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# Fruit and Vegetable markets

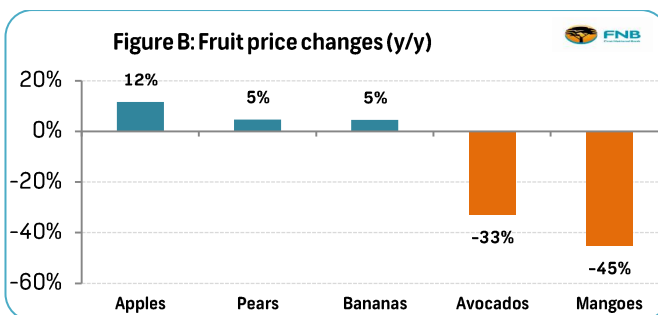
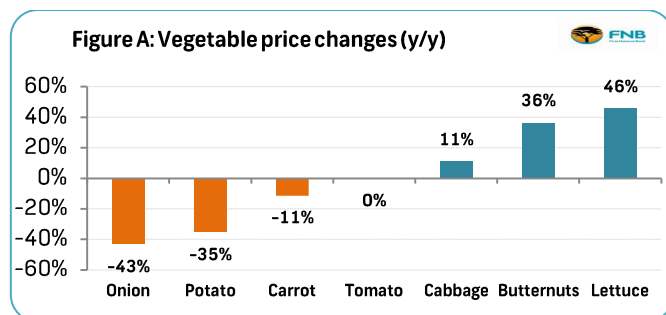
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## Weekly update – Week ended 02 JUNE 2017

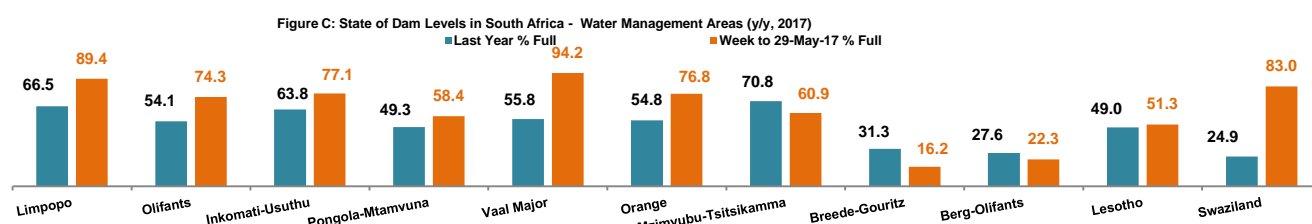
### Summary of weekly trends on fruit and vegetable markets



Source: Own calculations from FNB AgriComms

Last week saw strong gains in most vegetable prices under review on the back of renewed buying interest across markets. The year-on-year (y/y) trend however shows a balance in price direction with three of the commodities under review decreasing sharply on the back of the improved seasonal production conditions (figure A). In the fruit market, weekly prices strengthened across most of the commodities under review on improved uptake. Mangoes were however the exception and finished sharply lower on limited uptake across markets. Considered y/y, weekly fruit prices were moderate to sharply higher across most categories with the exception of the mangoes and avocados as illustrated in figure B.

The rainfall outlook for the Western Cape (WC) has improved with forecasts indicating that there is a high likelihood of widespread rain over the south-western parts with a potential for heavy rains in excess of 50 mm in some places by mid-week (Wednesday). This is good news for the region as they are currently grappling with crippling drought. Dam levels have reached a critical low with the last update from the Department of Water and Sanitation (DWS) showing a further decrease of 0.6 percentage points (ppts) week-on-week (w/w) at 18%, which makes the available water for extraction at 8%. The water level in WC's biggest dam, Thee Waters Kloof, dropped further by 0.6 ppts week-on-week (w/w) at 13.5% full versus 29.8% last year. Figure C provides an update of different Water Management Areas (WMA) across the country as of **29 May 2017**.

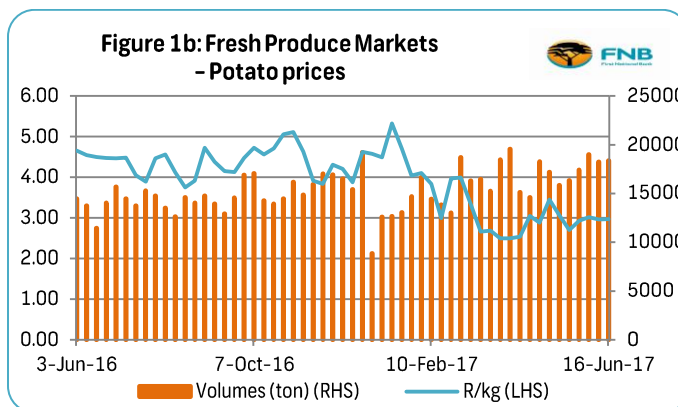
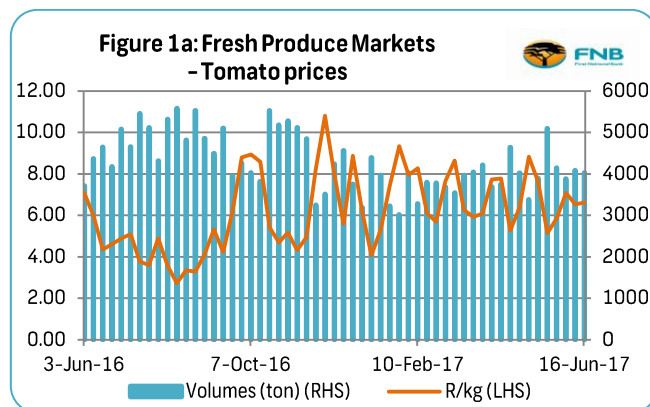


Source: DWS

State of the major dams: The Gariep dam level decreased by 0.6 ppts w/w at 86.8% full vs 53.4% last year; The Vanderkloof dam gained 1.3 ppts w/w to 69.4% full vs 64.8% last year; Sterkfontein dam level eased by to 90.5% full vs 88.9% last year; The Vaal dam was almost at full capacity (99.9% full vs 41.1% last year). The Pongolapoort dam eased by 0.2 ppts w/w and still below the 50% mark at 40.2% full vs 43.2% last year. Water levels at the Bloemhof dam rose by 0.6 ppts w/w to 102% full vs 21.9% last year. The Loskop dam in Mpumalanga remained at full capacity at 100.2% full vs 57.4% last year.

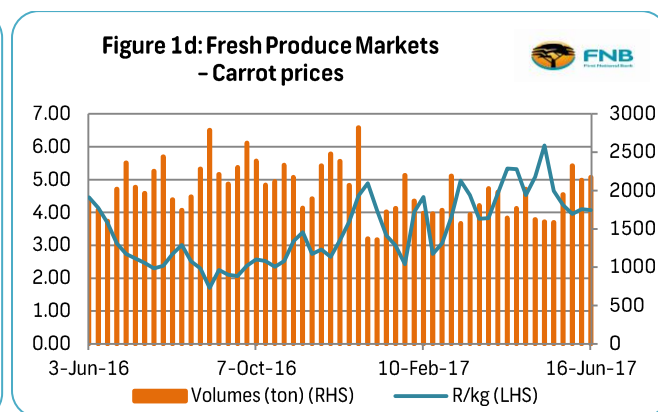
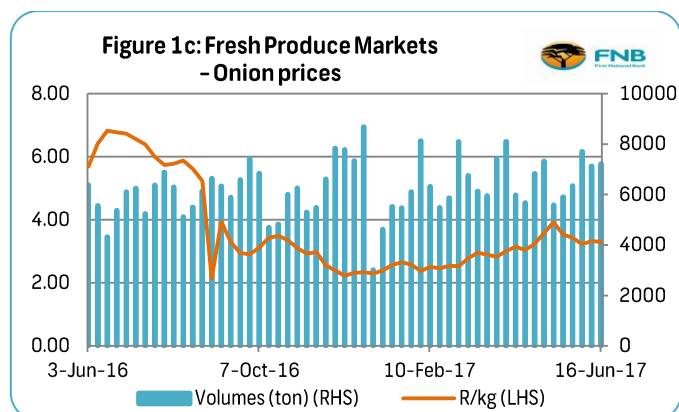
### Vegetable trends on 5 Major Fresh Produce Markets in SA (Figures 1a to 1e)

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



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

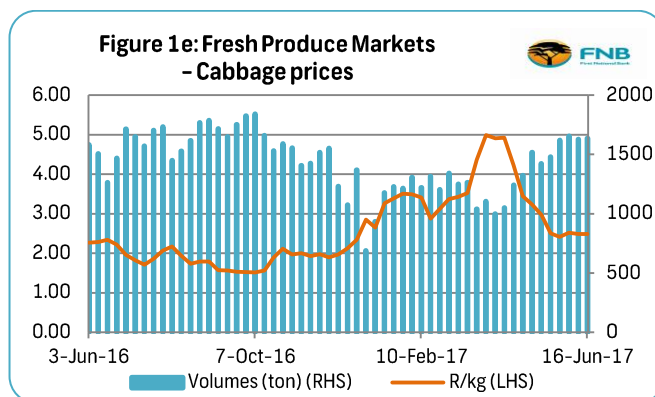
- **Tomato prices** bottomed out and posted sharp gains on the back of strong uptake and reduced supplies across markets. The average weekly tomato prices closed at R7.08 per kg, which is up by a whopping 20.6% w/w but almost unchanged y/y. Weekly volumes of tomatoes traded rebounded to 3,882 tons, down 6.3% w/w but still 4.5% higher y/y (figure 1a). It is however expected that prices will ease somewhat towards midmonth on moderation in demand.
- **Potato prices** posted slight gains on the back of good uptake associated with the month end period. Weekly potato prices advanced by 2.9% w/w but still down 35.4% y/y at R3.02 per kg. Weekly volumes of potatoes traded came in modestly higher at 18,991 tons, which is up 9.0% w/w and 31.3% 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 and improved demand.
- **Onion prices** finished the week modestly lower under pressure due to a substantial improvement in supplies across most markets. The average weekly onion prices decreased by 5.6% w/w and 43.1% y/y and closed at R3.24 per kg. Weekly volumes of sales came in sharply higher at 7,709 tons, which is up by 21.5% w/w and 20.6% y/y (figure 1c). Onion prices are however expected to trend sideways with further upside potential in the medium term on improved uptake.



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

- In the **carrot** market, prices weakened further under pressure due to the improved supplies across markets. This saw the weekly average prices falling by 6.6% w/w and almost 12% y/y at R3.95 per kg. The corresponding volume of sales reached 2,326 tons, which is up by a whopping 19.4% w/w and 22.9% y/y (figure 1d). We however expect a slight rebound in prices on the back of improved demand in the medium term.

- Last week saw a modest rebound in the **cabbage** market as a result of the improved month end demand. The average weekly cabbage prices closed at R2.52 per kg, which is up 4.1% w/w and 11% y/y. Weekly volumes of cabbages traded came in 2.2% higher w/w at 1,655 tons, which is up 4.6% y/y (figure 1e). We expect prices to maintain the current momentum with further upside potential in the medium term on improved demand.



- In the **butternut** market, we saw a further increase in prices despite higher volumes due to the strong uptake during month end. The average weekly butternut prices closed at R3.77 per kg, which is up 12.7% w/w and 36.5% y/y. Weekly volumes of butternut sales rebounded to 1,779 tons, which is up by a whopping 32% w/w and 5% y/y. It is expected that prices will carry the current strength in the short to medium term supported by good uptake across markets.
- Lettuce** prices posted modest to sharp gains on the back of strong uptake across markets. The average weekly lettuce prices closed at R5.86 per kg, up 10.2% w/w and 45.9% y/y. Volumes of lettuce traded fell by a whopping 3.6% w/w but still down by almost 10% y/y at 355 tons as reflected in table 1. It is expected that prices will continued to strengthen in the short to medium term as a result of good demand across markets.

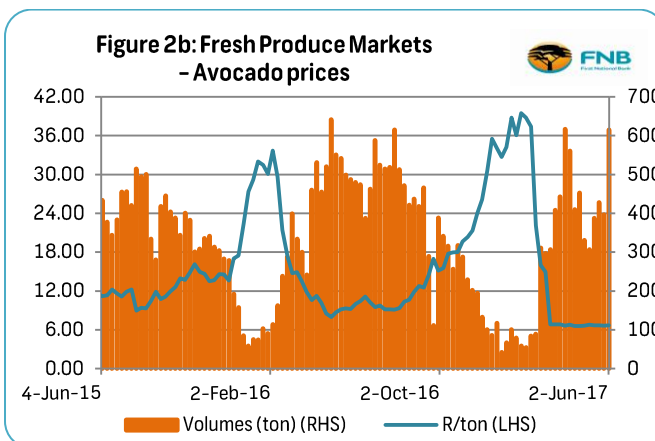
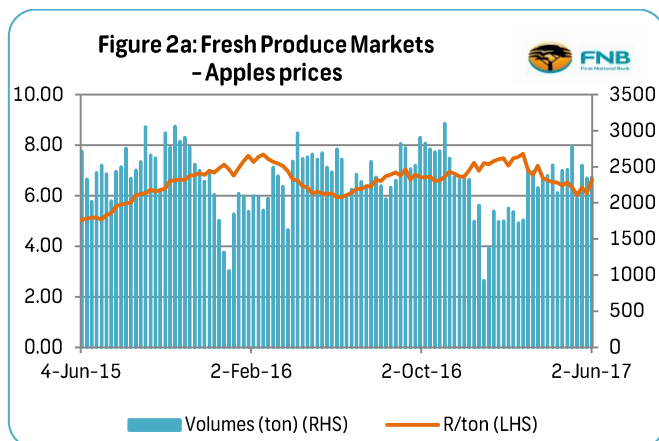
**Table 1: Vegetable prices – South Africa’s Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)**

Week ending 02 June 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	7.08	20.6%	-0.1%	3,882	-6.3%	4.5%
Potato	3.02	2.9%	-35.2%	18,991	9.0%	31.3%
Onion	3.24	-5.6%	-43.1%	7,709	21.5%	20.6%
Carrot	3.95	-6.6%	-11.5%	2,326	19.4%	22.9%
Cabbage	2.52	4.1%	11.0%	1,655	2.2%	4.6%
Butternuts	3.77	12.7%	36.5%	1,779	31.7%	4.7%
Lettuce	5.86	10.2%	45.9%	355	3.6%	-9.5%

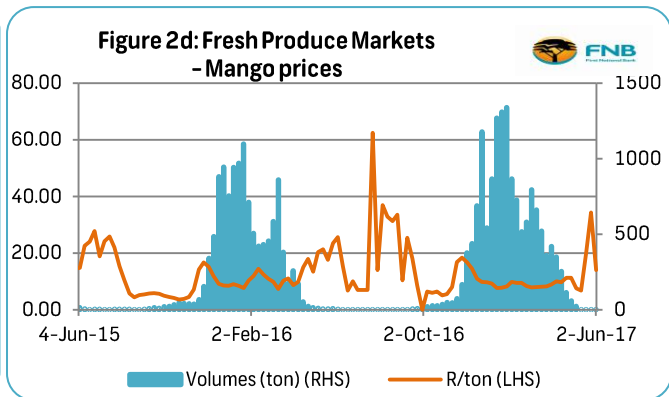
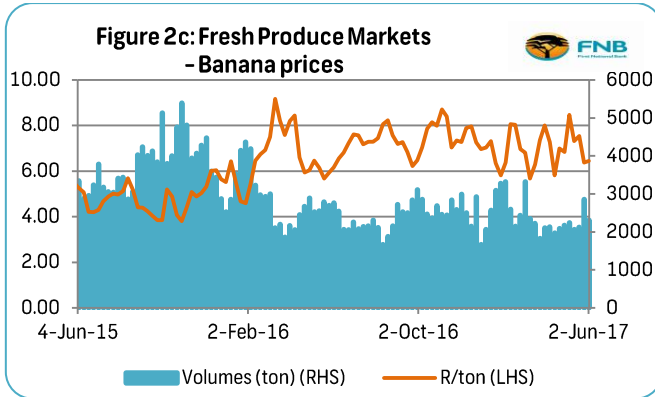
Source: FNB AgriComms

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

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

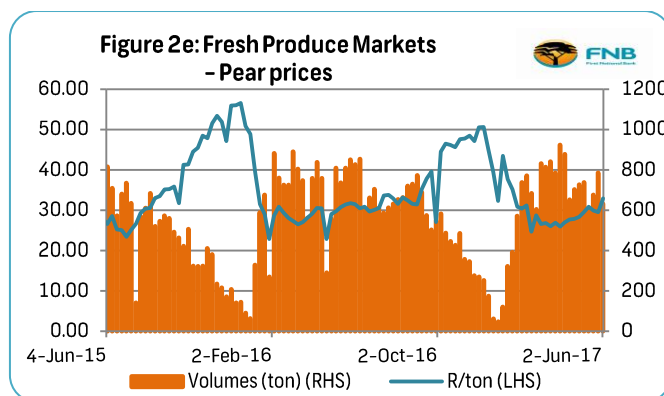


- **Apple** prices posted strong gains on renewed buying interest across markets. The average weekly apple prices advanced by 8.8% w/w and were almost 12% higher y/y at R6.63 per kg. Weekly volumes of apple sales came in marginally higher at 2,355 tons, which is however still down by 14% y/y (figure2a). Nonetheless, we expect prices to trend sideways with some upside potential in the medium term due to moderation in supplies.
- In the **avocado** market, prices remained confined to a sideways trend as the improved supplies help limit further upside. The average weekly avocado prices advanced slightly w/w at R6.71 per kg, which is however still 33% lower y/y. Volumes of avocados traded reached 615 tons, up by a whopping 55% w/w and 28% y/y (figure2b). The short term price outlook for avocados remains sideways with some upside potential in the short term on improved uptake.



Source: FNB AgriComms;

- **Banana** prices posted slight gains supported by the lower supplies on markets. The average weekly banana prices advanced by 1% w/w to close at R6.45 per kg, which is 5% higher y/y. Weekly volumes of bananas traded reached 2,308 tons, which is down by 19% w/w and 16% y/y (figure 2c). Banana prices are expected to retain the current momentum in the short term on moderation in supplies across markets.
- Last week saw a sharp reversal in trend in the mango market as a result of the reduced buying interest. The average weekly mango prices closed the week at R24.05 per kg, which is down by a whopping 59% w/w and 45.4% y/y. The corresponding volumes of mango sales fell by almost 61% w/w to a paltry 0.6 tons, which is down by 81% 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;

- **Pear** prices posted sharp gains largely on the back of substantial drop in supplies across markets. The average weekly pear prices gained 11.5% w/w and 5% y/y at R32.95 per ton. Volumes of pear sales fell by almost 20% w/w at 631 tons, which is 24% lower y/y (figure 2f). It is expected that prices will retain the current momentum in the short term on improved uptake across markets.

**Table 2: Fruit prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)**

Week ending 02 JUNE 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	6.63	8.8%	11.6%	2355	0.5%	-14%
Avocados	6.71	1.0%	-33.1%	615	55.0%	28%
Bananas	6.45	1.0%	4.5%	2308	-19.1%	-16%
Mangoes	14.05	-59.1%	-45.4%	0.9	-61.0%	-81%
Pears	32.95	11.5%	4.6%	631	-19.6%	-24%

Source: FNB AgriComms;

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