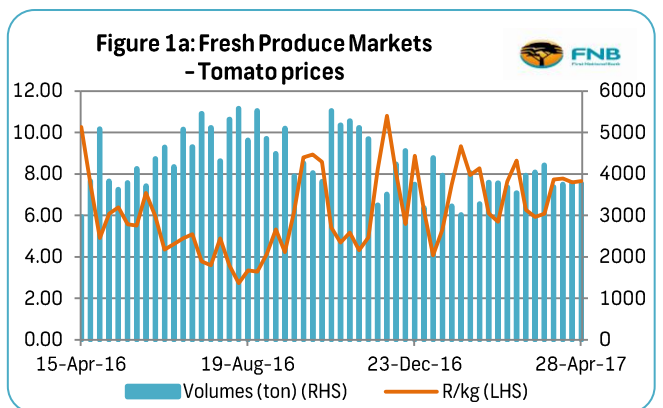
Paul Makube: [pmakube@fnb.co.za](mailto:pmakube@fnb.co.za) | 20 APRIL 2017

## Weekly update – Week ended 14 APRIL 2017

### Summary of weekly trends on fruit and vegetable markets



Vegetable prices extended recent gains across most commodities due to a combination of good uptake and limited supplies across markets. Butternuts and lettuce were however the exception, finishing the week slight to modestly lower. However, prices continued to decelerate year-on-year (y/y) across most vegetables under review which bodes well for food inflation going forward (figure A). In the fruit market, the trend was downwards across most commodities with the exception of pears and grapes. On a year-on-year basis, prices showed a similar trend with losses across most categories with the exception of pears and grapes (figure B). In the recent consumer inflation update by Statistics South Africa (StatsSA), food and non-alcoholic beverages fell to 8.7% year-on-year (y/y). The fruit component of the food inflation basket slowed to 4.6% y/y while vegetables decelerated further month-on-month (m/m) and were unchanged y/y.

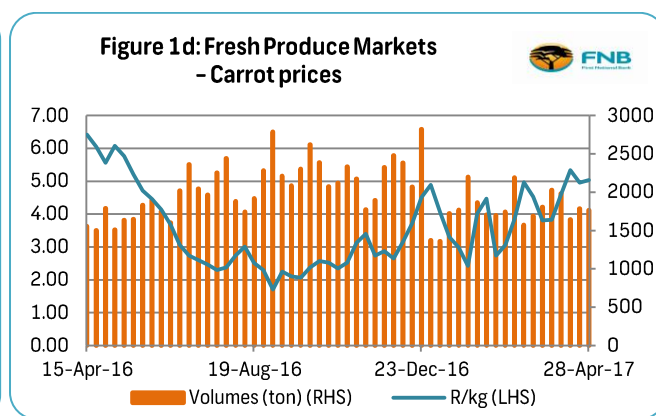
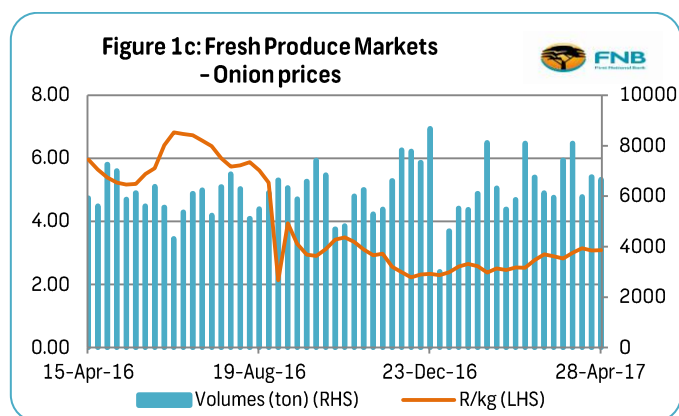


Source: FNB AgriComms; \*\*Last two data points are preliminary

### Vegetable trends on 5 Major Fresh Produce Markets in SA (Figures 1a to 1e)

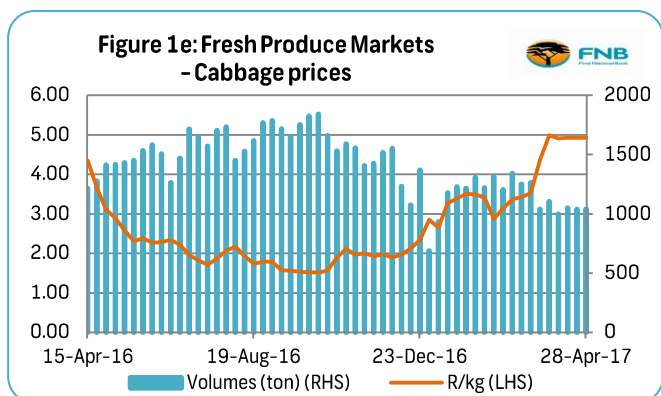
(Average 5 major markets – Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)

- In last week's trade, **tomato** prices finished almost unchanged compared to the week earlier as the higher volumes kept the market under pressure. The average weekly tomato prices closed at R7.77 per kilogram (kg), but were still down by 24% (y/y). Weekly volumes of tomatoes traded were 1.7% and 26% higher y/y at 3,754 tons (figure 1a). We still expect prices to trend sideways with limited upside potential in the short term due to volume pressure.
- Potato prices** retained the firmer trend on the back of strong demand and a substantial drop in supplies across markets. Weekly potato prices gained 21.6% w/w at R2.54 per kg, which is however down by a whopping 54% y/y. Weekly supplies came in sharply lower in a short trading week prior to the Easter weekend. Volumes of potatoes traded dropped by 23% w/w but still 14.2% higher y/y at 15,116 tons (figure 1b). The short term price trend is however bearish given the expected uptick in supplies due to the good harvest. While hectares planted are reportedly down on last year, favourable production conditions have ensured good yields.
- In the **onion** market, prices continued to strengthen largely due to reduced supplies in a short trading week. The average weekly onion prices increased by 4.5% w/w but still down by 47% y/y at R3.15 per kg. Weekly volumes of sales came in sharply lower by 26% w/w, reaching 5,983 tons but still 1% higher y/y (figure 1c). Prices are expected to trend sideways with some upward potential in the short to medium term on good uptake.



Source: FNB AgriComms; \*\*Last two data points are preliminary

- Last week saw a further increase in **carrot** prices as supplies tightened across markets. The average weekly carrot prices rose by 16% w/w to close at R5.33 per kg, which is however still 17% down on last year. The corresponding volumes of sales fell sharply by 17% w/w but still 6% higher y/y at 1,646 tons (figure 1d). We expect prices to ease somewhat in the short term and thereafter bottom out on good demand across markets.



Source: FNB AgriComms; \*\*Last two data points are preliminary

- Last week saw a marginal decline in **butternut** prices as a result of limited demand across markets. The average weekly butternut prices eased by 0.9% w/w at R2.37 per kg, which is down by 16% y/y. Weekly volumes of butternut sales fell by 29.0% w/w and 2.0% y/y, reaching 1,183 tons. We expect prices to maintain the current momentum in the short to medium term on limited uptake across markets.

In the case of **cabbages**, prices ended the week almost unchanged w/w as the higher volumes of supplies continued to weigh heavily on the market. The average weekly cabbage prices closed a bit firmer at R4.93 per kg, which is 13% higher y/y. Weekly volumes of cabbages traded came in up 5% w/w but still down by 13% y/y at 1,050 tons (figure 1e).

It is however expected that prices will retain the firmer trend on good uptake in the short term and thereafter trend sideways with limited upside in the weeks ahead.

- For the **lettuce** market, prices extended recent losses under pressure due to the limited uptake in a short trading week. The average weekly lettuce prices fell by 8% w/w but still 12.4% higher y/y at R7.99 per kg. The corresponding volumes of sales were back 4% w/w but still 5% higher y/y, coming in at 378 tons as reflected in table 1.

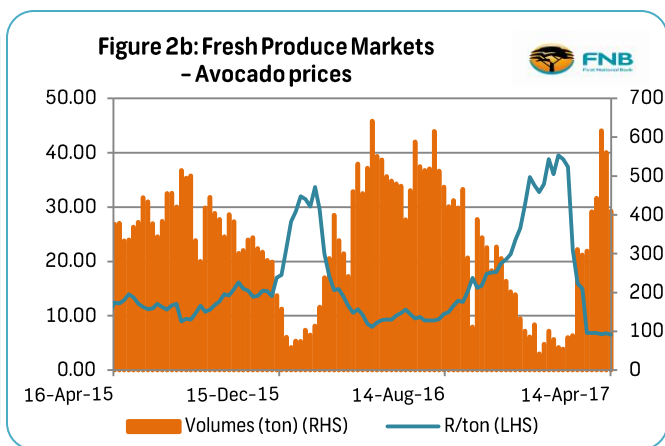
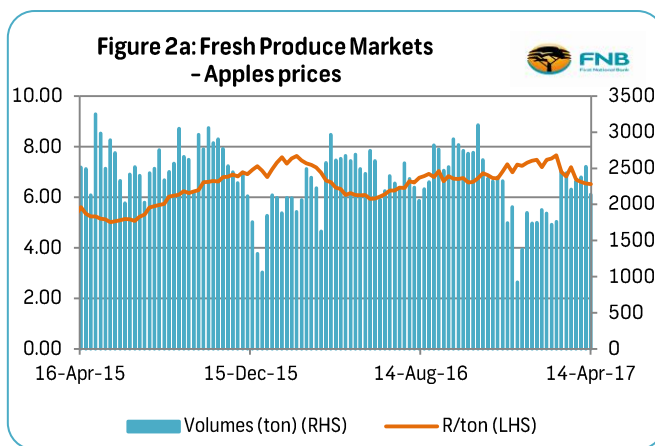
**Table 1: Vegetable prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)**

Week ending 14 APRIL 2017	Average Price (R/kg)	Price (R/t) w/w	Price (R/t) y/y	Total Volume (t)	Volume (t) w/w	Volume (t) y/y
Tomato	7.77	0.5%	-24.2%	3,754	1.7%	26.2%
Potato	2.54	1.6%	-54.1%	15,116	-22.7%	14.2%
Onion	3.15	4.5%	-47.2%	5,983	-26.2%	1.0%
Carrot	5.33	16.1%	-16.9%	1,646	-17.0%	5.8%
Cabbage	4.93	0.3%	13.2%	1,050	5.1%	-13.5%
Butternuts	2.37	-0.9%	-16.3%	1,183	-29.0%	-2.0%
Lettuce	7.99	-8.0%	12.4%	378	-4.0%	5.0%

Source: FNB AgriComms

### Fruit trends on Major Fresh Produce Markets in SA (figures 2a to 2f)

(Average 5 major markets – Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban)

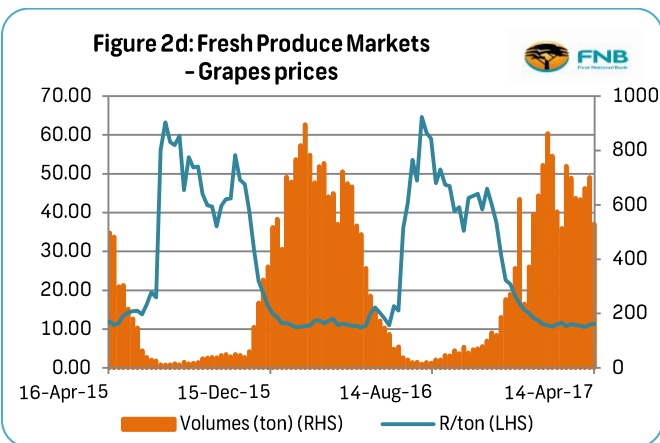
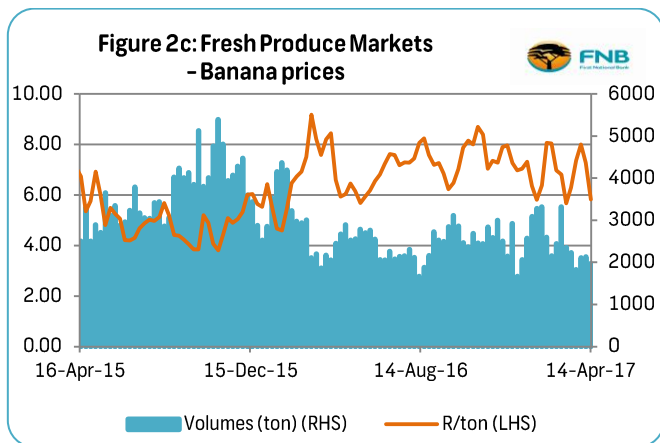


Source: FNB AgriComms;

- Apple** prices extended recent losses under pressure due to the limited uptake despite a sharp drop in supplies across markets. The average weekly apple prices eased by 0.3% w/w but still up 2.2% y/y at R6.52 per kg. Weekly volumes of apple sales reached 2,140 tons, which represents a decline of 15.3% w/w and 18% y/y (figure2a). Prices are expected to retain the current momentum in the short term and thereafter trend sideways with some upside potential in the medium term due to moderation in supplies.
- In the **avocado** market, prices reversed last week's gains and weakened on the back of limited uptake in a short trading week ahead of the Easter weekend. The average weekly avocado prices closed at R6.57 per kg, down 3.2% w/w and 35% y/y. Volumes of avocados traded were pegged at 410 tons, down by a whopping 26.8% w/w and 10% y/y (figure2b). Prices are expected to rebound slightly on improved uptake in the short term, but gains will be limited by the increased availability across markets.
- Banana** prices continued to post sharp losses under pressure due to the limited uptake across markets. The average weekly banana prices fell by 20% w/w and 12% y/y at R5.82 per kg. Volumes of bananas traded came in sharply lower by 7.5% w/w and 20% y/y (figure 2c). The softer trend will continue in the short term due to the limited uptake across markets.
- In the **grape** market, prices continued to strengthen on the back of good uptake and reduced supplies across markets. The average weekly grape prices closed at R11.31 per kg, up 1.6% w/w and 5% y/y. Volumes of grapes traded fell to 530 tons, which is down by a whopping 24.4% w/w and 21% y/y (figure 2d). It is expected that prices will retain the firmer trend in the short term on potential increase in demand and moderation in supplies across markets.

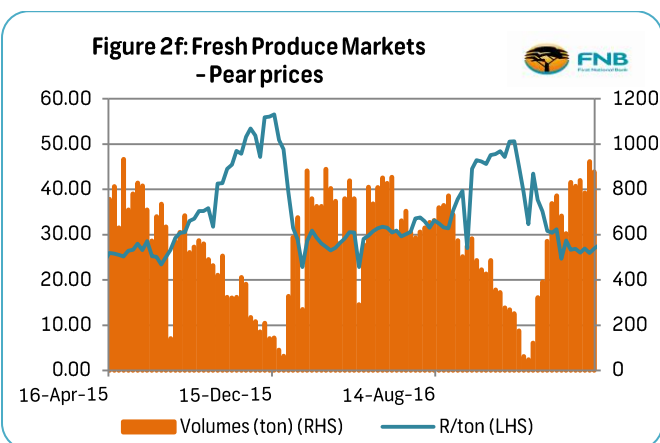
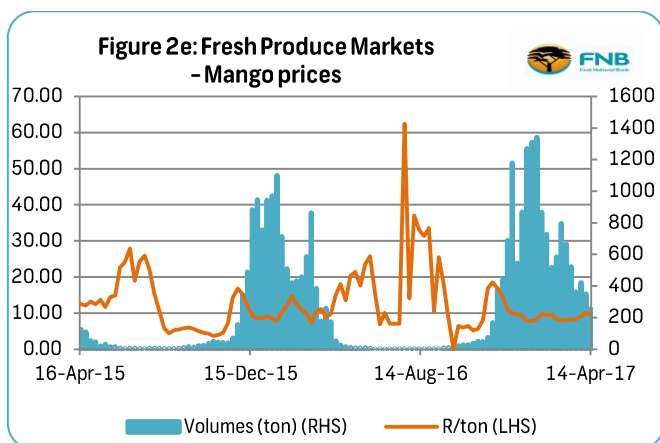
- **Mango** prices reversed recent gains and weakened due to the limited uptake in a short trading week. The average weekly mango prices closed the week at R9.73 per kg, which is down 3.4% w/w and 35% y/y. The corresponding volumes of mango sales came in sharply lower by 27.4% w/w but still 382% higher y/y at 254 tons y/y (figure 2e).

This trend is likely to continue in the week ahead on limited market activity, however, the medium price outlook remains sideways with limited upside potential due to volume pressure.



Source: FNB AgriComms;

- In the **pear** market, prices posted further gains on reduced availability and good uptake across markets. This saw the average weekly pear prices gaining 2.9% w/w but still 9% lower y/y at R27.73 per ton. Volume of pear sales fell by a whopping 25.7% w/w and 14% y/y at 653 tons (figure 2f). We still expect prices to trend firmer in the short term but gains will be limited due to the abundant supplies across markets.



Source: FNB AgriComms;

**Table 1: Fruit prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)**

Week ending 14 APRIL 2017	Average Price (R/kg)	Price (R/t) w/w	Price (R/t) y/y	Total Volume (t)	Volume (t) w/w	Volume (t) y/y
Apples	6.52	-0.3%	2.2%	2140	-15.3%	-18%
Avocados	6.57	-3.2%	-35%	410	-26.8%	-10%
Bananas	5.82	-20.1%	-12%	1,969	-7.5%	-20%
Grapes	11.31	1.6%	5%	530	-24.4%	-21%
Mangoes	9.73	-3.4%	-35%	254	-27.4%	382%
Pears	27.73	2.9%	-9%	653	-25.7%	-14%

Source: FNB AgriComms;

To find out more or to speak to one of our **agricultural specialists**, please contact us.

Name	City	Cell	Email
Grewar Oosthuizen	Eastern Cape, Port Elizabeth	071 607 6850	grewar.oosthuizen@fnb.co.za
Edmund De Beer	Eastern Cape, Port Elizabeth	084 656 5634	edebeer1@fnb.co.za
Martin Louw	Free State, Theunissen	082 784 8880	mlouw1@fnb.co.za
Chris Bekker	Free State, Bloemfontein	082 560 1894	cbekker@fnb.co.za
Jan Theron	Gauteng, Pretoria	082 556 7494	jantheron@fnb.co.za
Greg Sparrow	KwaZulu-Natal, Pietermaritzburg	071 684 8420	greg.sparrow@fnb.co.za
Marc Strydom	KwaZulu-Natal, Pietermaritzburg	082 497 4781	mstrydom@fnb.co.za
Jurgens du Preez	KwaZulu-Natal, Newcastle	063 688 9146	jurgens.dupreez@fnb.co.za
Sarah, van der Merwe	KwaZulu-Natal - Pietermaritzburg	082 371 1040	sarah.vandermerwe@fnb.co.za
Adolf Grobler	Limpopo, Bela-Bela	082 337 6040	agrobler@fnb.co.za
Stephan Scheepers	Mpumalanga, Nelspruit	082 377 8516	sscheepers2@fnb.co.za
Theo Verwey	Mpumalanga, Pretoria	082 419 6086	tverwey@fnb.co.za
Pedrie van der Merwe	Northern Cape, Kimberly	071 351 3439	pedrie.vandermerwe@fnb.co.za
Frik Coetzee	Northern Cape, Upington	082 497 4769	frik.coetzee@fnb.co.za
Johan De Klerk	North West, Brits	082 776 3477	jdeklerk2@fnb.co.za
Johan Beukes	Western Cape, Caledon	082 372 4656	jbeukes@fnb.co.za
Lize Morris	Western Cape, Willowbridge	082 928 8546	lmorris@fnb.co.za
Arno Cloete	Western Cape, Willowbridge	082 302 3621	arno.cloete@fnb.co.za

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