

how can we help you?

Fruit and Vegetable markets

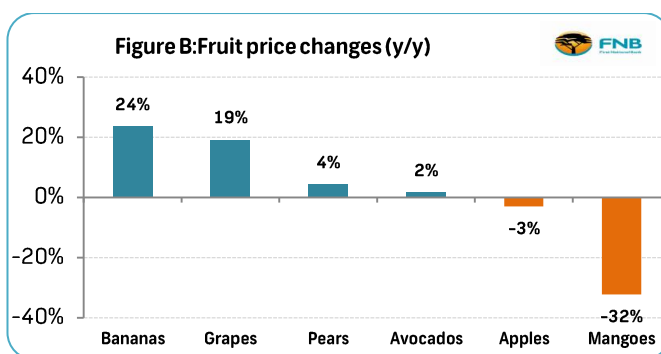
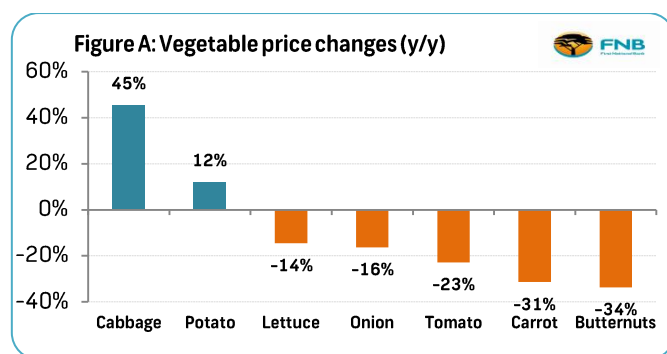
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Weekly update – Week ended 05 MAY 2017

Summary of weekly trends on fruit and vegetable markets



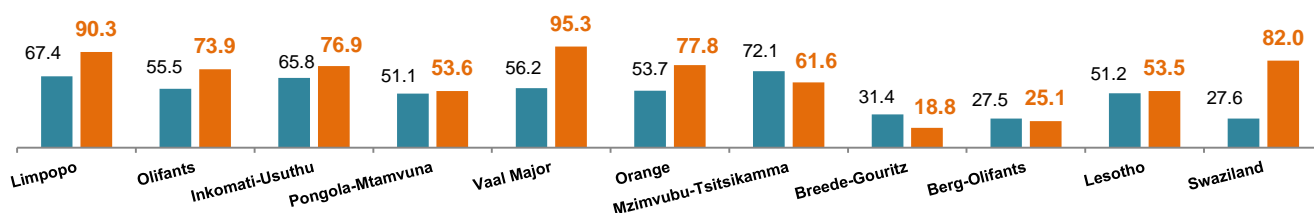
Source: Own calculations from FNB AgriComms

Vegetable prices posted strong gains across most commodities under review with the exception of cabbages. The strength in the vegetable market was due to a combination of good uptake and limited supplies on most markets. However, vegetable prices showed a modest to sharp deceleration on a year-on-year (y/y) basis with the exception of the cabbage and potato markets (figure A). In the fruit market, weekly prices trended higher across most commodities with the exception of apples and mangoes. The yearly trend however shows a balance in price direction with three of the six commodities tracked ending sharply lower while the others were slight to moderately higher (figure B).

South Africa's dam levels for the week ended 01 May 2017 eased by 0.2 percentage points week-on-week (w/w) at **72.7%** full versus **54.3%** last year (figure C). The weekly update shows a dire situation for the Western Cape (WC) with water levels reaching a record low of 20.6% full versus 30.4% last year. The WC's biggest dam, Thee Waters Kloof extended recent losses and dropped to a critical low of 16.5% full versus 32.4% last year. This is expected to have a negative effect on agricultural production for the region particularly in the case of irrigated crops such as vegetables.

Figure C: State of Dam Levels in South Africa - Water Management Areas (y/y, 2017)

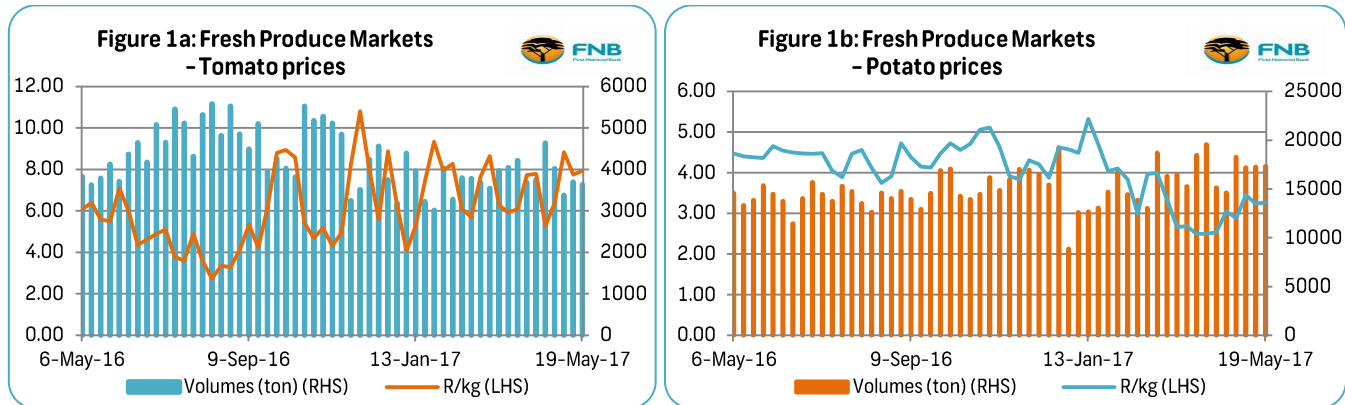
■ Last Year % Full ■ Week to 01-MAY-17 % Full



Source: DWS

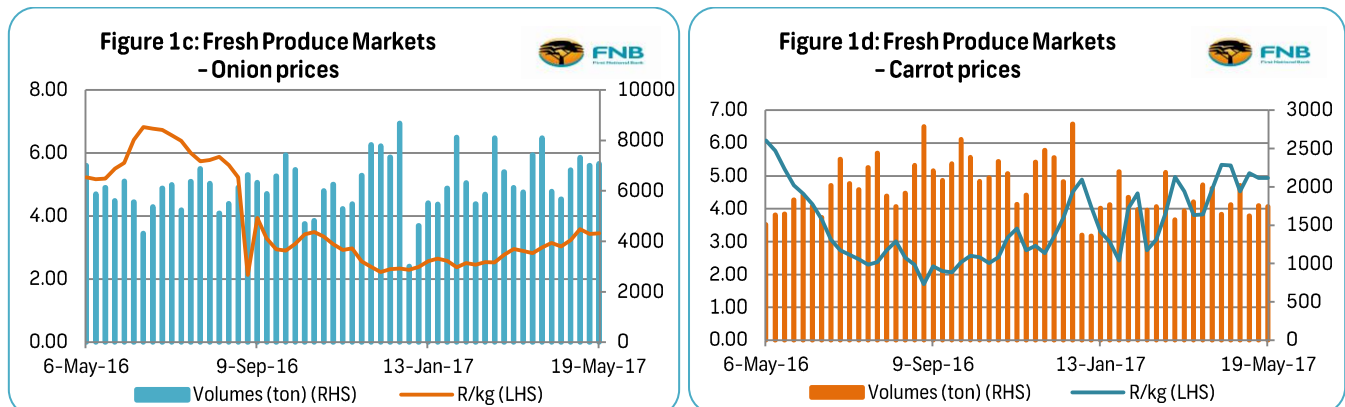
Vegetable trends on 5 Major Fresh Produce Markets in SA (Figures 1a to 1e)

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



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

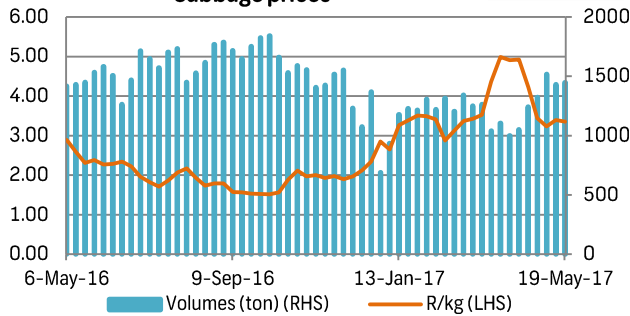
- In last week's trade, **tomato** prices posted strong gains supported by good demand as supplies tightened across markets. The average weekly tomato prices closed at R8.83 per kilogram (kg), which is an increase of 38.3% w/w and 45.3% y/y. Weekly volumes of tomatoes traded came in sharply lower by 16% w/w and almost 12% y/y at 3,380 tons (figure 1a). We however expect a slight dip towards midmonth on moderation in demand and a slight recovery in supplies across markets.
- Potato prices** maintained the recent uptrend on the back of reduced volumes across markets. Weekly potato prices advanced further by almost 20% w/w at R3.45 per kg, however still down by a whopping 22.8% y/y. On the supply side, the trend remains downwards with the total for week falling by 5.8% w/w but still up by 18% y/y at 17,203 tons (figure 1b). It is however expected that prices will move slightly lower in the short term on moderation in demand.
- In the **onion** market, prices ended modestly higher largely on the back of strong uptake despite higher volumes across markets. The average weekly onion prices increased by 10.5% w/w to close at R3.59 per kg, which is down by a whopping 31.4% y/y. Weekly volumes of sales came in modestly higher by 7.2% w/w, reaching 7,322 tons which is up 4.5% y/y (figure 1c). Prices are however expected to trend sideways with limited upside potential in the short term on moderation in demand.



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

- In the case of **carrots**, we saw a sharp increase in prices as a result of a substantial reduction in supplies across markets. The average weekly carrot prices rose by 12.3% w/w but still down 16.3% y/y at R5.08 per kg. The corresponding volumes of sales fell by a whopping 19.6% w/w but almost 8% higher y/y at 1,625 tons (figure 1d). The short term prices outlook is sideways on limited uptake during midmonth.

**Figure 1e: Fresh Produce Markets
- Cabbage prices**



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

- Last week saw a modest rebound in **butternut** prices largely due to good uptake and limited supplies across market. The average weekly butternut prices increased by 10% w/w at R2.60 per kg, which is however down by almost 34% y/y. Weekly volumes of butternut sales dropped by 13% w/w at 1,284 tons, but were slightly up by 2% y/y. It is expected that prices
- For the **lettuce** market, a slight reduction in supplies helped retain the recent uptrend in prices across markets. The average weekly lettuce prices gained 3.6% w/w but still down by 15% y/y at R4.84 per kg. The corresponding volumes of sales were back 2% w/w but still 13% higher y/y at 409 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)**

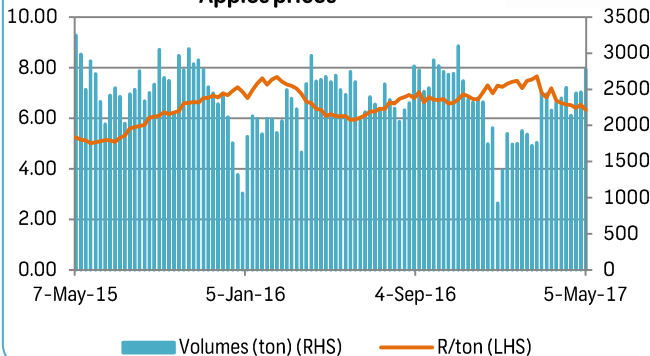
| Week ending 05 MAY 2017 | Average Price (R/kg) | Price (R/t) w/w | Price (R/t) y/y | Total Volume (t) | Volume (t) w/w | Volume (t) y/y |
|----------------------------|-------------------------|--------------------|--------------------|---------------------|-------------------|-------------------|
| Tomato | 8.83 | 38.3% | 45.3% | 3,380 | -16.0% | -11.7% |
| Potato | 3.45 | 19.8% | -22.8% | 17,203 | -5.8% | 18.0% |
| Onion | 3.59 | 10.5% | -31.4% | 7,322 | 7.2% | 4.5% |
| Carrot | 5.08 | 12.3% | -16.3% | 1,625 | -19.6% | 7.7% |
| Cabbage | 3.23 | -6.2% | 11.8% | 1,517 | 14.6% | 7.1% |
| Butternuts | 2.60 | 10.0% | -33.8% | 1284 | -13% | 2% |
| Lettuce | 4.84 | 3.6% | -14.5% | 409 | -2% | 13% |

Source: FNB AgriComms

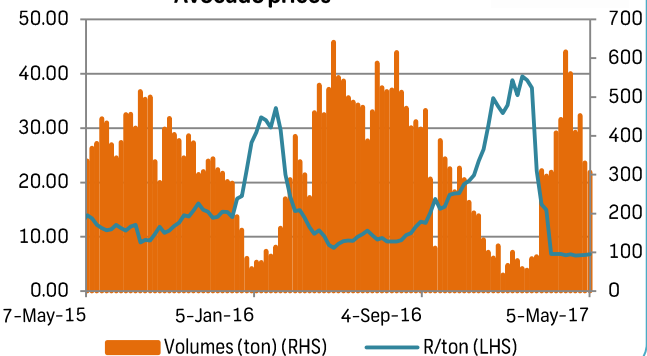
Fruit trends on Major Fresh Produce Markets in SA (figures 2a to 2f)

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

**Figure 2a: Fresh Produce Markets
- Apples prices**



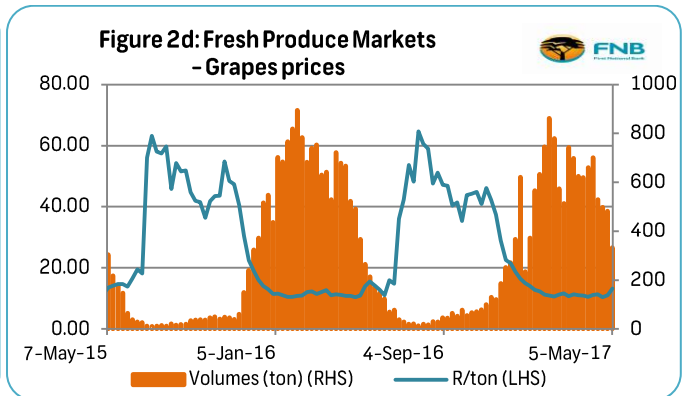
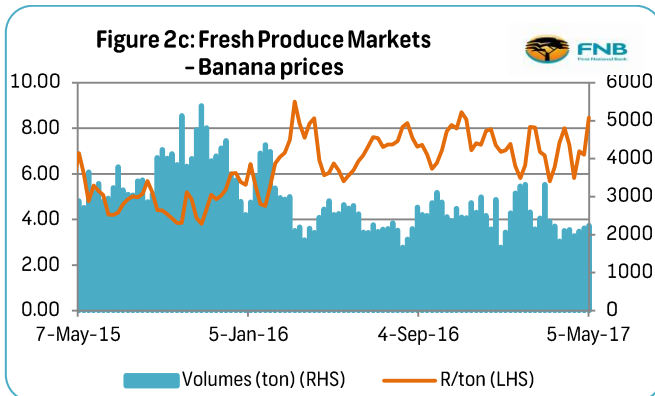
**Figure 2b: Fresh Produce Markets
- Avocado prices**



Source: FNB AgriComms;

- **Apple** prices extended recent losses under pressure due to the limited uptake and a modest increase in supplies across markets. The average weekly apple prices fell by 2.9% w/w but still up 2.7% y/y at R6.33 per kg. Weekly volumes of apple sales reached 2,780 tons, up by 12.9% w/w and 7% y/y (figure 2a). Prices are expected to trend sideways with some upside potential in the medium term due to moderation in supplies.

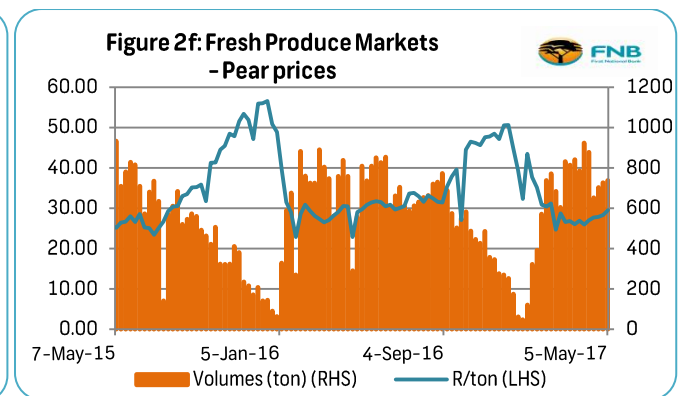
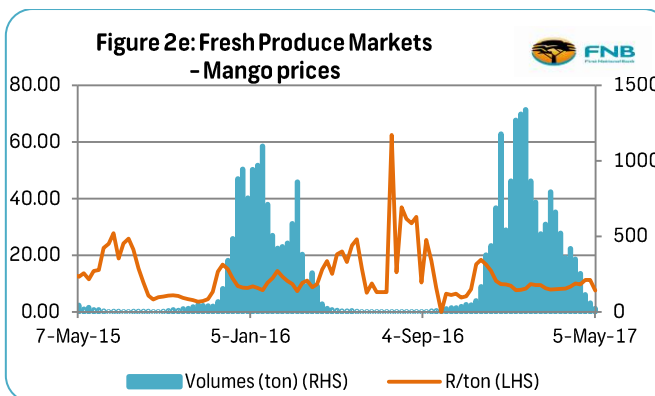
- In the **avocado** market, prices posted slight gains as supplies tightened across markets. The average weekly avocado prices closed up 1.7% w/w at R6.77 per kg, but still down 22% y/y. Volumes of avocados traded were pegged at 307 tons, down by 7.3% w/w and 44% y/y (figure 2b). Prices are expected to move sideways with some upside potential in the short term on moderation in supplies.



Source: FNB AgriComms;

- Banana** prices posted sharp supported by good uptake despite a slight uptick in supplies across markets. The average weekly banana prices increased by almost 24% w/w at R8.46 per kg, which is 31% higher y/y. Volumes of bananas traded came in 2,238 tons, up 3% w/w but still 11% lower y/y (figure 2c). It is however expected that prices will ease somewhat in the short term on moderation in demand during midmonth.
- Last week saw a sharp increase in **grape** prices largely due to a substantial reduction in supplies across markets. This saw the average weekly grape prices closing up 19.2% w/w and 21% y/y at R13.19 per kg. Volumes of grapes traded fell to 334 tons, which is down by a whopping 30.9% w/w and were 9% lower y/y (figure 2d). It is however expected that prices will trend sideways with limited upside potential on moderation in demand across markets.
- Mango** prices continued to post sharp gains due to tight supplies and a modest uptick in demand. The average weekly mango prices fell by a whopping 32.2% w/w and 62% y/y at R7.67 per kg. The corresponding volumes of mango sales fell by almost 60% w/w but still up by a whopping 120% y/y at 24 tons y/y (figure 2e).

This trend is likely to continue in the short term as supplies subside across markets.



Source: FNB AgriComms;

- Last week saw further gains in the **pear** market due to the uptick in demand despite a slight improvement in supplies. The average weekly pear prices increased by 4.4% w/w but slightly down on last year by 22% at R29.55 per ton. Volumes of pear sales were slightly up by 1.6% w/w at 739 tons, which is however down 9% y/y (figure 2f). It is expected that prices will retain the recent momentum in the short term on limited supplies across markets.

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

| Week ending 05 MAY 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 | 6.33 | -2.9% | 2.7% | 2780 | 12.9% | 7% |
| Avocados | 6.77 | 1.7% | -22% | 307 | -7.3% | -44% |
| Bananas | 8.46 | 23.7% | 31% | 2238 | 3.0% | -11% |
| Grapes | 13.19 | 19.2% | 21% | 334 | -30.9% | -9% |
| Mangoes | 7.67 | -32.2% | -62% | 24 | -59.6% | 120% |
| Pears | 29.55 | 4.4% | -1% | 739 | 1.6% | -9% |

Source: FNB AgriComms;

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