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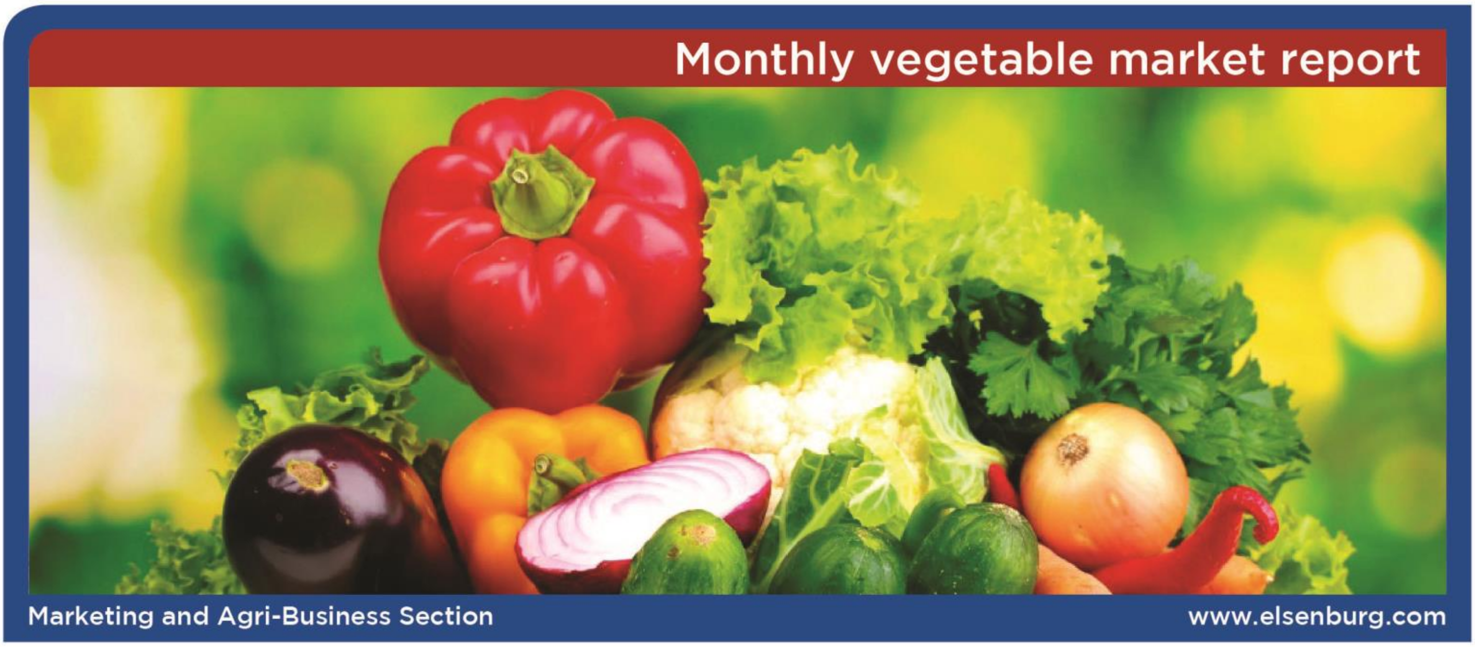


MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Period under review: May 2014 to May 2015

Issue: 2015/6

IN THIS ISSUE

INTRODUCTION

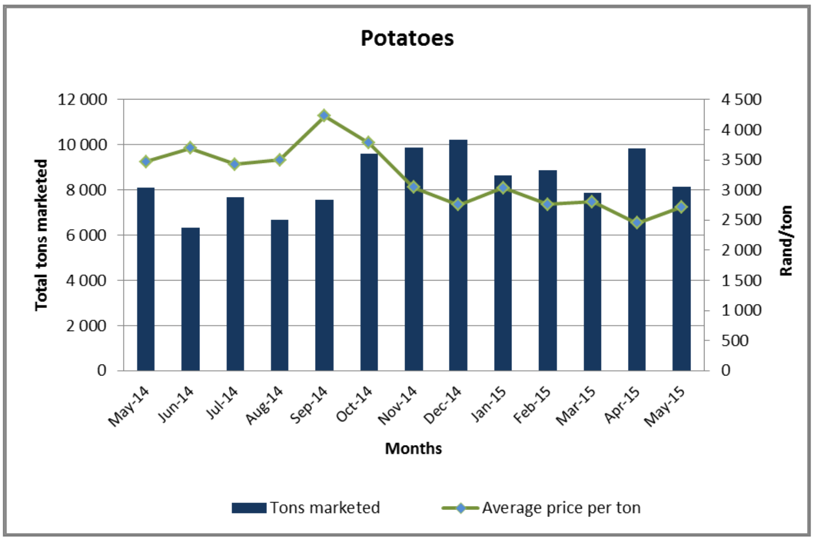
This report is a review of **selected vegetable sales at the Cape Town Fresh Produce Market,** the largest fresh produce market in the Western Cape.

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

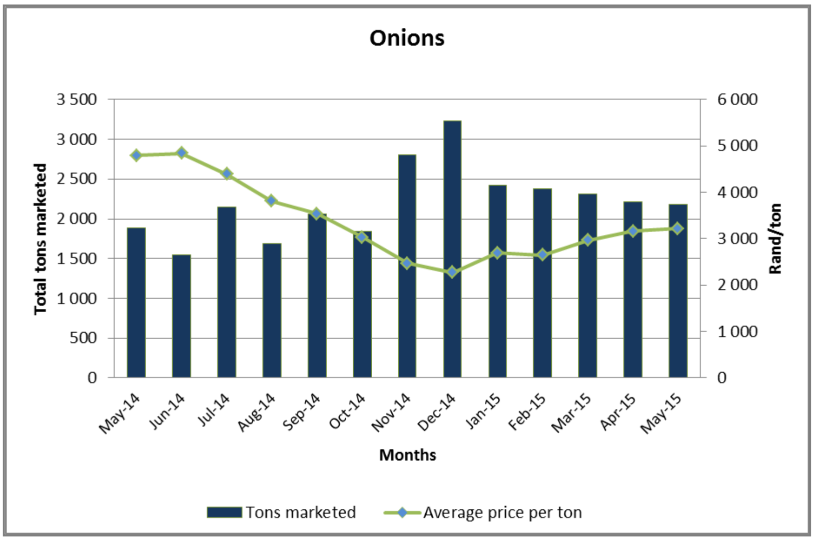


The quantities supplied during the month of May 2015, decreased by 17% m/m and reached 8159 tons. Prices improved by 11% m/m from R 2453 to R 2716 per ton. According to Potatoes SA (2015), prices were expected to increase till May 2015 where after it will move sideways for June and July 2015. This means that, no significant increase or decrease is expected in the price trend over these two months.

If trends are compared over a year, quantities supplied to the market remained more or less the same with a change of < 1% y/y. The average price was pressurised downward by 22%, resulting in a ton of potatoes reaching R 2716 in relation to the R 3470 achieved in the previous year.

1.2 Onions

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

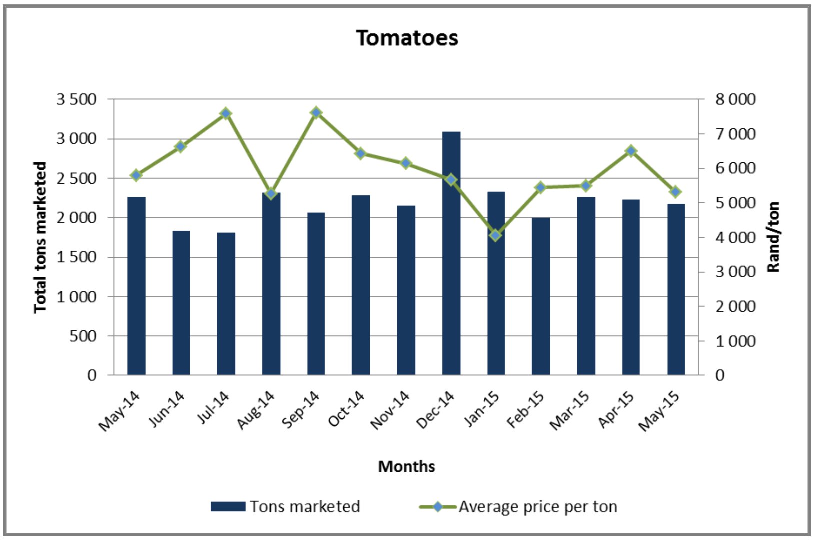


Volumes supplied to the market decreased by 1.5% m/m to 2179 tons, which resulted in the average price per ton to increase by 2% m/m to R 3218 per ton. The monthly average price per ton has been on an upward trend as from January 2015, which could be due to the opposite trend (i.e. decreasing experienced for the volumes supplied).

Average prices were pressurised downward by 33% y/y (from R 4790 to R 3218), due to the volumes supplied to the market which increased by 15% y/y (from 1889 to 2179 tons).

1.3 Tomatoes

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

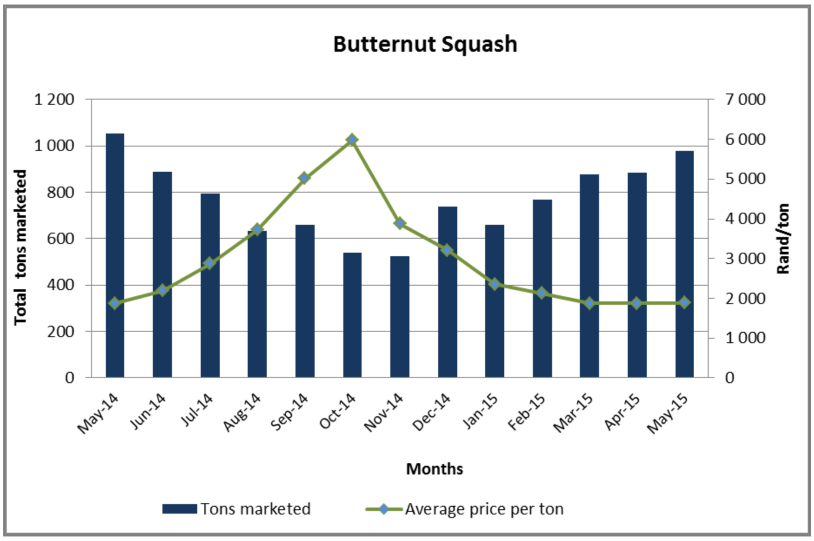


The volumes supplied during May 2015, were lesser by 3% m/m and reached 2176 tons. The average price of a ton of tomatoes however experienced a downward trend and decreased by 18% m/m from R 6497 to R 5309. A possible reason could be due to the shift in demand, as consumer preferences changed due to the colder winter season.

If compared on an annual basis, the volumes supplied decreased by 4% y/y. Average prices moved downward by 8% y/y and reached R 5309 per ton (from R 5800 per ton).

1.4 Butternut squash

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

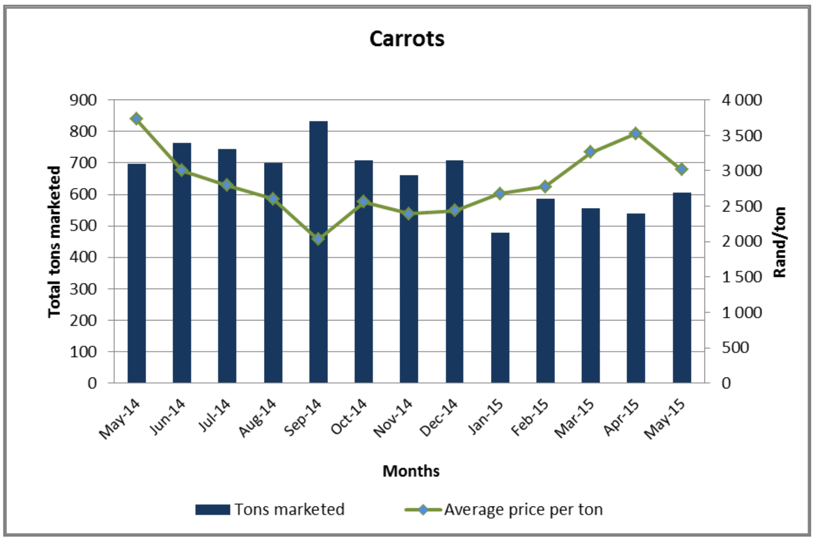


Volumes supplied to the market during May 2015, increased by 11% m/m, from 883 to 978 tons. The average price however moved sideways (i.e. hence no significant increase or decrease in the price movement). As per figure 4, the volumes supplied remained on an increasing trend, whilst the average prices obtained remained on an opposite trend.

If compared on an annual basis, the volumes supplied to the market decreased by 7% y/y and the average price moved sideways if compared to the same period in the previous year.

1.5 Carrots

Figure 5: Carrots sales on the Cape Town Fresh Product Market

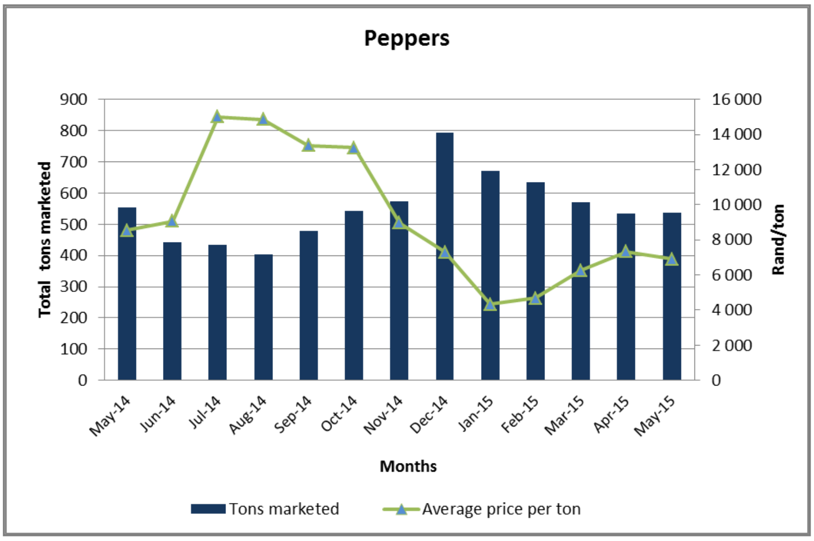


The quantities supplied increased by 12% m/m (from 539 to 606 tons). The monthly average prices have been on an upward trend as from November 2014 up till April 2015, where after it decreased by 15% m/m to 3014 tons.

If compared on an annual basis, the quantities supplied to the market have decreased by 13% y/y from 698 to 606 tons. The change in volumes was accompanied by a decrease of 19% y/y in the average price obtained per ton.

1.6 Peppers

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

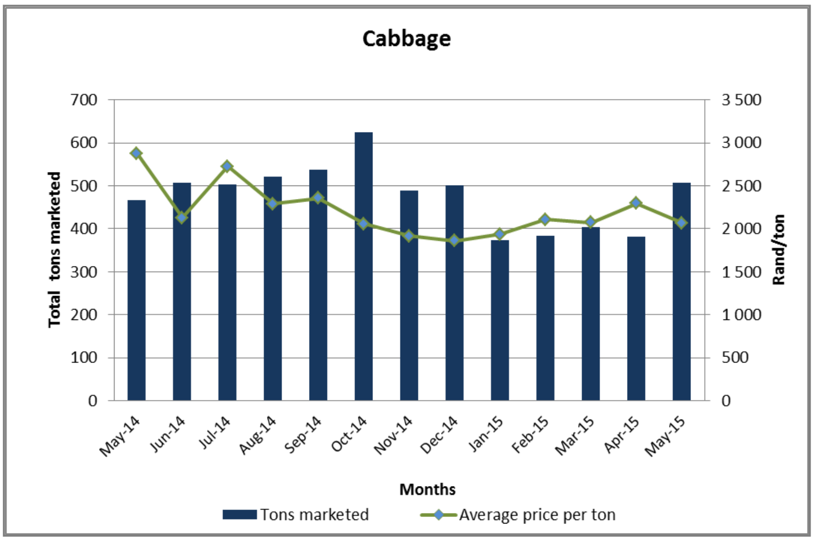


Volumes supplied to the market has remained unchanged (± 535 tons) if compared to the previous month of April 2015, whilst the average price per ton has decreased by 6% m/m reaching R 6901 per ton.

If compared on an annual basis, the average price obtained per ton decreased by 19% y/y (from R 8550 to R 6901). On the other hand, the volumes supplied to the market were lesser by 3%.

1.7 Cabbage

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

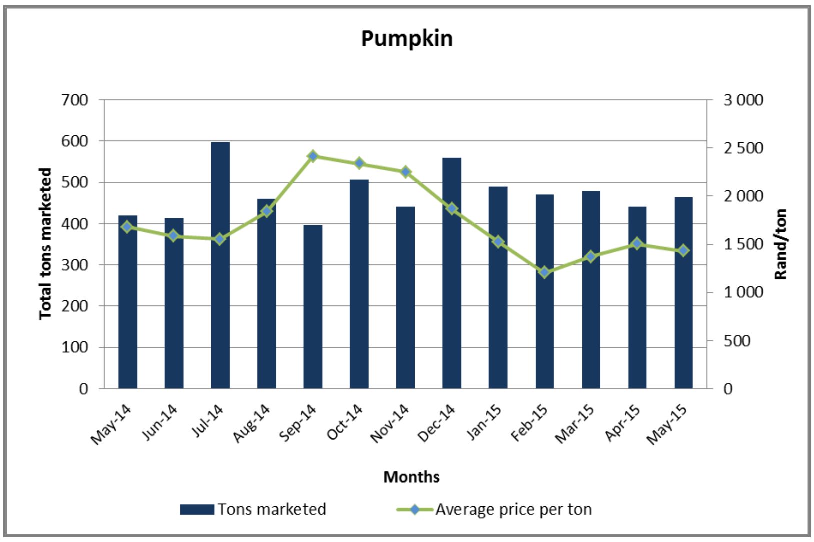


The quantities supplied during May 2015, has increased by 33% m/m (from 382 to 507 tons). Due to the anticipated oversupply of cabbage (if compared to the previous month), the average price per ton was pressurised downward by 10% m/m and reached R 2068 per ton.

If compared on an annual basis, the volumes supplied to the market increased by 9% compared to the same period in the previous year. As a result of the increase in supply, the average price per ton decreased by 28% y/y (from R 2880 to R 2068).

1.8 Pumpkin

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

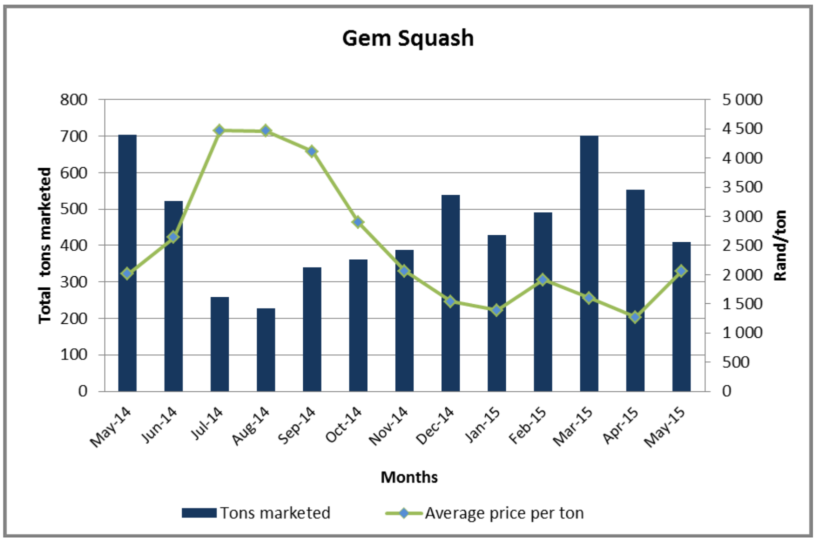


Quantities supplied to the market increased by 5% m/m to 464 tons during May 2015. The average price per ton however moved downward by 5% m/m and reached R 1433 per ton.

If compared on an annual basis, the volumes supplied to the market increased by 11% y/y from 419 to 464 tons. The average price per ton however moved downward by 15% y/y from R 1680 to R 1433 per ton.

1.9 Gem Squash

Figure 9: Gem squash sales on the Cape Town Fresh Produce Market



Volumes marketed decreased by 26% m/m from 553 to 409 tons if compared to the previous month of April 2015. The shortage in supply is a contributing result of the upward trend experienced in the average price obtained per ton which increased by 63% m/m to R 2063.

If compared on an annual basis, the volumes decreased by 42% y/y from 703 to 409 tons. However the average price per ton, improved by 3% if compared to the same period in the previous year.

1.10 Lettuce

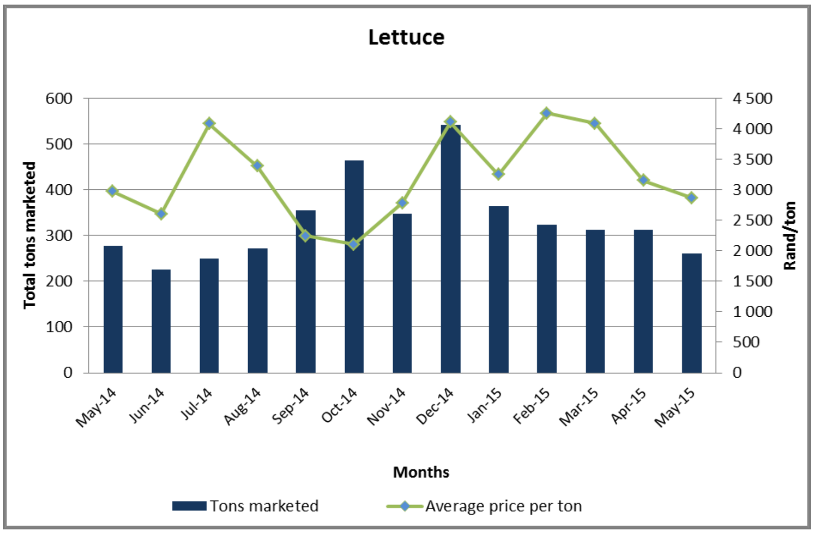


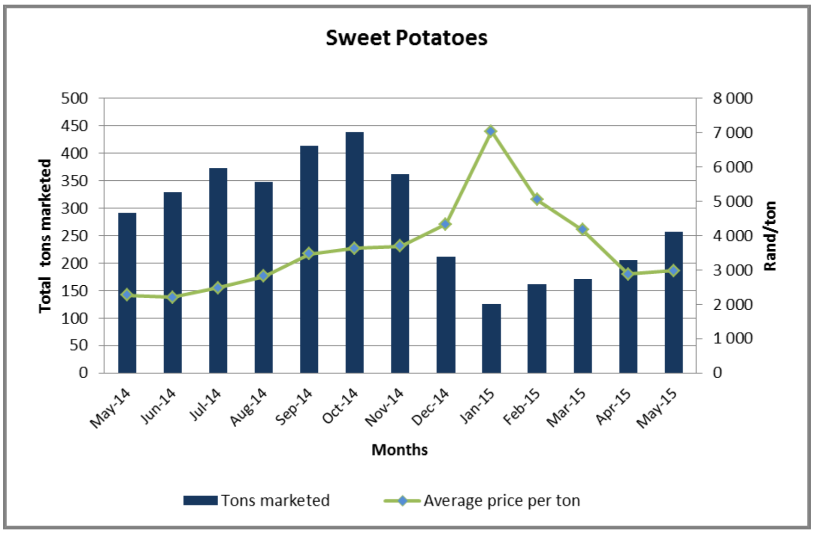
Figure 10: Lettuce sales on the Cape Town Fresh Produce Market

Quantities supplied to the market, decreased by 16% m/m from 312 to 261 tons. As per figure 10, the average price per ton has been on a decreasing trend as from February 2015 after it experienced a relative fluctuating trend. Hence the latest monthly price change resulted in a 9% decrease in May 2015.

If compared on an annual basis, the quantities marketed decreased by 6% y/y, whilst the average price per ton also experienced downward pressure as it decreased by 4% to R 2866 per ton.

1.11 Sweet Potatoes

Figure 11: Sweet potatoes sales on the Cape Town Fresh Produce Market

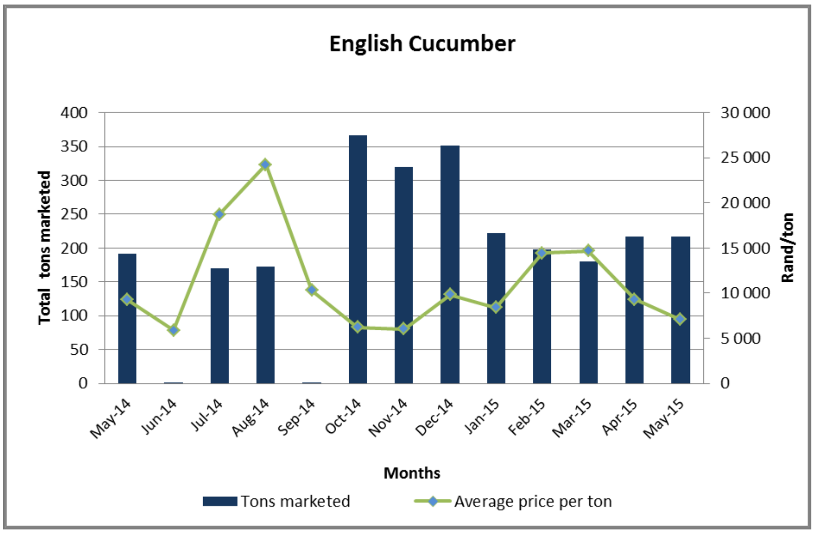


The quantities supplied during May 2015, increased by 25% m/m to 257 tons and were accompanied by improved average prices which increased by 3% m/m and reached R 2975 per ton.

On an annual basis, the quantities supplied and sold on the market, decreased by 12% y/y from 292 to 257 tons. If compared to the same period in the previous year, the average price obtained moved upwards by 32% y/y and reached R 2975 compared to R 2260 in the previous year.

1.12 English Cucumber

Figure 12: English Cucumber sales on the Cape Town Fresh Produce Market



The volumes marketed during May 2015, remained unchanged if compared to the previous month. The average price per ton was however, pressurised downwards by 24% m/m and reached R 7064 per ton.

If compared on an annual basis, the volumes supplied to the market increased by 14% y/y from 191 to 217 tons. The average price obtained per ton however continued on a decreasing trend as from March 2015, after experienced a fluctuating trend as from May 2014. The average price per ton decreased by 24% y/y and reached R 7064 compared to the R 9270 obtained in the same period 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 MAY 2015: *(tons)* *(A-Z)*	CHANGE IN THE AVERAGE TONS TRADED FOR MAY 2015: *(m/m)*	AVERAGE PRICE OBTAINED FOR MAY 2015: *(Rand per ton)*	CHANGE IN THE AVERAGE PRICE MARKETED FOR MAY 2015: *(m/m)*
Green beans	**116**	3%	**6 720**	-8%
Sweetcorn	**113**	36%	**6 603**	-11%
Brinjals (eggplant)	**89**	7%	**3 559**	4%
Broccoli	**62**	-2%	**9 615**	-7%
Cauliflower	**59**	- 72%	**6 131**	33%
Beetroot	**49**	-14%	**4 149**	-10%
Spinach	**32**	17%	**7 641**	-9%
Mushrooms	**5**	-15%	**42 270**	-1%
Patty Pans	**5**	31%	**7 167**	26%

NICHE VEGETABLES TYPES TRADED IN MAY 2015:

Baby marrow:
97 tons @ R 7 577 per tons

Hubbard squash:
40 tons @ R 1 839 per ton

Leeks:
33 tons @ R 3 118 per ton

Spring onions:
15 tons @ R 9 023 per ton

Quinces:
4 tons @ R 5 044 per ton

Radish:
4 tons @ R 4291 per ton

Marrow:
2 tons @ R 1 507 per ton

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

2.1 Possible ban of herbicide is anticipate to cost the South African agricultural sector billions

According to Dr Gerhard van Doorn (industry expert at Crop Life South Africa), the agricultural sector and agrochemical industry is anticipated to lose billions of rand should glyphosate be prohibited for use, as currently indicated by the World Health Organisation (WHO). This came about due to its impact it has on human health, as per the findings of a recent published study conducted by the WHO as from 2011.

Dr van Doorn indicated the glyphosate active, is the largest herbicide (in terms of volumes) used in agriculture in South Africa and other agricultural producing countries, for general weed control to clear an area before crops are planted.

According to the articles on Fin24, SABC News and Engineering News – Dr van Doorn is of the opinion that more concrete studies have to be conducted before such a dramatic intervention is imposed on the global agricultural sector. It is anticipated that massive crop losses and subsequent food losses would be the result thereof, should the withdrawal of this subsistence be imposed, which is used as a preventative weed invasion measure.

It is further reiterated, that farmers should enhance the effective use of agrochemicals and follow label instructions to the latter, which would result in the limitation of exposure to both humans and the environment.

The Department of Agriculture, Forestry and Fisheries is however reviewing the results of the study and the proposed intervention, and is said to invite comment from affected parties in due course.

Click here to view the article on Fin24, SABC News and Engineering News .

2.2 Market inquiry probed by Competition Commission: grocery and retail sector

A market inquiry has been commissioned into the grocery and retail chain sector, as per *Government Gazette number: 38863*, published on 12 June 2015. The purpose is to investigate the general state of competition in the sector, by identifying the factors which "lessen, prevents or either distorts competition".

Areas of interest includes (but not limited to); the discretion which can be applied by franchisors with regards to pricing structures and the purchasing of inventory. In addition, the "*dynamics of competition between local and foreign owned small and independent retailers*" will also be investigated.

Comments with regards to the Terms of Reference (TOR) of the Enquiry Commission were published and public comments are due within 15 business days and can be directed to Louise du Plessis at louised@compcom.co.za.

Click here to read the full article.

2.3 Notification of Bacteria Wilt detection in the Sandveld area

Potatoes SA has issued a notice: *Newsflash on 28 May 2015*, regarding the detection of Bacteria Wilt, a quarantine- status pathogen regulated under regulation 110 under the Agricultural Pest Act number 36 of 1983. The organism is indicated to cause plants to wilt die and hence result in major crop losses.

The necessary measures have been enforced by the industry and the Department of Agriculture, Forestry and Fisheries (DAFF) to counter the spread thereof and hence the affected areas are quarantined. Other host crops also include tomatoes as well as soya beans, sunflower and cotton.

(*this section continues from the previous article* 2.3)

Additional information can be requested from Sanette Thiart (sanette@potatoes.com or 012 349 1906)

Click here to read more about Bacteria Wilt.

2.4 Standard Bank advises farmers to "cut the dead wood"

Nico Groenewald, Standard Bank Head of Agribusinesses recently reiterated the importance for farmers to rather direct their capabilities (in terms of energy and resources) to internal factors within their farming operations over which they have both influence and control, as opposed to external conditions which they do not. These internal factors entail "*to promote food production and these include record keeping, analysing cash flow patterns, ensuring mechanisation is adequate, looking at unproductive assets and maintaining good labour relations, among others*".

Click here to read the full article.

ACKNOWLEDGMENTS

The following institutions and organisations are hereby acknowledged:

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

Engineering News: www.engineeringnews.co.za

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

Fin24: www.fin24.com

Potatoes South Africa (SA): www.potatoes.co.za *(Market Commentary: May & June 2015)*

SABC News: www.sabc.co.za/news

Techno Fresh CRM: www.technofresh.co.za

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