



Monthly vegetable market report



Marketing and Agri-Business Section

www.elsenburg.com

MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Review period: August 2016 to August 2017

Issue: 2017/07

IN THIS ISSUE

1. Price and volume trend analysis (in accordance of the highest to lowest volumes sold during this month)

- | | | |
|----------------------|-------------|-----------------------|
| 1.1 Potatoes | 1.5 Carrots | 1.9 Sweet Potatoes |
| 1.2 Tomatoes | 1.6 Peppers | 1.10 Lettuce |
| 1.3 Onions | 1.7 Pumpkin | 1.11 English Cucumber |
| 1.4 Butternut Squash | 1.8 Cabbage | 1.12 Gem Squash |

2. News: activities pertaining to the domestic & international fresh produce and related markets

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.

OVERVIEW OF THE NATIONAL AGRICULTURAL MARKETING INFORMATION SYSTEM (AMIS), OFFERED BY THE DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES (DAFF)

The Agricultural Marketing Information Systems (AMIS) is a database interface offered by the Department of Agriculture, Forestry and Fisheries (DAFF).

The main purpose of the Agricultural Marketing Information System (AMIS) is to provide reliable & updated information to farmers. In order to assist farmers to plan activities relating to production and marketing in a much-informed manner.

Agricultural market information is provided for horticulture, field crops, livestock and industrial products, and includes the following categories:

- marketing prices,
- grading and standard information,
- annual price trends, and
- marketing news (pertaining to the application procedures for import and export permits).

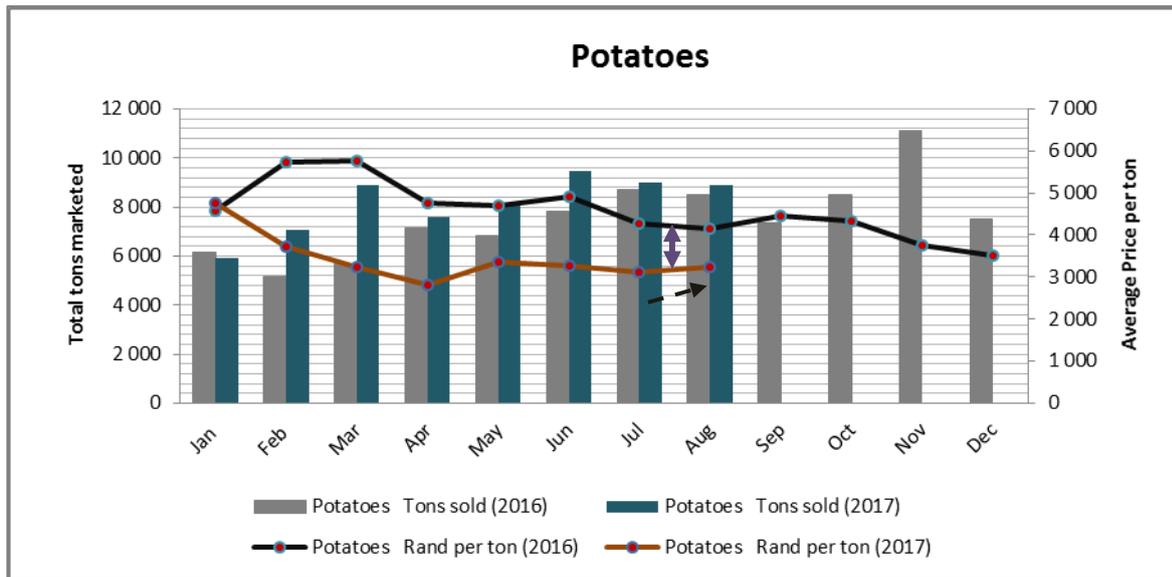
Click on the following website link to access the [DAFF AMIS](http://webapps.daff.gov.za/amis) web application, or alternatively go to the web address: <http://webapps.daff.gov.za/amis> (no subscription fee payable to access system). Cell phone user can send an SMS to ***120*4040#** (charged at standard SMS rates)

Please note that prices are updated at 12h00 a.m on a daily basis.

1. PRICE AND VOLUME TREND ANALYSIS

1.1 Potatoes

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



DEVELOPMENTS ON THE NATIONAL POTATOES MARKET

The 2017 production season delivered 14, 5 million bags or 23% y/y more of potatoes in relation to the corresponding period as from January up until August 2017 within the previous harvesting season. Monthly supplies to the market has surged to more than 10 million bags for the past five consecutive months ending July 2017. However, the month of August 2017 almost concluded with another 10 million bags in progressive sales volumes considering the minor shortfall of approximately 100,000 bags. As a result of the robust supply on the national fresh produce markets in relation to the previous harvest which was characterised by drought conditions and higher temperatures, average market prices declined by 35% y/y in relation to the same period in the previous year when prices achieved much higher levels due to the short supply of produce. On the other hand, average market prices has improved tremendously achieving between R28 and R41 per bag, in relation to the previous month's average sales which ranged between R24 and R31 per bag of potatoes (Potatoes SA, 2017).

The 2017 production estimate is expected to move upward to 235 million bags, from the 214 million bags obtained in the previous harvesting period (BFAP, 2017). This is mainly a result of improved weather conditions and adjustments in the area under production within different regions. A total area of 50,000 hectares has however been planted by producers during the current season, which is relatively lower than last season's plantings (Potatoes SA, 2017). It is however still expected that the current season's plantings will be slightly lesser than the previous year's plantings which amounted to 52 (Potatoes SA, 2017).

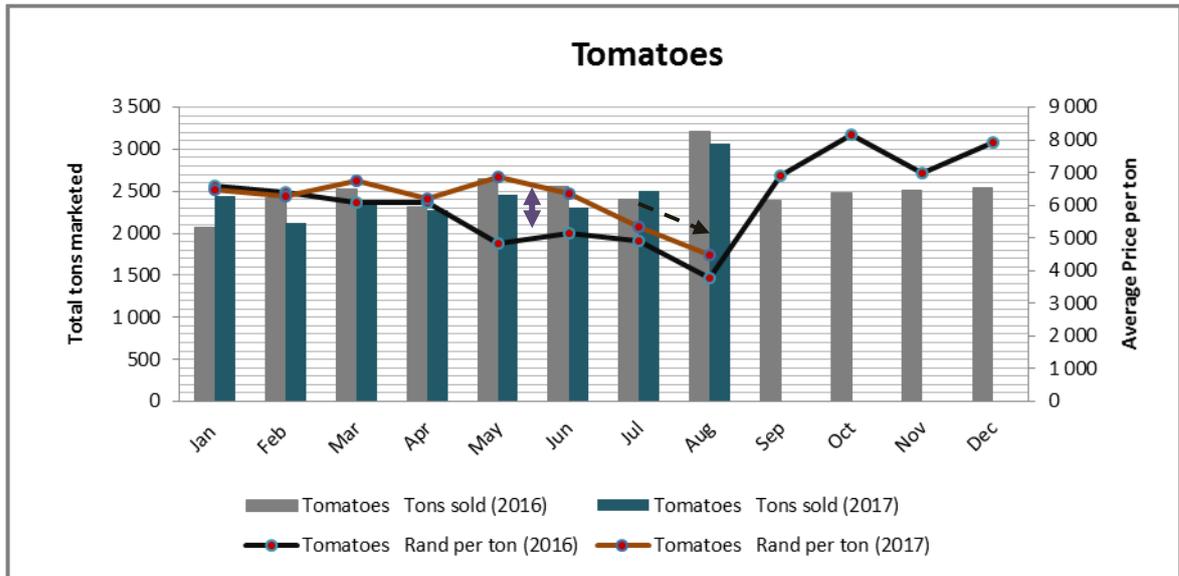
DEVELOPMENTS ON THE CAPE TOWN FRESH PRODUCE MARKET

A total of 8,874 tons were sold on the market during August 2017. This translates into a 2% m/m or 132 tons lesser than the sales recorded within the previous month. Due to the moderate supply of potatoes, average monthly prices increased by 4% m/m or R126 per ton and traded at R3, 230 per ton.

Whilst sales on the market were recorded to be 4% y/y or 359 tons higher than the same period last year. Subsequently, average market prices traded at 22% y/y or R915 per ton lower than the same period within the previous year.

1.2 Tomatoes

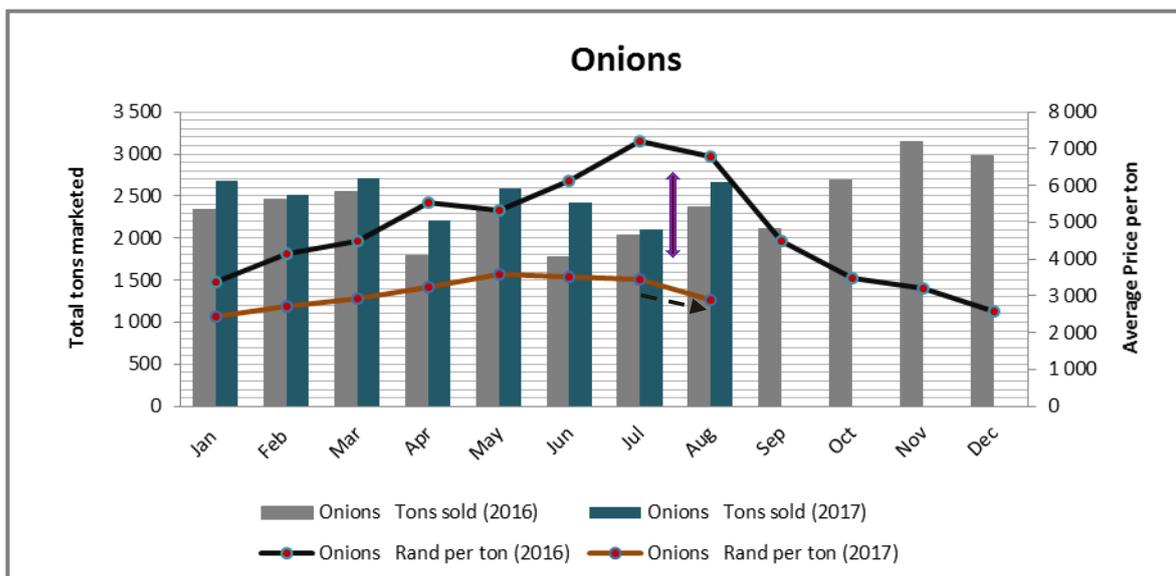
Figure 2: Tomatoes sales on the Cape Town Fresh Produce Market



- ❖ A total of 3,066 tons of tomatoes was sold on the market, which translates to 23% m/m or 570 tons more in relation to the previous month's sales. Subsequently the average market price traded 16% m/m or R865 per ton lower than the R5, 354 obtained per ton during the previous month.
- ❖ On an annual basis, volumes sold declined by 4% y/y or 137 tons if compared the same period within the previous year. Whilst the average price per ton of tomatoes traded 18% y/y or R696 per ton more than the same period a year ago.

1.3 Onions

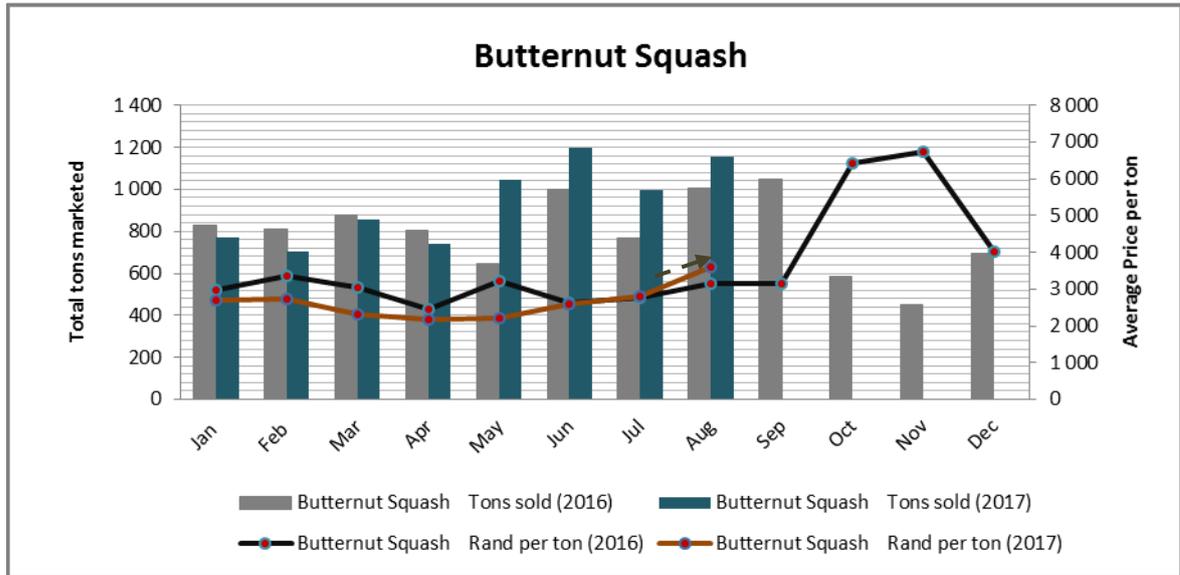
Figure 3: Onion sales on the Cape Town Fresh Produce Market



- ❖ Onion sales peaked up by 27% m/m or 571 tons in relation to the previous month's sales which stood at 2,102 tons. As a result the average market prices experienced downward pressure and traded 17% m/m or R580 per ton lower if compared to the previous month.
- ❖ If assessed on an annual basis, volumes sold were higher by 13% y/y or 307 tons in relation to the same period within the previous year. However, average market prices however fell by 58%y/y or R3, 925 per ton.

1.4 Butternut Squash

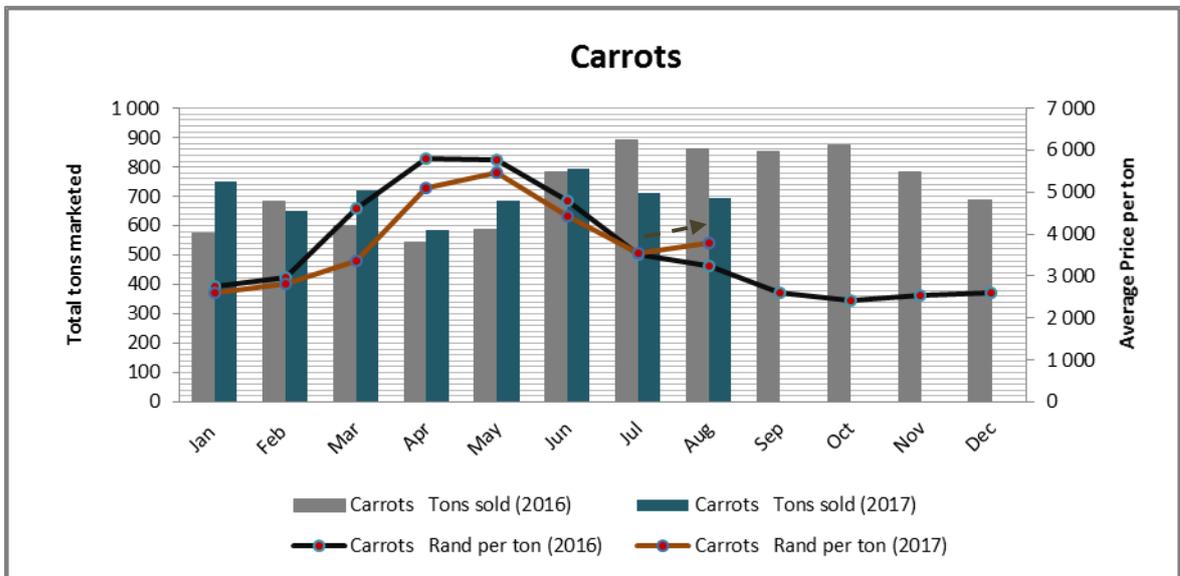
Figure 4: Butternut Squash sales on the Cape Town Fresh Produce Market



- ❖ Butternut squash volumes sold increased by 16% m/m or 157 tons and reached 1,152 tons during August 2017. Regardless of the increase in sale volumes, the average market price responded indifferently and further increased by 29% m/m or R806 per ton and obtained R3, 601 per ton.
- ❖ If assessed on an annual basis, sale volumes increased by 14% y/y or 143 tons whilst the average price per ton of butternut squash also traded higher by 15% y/y or R464 per ton.

1.5 Carrots

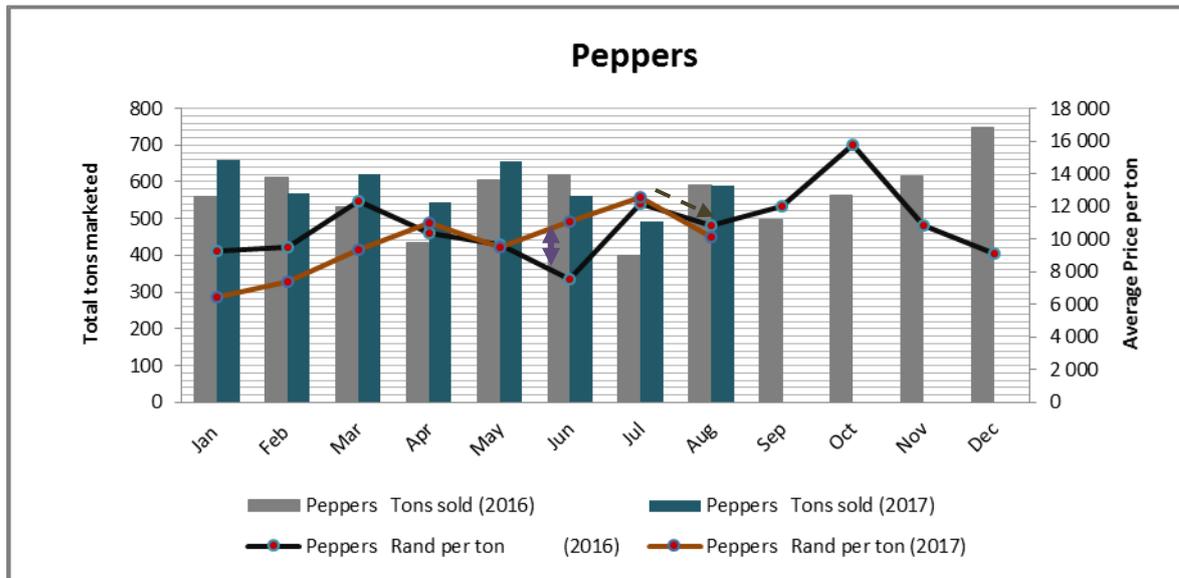
Figure 5: Carrots sales on the Cape Town Fresh Produce Market



- ❖ Monthly sales of carrots slightly decreased by 2% m/m or 16 tons if compared to the 711 tons sold during the previous month. Whilst the average market price obtained per ton of produce was pushed upwards by 7% m/m or R244 per ton.
- ❖ If assessed on an annual basis, sales (in terms of quantity) declined by 19% y/y or 167 tons if compared to the same period within the previous year. Whilst the average price per ton traded at 18% y/y or R567 per ton higher.

1.6 Peppers

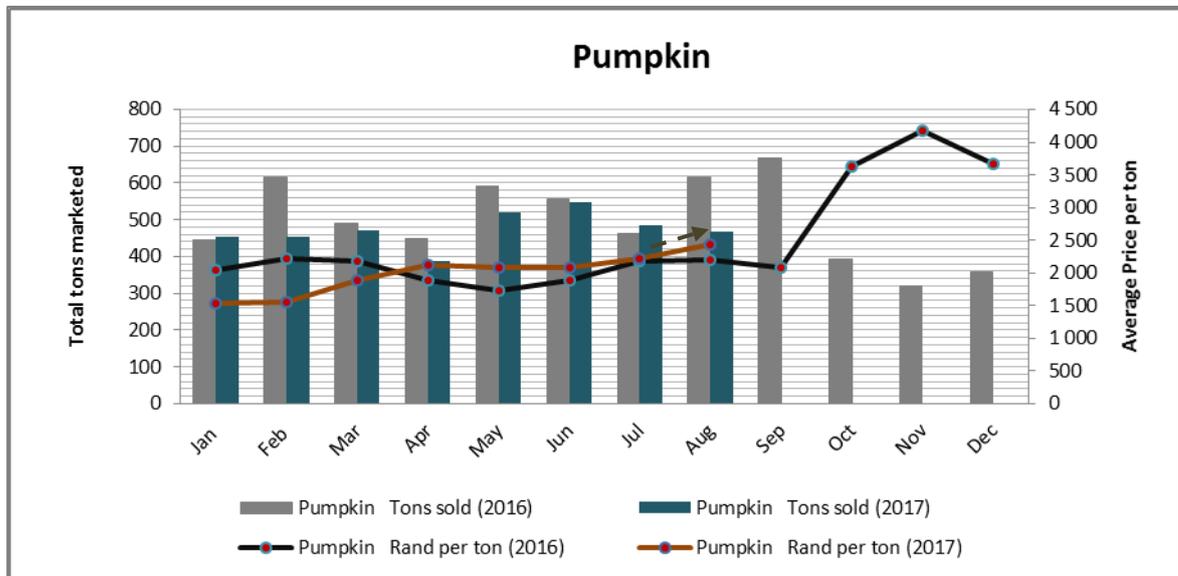
Figure 6: Peppers sales on the Cape Town Fresh Produce Market



- ❖ A total of 589-ton of peppers were sold during August 2017. This translates into a 20% m/m or 96-ton increase in relation to the previous month's sales. Ironically, the average market price per ton of peppers experienced downward pressure due to the increased supply to the market and subsequently decreased by 20% m/m or R2, 443 per ton.
- ❖ On an annual basis, volumes sold on the market remained more or less unchanged at 590 tons. Whereas the average market price per ton of produce declined by 7% y/y or R703 per ton in relation to the same period within the previous period.

1.7 Pumpkin

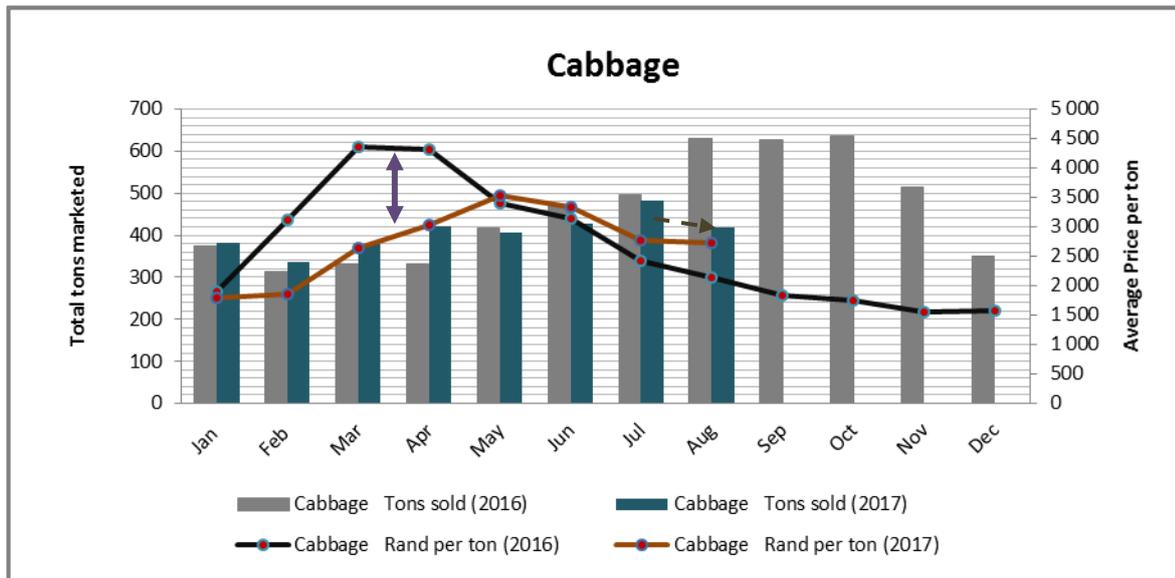
Figure 7: Pumpkin sales on the Cape Town Fresh Produce Market



- ❖ A total of 469 tons of pumpkins was sold during August 2017, which is 3% m/m or 16 tons lesser than the volumes traded during the previous month. Due to higher volumes available on the market, average market prices were under pressure and traded 10% m/m or R211 per ton higher in relation to the previous month.
- ❖ On an annual basis, volumes sold were 24% y/y or 147 tons lesser than the same period within the previous year when 617 tons of pumpkins were sold. Whereas, the average market price obtained per ton amounted to 10% y/y or R230 per ton higher.

1.8 Cabbage

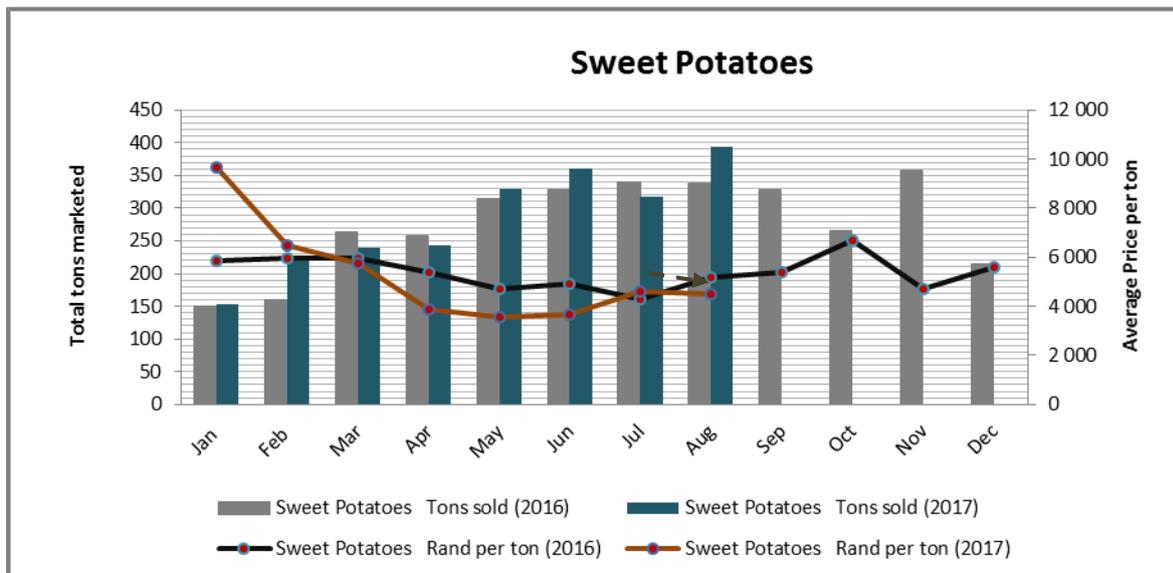
Figure 8: Cabbage sales on the Cape Town Fresh Produce Market



- ❖ Cabbage volumes traded during August 2017 reached 420 tons which represents a 13% m/m or 63-ton decrease in relation to the previous month. Whereas, the average market price per ton of produce decreased by 1% m/m or R37 per ton as it amounted to R2,738 per ton.
- ❖ If assessed on an annual basis, volumes sold were 34% y/y or 210 tons lesser than the sales recorded for the same month during last year. Subsequently, the average market price per ton of cabbage was pushed upward by 29% y/y or R607 per ton compared to the R2,131 obtained per ton in the previous year.

1.9 Sweet Potatoes

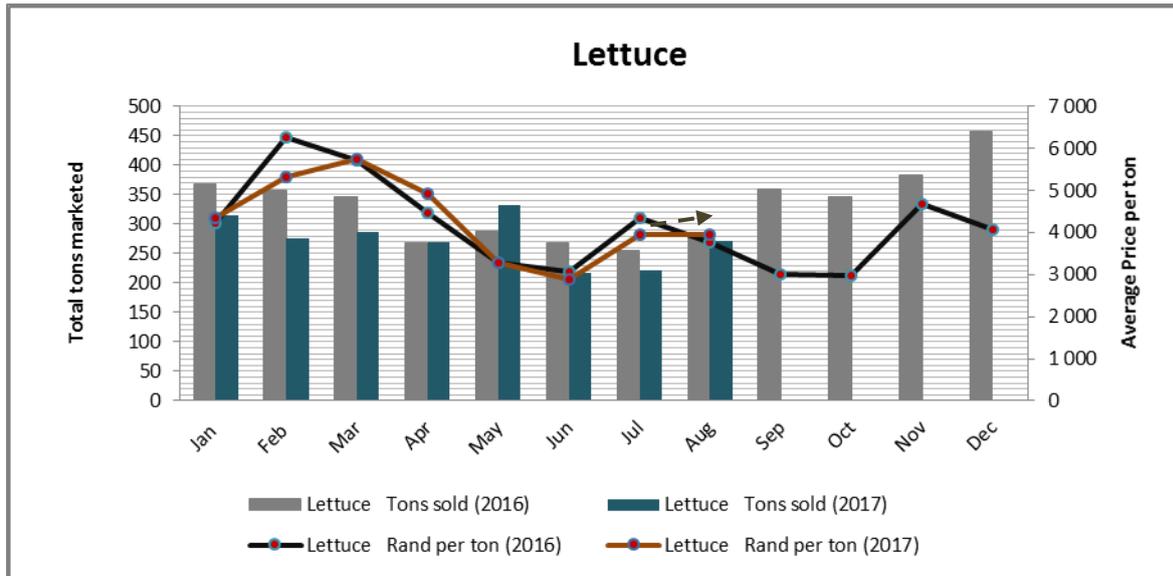
Figure 9: Sweet potatoes sales on the Cape Town Fresh Product Market



- ❖ Sweet potatoes volumes sold during August 2017 amounted to 393 tons, which represents a 24% m/m or 75-ton increase in relation to the previous month's sales captured. Regardless of the significant increase in volumes traded, the average market price was slightly responsive to the increase in supply as it only lowered by 2% m/m or R79 per ton.
- ❖ If assessed on an annual basis, volumes peaked up by 17% y/y or 56 tons if compared to the transactions that was recorded for the same period within the previous year. Whilst the average market price traded considerably lower at 13% y/y or R697 per ton in relation to the corresponding period last year.

1.10 Lettuce

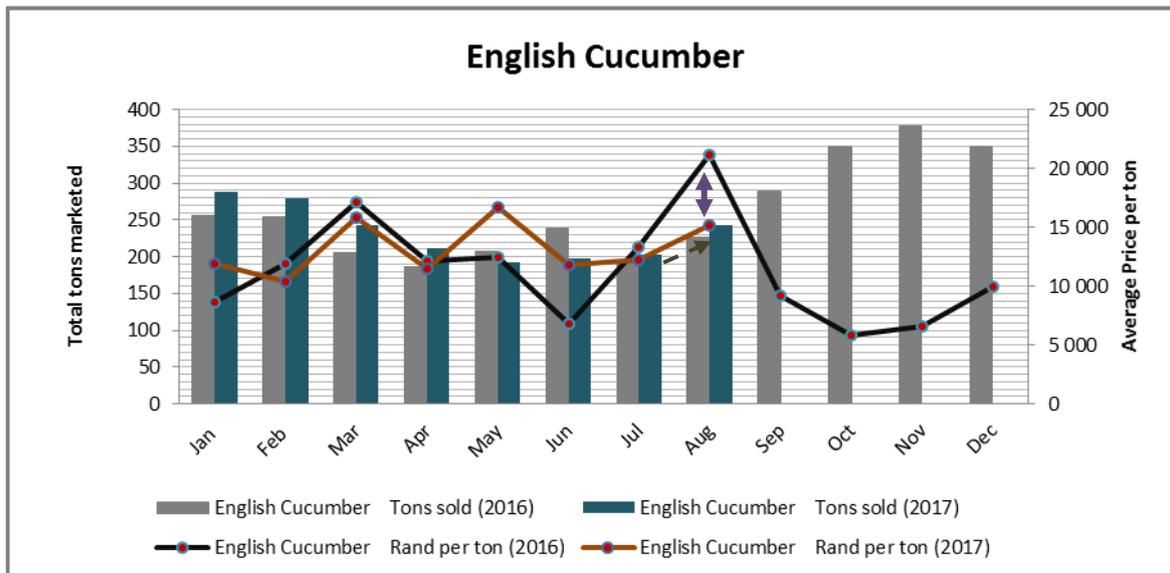
Figure 10: Lettuce sales on the Cape Town Fresh Produce Market



- ❖ Lettuce volumes traded at 23% m/m or 50 tons more than the 221 tons recorded within the previous month. Surprisingly, the average market price did not decrease greatly as was expected as it only declined by less than 1% m/m or R15 per ton and concluded on R3, 967 per ton.
- ❖ On an annual basis, volumes sold decreased by 5% y/y or 14 tons and reached 271 tons. Whereas the average market price per ton of produce traded 5% y/y or R181 per ton higher than the average price obtained within the same period a year ago.

1.11 English Cucumber

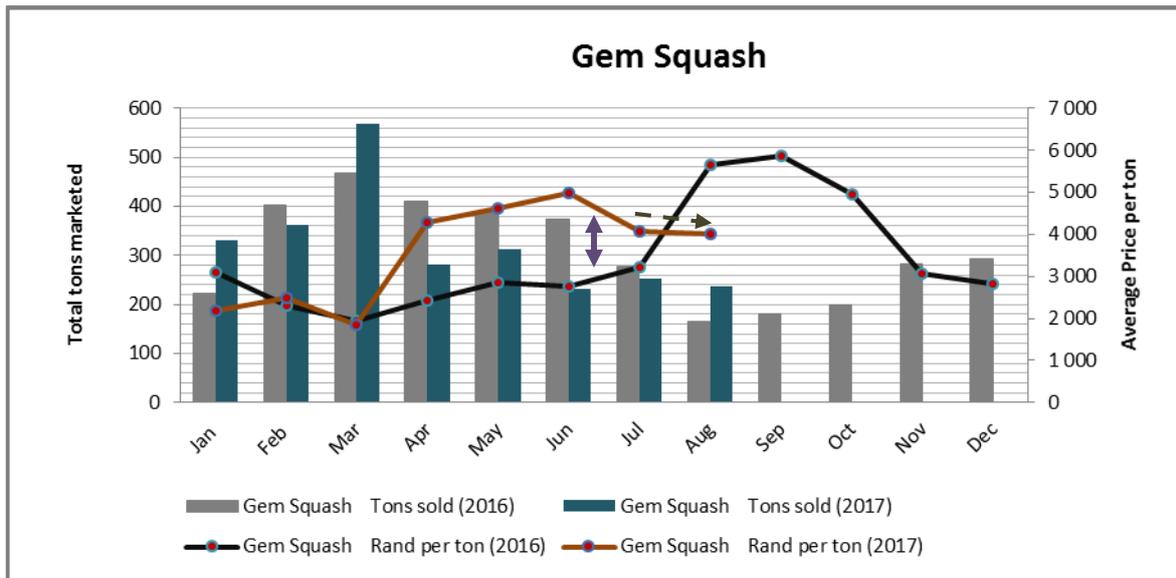
Figure 11: English Cucumber sales on the Cape Town Fresh Produce Market



- ❖ English cucumber sales reached 243 tons, which is 20% m/m or 40 tons higher than the sales recorded within the previous month. Whereas, the average market price per ton traded at 25% m/m or R3, 009 per ton more than the R12, 211 per ton.
- ❖ On an annual basis, volumes increased by 8% y/y or 17 tons in relation to the same period within the previous year. Whilst average market prices were 28% y/y or R5, 941 per ton lesser than the average prices obtained for the same period within the previous year.

1.12 Gem Squash

Figure 12: Gem Squash sales on the Cape Town Fresh Produce Market



- ❖ Gem squash volumes traded 6% m/m or 14 tons lower than the 252 tons sold during the previous month. Whilst, average market prices reached R4, 000 per ton which is 2% m/m or R81 lesser than the average price obtained per ton of produce obtained within the previous month.
- ❖ On the other hand, volumes sold during August 2017 increased by 44% y/y or 72 tons in relation to the same period within the previous period. Whilst the average market price per ton of gem squash has decreased by 29% y/y or R1, 649 per ton if compared to the R5, 650 per ton obtained during the previous year.

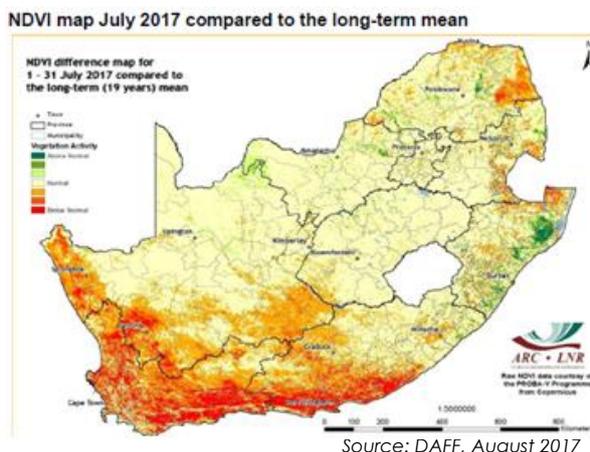
TABLE 1: TREND ANALYSIS OF NICHE VEGETABLES TRADED ON THE CAPE TOWN FRESH PRODUCE MARKET: AUGUST 2017

PRODUCE NAME: (in order of the highest to lowest volumes sold during this month)	AVERAGE TONS TRADED FOR AUGUST 2017: (tons) (A-Z)	CHANGE IN THE AVERAGE TONS TRADED FOR AUGUST 2017: (m/m)	AVERAGE PRICE OBTAINED FOR AUGUST 2017: (Rand per ton)	CHANGE IN THE AVERAGE PRICE MARKETED FOR AUGUST 2017: (m/m)
13. Cauliflower	222	20%	R6 362	-8%
14. Baby Marrow	164	24%	R8 156	-10%
15. Green beans	152	12%	R10 866	-6%
16. Beetroot	97	38%	R3117	-3%
17. Broccoli	96	37%	R 9 633	-22%
18. Brinjals /Eggplant	55	<1%	R8 853	-6%
19. Spinach	35	52%	R8 598	-9%
20. Leeks	33	17%	R2 948	-5%
21. Sweetcorn	26	29%	R21 829	7%
22. Spring Onion	21	<-1%	R12 265	8%
23. Mushroom	14.9	13%	R37 917	<1%
24. Hubbard Squash	10.9	-36%	R1 713	-31%
25. Radish	2.2	24%	R9 943	-8%
26. Marrow	2.0	-	R4 962	-
27. Patty Pans	0.3	55%	R81 128	99%

2. WEATHER ADVISORY ON THE 2017 WINTER & SPRING SEASONS, AUGUST 2017

During mid-August near-normal to above-normal rainfall was mainly received within the Western Cape and Eastern Cape (DAFF, September 2017). Whilst, the other parts of the country received below-normal rainfall (DAFF, 2017).

On the other hand, vegetation activity remains poor within the Western Cape, in conjunction with parts of the Eastern Cape as well as southern and western parts of the Northern Cape, eastern parts of Limpopo and northern KwaZulu-Natal (DAFF, 2017). However, within other areas of the country vegetation activity is almost near-normal (DAFF, 2017).



Daily temperatures were above-normal, and thus the drought within the Province persist. Subsequently, crop and livestock production remains under stress (DAFF, 2017). On the other hand, there are a shortage of sufficient cold (chilling) units which are generally accompanied by colder weather conditions required for both fruit and cereal production which consists of a large portion of agricultural production within the Western Cape (DAFF, 2017). The "seasonal forecast indicates high uncertainty on the specific direction of the rainfall for mid-spring. Temperatures are anticipated to be above normal across the country during spring. With the seasonal forecast in mind and the current conditions, farmers are advised to continually conserve water and other resources in accordance with the Conservation of Agricultural Resources Act 1983, (Act No. 43 of 1983)" (DAFF, 2017).

On 4 September 2017, the level of major dams improved to 33.7% compared to 32.8% within the previous week. If compared on an annual basis, the full storage capacity (FSC) of dams is significantly lower than the 61.5% of the 1,867 million cubic metres obtained within the corresponding period last year (DAFF, as cited in Elsenburg, 2017). Click [here](#) to view the most recent update (*of 04 September 2017*) pertaining to the dam levels within the Western Cape Province or alternatively visit the Elsenburg Website at www.elsenburg.com and revert to Agri-tools  Western Cape dam levels (Elsenburg, 2017).

Strategies to mitigate climatic change and related disasters

A comprehensive list of strategies can be retrieved from the monthly NAC Advisory report issued by DAFF: Climate Change and Disaster Management. Access the mentioned list from the following websites: www.daff.gov.za and www.agis.agric.za.

Request weather warning notifications from the Western Cape Department of Agriculture: Sustainable Resource Management, Disaster Risk Management, by forwarding an email to Mrs. Zaibu Arai to ZaibuA@elsenburg.com or alternatively call (021) 808-5368.

Source: DAFF National Agro-meteorological Committee (NAC) Advisory, 2017.

Additional sources of information regarding climatic conditions, can be obtained in the monthly Agri-Outlook reports

Click [here](#) to view the monthly Agri-outlook reports. The Agri-outlook report provides a summative overview of both climatic and agricultural conditions in the Western Cape, through reference to information regarding the rainfall, temperatures, dam levels, plant growth conditions as well as climatic forecast within a particular period. Alternatively visit the Elsenburg Website at www.elsenburg.com and go to Agri-tools  Agri-Outlook (Elsenburg, 2017).

3. NEWS: ACTIVITIES PERTAINING TO THE DOMESTIC & INTERNATIONAL FRESH PRODUCE AND RELATED MARKETS

3.1 Drought continues to affect market conditions for vegetable farmers

The persisting warmer weather continues to have adverse effects for vegetable farmers. In particular since the trade of vegetables is currently largely influenced by the oversupply of produce on market floors which is a result of the expansion in the harvesting window brought about by warmer weather (Freshplaza, 2017). Subsequently, market prices are trading much lower than average and thus producer's decision to plant or to adjust the area under production is highly impacted by the current environment, whilst some producers might even opt to switch to attractive and more climate resilient agricultural enterprises (Freshplaza, August 2017).

A practical example put forward by Freshplaza (August 2017), was that red and yellow peppers are currently in oversupply due to the acceleration of the colour development brought about by warmer conditions. However considering that red and yellow peppers are generally not in high demand in relation to green peppers, average market prices of the varieties experienced downward pressure. In addition, the harvesting window of tomatoes has extended due to the weather conditions and thus harvesting time frames that should have had finished by now - had been prolonged and resulted in oversupply on market floors for approximately two months (Freshplaza, August 2017). As a result, producers are trading some vegetables at a loss since they are unable to recoup production cost (Freshplaza, August 2017). Although the current weather conditions have prevented frost conditions, the quality of produce has been affected by sunburn in some instances (Freshplaza, August 2017).

3.2 Valuable lessons put forward at the HORTGRO Science: Irrigation Seminar

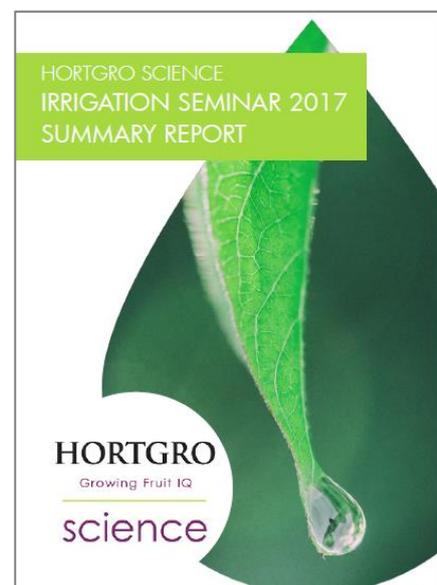
On 18 August 2017, HORTGRO Science presented an irrigation seminar which aimed to provide producers with basic irrigation planning and management principles, in addition to trail-and-tested experiences in order to effectively improve water usage in the persisting drought conditions (Hortgro, 2017).

The main themes of the seminar covered the following;

- Farm planning and design,
- Scheduling and measuring, and
- Drought management.

Even though the seminar was aimed at deciduous fruit production, valuable lessons can be learnt from the attached Irrigation Seminar 2017 Summary Report (*please click Ctrl and on the report to obtain access to the report*). In order to obtain more information on the actual presentations, *available on the YouTube channel*, click on the links provided as per the theme and/or presentation.

The HORTGRO Science Irrigation Seminar will also be hosted in the Langkloof area on 19 September 2017. More information can be acquired from <http://hortgro-science.co.za/events/product/langkloof-besproeiingseminaar>.



3.3 Knox lettuce varieties introduced to South African growers by Rijk Zwaan at open day

Rijk Zwaan South Africa is a wholly-owned subsidiary of an international vegetable breeding company based in the Netherlands who are amongst the top five vegetable seed companies in the world (Rijk Zwaan, 2017).

The company has recently announced that it conducted a lettuce variety selection trial outside Brits (North-West) which consisted out of more than 110 varieties, and wishes to extend a similar trial for cucumbers which might include between 5 to 10 varieties (Freshplaza, Sept. 2017).

Comparison of Red Batavia varieties



Source: Freshplaza, 2017

Points highlighted by both processors and growers entailed the following;

- Production generally include a combination of 2 or 3 green and red varieties as per industry norms;
- The percentage of waste (i.e. portion of leaves per head of lettuce that should be discarded due to not conforming to product specifications as a result of colour, size or maturity level) is generally a huge challenge when assessing the total produce harvested against the percentage of produce that are marketable;
- In addition to pre-harvest losses, harvest losses due to the deterioration of cut surfaces that lead to colour changes also play a fundamental role in product losses;
- Although varieties has been trailed and tested in overseas markets, it's a first for South Africa (tested in both summer and winter rainfall areas) and hence the 'extended' shelf-life of produce has to be reconfirmed through the value-chain analysis;
- Trends within the industry point towards the needs to supply the market with sizeable and uniform leaves which ultimately provides consumers with ease of handling the produce as well as the ability to process it into manageable size;
- In addition, it is reported that the ability to mechanically harvest certain varieties are also eagerly awaited since producers are mainly dependent on manual labour during the harvesting of produce (Fresh plaza, 2017).

To read the full article for more information, please click [here](#).

4. ENERGY

4.1 Fuel price adjustments

Between 28 July and 31 August 2017, the average international price of petrol, diesel and illuminating paraffin increased as depicted in the adjacent figure (DoE, 2017). The main reasons put forward for the increase is a result of a shortage in global supplies which arise due to massive floods and storms (i.e. US Gulf Coast states such as Texas) which led to the closure of some refineries as well as the Port of Houston (DoE, 2017).

OPEC international oil reference basket prices: 01 July to 14 September 2017 (quoted in US dollars)



The Rand depreciated against the US dollar (which is the currency in which international Brent crude oil prices are traded), in relation to the previous period under review (DoE, 2017). The USD/ZAR exchange rate depreciated from R13.22 within the previous reporting period and ended on R13.15 within the current reporting period (28 July to 31 August 2017) (DoE, 2017).

In addition, the Minister of Energy also approved an increase of 4.6 cents per litre of petroleum products in order to be set aside for the wage increase of pump attendants, cashiers as well as other administrative personnel employed implicated by the Motor Industry Bargaining Council (MIBCO) agreement dated 18 November 2016 (DoE, 2017).

As a result of the above, the below fuel price adjustments came into effect as from 06 September 2017.

Table 2: Fuel price adjustment effective as from Wednesday, 06 September 2017

Product Description	Numeric adjustment applicable to the Coastal parts in South Africa (cents per litre)	Price adjustment description	Average price applicable to the Coastal parts of South Africa (cents per litre)
Petrol 93 ULP	67c	cents per litre increase in the retail price	1 310.00
Petrol 95 ULP & LRP	67c	cents per litre increase in the retail price	1 323.00
Diesel 0.05% Sulphur	44c	cents per litre increase in the wholesale price	1 131.63
Illuminating Paraffin (Wholesale)	49c	cents per litre increase in the wholesale price	674.19
LPGAS (maximum retail price)	85c (per kilogram)	cents per litre increase in the maximum retail price	416.35 (R7 501.92 per metric ton)

Source: Department of Energy, 01 September 2017

ACKNOWLEDGMENTS

The below-listed sources are acknowledged, as cited in this publication:

Bureau for Food and Agricultural Policy (BFAP): www.bfap.co.za

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

Department of Energy: www.energy.gov.za

Elsenburg (Western Cape Department of Agriculture): www.elsenburg.com

Fresh Plaza: www.freshplaza.com

Hortgro (Pty) Ltd: www.hortgro.co.za

Organization of the Petroleum Exporting Countries (OPEC): www.opec.org

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

Rijk Zwaan: www.rijkszwaan.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 5189

Fax: 021 808 5210

E-mail: michellesw@elsenburg.com

DISCLAIMER:

The Western Cape Department of Agriculture has compiled this document and its contents. The views expressed in this document are those of the Department of Agriculture with regard to vegetable market information in the province unless otherwise stated. Anyone who uses this information does so at his/her own risk. The Department of Agriculture or the author(s) therefore accepts no liability for losses incurred resulting from the use of this information.