

how can we help you?

Fruit and Vegetable markets

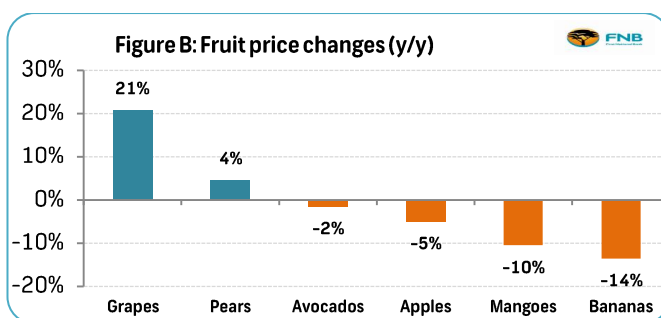
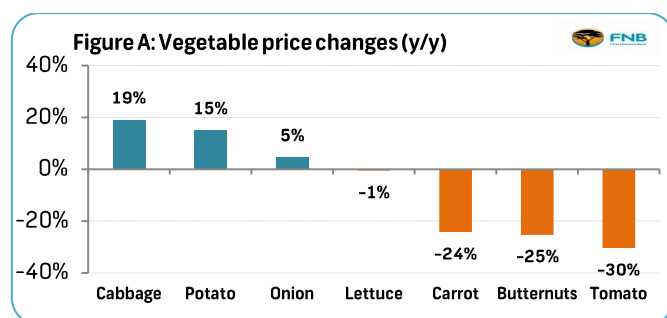
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Weekly update – Week ended 12 MAY 2017

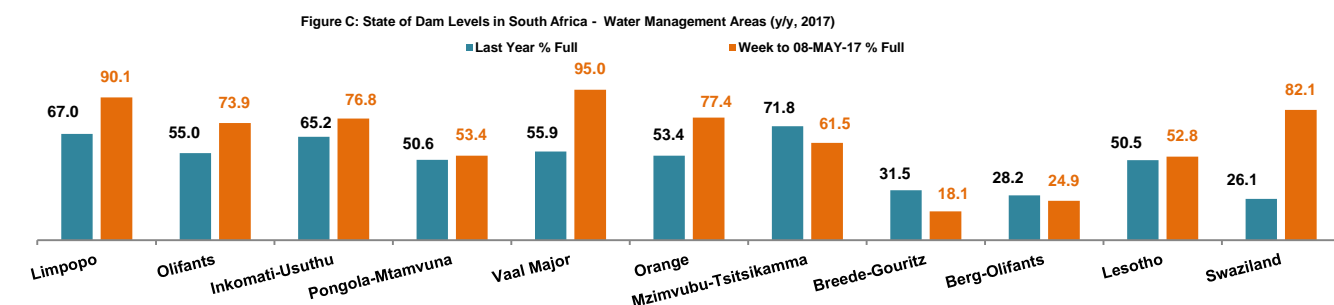
Summary of weekly trends on fruit and vegetable markets



Source: Own calculations from FNB AgriComms

Vegetable prices reversed last week's gains and weakened across most commodities under review. The decrease was largely due to subdued demand during midmonth despite a substantial reduction in supplies across markets (figure A). The year-on-year (y/y) trend showed a further deceleration on the back of better output due to the improved seasonal production conditions, which augurs well for food inflation. As with vegetables, fruit prices were moderate to sharply lower across most of the commodities under review with the exception of the grapes and pears. The yearly trend in fruit prices remains downwards for most commodities as reflected in figure B.

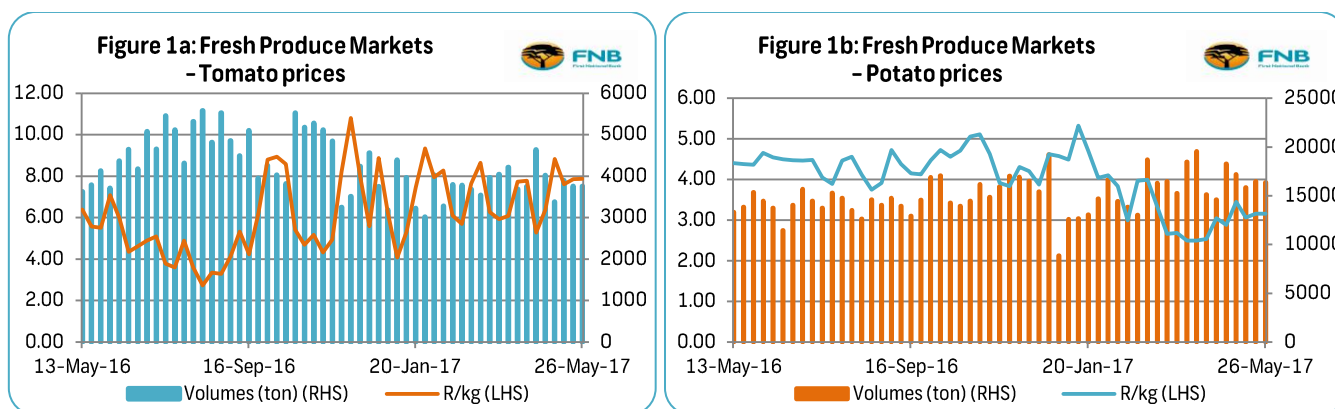
On rainfall outlook, there was still no sign of improvement for the Western Cape (WC) which saw a further decline in dam levels. The weekly Department of Water and Sanitation (DWS) update showed WC dam levels falling by 0.5 percentage points (ppts) w/w to 20.1% full versus 30.6% last year during the week ended 08 May 2017. The non-winter rainfall and winter rainfall areas recorded declines of 0.5 and 0.6 ppts w/w to 22.7% and 19.6% respectively. The WC's biggest dam, Thee Waters Kloof eased further by 0.9 ppts w/w at 15.6% full versus 31.8% last year. Elsewhere, dam levels are at relatively higher which bodes well for irrigated crops (figure C).



Source: DWS

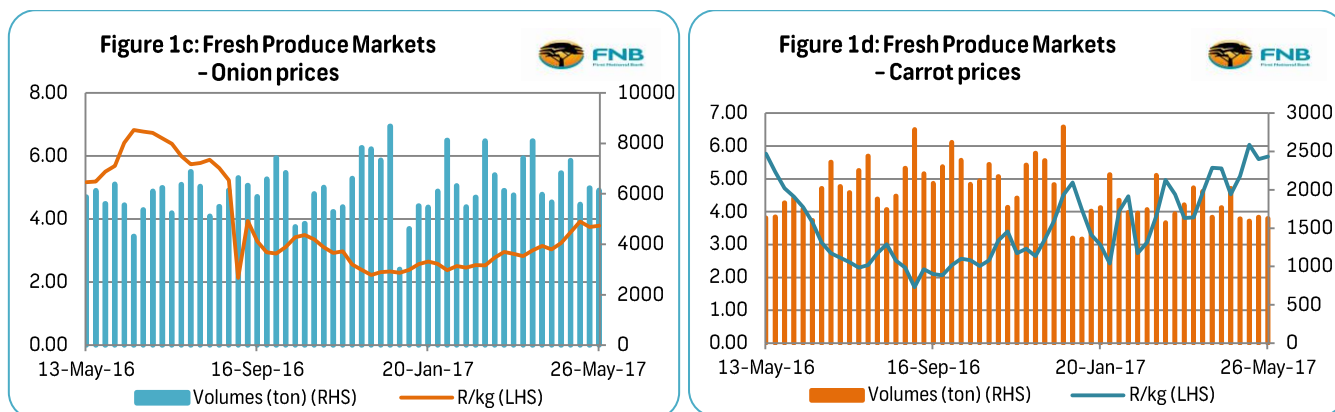
Vegetable trends on 5 Major Fresh Produce Markets in SA (Figures 1a to 1e)

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



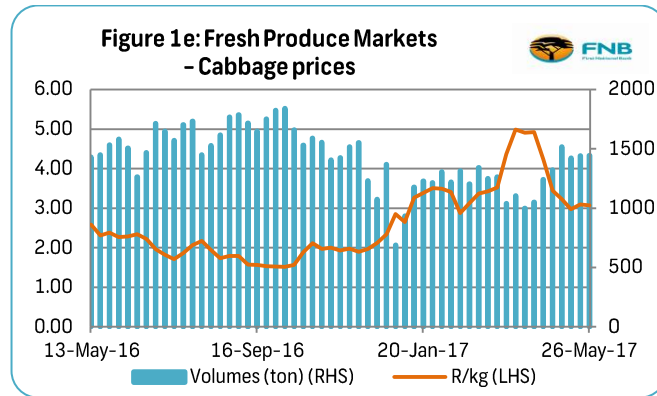
Source: FNB AgriComms; **Last two data points are preliminary

- In last week's trade, **tomato** prices reversed earlier gains and fell sharply on higher volumes and softer demand during midmonth. The average weekly tomato prices closed at R7.60 per kilogram (kg), falling by 13.9% week-on-week (w/w) but still 19.1% higher year-on-year (y/y). Weekly volumes of tomatoes traded rebounded to 3,898 tons, up 15.3% w/w and 7.5% y/y (figure 1a). We however expect a slight uptick in the short to medium term on slight improvement in demand.
- Potato prices** saw a modest reversal in trend with prices falling as demand slipped during midmonth. Weekly potato prices fell by 11.3% w/w and 30.4% y/y at R3.06 per kg. On the supply side, the trend remained downwards with the total for the week coming in down 7.9% w/w but still up by a whopping 18.7% y/y at 15,839 tons (figure 1b). It is however expected that prices will trend sideways with some upside potential in the medium term.
- Onion** prices retained the recent uptrend on the back of reduced supplies across markets. The average weekly onion prices increased by 9.2% w/w, closing at R3.92 per kg but still down by a whopping 24.2% y/y. Weekly volumes of sales dropped by 23.7% w/w and 5% y/y, reaching 5,587 tons (figure 1c). Onion prices are however expected to trend sideways with further upside potential in the weeks ahead on moderation in supplies.



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

- In the case of **carrots**, prices retained the recent uptrend largely on the back of limited supplies across markets. The average weekly carrot prices increased by 18.7% w/w and 4.7% y/y to close at R6.04 per kg. The corresponding volumes of sales decreased further by 1.9% w/w and 2.6% y/y at 1,594 tons (figure 1d). It is however expected that prices will trend a bit firmer on the back of a slight rebound in demand in the medium term.
- Weakness in the **cabbage** market continued as demand slipped during midmonth. This saw the average weekly cabbage prices closing at R2.97 per kg, which is down 8% w/w but still 15.2% higher y/y. Weekly volumes of cabbages traded fell by 6.2% w/w and 0.4% y/y at 1,424 tons (figure 1e). It is however expected that prices will trend sideways with some upside potential in the medium term.



- In the **butternut** market, we saw weekly prices trending sideways despite a modest drop in supplies across markets. The average weekly butternut prices eased marginally lower to R2.59 per kg, which is down by almost 25% y/y. Weekly volumes of butternut sales dropped further, closing down 8% w/w at 1,180 tons but were almost unchanged y/y.
- For the **lettuce** market, the softer trend continued as a result of moderation in demand. The average weekly lettuce prices were down 2.9% w/w and 0.5% y/y, closing at R4.70 per kg. The corresponding volumes of sales fell by 13% w/w at 355 tons, but were still 10% higher y/y as reflected in table 1. We however expect a slight uptick in prices for the medium term on the back of a rebound in uptake across markets.

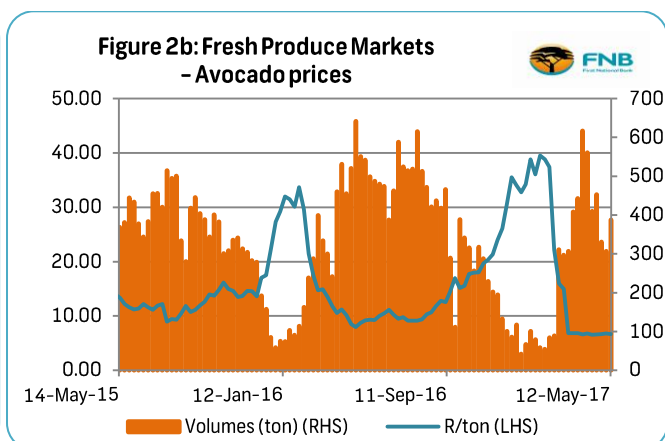
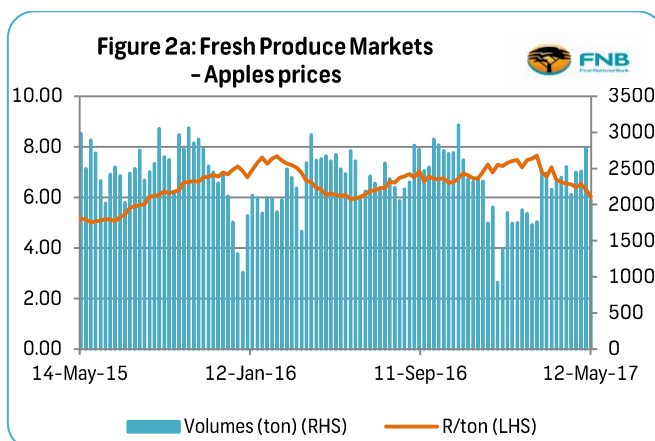
Table 1: Vegetable prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)

Week ending 12 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	7.60	-13.9%	19.1%	3,898	15.3%	7.5%
Potato	3.06	-11.3%	-30.4%	15,839	-7.9%	18.7%
Onion	3.92	9.2%	-24.2%	5,587	-23.7%	-5.0%
Carrot	6.04	18.7%	4.7%	1,594	-1.9%	-2.6%
Cabbage	2.97	-8.0%	15.2%	1,424	-6.2%	-0.4%
Butternuts	2.59	-0.41%	-25.3%	1180	-8%	0%
Lettuce	4.70	-2.91%	-0.5%	355	-13%	10%

Source: FNB AgriComms

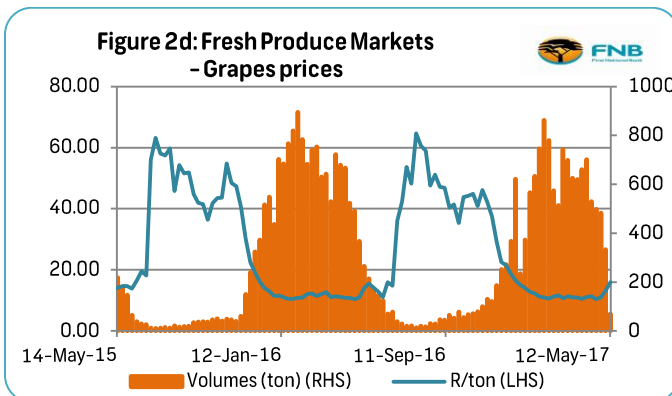
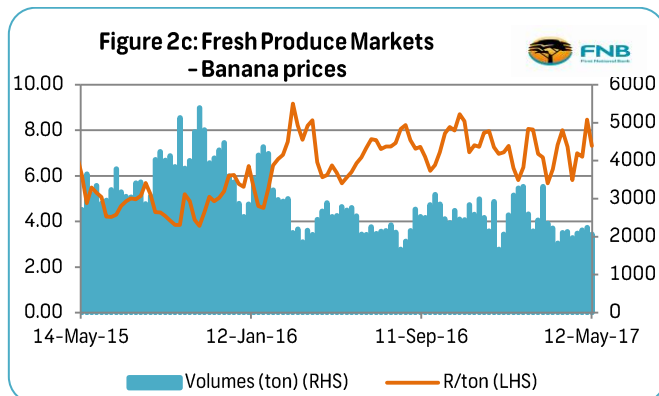
Fruit trends on Major Fresh Produce Markets in SA (figures 2a to 2f)

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



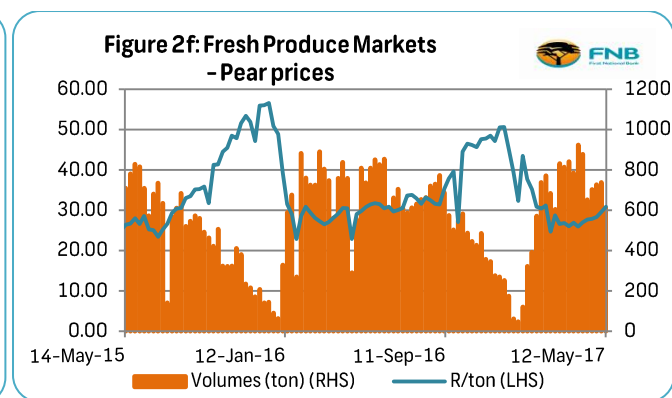
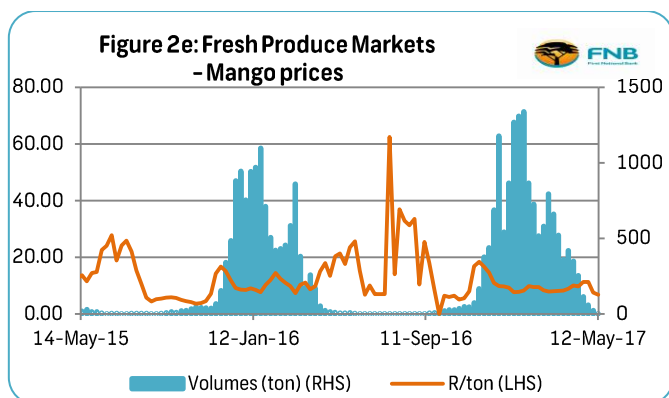
- Apple** prices continued to post losses under pressure due to the limited uptake despite a substantial decrease in supplies across markets. The average weekly apple prices fell by 4.9% w/w and 1.2% y/y at R6.02 per kg. Weekly volumes of apple sales fell by a whopping 25.6% w/w and 23% y/y, reaching 2,068 tons (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 reversed recent gains under pressure due to a rebound in supplies across markets. The average weekly avocado prices eased by 1.6% w/w at R6.66 per kg, which is 27% lower y/y. Volumes of avocados traded were pegged at 388 tons, up by almost 27% w/w but still down by 28% 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 edged lower under pressure due to the limited interest across markets. The average weekly banana prices fell by almost 14% w/w at R7.31 per kg, which is however still 19% higher y/y. Volumes of bananas traded came in 2,066 tons, down by 7.7% w/w and 19% y/y (figure 2c). It is however expected that prices will ease somewhat in the short term on the back of a slight rebound in volumes across markets.
- The **grape** market retained the recent uptrend largely on the back of a substantial reduction in supplies across markets. This saw the average weekly grape prices increasing by almost 21% w/w to R15.92 per kg, which is 14% higher y/y. Volumes of grapes traded fell to 70 tons, which is down by a whopping 79% w/w and 74% y/y (figure 2d). It is however expected that prices will retain the current momentum on moderation in supplies across markets.
- Mango** prices reversed recent gains and weakened under pressure due to the limited uptake across markets. The average weekly mango prices fell by 10.5% w/w and 68% y/y, closing the week at R6.87 per kg. The corresponding volumes of mango sales fell by 92% w/w to a mere 2 tons, which is 75% lower y/y (figure 2e). It is however expected that prices will rebound in the short term on moderation in supplies across markets.



Source: FNB AgriComms;

- Last week saw further gains in the **pear** market largely due to a substantial reduction in supplies on markets. The average weekly pear prices increased by 4.5% w/w but were almost unchanged y/y at R30.88 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 12 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	6.02	-4.9%	-1.2%	2068	-25.6%	-23%
Avocados	6.66	-1.6%	-27%	388	26.6%	-28%
Bananas	7.31	-13.6%	19%	2066	-7.7%	-19%
Grapes	15.92	20.7%	14%	70	-79.0%	-74%
Mangoes	6.87	-10.5%	-68%	2	-92.3%	-75%
Pears	30.88	4.5%	0%	609	-17.6%	-17%

Source: FNB AgriComms;

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