Western Cape Government
Agriculture

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Monthly vegetable market report

Marketing and Agri-Business Section www.elsenburg.com

MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Period under review: March 2014 to March 2015

Issue: 2015/4

IN THIS ISSUE

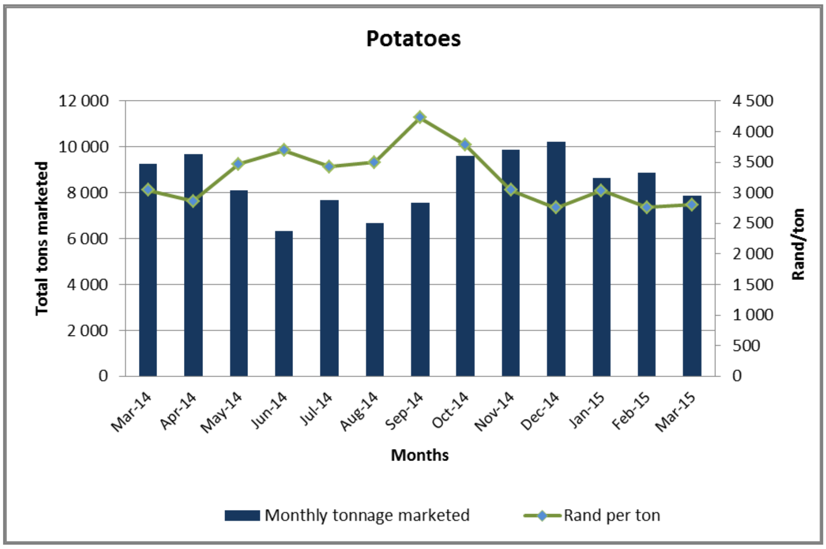
INTRODUCTION

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

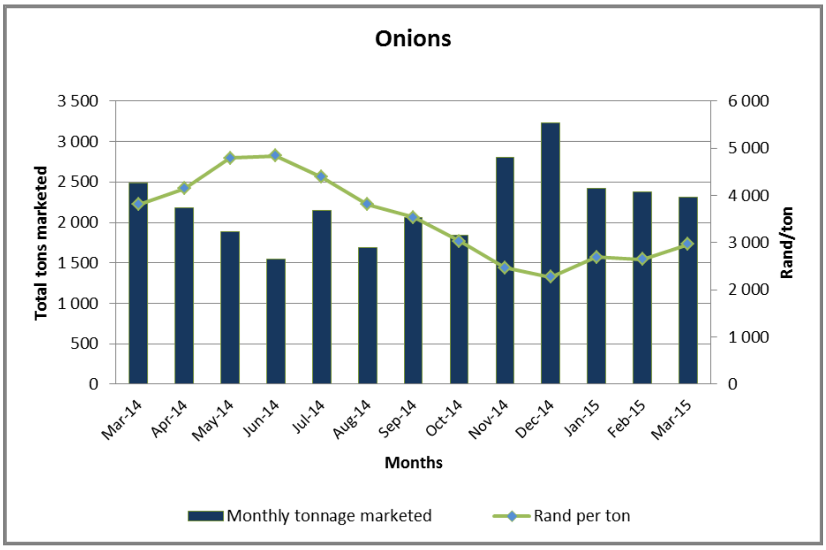


The volumes sold during March 2015, decreased by 11% m/m to 7873 tons. This resulted in the average price per ton to move upward by 2% m/m, reaching R 2807 per ton.

If compared on an annual basis, the volumes marketed have decreased by 15% from 3040 to 2807 tons. The average price per ton has responded indifferently as the average price decreased by 8% y/y and reached R 2807 per ton in March 2015, if compared to the same period in the previous year. Lower climatic temperatures experienced during February 2015 resulted in the supply losses due to decay damages (Landbouweekblad, 2015)

1.2 Onions

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

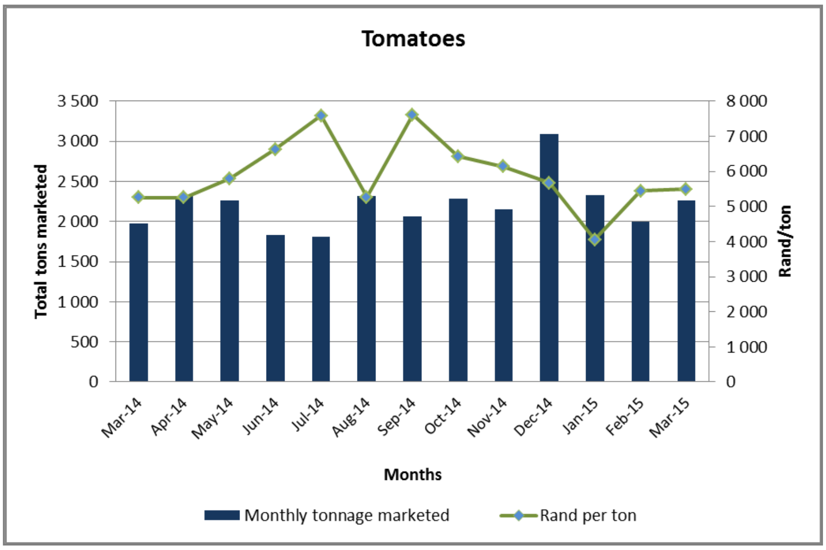


During March 2015, 2310 tons of onions was sold on the market which is a 3% m/m decrease compared to the previous months volumes sold. This resulted in the average price per ton to continue on an upward trend which increased by 12% m/m, amounting to R 2961 per ton.

On an annual basis, the tonnage supplied has decreased by 7% y/y if compared to the same period in the previous year. The reduced onion supply however did not impact prices to be pushed upward, as the average price responded indifferently by decreasing by 22% y/y from R 3810 to R 2961 per ton.

1.3 Tomatoes

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

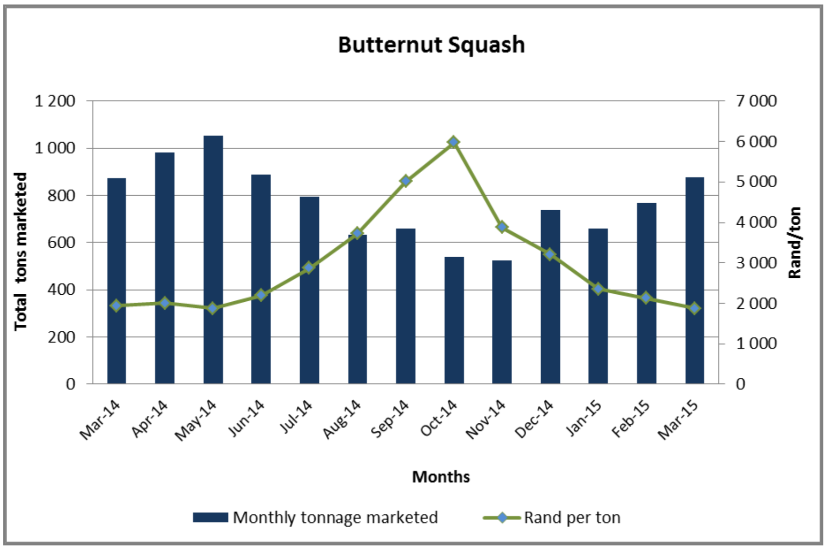


The volumes supplied during March 2015, increased by 14% m/m to 2266 tons. The average price obtained per ton slightly increased by 1% m/m to R 5499.

If compared on an annual basis, the tonnage sold on the market improved by 15% y/y from 1977 to 2266 tons. The increase in supplied produce was accompanied by prices which moved upward by 5% y/y, from R 5250 to R 5499 per ton.

1.4 Butternut squash

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

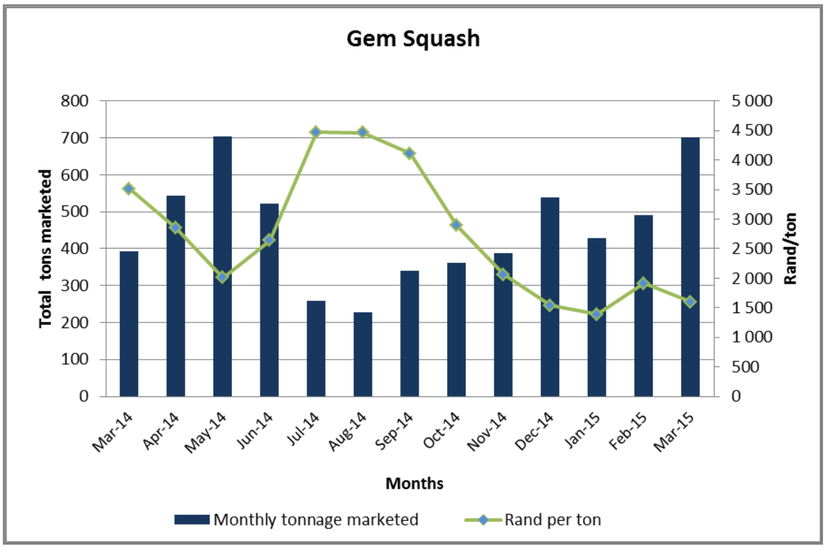


If compared on a monthly basis, volumes sold on the market increased by 14% m/m and reached 878 tons. The increased supply experienced during the month resulted in the average price to be further pushed downward by 12% m/m, to reach R 1870 per ton.

If compared on an annual basis, the tonnage sold remained more or less stable as it increased by less than 1% y/y to 878 tons. The average price obtained improved by 4% y/y from R 1940 to R 1870 per ton.

1.5 Gem Squash

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

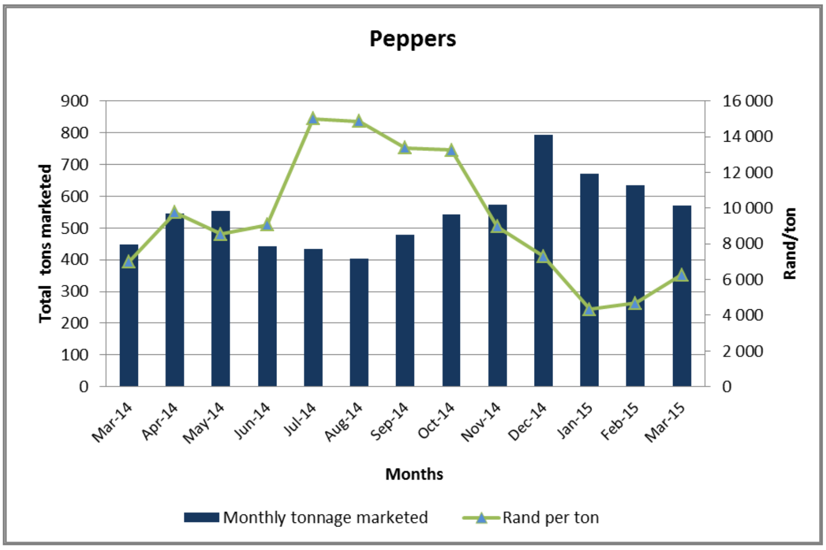


The quantity supplied for marketing during March 2015, increased by 43% m/m and reached 702 tons, if compared to the previous month. The aforementioned, resulted in the average price per ton to be pushed downward by 17%m/m from R 1913 to R 1597 per ton.

If compared on an annual basis, the volumes supplied increased by 79% y/y. This was accompanied by downward pushed prices which reduced by 55% y/y from R 3510 to R 1597.

1.6 Peppers

Figure 6: Pepper sales on the Cape Town Fresh Produce Market

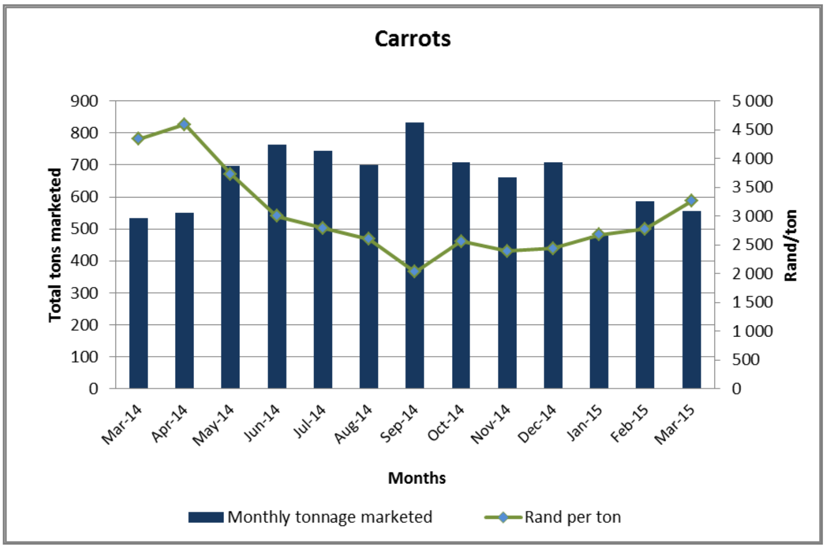


The volumes supplied during the month of Mach 2015, decreased by 10% m/m from 448 to 572 tons if compared to the previous month. The continued decrease in supplies resulted in prices being pushed upward by 34% m/m (from R 4691 to R 6266 per ton).

Volumes marketed increased by 28% y/y from 447 to 572 tons if compared to the same period in the previous year. The increase in volumes resulted in average prices being pushed downward by 10% y/y from R 6980 to R 6266 per ton.

1.7 Carrots

Figure 7: Carrots sales on the Cape Town Fresh Product Market



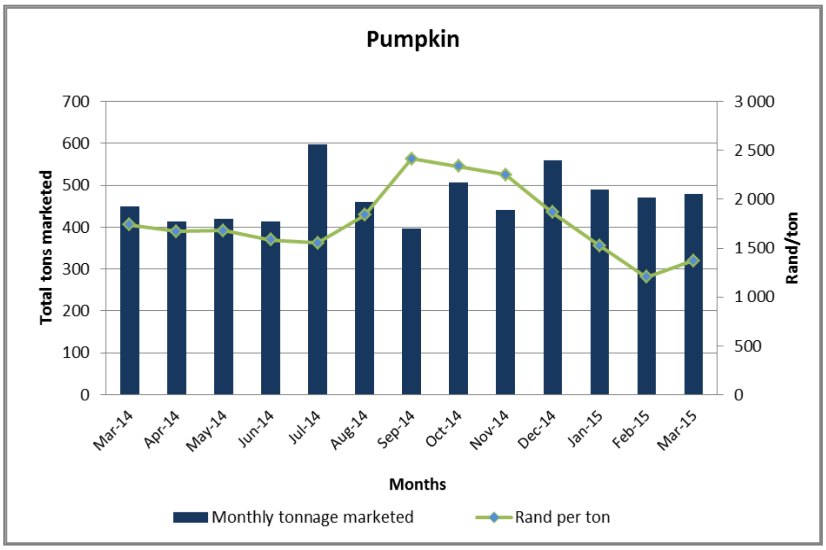
The total amount of volumes sold during March 2015, has decreased by 5% m/m which resulted prices to continue on an upward trend to increase by 18% m/m and reach an average price of R 3264 per ton.

If compared on an annual basis, the tonnage marketed increased by 4% y/y from 534 to 556 tons. The average price decreased by 25% y/y from R 4340 to R 3264 per ton.

The national markets experienced increased supply during February/March 2015, which lowered prices (Landbouweekblad, 2015).

1.8 Pumpkin

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

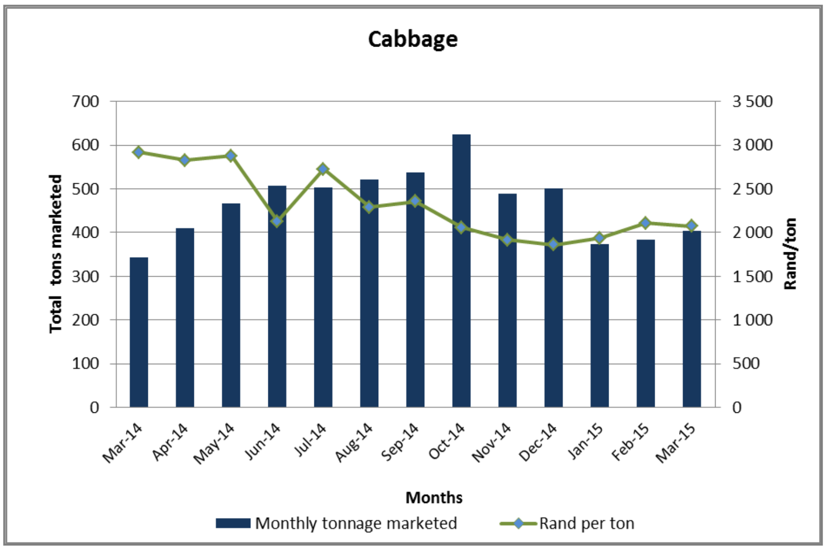


The total volumes sold improved by 2% m/m to 480 tons, accompanied by 14% m/m increase in the average price obtained to reach R 1372 per ton.

If compared on an annual basis, the volumes supplied increased by 7% y/y from 450 to 480 tons. The limited supply in marketable volumes resulted in a decrease of 21% y/y in the average price from R 1740 to R 1372 per ton.

1.9 Cabbage

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

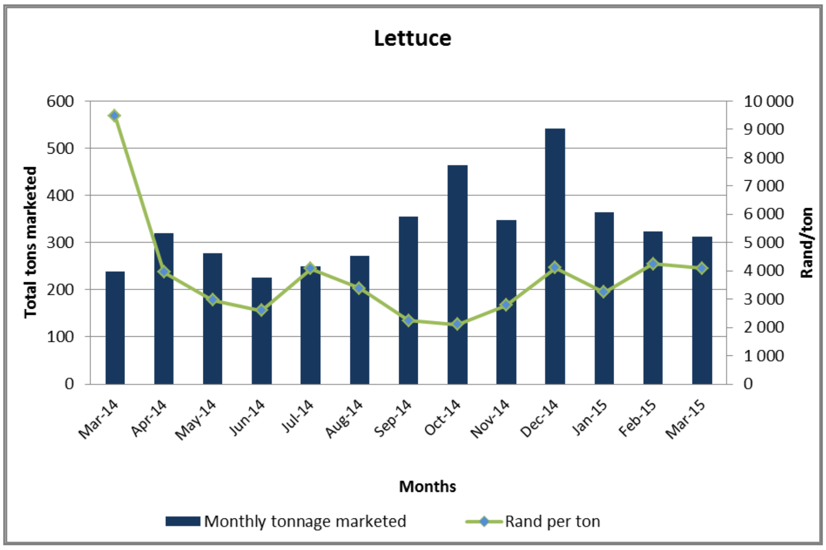


The total volumes supplied during the month of March 2015, increased by 5% m/m and reached 404 tons. The aforementioned, resulted in the average price being slightly pressurised downward by 2% to reach R 2074 per ton.

If compared on an annual basis, the volumes supplied to the market improved by 18% y/y, accompanied by downward pressurised prices that decreased by 29% y/y which escalated from R 2920 to R 2074 per ton.

1.10 Lettuce

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

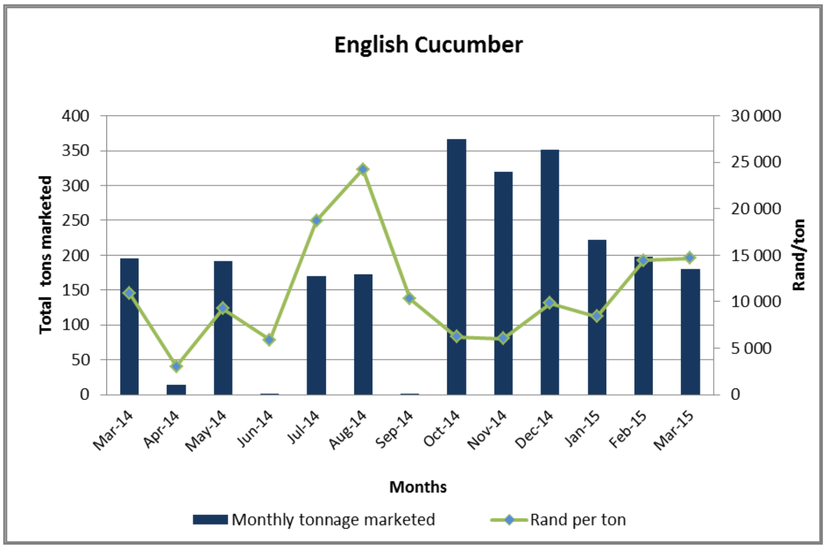


The total quantity sold decreased by 3% m/m to 313 tons, accompanied by a 4% m/m decreased in the average price which amounted to R 4090 per ton.

The volumes sold during March 2015 increased by 32% y/y, if compared to the same period in the previous year when 239 tons were marketed. This was accompanied by a 57% decrease in the average price per ton, which resulted in the average price to reach R 4090 per ton compared to the R 9470 per ton obtained in the same period in the previous year.

1.11 English Cucumber

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

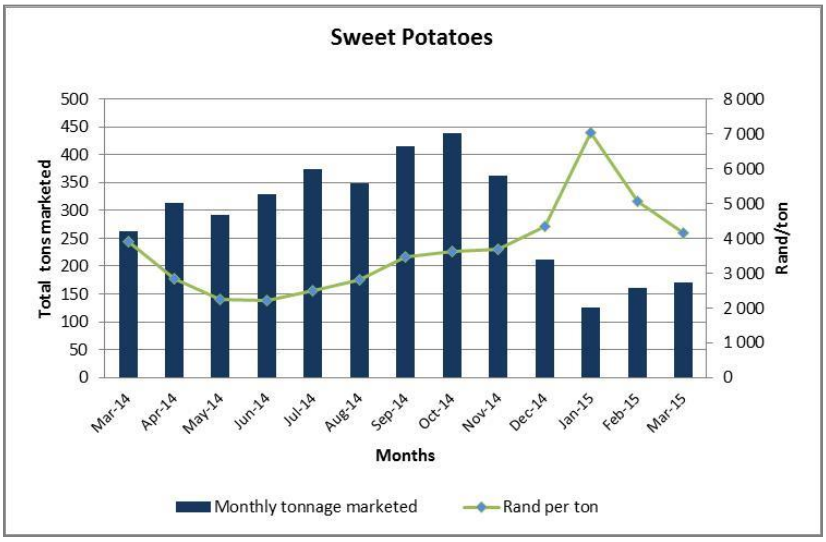


The tonnage marketed during March 2015, decreased by 9% m/m and reached 180 tons. This was accompanied by a slight increase of 2% m/m in the average price per ton, to reach R 14 685 per ton.

If compared on an annual basis, the tonnage sold decreased by 8% y/y from 196 to 180 tons. This was accompanied by average prices being pushed upward by 35% y/y from R 10 890 to R 14 685 per ton.

1.12 Sweet Potatoes

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



The volumes sold increased by 6% m/m to 171 tons, which was accompanied by continued downward pressurised prices which declined by 17% m/m and reached R 4166 per ton.

If compared on an annual basis, the volumes marketed were lesser by 35% y/y from 262 to 171 tons, if compared to the same period in the previous year. The average price however improved by 7% y/y, from R 3910 in the previous year to R 4166 per ton in March 2015.

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

Produce name: (in accordance from the highest to lowest volumes sold during this month)	**Average tons traded for March 2015: (tons)**	**Change in the average tons traded for March 2015: (m/m)**	**Average price obtained for March 2015: (Rand per ton)**	**Change in the average price marketed for March 2015: (m/m)**
Cauliflower	**158**	57%	**5 650**	-18%
Sweetcorn	**95**	-12%	**7 205**	5%
Brinjals (eggplant)	**75**	<1%	**4 487**	48%
Broccoli	**67**	1%	**10 251**	<1%
Beetroot	**49**	-39%	**4 817**	122%
Spinach	**22**	13%	**10 287**	8%
Mushrooms	**6**	-16%	**42 390**	23%
Patty Pans	**4**	>100%	**7 319**	-38%

Source: Food24.com

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

2.1 Department of Trade and Industry (DTI) trade opportunities platform

The DTI is offering weekly trade lead bulletins, which contains trade opportunities for both importers and exporters. The bulletins can be accessed by following the below sequence on the DTI website:

To receive the weekly trade bulletins per e-mail, click on the following link and complete the subscription form and forward to tradebulletin@thedti.gov.za or alternatively direct related queries to (012) 394 5792.

2.2 Regulations relating to the grading, packaging and marking of fresh vegetables intended for sale in the Republic of South Africa

Government Gazette nr: 3648, issued on 26 May 2013 outlines the regulations pertaining to the grading, packaging and marking of fresh vegetable produce which is intended for sale within the South African borders. Produce regulations are outlined for the following fresh vegetable items in this publication: Beetroot, broccoli, butternut, cabbage, carrots, cauliflower, cucumber, gem squash, lettuce, mushrooms, pumpkin, spinach, sweetcorn, sweet potatoes and others. Click here to view the fresh vegetable regulations (GG nr: 36480, 24 May 2013).

Produce regulations for fresh tomatoes and onions are as follows: Click here to view the fresh tomatoes regulations (GG nr: 38033, 03 October 2014).

Click here to view the fresh onion regulations (GG nr: 38546, 13 March 2015).

2.3 Increased border control: Namibia

The Namibian Ministry of Agriculture, Water and Forestry has issued a notice pertaining to increased border control directed at imported fresh produce as well as grain and their primary processed by-products. In addition the notice pertains to imported fertilisers, farm feeds and pest control products.

The issued notice is effective as from 15 December 2014. The aim thereof is to ensure compliance with food safety and the necessary procedures set in place to impose the required procedural conditions.

Click here to view the notification pertaining to the increased border control measures.

2.4 European Union (EU) finances onion storage facility in Senegal

The EU is investing in the construction of five onion storage facilities in the Dakar region, Senegal. The drying and storage facilities are projected to cost approximately 900,000 dollars.

The aforementioned is due to the growing supply of onions, which increased from 40,000 in 2003 to 260,000 in 2013 equating to a five-fold growth rate.

Click here to read the article.

2.5 Germany only able to supply part of onion and carrot demand

According to the Fresh Plaza (www.freshplaza.com), the German Agrarmarkt Informations-Gesellscaft (AMI in short, a leading market information company) that both carrots and onions are currently in short supply due to volumes declining below average in the German market. It is anticipated that onion and carrot imports will become more significant in the following months in order to fulfil in the demand.

Click here to read the article.

2.6 Tomatoes processing facility to be established in Nigeria

The Dangota Tomato processing factory, a prospective Nigerian company is expected to produce 1,200 tons tomatoes per day. This is an attempt to address the preservation challenges faced by vegetable produces and to mitigate the "*importation of dubious quality canned tomatoes on the African market*".

Click here to read the article.

2.7 South African tomatoes processing facility acquired by AH-Vest (also known as All-Joy)

The AH-Vest group acquired a tomatoes processing factory from food retailer, Tiger Brands. The factory is situated in Duiwelskloof, Tzaneen and reportedly producing approximately 60% of South Africa's processed tomatoes products of which the majority is traded under the All-Joy brand.

Tomatoes shortages has been experienced in the past, which resulted in South African tomatoes processors to rely more on imported produce. The reliance on imports and the cost and related trade risk, led to the decision by AH-Vest to acquire the processing factory.

Click here to read the article.

ACKNOWLEDGMENTS

The following institutions and organisations are hereby acknowledged:

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

Department of Trade and Industry (DTI): www.thedti.gov.za

Fresh Plaza: www.freshplaza.com

Landbouweekblad: www.landbou.com

Moneyweb: www.moneyweb.co.za

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

Techno Fresh CRM: www.technofresh.co.za

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