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Monthly vegetable market report

Marketing and Agri-Business Section www.elsenburg.com

MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Period under review: April 2014 to April 2015

Issue: 2015/5

IN THIS ISSUE

INTRODUCTION

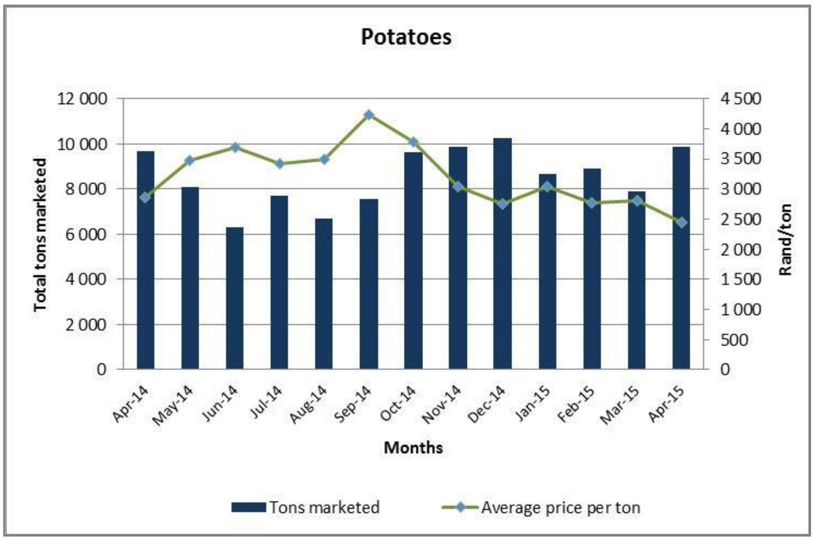
This report is a review of **selected vegetable sales at the Cape Town Fresh Produce Market,** the largest fresh produce market in the Western Cape.

The review will be issued on a monthly basis and will cover trend analysis relating to prices (Rand per ton) and volumes (tons) of the selected vegetables sold on the market, considered to be of importance due to the area under production or marketed volumes, however the combination of selected vegetables might change over time due to relevance.

1. PRICE AND VOLUME TREND ANALYSIS

1.1 Potatoes

Figure 1: Potatoes sales on the Cape Town Fresh Produce Market

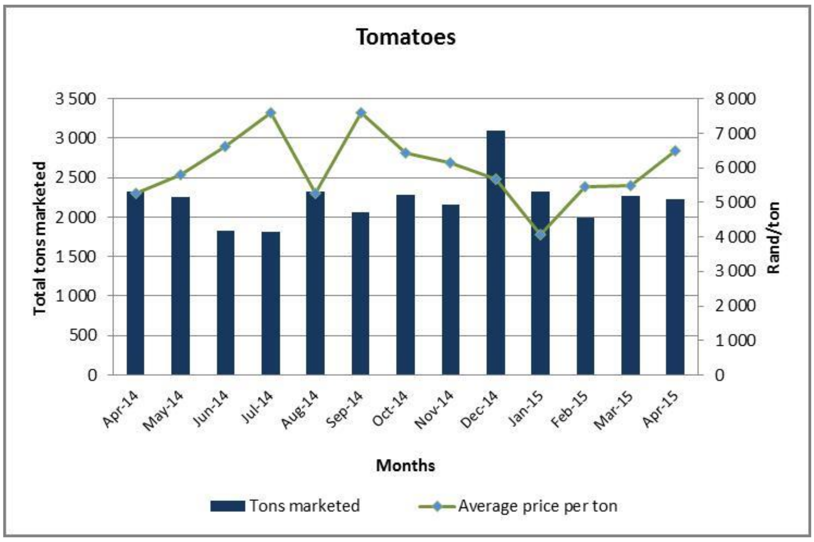


Volumes marketed on the fresh produce market increased by 25% m/m, amounting to 9,851 tons compared to the 7,873 tons sold in the previous month. This resulted in the average price per ton to move downward by 13% m/m and reach R 2,453 per ton. As per figure 1, average monthly prices have been on a decreasing trend as from September 2014, with some recovery in January 2015.

If compared on an annual basis, volumes sold slightly increased by 2% y/y. Accompanied by lower average prices which decreased by 14% y/y in April 2015, compared to the same period in the previous year.

1.2 Tomatoes

Figure 2: Tomatoes sales on the Cape Town Fresh Produce Market

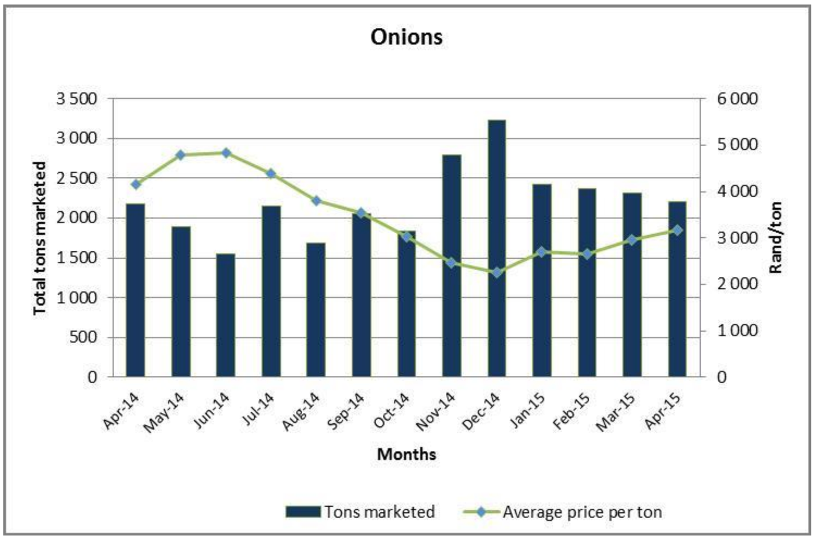


During April 2015, volumes supplied to the market decreased by 2% m/m if compared to the previous month when 2266 tons was sold. Due to a greater demand of tomatoes, the average price was pushed upward by 18% m/m, reaching R 6,497 per ton.

Volumes sold during April 2015, decreased by 4% y/y if compared to the same period in the previous year. Accompanied by improved prices which increased by 24% y/y from R 5,250 to R 6, 4997 per ton which could be as a result of the lesser quantities supplied.

1.3 Onions

Figure 3: Onion sales on the Cape Town Fresh Produce Market

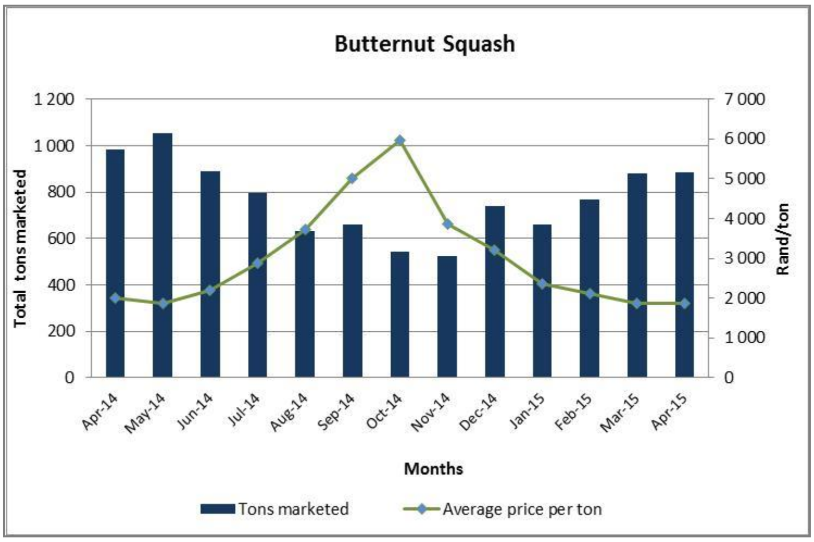


The quantities marketed decreased by 4% m/m to 2,210 tons in April 2015, if compared to the previous month. The average price per ton increased by 7% m/m and reached R3, 160 per ton.

As per figure 3, the average price per ton has been on an increasing trend as from January 2015, compared to the previous decreasing cycle which persisted from July 2014 to December 2014. Quantities sold increased by 2% y/y, although the average price decreased by 24% y/y to R 3, 160 per ton , if compared in the same period on the previous year.

1.4 Butternut squash

Figure 4: Butternut sales on the Cape Town Fresh Produce Market

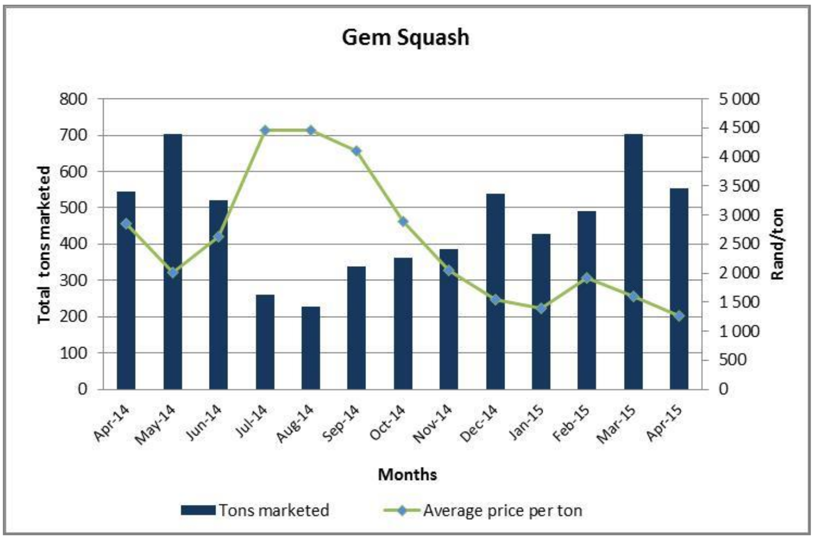


On a monthly basis, the volumes marketed remained approximately (<1% m/m) at 880 tons. In addition, the average price per ton remained unchanged at R 1,872 per ton, if compared to the previous month.

As per figure 4, average prices have been on a decreasing trend since November 2014. Volumes marketed decreased by 10% y/y from 982 tons, although the average price remained lesser by 6% y/y, if compared to the same period in the previous year.

1.5 Gem Squash

Figure 5: Gem squash sales on the Cape Town Fresh Produce Market

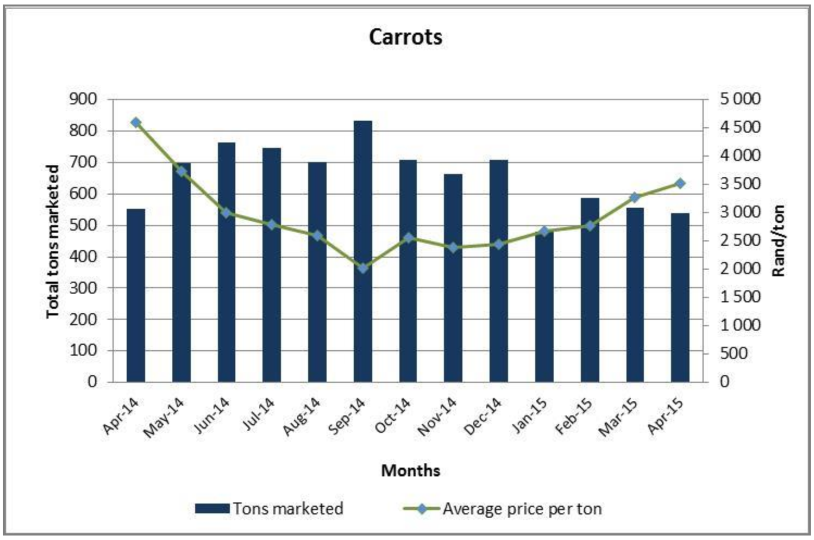


The volumes sold during April 2015, decreased by 21% m/m to 553 tons. The monthly average price obtained per ton, continued to move downward by 20% m/m if compared to the prices obtained in the previous month.

On an annual basis, volumes improved by 2% y/y if compared to the same period in the previous year. Average prices obtained however performed much worse as it decreased by 55% y/y, from R2, 850 to R 1,270 per ton.

1.6 Carrots

Figure 6: Carrots sales on the Cape Town Fresh Product Market

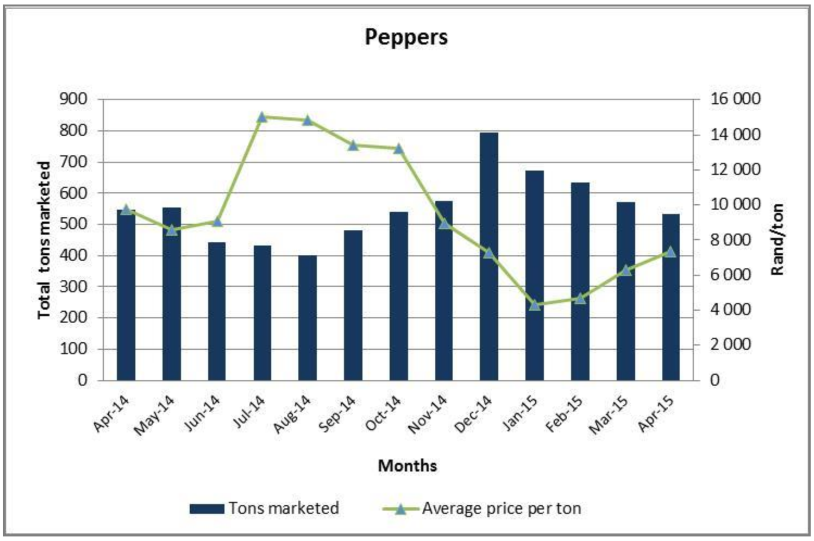


Quantities supplied and marketed decreased by 3% m/m to 538 tons if compared to the previous month. The monthly average price continued on an increasing trend as from November 2014, and improved by 8% m/m and reached R3, 525 per ton.

If compared on an annual basis, the average price obtained per ton decreased by 24% y/y (from R 4,590 to R 3, 525 per ton). This could be due to the lower volumes supplied, which decreased by 2% if compared to the same period in the previous year.

1.7 Peppers

Figure 7: Pepper sales on the Cape Town Fresh Produce Market

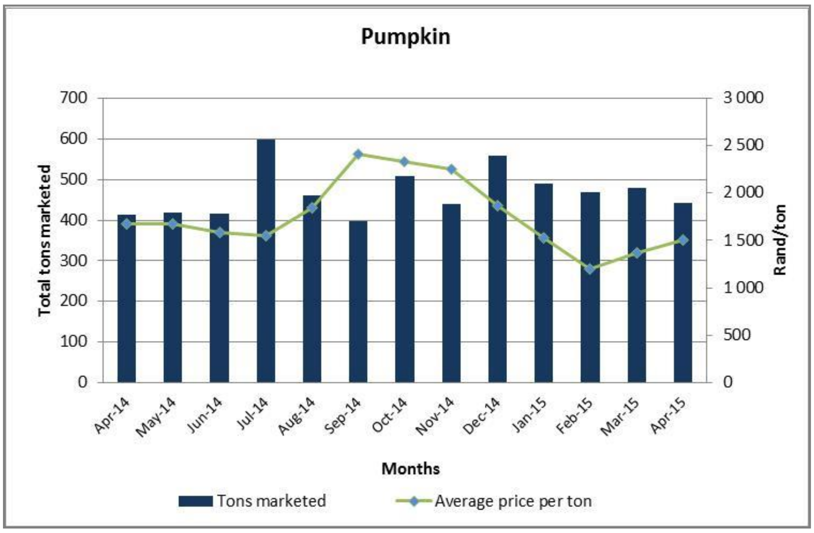


The volumes supplied during April 2015, decreased by 7% m/m to 534 tons, if compared to the previous month. This further pushed average prices upward by 17% m/m and reached R 7, 329 per ton.

If compared to the same period in the previous year, volumes supplied slightly decreased by 2% y/y. The average price obtained per ton, however decreased by 25% y/y from R 9, 750 to R 7, 329 in April 2015. Although, it should be considered that prices has been on an increasing trend as from February 2015.

1.8 Pumpkin

Figure 8: Pumpkin sales on the Cape Town Fresh Produce Market

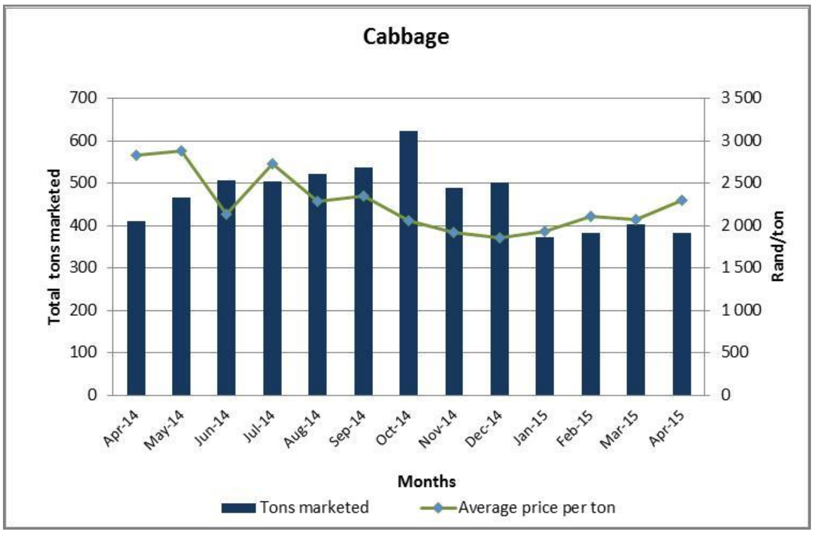


The volumes sold decreased by 8% m/m and reached 442 tons, compared to the previous month. The monthly average price obtained per ton moved upward by 10% and reached R 1, 505 per ton. Monthly average prices has stabilised as from February 2015, after a continuous decreasing trend as from November 2014.

If compared on an annual basis, volumes sold on the market improved by 7% y/y. The average price per ton however responded indifferently, as average prices was lesser by 10% y/y from R 1, 670 to R 1, 505 per ton.

1.9 Cabbage

Figure 9: Cabbage sales on the Cape Town Fresh Produce Market

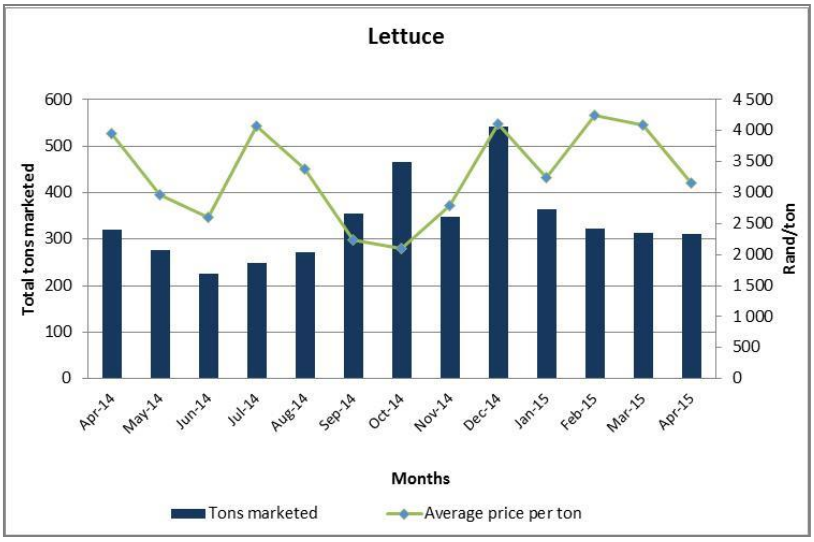


The quantities supplied during April 2015, decreased by 5% m/m to 382 tons and were accompanied by prices which have been pulled upwards by 11% m/m to R 2,297 per ton. There has been an increase in monthly prices as from January 2015.

On an annual basis, the quantities supplied and sold on the market decreased by 7% y/y. The average price per ton was however lower by 19% y/y from R 2,830 to R 2,297 per ton.

1.10 Lettuce

Figure 10: Lettuce sales on the Cape Town Fresh Produce Market

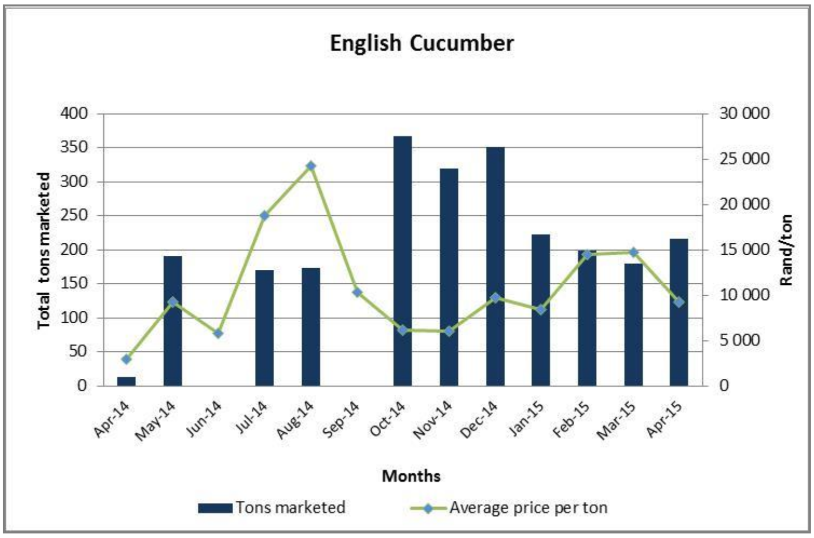


Volumes marketed remained more or less (< 0.5%) unchanged in the 310 ton range, if compared to the previous month. The average price per ton however decreased by 23% m/m, and reached to R 3,150 per ton.

On an annual basis, the tons marketed decreased by 3% y/y if compared to the same period in the previous year. The average price per ton was however lesser by 21% y/y, as prices moved downward from R 3, 960 to R 3,150 per ton.

1.11 English Cucumber

Figure 11: English Cucumber sales on the Cape Town Fresh Produce Market

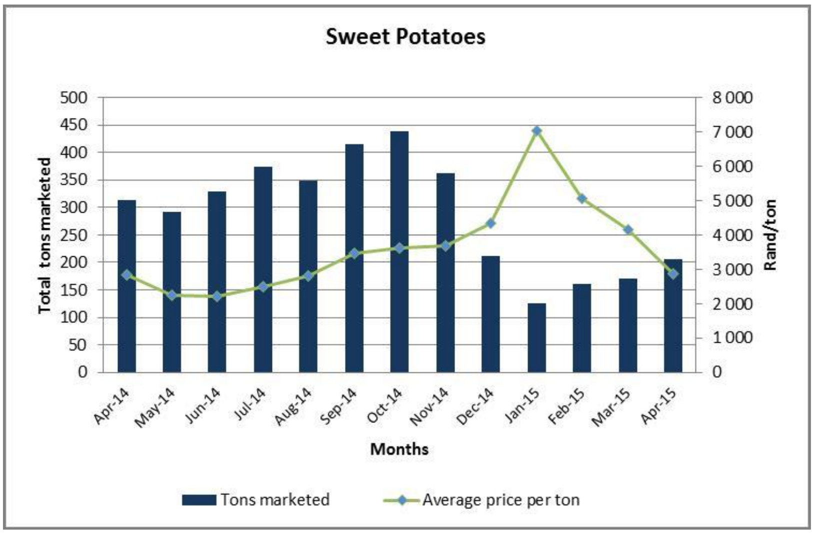


Quantities supplied and marketed during the month of April 2015, increased by 20% m/m compared to the previous month. This was accompanied by downward pressurised prices which decreased by 37% m/m, reaching R 9,323 per ton.

If compared on an annual basis, the tonnage supplied to the market, improved significantly by >100% as it reached 217 tons. In addition, the monthly average prices obtained followed a similar trend, which also improved by more than >100%. This could be due to the volatility experience in supply during the previous year.

1.12 Sweet Potatoes

Figure 12: Sweet potatoes sales on the Cape Town Fresh Produce Market



The quantities marketed improved by 20% m/m, amounting to 201 tons compared to the previous month. Average prices however continued to be pressurised on a downward trend and further decreased by 31% m/m and reached R 2,882 per ton.

On an annual basis, the quantities supplied decreased by 34% y/y if compared to the same period in the previous year. Monthly average prices increased by 2% y/y and reached R 2,882 per ton compared to R 3,830 obtained in the previous year.

COMMODITY MOVEMENTS OF OTHER VEGETABLE TYPES ON THE CAPE TOWN FRESH PRODUCE MARKET

PRODUCE NAME: (in order of the highest to lowest volumes sold during this month)	**AVERAGE TONS TRADED FOR APRIL 2015:** ***(tons)***	**CHANGE IN THE AVERAGE TONS TRADED FOR APRIL 2015:** ***(m/m)***	**AVERAGE PRICE OBTAINED FOR APRIL 2015:** ***(Rand per ton)***	**CHANGE IN THE AVERAGE PRICE MARKETED FOR APRIL 2015:** ***(m/m)***
Cauliflower	**205**	30%	**4 608**	-19%
Green beans	**112**	20%	**7 279**	-16%
Sweetcorn	**83**	-12%	**7 408**	3%
Brinjals (eggplant)	**83**	11%	**3 420**	-24%
Broccoli	**63**	-6%	**10 356**	1%
Beetroot	**58**	18%	**4 599**	-5%
Spinach	**28**	25%	**8 407**	-18%
Mushrooms	**6**	-2.21%	**42 783**	< 1%
Patty Pans	**4**	-5%	**5 617**	-23%

Living Lettuce: Pure Flavour ®
Source: Freshplaza, 2015

2. NEWS CLIPS: COMMODITY MOVEMENTS IN THE INTERNATIONAL & DOMESTIC MARKET

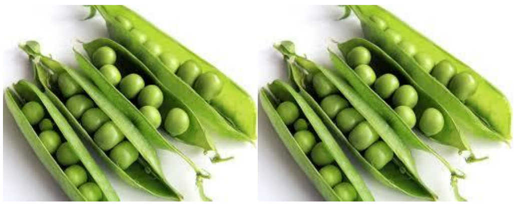
2.1 Call for funding applications to the Cape Capital Fund

Small, medium and micro enterprise (SMME's) operating within the ***agri-processing***, *oil and gas sectors* in the Western Cape are invited to apply for assistance to the Cape Capital Fund, which is administered by the Department of Economic Development and Tourism.

Interested parties can contact:

- *Sharief Davids: 021 483 9112; Sharief.Davids@westerncape.gov.za or*
- *Peter-Jon Thebus: 021 483 9026; Peter-Jon.Thebus@westerncape.gov.za .*

Alternatively, click here for more information.
Source: Western Cape Government (2015)



2.2 Kenya faces risk of losing the EU market for peas and beans, as a result of non-compliance with phyto-sanitary and sanitary requirements

Due to increasing non-compliance with the required phyto-sanitary and sanitary requirements, Kenya faces the risk of losing the EU export market should it fail not to comply with the stricter control measures imposed by the EU since last year. The high chemicals residue levels are mainly deriving from pesticides applications. The EU is however hopeful that Kenyan producers would be able to impose the necessary corrective measures to mitigate the current situation.

Both peas and beans constitute a large portion of Kenya's fresh produce exports to the EU. In 2013, Kenya exported leguminous vegetables (HS0708, which include peas and beans) to the value of USD 168,432,000 to the rest of the world. Exports thereof to the EU countries amounted to approximately 90% of the total export value in 2013 (ITC, 2015).

Click full here to view the article.
Source: Freshplaza; ITC (2015)

2.3 Basic factors to consider when producing and selling vegetables

- Determine what the business objective is, *(i.e. what to sell and to whom. Determine what the main objective would sell produce: whether the business wants to sell more frequently to its current customer base or to increase profitability in the medium to long term, etc.)*.
- From an internal perspective, determine what factors are an advantage and a disadvantage to the business – and thus contributing/hampering the business from achieving its objective. Furthermore also assess the external environment and identify opportunities and threats (i.e. conduct a SWOT analysis).
- Conduct basic market information regarding the risk, build some knowledge about competitors and determine which market would be the most attractive to sell the produce to – keeping the overall objective of the business in mind.
- Do not try to take short cuts – as it will have its consequences in the long run, if not immediate.
- Calculate the cost of production and the gross margin, to ensure that a reasonable profit is obtained for the effort.
- Obtain the technical know-how, with regards to the commodity (-ies) that is planted.
- Make sure that you conduct a soil and water analysis to determine the nutrient, fertiliser and water requirements.
- Assess what the crucial infrastructure requirements are, to ensure that the production and marketing objectives are obtained.

Click here to view the full article.

Source: Farmer's weekly (April 2015); ITC (2015)

2.4 New cabbage disease currently under investigation

The disease is "*declared as phytoplasma, which is a bacterium with a membrance insteas of a cell wall*". The name adopted, is "brassica stunting disorder (BSD)".

Tests are however still being conducted to verify the details thereof, in order to impose the necessary control mitigation measures.

Click here to view the article.

Source: Farmer's weekly (April 2015); Sunderland Seedlings (2015).

ACKNOWLEDGMENTS

The following institutions and organisations are hereby acknowledged:

Department of Agriculture, Forestry and Fisheries: www.daff.gov.za

Farmer's weekly: www.farmersweekly.co.za

Fresh Plaza: www.freshplaza.com

International Trade Centre: www.intracen.com (Trade Map; Business Management System)

Potatoes South Africa (SA): www.potatoes.co.za

Sunderland Seedlings: www.sunderlandseedlings.com

Techno Fresh CRM: www.technofresh.co.za

Western Cape Government: www.westerncape.gov.za

For more information, contact:

The Western Cape Department of Agriculture
Programme: Agricultural Economic Services
Division: Marketing and Agribusiness
Tel: 021 808 5193 or alternatively 021 808 5189
Fax: 021 808 5210
E-mail: michellesw@elsenburg.com