

how can we help you?

Fruit and Vegetable markets

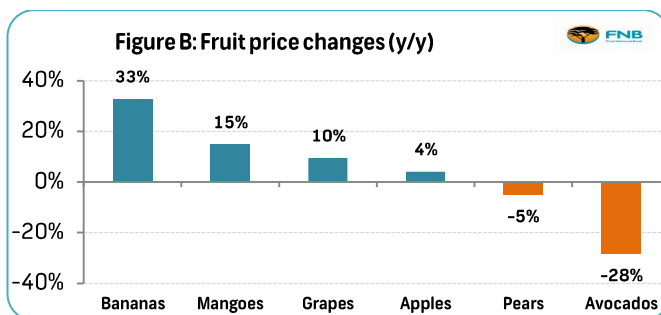
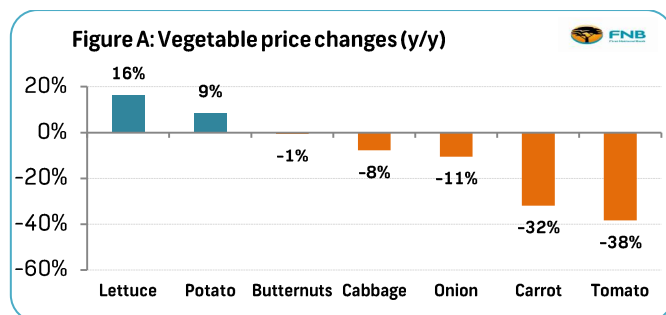
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Weekly update – Week ended 19 MAY 2017

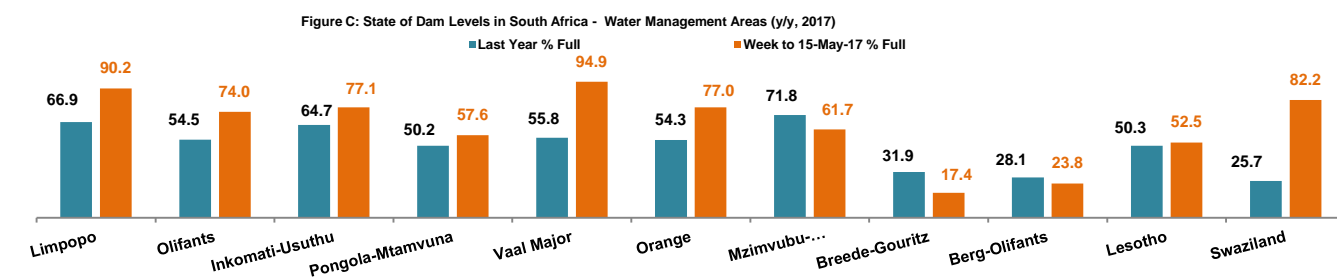
Summary of weekly trends on fruit and vegetable markets



Source: Own calculations from FNB AgriComms

Weekly vegetable prices extended losses across the board under pressure due to improved volumes and subdued demand across markets. The year-on-year (y/y) trend showed a further decline in prices of most commodities under review largely due to better output due to the improved seasonal production conditions, which augurs well for food inflation (figure A). In the fruit market, weekly prices rebounded strongly across most of the commodities under review on improved uptake. Considered y/y, weekly prices were moderate to sharply higher across most categories with the exception of the pears and avocado markets as illustrated in figure B.

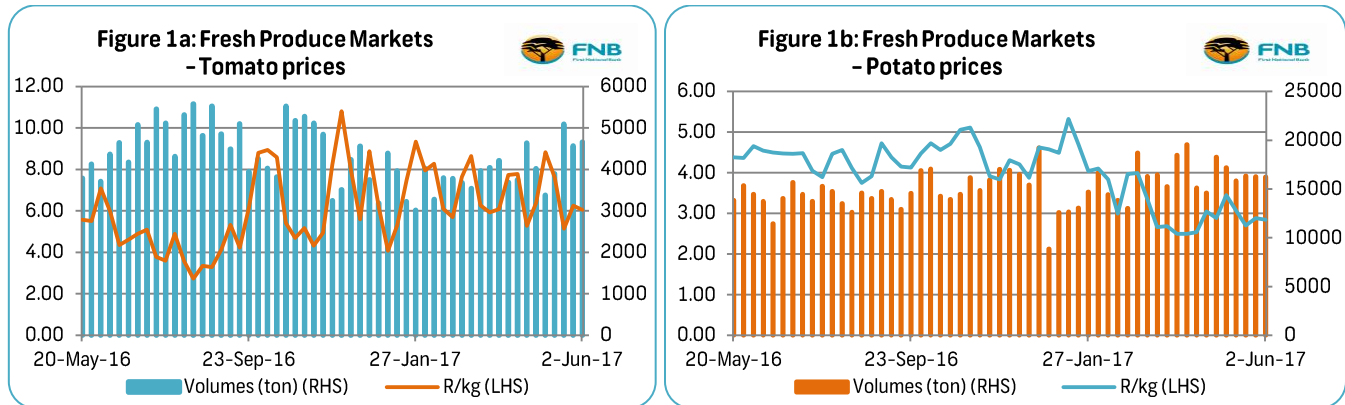
The water situation in the Western Cape (WC) remains worrying for irrigated crops in the region given the further drop in dam levels to below 20% at 19.3% full during the week ended 15 May 2017. Dam levels in the non-winter rainfall and winter rainfall areas decreased by 0.4 and 0.8 percentage points (ppts) week-on-week (w/w) to 22.3% and 18.6% respectively. The water level in WC's biggest dam, Thee Waters Kloof, dropped further by 0.8 ppts w/w at 14.8% full versus 31% last year. This situation is unlikely to improve in the short term given the weak rainfall outlook. Nonetheless, production conditions are still favourable for horticultural crops for the rest of the country as dam levels are at good levels.



Source: DWS

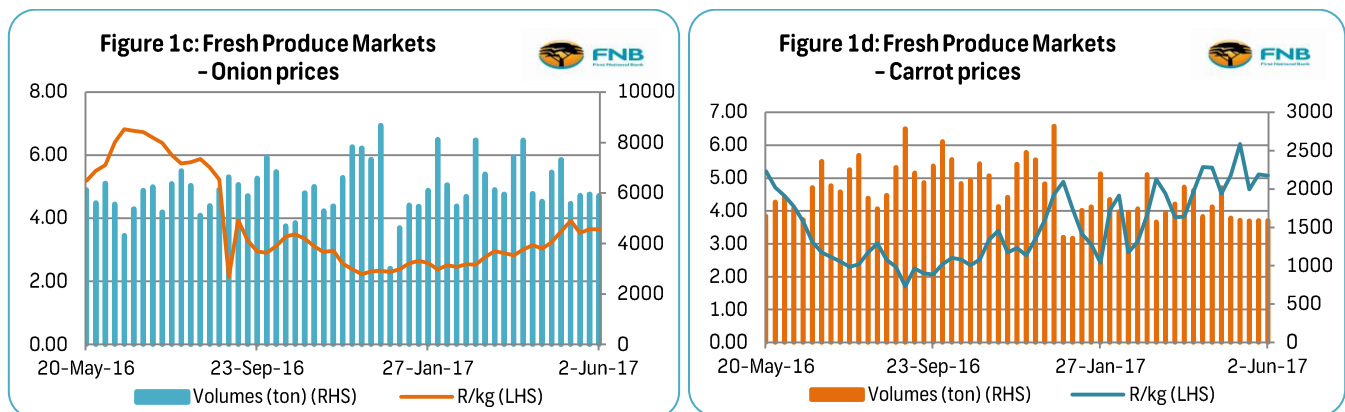
Vegetable trends on 5 Major Fresh Produce Markets in SA (Figures 1a to 1e)

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



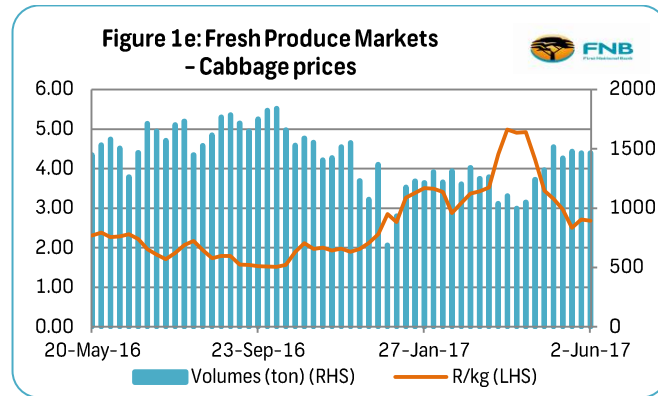
Source: FNB AgriComms; **Last two data points are preliminary

- **Tomato prices** finished last week sharply lower under pressure due to a substantial increase in supplies across markets. This saw the average weekly tomato prices falling to a low of R5.15 per kg, which is down by 32.3% w/w and 7.8% 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 further losses on the back of softer demand and a slight increase in supplies across markets. Weekly potato prices fell by 11.9% w/w and 38.4% y/y at R2.70 per kg. On the supply side, there was a slight rebound in volumes with the weekly sales reaching 16,340 tons, which is up 3.2% w/w and almost 18% higher y/y (figure 1b). It is however expected that prices will trend sideways with some upside potential in the medium term on moderation in supplies.
- **Onion prices** reversed last week's gains and weakened on the back of improved volumes across markets. The average weekly onion prices decreased by 9.8% w/w and 32% y/y at R3.53 per kg. Weekly volumes of sales came in modestly higher at 5,903 tons, which is up by 5.7% w/w but still 3.8% lower y/y (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 reversed recent gains and weakened as a result of limited uptake across markets. This saw the weekly average prices falling by a whopping 22.8% w/w and 11% y/y at R4.66 per kg. The corresponding volumes of sales eased marginally lower by 0.6% w/w at 1,585 tons, which is down 3.8% y/y (figure 1d). We however expect a slight rebound in prices on the back of improved demand in the medium term.
- Weakness in the **cabbage** market continued as a result of falling demand and improved supplies. The average weekly cabbage prices closed at R2.50 per kg, which is down 15.7% w/w but still 8.6% higher y/y. Weekly volumes of cabbages traded bottomed out and increased by 3.9% w/w and 2.1% y/y at 1,479 tons (figure 1e). It is however expected that prices will trend sideways with some upside potential in the medium term on improved demand.



- In the **butternut** market, we saw a further deceleration in prices on the back of slightly higher volumes and limited uptake during midmonth. The average weekly butternut prices fell to R2.49 per kg, which is down by 3.8% w/w and 0.7% y/y. Weekly volumes of butternut sales recovered to 1,257 tons, up 7% w/w but still down by 14% y/y. It is however expected that prices will bottom out and strengthen slightly on modest improvement in demand across markets.
- Lettuce** prices trended sideways on limited buying interest across markets. The average weekly lettuce prices were a bit firmer at R4.74 per kg, up 0.8% w/w and 16.2% y/y. Volumes of lettuce traded fell by a whopping 16% w/w and 2% y/y at 300 tons as reflected in table 1. It is expected that prices will maintain a firmer trend on improved uptake across markets.

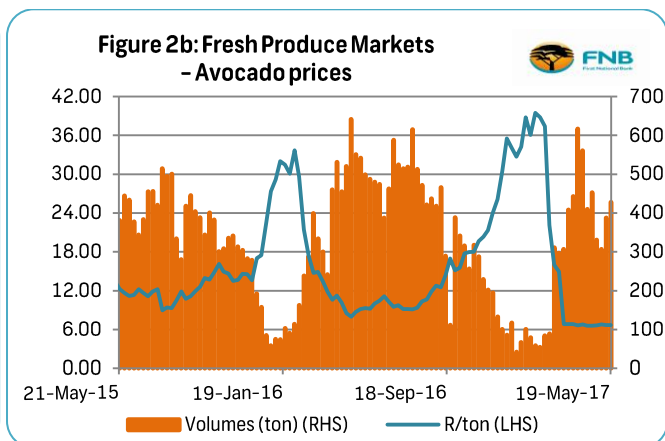
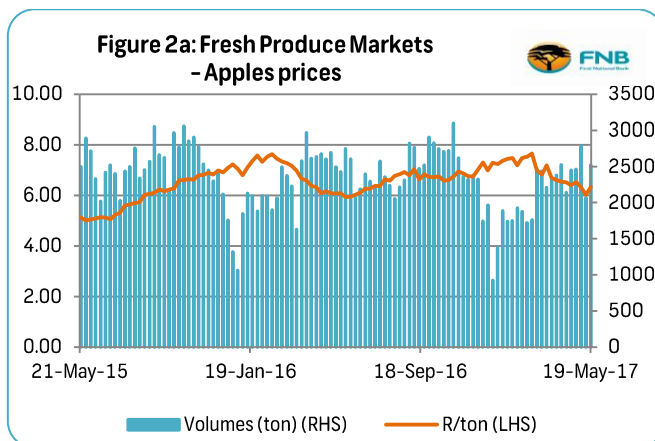
Table 1: Vegetable prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)

Week ending 19 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	5.15	-32.3%	-7.8%	5,096	30.7%	34.6%
Potato	2.70	-11.9%	-38.4%	16,340	3.2%	17.9%
Onion	3.53	-9.8%	-31.9%	5,903	5.7%	-3.8%
Carrot	4.66	-22.8%	-10.6%	1,585	-0.6%	-3.8%
Cabbage	2.50	-15.7%	8.6%	1,479	3.9%	2.1%
Butternuts	2.49	-3.8%	-0.7%	1257	7.0%	-14.0%
Lettuce	4.74	0.8%	16.2%	300	-16.0%	-2.0%

Source: FNB AgriComms

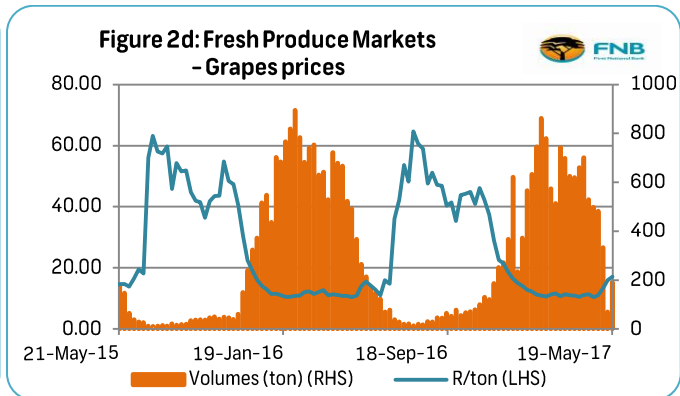
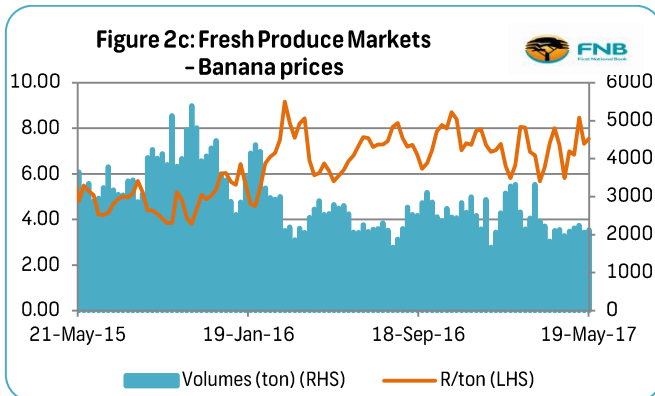
Fruit trends on Major Fresh Produce Markets in SA (figures 2a to 2f)

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



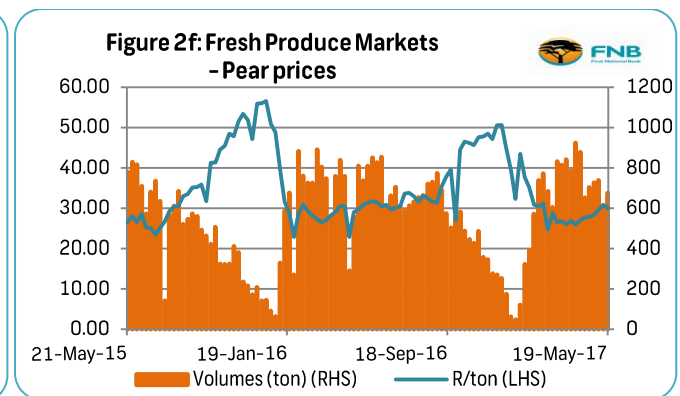
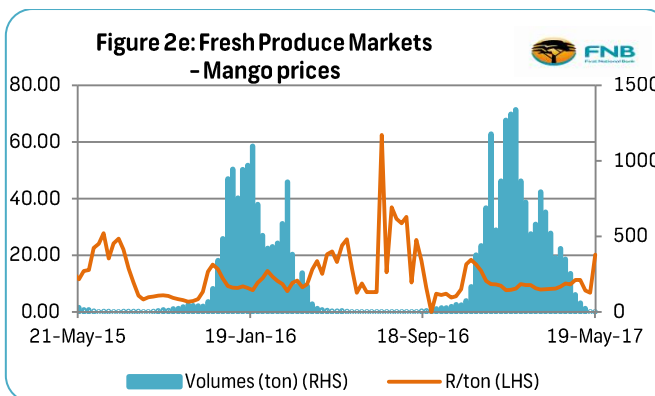
- Last week saw a modest rebound in **apple** prices on renewed buying interest despite a substantial increase in supplies across markets. The average weekly apple prices gained 5% w/w and 4.1% y/y, closing the week at R6.32 per kg. Weekly volumes of apple sales rebounded by 21.9% w/w and were 1% higher y/y at 2,520 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 moved sideways last week as a modest recovery in supplies help limit further upside. The average weekly avocado prices ended a bit firmer at R6.67 per kg, which is 28% lower y/y. Volumes of avocados traded were pegged at 428 tons, up by 10.4% w/w but still down by 14% y/y (figure 2b). The short term price outlook for avocados remains sideways with some upside potential in the short term on moderation in supplies.



Source: FNB AgriComms;

- Banana** prices posted slight gains supported by the improved buying interest on markets. The average weekly banana prices advanced by 3.1% w/w to close at R7.54 per kg, which is 33% higher y/y. Weekly volumes of bananas traded reached 2,125 tons, which is up 2.9% w/w but still down by 24% y/y (figure 2c). Banana prices are expected to retain the current momentum in the short term on good uptake across markets.
- The **grape** market retained the recent uptrend largely on the back of strong buying interest across markets. This saw the average weekly grape prices increasing by 7.2% w/w to R17.07 per kg, which is 10% higher y/y. Volumes of grapes traded came in sharply higher at 192 tons, which is however down by a 11% w/w y/y (figure 2d). It is expected that prices will maintain the current momentum on moderation in supplies across markets.
- Last week saw a sharp rebound in **mango** prices on renewed buying interest across markets. The average weekly mango prices closed the week at R20.27 per kg, which is 15% higher y/y. The corresponding volumes of mango sales rebounded by almost 60% w/w to 3 tons, which is however still down by 56% y/y (figure 2e). It is expected that prices will retain the recent uptrend in the short term on moderation in supplies across markets.



Source: FNB AgriComms;

- Last week saw a reversal in trend in the **pear** market largely due to limited buying interest and improved supplies on markets. The average weekly pear prices fell by 3.2% w/w and 5% y/y at R29.89 per ton. Volumes of pear sales were up by 11% w/w at 676 tons, which is however down 16% y/y (figure 2f). It is however expected that prices will rebound slightly in the short term on moderation in supplies across markets.

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

Week ending 19 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	6.32	5.0%	4.1%	2520	21.9%	1%
Avocados	6.67	0.1%	-28%	428	10.4%	-14%
Bananas	7.54	3.1%	33%	2125	2.9%	-24%
Grapes	17.07	7.2%	10%	192	173.4%	-11%
Mangoes	20.27	195.1%	15%	3.0	59.5%	-56%
Pears	29.89	-3.2%	-5%	676	11.0%	-16%

Source: FNB AgriComms;

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