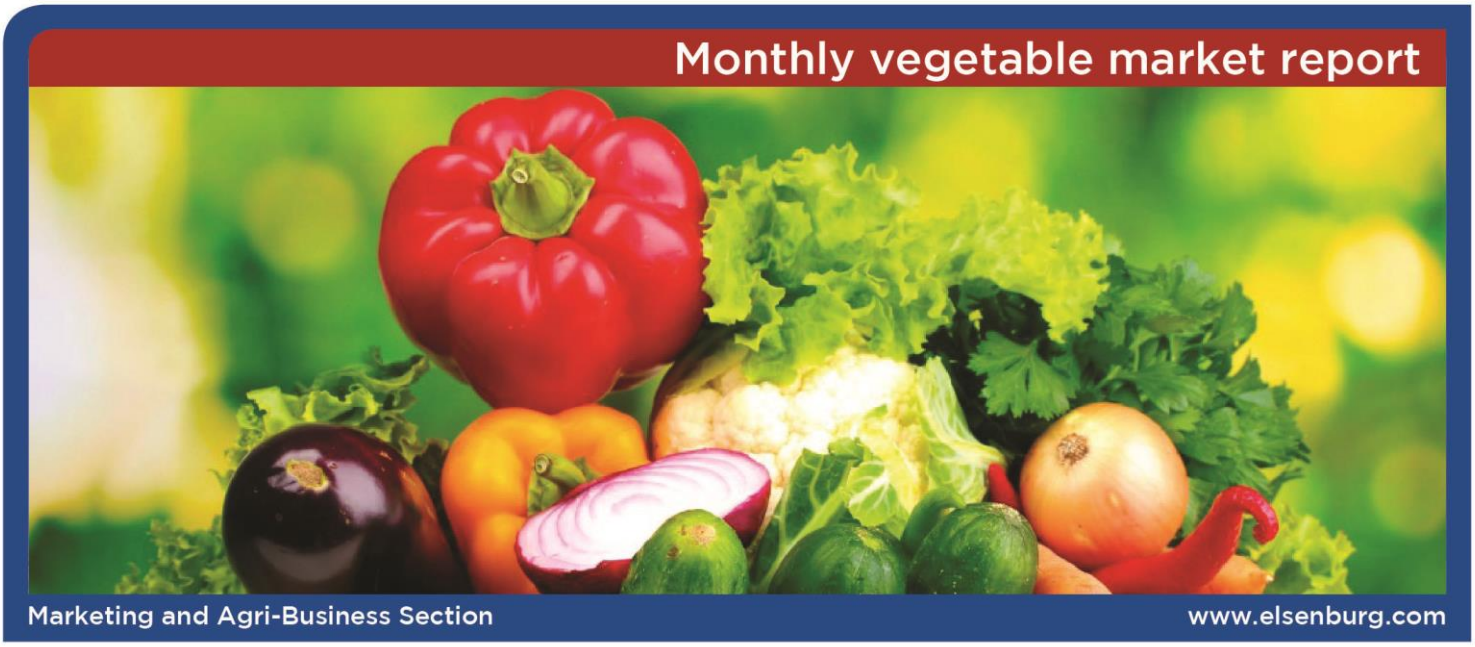


MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Period under review: November 2013 to November 2014

Issue: 2014/10

IN THIS ISSUE

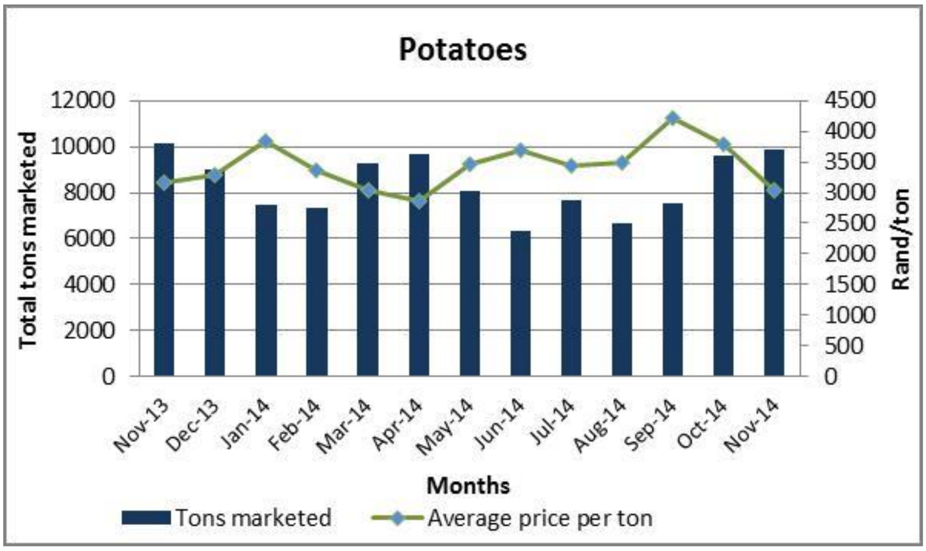
INTRODUCTION

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

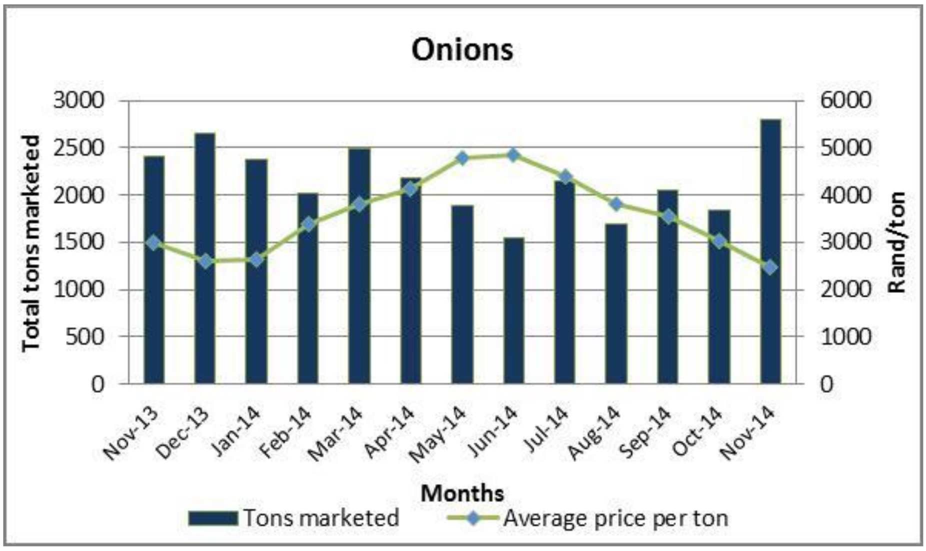


Potatoes volumes sold during November 2014 increased slightly by 2.5% m/m in compared to the previous month of October 2014. The average price obtained however, decreased by 19.5% m/m from R 3782 to R 3045 per ton.

On an annual basis, the volumes marketed decreased by 2.5% y/y to 9859 tons. The November 2014 price of R 3045 is 3.9% y/y lower than the previous year. Potatoes SA (2014) reported that the Sandveld and Limpopo volumes marketed obtained a 60 % market share during the national market for the month of November 2014. The Sandveld production areas is reported to be planted by 800 hectares, of which the production is expected to be harvested early 2015.

1.2 Onions

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

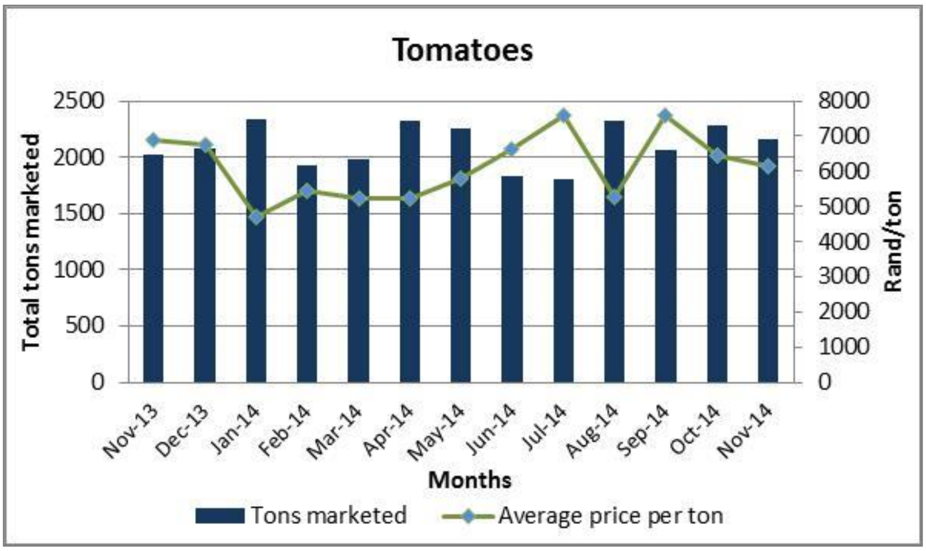


Volumes marketed have increased by 52% m/m to 2799 tons from the previous month's 1841 tons. However, the average price obtained was pressurised downward by 18.5% m/m from R 3029 to R 2470 per ton.

If compared on an annual basis, supplies improved by 14% y/y from 2403 tons. The average price per ton was however; lower by 21% y/y than the same period in the previous year when an average price of R 2998 per ton was achieved for November 2013.

1.3 Tomatoes

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

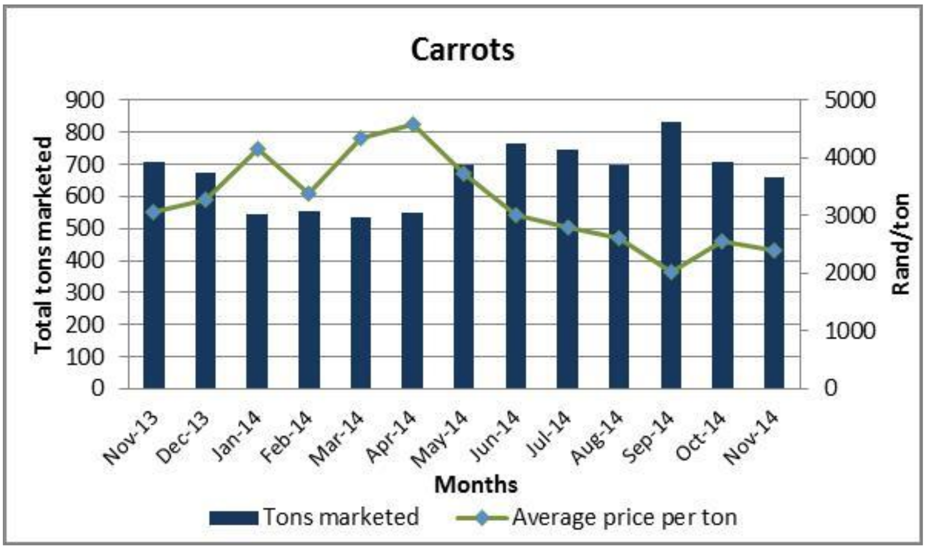


There was a decrease in the volumes of tomatoes supplied to the fresh produce market – volumes were lesser by 6% m/m if compared to the previous month. On the contrary, the average price continued to be pushed downward by 5% m/m to reach R 6136 per ton.

On a yearly basis, the volumes supplied was also lesser by 6% y/y from almost 2027 to 2154 tons. The average price obtained for the same period in the previous year, was 12% y/y lower than November 2013's average price of R 6879 per ton.

1.4 Carrots

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

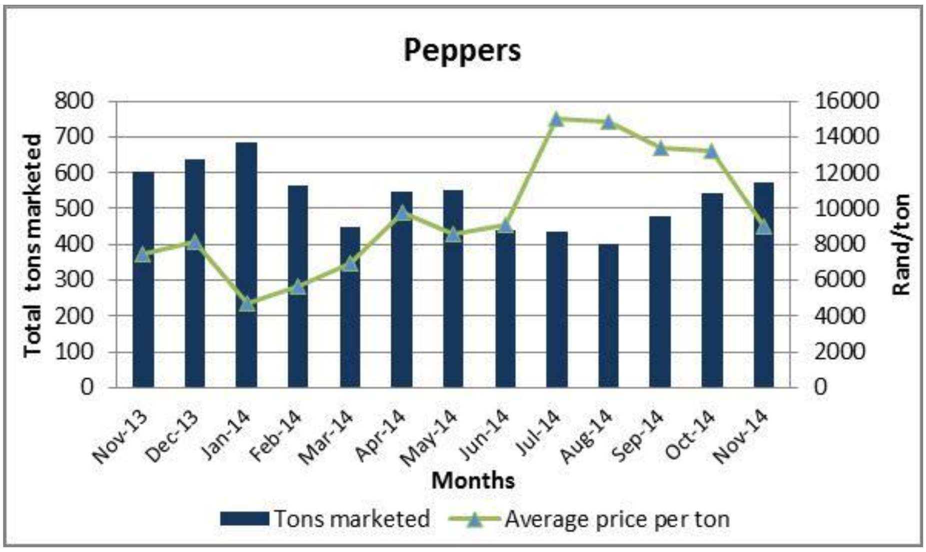


The amount of carrots marketed for November 2014 was 7% lesser than the previous month's sales. The 662 tons marketed achieved an average price of R 2391 per ton, which is 7% lower than the price obtained in October 2014.

If compared on an annual basis, the volumes supplied to the market was 7% lesser than the same period in the previous year (3073 tons were marketed). The average price obtained for November 2014 was however 29% y/y lower if compared to the same period in the previous year.

1.5 Peppers

Figure 5: Pepper sales on the Cape Town Fresh Produce Market

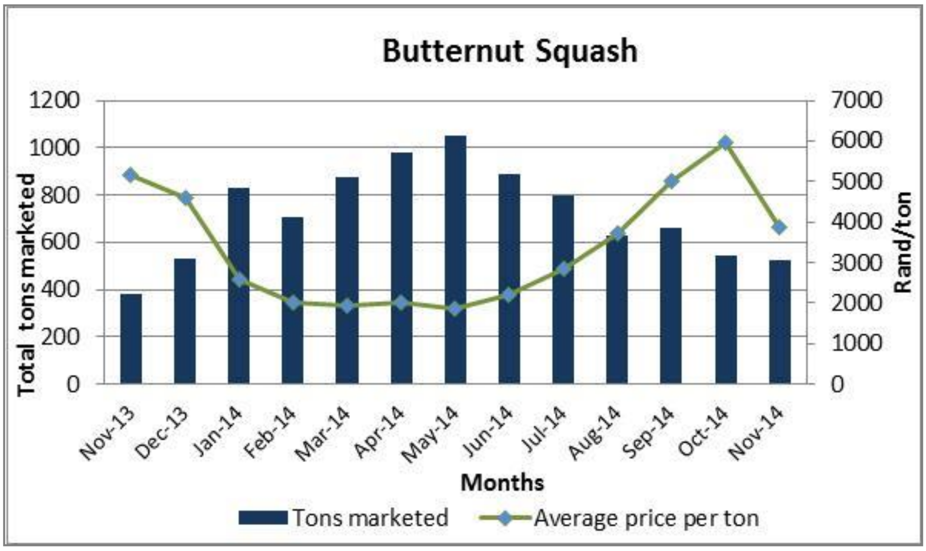


Pepper sale volumes on the fresh produce market improved by 6% m/m from 542 to 574 tons. The average price was pressurised downward by 32% m/m to reach R 8968 per ton.

If compared to on an annual basis, the volumes slightly lessen if compared to the same period in the previous year as volumes decreased by 6% y/y from 605 to 574 tons. On the contrary, the average price for November 2014, has improved by 17% y/y in comparison with the average price obtained in November 2013.

1.6 Butternut squash

Figure6: Butternut sales on the Cape Town Fresh Produce Market

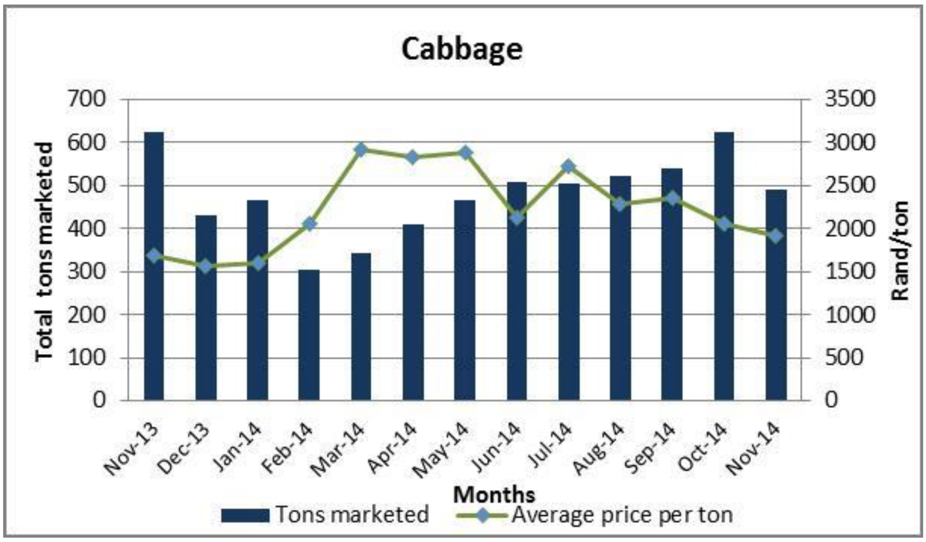


Supplies to the market have slightly decreased by 3% m/m to 524 tons. Volumes continued with the fluctuating trend as from the winter months. Due to this, the average price per ton has been pressurised downward by 35% m/m causing the average price to reach R 3875 per ton.

On a yearly basis, the volumes supplied improved by 27 % y/y from 382 to 524 tons. The average price obtained for this month is 34% y/y lesser resulting in an average price of R 3875 per ton compared to the R 5173 per ton obtained in Nov 2013.

1.7 Cabbage

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

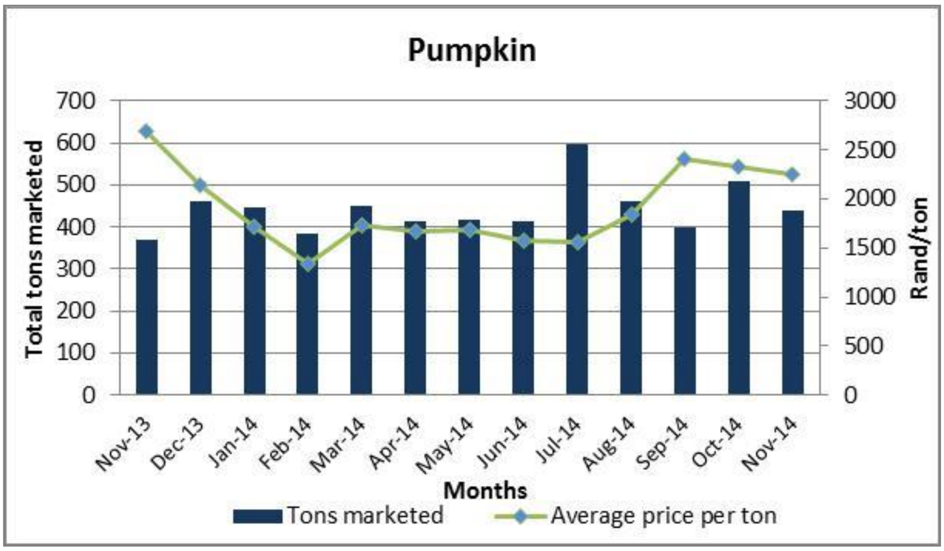


Volumes supplied to the market was 22% m/m (from 623 to 489 tons) lesser than the previous month, accompanied by a 7% decrease in the average price per ton which reached R 1915 per ton.

On an annual basis, the volumes supplied was 22% y/y lesser than the same period in the previous year. This was accompanied by much higher prices which was 12% y/y higher than November 2013.

1.8 Pumpkin

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

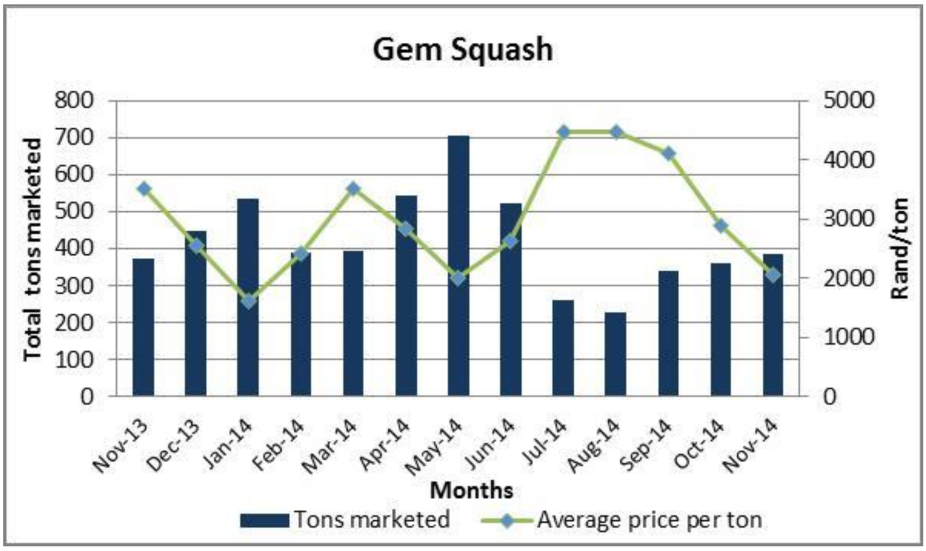


Volumes supplied decreased by 13% m/m to 441tons. This was however accompanied by a slight decrease in the average price per ton which was pressurised downward by 4% m/m to R 2253 per ton.

On an annual basis, the volumes marketed improved by 16% y/y from 369 to 441 tons. However, the average price per ton was lesser by 20% y/y if compared to November 2014 when it reached 2253 tons.

1.9 Gem Squash

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

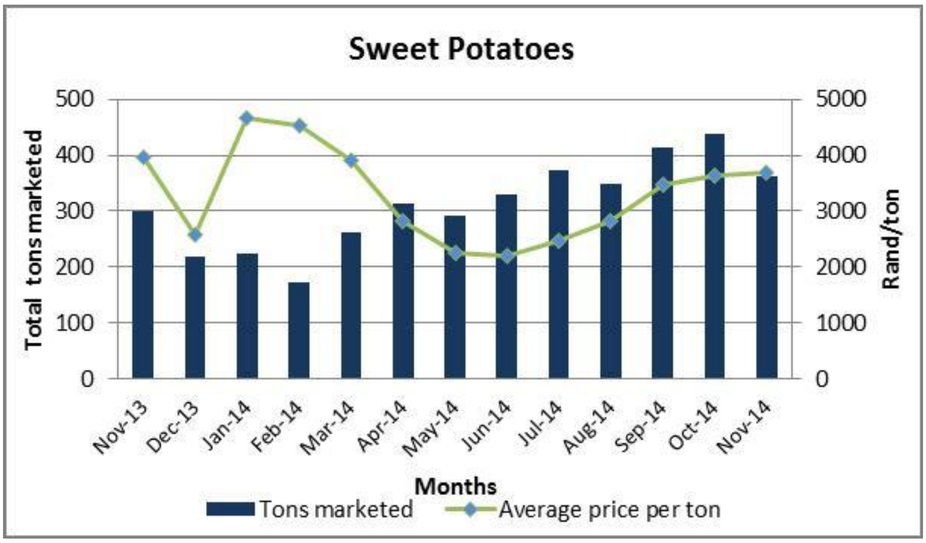


Volumes supplied to the market increased by 7% m/m to 387 tons. Accompanied by pressurised prices which was 29% lesser than the previous month of October 2014.

If compared on an annual basis, the volumes supplied were slightly higher by 4% y/y compared to the same period in the previous year. However, the average prices obtained has decreased by 70% y/y from R 3503 to R 2059 per ton.

1.10 Sweet Potatoes

Figure 10: Sweet potatoes sales on the Cape Town Fresh Produce Market

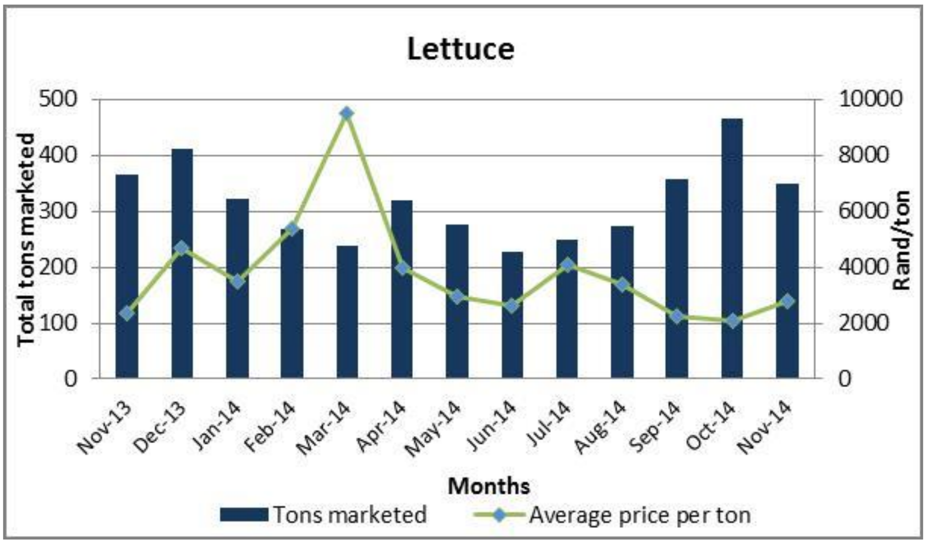


Volumes supplied during November 2014, was 18% m/m lesser than the previous month of October 2014. This was accompanied by a 2% m/m in the average price per ton obtained which was R 3698.

On an annual basis, the volumes improved by 18% y/y from 299 to 362 tons. The average price obtained per ton was lower by 7% y/y for the same period in the previous year.

1.11 Lettuce

Figure 11: Lettuce sales on the Cape Town Fresh Produce Market

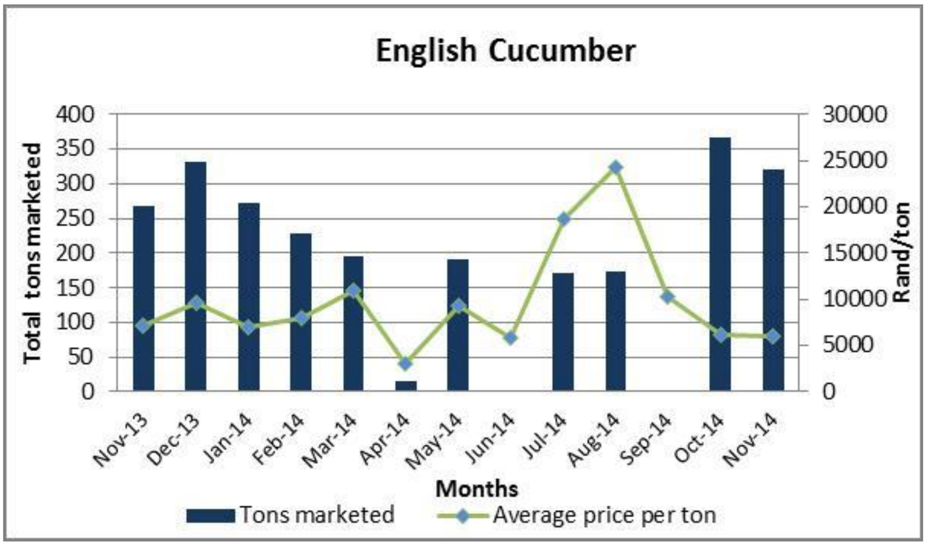


In November 2014, the average price per ton was pushed upward by 33% m/m from R 2107 to R 2786 per ton, which could be as a result of the lower volumes supplied to the market. Volumes were 25 % m/m lesser than the 465 tons marketed in October 2014.

If compared to the same period in the previous year volumes supplied during the month of November 2014 were 5% y/y lesser than November 2013. The average price obtained was however improved by 15% y/y to reach R 2786 per ton.

1.12 English Cucumber

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



The supplied on the market slightly decreased by 13% m/m for November 2014, and reached 320 tons. The movement was accompanied by a decrease of 4 % m/m which resulted in an average price of R 6015 per ton.

In comparison to the same period in the previous year, the supplies to the market improved by 16% y/y from 267 to 320 tons, accompanied by average prices which was pressurised downward by 20% y/y.

OTHER COMMODITIES MOVEMENTS ON THE CAPE TOWN FRESH PRODUCE MARKET INCLUDE THE FOLLOWING:

Produce name:	Average tons marketed for November 2014: (tons)	Average price obtained for November 2014: (Rand per ton)
Cauliflower	301 tons **(9 % decrease m/m)**	R 2470**(20 % decrease m/m)**
Brinjals (eggplant)	83 tons **(30 % decrease m/m)**	R 4396 **(10% increase m/m)**
Broccoli	72 tons **(21% decrease m/m)**	R 7188 **(no change m/m)**
Beetroot	68 tons **(13 % increase m/m)**	R2941 **(23 % decrease m/m)**
Sweetcorn	66 tons **(57 % increase m/m)**	R10 424 **(30 % decrease m/m)**
Spinach	35 tons **(31 % decrease m/m)**	R 5904 **(11 % increase m/m)**
Patty Pans	9 tons **(10% decrease m/m)**	R 4712 **(49 % decrease m/m)**
Mushrooms	5 tons **(4% decrease m/m)**	R 45 416 **(3 % increase m/m)**

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

a) SOUTH AFRICAN STATE VISIT TO CHINA A 'SUCCESS'

Early this month, the South African and Chinese government entered into a various agreements which entail improved relations between the two countries.

Amongst others, skills development and trade relations were on top of the agenda. Skills development is said to avail 2000 SA citizens to receive training over the 5 year period from 2015 to 2020. Chinese companies were encouraged to invest in Special Economic Zones ("trade clusters").

In addition, the agreement on Minutes to Further Improve Economic Cooperation in Trade and Investment, an Action Plan on Agriculture Cooperation between the Republic of South Africa and the People's Republic of China (2014-2016). Agreements include the Protocol of Phytosanitary Requirements (i.e the control of plant diseases) for;

- the Export of Maize from South Africa to China,
- the Export of Apple Fruit from South Africa to China,
- the Export of Dates from China to South Africa.

This is a huge milestone for South Africa, as "China has agreed to expedite market access negotiations for the export of South African fresh produce to China, including the above mentioned produce.

Click here to read the full article.

b) TRADE BETWEEN CHINA AND SOUTHA AFRICA

China is South Africa's largest trading partner; hence the two are part of the BRICS association along Brazil, Russia and India.

According to trade indicators South African imports were valued at USD 16 billion in 2013, with a negative trade balance in favour of China. Imports grew by 17 % y/y between 2009 and 2013 in value.

Imported products ranges across various product classifications and contains agricultural produce such as products of animals, editable vegetables and roots, vegetable/fruit/nut preparations, cotton and various others (Trade Map, 2014).

c) A VALUE CHAIN LESSON LEARNT FROM THE NIGERIAN TOMOTOE VALUE CHAIN

A round table discussion was held with industry players to discuss the following pertinent issues: which included amongst others on how to "*unlock financial investments in production, processing, packaging and distribution; improve primary handling operations from farm to processing centres; and improve and expand support services like structuring farmers' organisations, improving technical and managerial skills, agricultural extension and training, storage and transportation – all within the tomato industry*".

This is all part of the GEM (Growth and Empowerment) project which is an initiative to address wholesale and retail sector challenges hampering growth and empowerment to improve the income and employment opportunities of the lower income groups.

Click here to read more about the GEM's Project in Nigeria.

d) EUROPE: VERY HIGH LEVEL OF COMPLIANCE WITH MRLS

Food in Europe is among the safest in the world - key findings of the latest EFSA Annual Pesticide Residues Report. The European Food Safety Authority's (EFSA) latest Annual Report on Pesticide Residues contains findings from tests carried out in 2012 on nearly 79,000 samples and found that overall 98.3% of these food products were within the maximum residue levels (MRLs) of pesticides permitted in the EU.

More pesticide residues exceeding the MRLs were found in food imported from countries outside the European Union 7.5% than in samples originating from EU and EFTA 1.4% The EFSA report concludes that the presence of residues found in food in 2012 was unlikely to have a long-term effect on the health of consumers.

Click here to read the full article.

e) RUSSIA RELAXES BANNED LIST

Russia has exempted a number of products from its list of banned agricultural imports, according to a decree issued by the Russian government.

Such products now allowed into the country include seeds for potatoes, onions, sweet corn and peas.

Since no restrictions were imposed on South Africa, South African traders are encouraged to take advantage of the market opportunity as Russia's imports from South Africa are dominated by fruits under the agricultural banner.

Click here to read the full article.

f) EXIBITION: Food Agro Africa 2015

Agro Food Africa 2015 will be held in Nairobi, Kenya from 7 to 9 May.

The event supports the development of the agriculture sector and the power sector in this area in full economic growth.

ACKNOWLEDGMENTS

The following information sources are hereby acknowledged:

Agri Portal
www.farmingportal.co.za

DAFF Statistics
www.daff.gov.za

Fresh Plaza
http://www.freshplaza.com

Potatoes SA
www.potatoes.co.za

Techno Fresh CRM
www.technofresh.co.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

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