MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Review period: June 2015 to June 2016

Issue: 2016/07

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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 web application, or alternatively go to the web address: http://webapps.daff.gov.za/amis. Cell phone user can send an sms to *120*4040#

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**

**REVIEW OF THE NATIONAL POTATOES MARKET: JUNE 2016**

Cumulative stock levels declined further to an amount of 8.7 million bags from the inception of January to the end of June 2016, compared to the same period last year for all municipal fresh produce markets. The production loss amounts to a 16% y/y decline in stock levels available on the market, which ultimately pressurised market prices upward by 84% y/y.

The effect of the drought has resulted in a loss of 310,000 tons (including fresh, processed and seed) as from September 2015. Although it should be noted that the bulk of losses occurred between November 2015 and April 2016 in which the crop loss equated to 12.5% of the record harvest obtained during 2015 which yielded 250 million tons of bags.

At the end of June 2016, potatoes plantings intended for cultivation during the 2016 season remained unchanged at 50,000 hectares. The 2016 season outlook thus remains pessimistic as the expected potatoes harvest is estimated to be smaller than the previous season. This is mainly due to the drought and persisting below average temperatures experienced in the majority of production regions.

During July 2016; the Northern Cape, Limpopo, Western Free State as well as the Eastern Free State are supplying the largest share of the potatoes to the market in conjunction with other smaller production regions. Due to a shortage on the supply side, the availability of grades and sizes were influenced on the market floor which brought about huge variations in market prices within a particular market in accordance to different grades and size amongst markets. The upper 10% of class 1 medium potatoes obtained higher prices compared to other classes.

Although market prices increased immensely at the inception of the 2016 marketing season in January 2016 up until March 2016, it started too normalised again as from April to June 2016 compared to the same months in previous years. Due to poorer production output, record low sale levels were obtained during January to March 2016.

**DEVELOPMENTS ON THE CAPE TOWN FRESH PRODUCE MARKET: JUNE 2016**

In the Sandveld area, production output improved to approximately 150,000 bags during June/July 2016 after it peaked at approximately 50,000 bags during May/June 2016, up from lower levels as from January 2016. Monthly sales for June 2016 amounted to 7,836 tons which relates to a 15% m/m or 1,024 ton increase in monthly volumes sold. Whilst market prices increased by R211 per ton or 4% m/m to an amount of R4,908 per ton for the same period.

Volumes marketed are 9% y/y or 807 tons lesser than volumes supplied during the same period last year. Whilst the market price of R4, 908 per ton is 75% y/y or R2,109 more per ton compared to the same period in the previous year.

♦ 1 bag of potatoes equals 10 kilogram

Source: Potatoes SA & Technofresh, 2016
1.2 Tomatoes

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

Supply to the market decreased by 4% m/m or 94 tons during June 2016, which pushed market prices up by 7% m/m or R337 per ton. Hence, a ton of tomatoes realised R5, 157 per ton compared to R4, 822 per ton in the previous month.

On an annual basis, volumes peak 3% or 85 tons higher than the same period in the previous year. Whereas, the market prices obtained in June 2016 was 15% or R337 per ton more than a year ago.

Refer to the news clip in this report pertaining to the Tomatoes Leaf Miners (Tuta absoluta) recent infestation in Nigeria, which could ultimately impact Africa’s tomatoes production capability.

1.3 Onions

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

Onion market prices have been on a monthly upward trend as from the start of the year (i.e. January). June 2016, was no exception as monthly market prices was pushed upward by 15%m/m or R818 per ton which resulted in a ton to obtain R6, 144 per ton. The aforementioned materialised as a result of lower stock levels (24% or 560 tons) being available on the market floor.

On an annual basis, onion volumes have similarly followed a downward trend and are currently 23% y/y or 520 tons lesser than the same period last year. Whereas the average market price per ton has escalated upward by 73% y/y or R2, 593 per ton to total to an amount of R6, 144 per ton up from R3, 551 obtained per ton last year.
1.4 Butternut Squash

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

![Butternut Squash Graph]

The month-to-month change in market prices have more or less been on a downward trend, with another downward price adjustment of 19% m/m or R598 per ton taking place during June 2016. The monthly trend as from January 2016 till the end of June 2016 moves in the opposite direction of market conditions which emerged during the 2015 marketing season. The downward price during June 2016 can possibly ascribe to the 55% m/m or 354 ton increase in marketed volumes on the market, which resulted in volumes to reach 1002 tons.

On an annual basis, marketed volumes decreased by 1% y/y, whilst the average market price has increased by 19%/y/y or R414 per ton to reach R2, 613 per ton.

1.5 Carrots

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

![Carrots Graph]

Carrot volumes supplied to the market has relatively been on par and in some months even more compared to the same period in the previous marketing season. In June 2016, monthly volumes increased by 33% m/m or 196 tons to an amount of 785 tons. As a result, average prices escalated downward by 17% m/m or R975 per ton to an amount of R4, 787 per ton.

On an annual basis, volumes increased by 3% y/y or 26 tons compared to the same month in the previous year. Whereas, the average market prices are 76% y/y or R2, 069 per ton more than a year ago.
1.6 Peppers

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

Pepper volumes supplied to the market amounted to 620 tons, which relates to a 2% m/m or 15 ton increase compared to the previous month. Whereas the monthly market price has further decreased by 21%m/m or R2,052 per ton compared to the R9,634 obtained per ton in the previous month. Cumulative stock levels till are however much lower compared to the last year, and hence the huge variation between monthly market prices in 2015 and 2016 respectively.

On an annual basis, volumes to the market also increased by 2% y/y. The average price per ton of R7,582 per ton during June 2016, is however 21%y/y or R1,323 per ton more than the R6,259 obtained for a ton a year ago.

1.7 Pumpkin

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

Pumpkin volumes marketed during June 2016, decreased by 5% m/m or 32 tons compared to the previous month when 590 tons were marketed. Although monthly pumpkin prices are on a downward trend, the market price has increased by 9% m/m or R156 per ton possibly due to greater market demand.

On an annual basis, volumes have increased by 11% y/y or 55 tons whereas market prices have increased by 16%y/y or R264 per ton. In addition market prices are also moving in the same direction as from April 2016 to June 2016, compared to the same period in the previous year.
1.8 Cabbage

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

Cabbage volumes amounted to 470 tons, which accounts to a 13% m/m or 53 ton increase if compared to the previous month’s 417 ton volumes sold. Whilst the average monthly price amounted to R3, 137 per ton per ton which indicates an 8% m/m or R256 per ton price reduction during June 2016. Figure 8, provides an indication of the monthly price movement as from January 2016, which projects a huge variation in monthly prices in subsequent months due to a shortage in supply to the market.

On an annual basis, volumes marketed during May 2016 declined by 17% y/y or 94 tons to reach a total of 470 tons. Whereas, the average price per ton increased by 84% y/y or R1, 437 per ton from R1, 701 per ton during the previous marketing season.

1.9 Gem Squash

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

Volumes marketed during the month of June 2016, decreased by 3% m/m or 13 tons to an amount of 375 tons. The average price per ton amounted to R2, 759 per which is a 3% m/m or 85 ton increase compared to the previous month. Figure 9, depicts the upward movement in average prices due to the shortage in supply within the market which is insufficient to meet the increased demand in gem squash.

On an annual basis, the monthly supply to the market decreased by 25% y/y or 127 tons. Whilst the average market price increased by 71% y/y or R1, 144 per ton compared to the same period in the previous year.
1.10 Sweet Potatoes

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

Monthly stock levels on the fresh produce market floor increased by a further 4% m/m or 14 tons to an amount of 328 tons. As a result of higher volumes supplied on a monthly basis, the average price per ton has been on a decreasing trend as from March till May 2016 (refer to figure 10). As a result, the monthly price per ton has increased by 5% m/m or R220 to an amount of R4, 916 per ton compared to the previous month.

On an annual, volumes are 8% y/y or 23 tons higher than the same period a year ago. Whereas, the average price per ton has escalated upward by 55% y/y or R1, 734 more per ton compared to the same period last year.

1.11 Lettuce

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

Lettuce volumes have declined by 7% m/m to reach 269 tons. Whereas the average market price per ton has declined by 6% m/m or R209 per ton. Average monthly prices have however followed a decreasing trend as from February 2016 when the market had to absorb additional produce within the market, compared to the same period last year.

On annual basis, volumes increased by 15% y/y or 35 tons compared to the same period in the previous year. Whilst the average price per ton, decreased by 14% y/y or R510 per ton.
1.12 English Cucumber

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

English cucumber volumes sold on the market amounted to 238 tons, which translates to a 15% m/m or 31 ton increase from the previous month. As a result of the increase in volumes, the average market price decreased by 45%m/m or R5, 650 per ton. Monthly market prices has more or less been on a downward trend as from April 2016 (refer to figure 12), which can be ascribed to a possible oversupply in the market when consumer demand was lesser compared to other months. A typical example could have been due to religious events occurring within this period, such as the Ramadan fast in which the Muslim consumer market contracted due to the lower demand of fresh produce which would have otherwise have been in greater demand in non-fasting periods.

On an annual basis, volumes has increased by 17% y/y or 38 tons compared to the same period in the previous year. Whereas the monthly market price has decreased by 9% m/m or R696 per ton to an amount of R6, 822 per ton.
<table>
<thead>
<tr>
<th>PRODUCE NAME: (in order of the highest to lowest volumes sold during this month)</th>
<th>AVERAGE TONS TRADED FOR JUNE 2016: (tons)</th>
<th>CHANGE IN THE AVERAGE TONS TRADED FOR JUNE 2016: (m/m)</th>
<th>AVERAGE PRICE OBTAINED FOR JUNE 2016: (Rand per ton)</th>
<th>CHANGE IN THE AVERAGE PRICE MARKETED FOR JUNE 2016: (m/m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Green beans</td>
<td>146</td>
<td>12%</td>
<td>R8 516</td>
<td>19%</td>
</tr>
<tr>
<td>14. Cauliflower</td>
<td>144</td>
<td>-35%</td>
<td>R8 053</td>
<td>52%</td>
</tr>
<tr>
<td>15. Baby Marrow</td>
<td>106</td>
<td>-12%</td>
<td>R13 067</td>
<td>49%</td>
</tr>
<tr>
<td>16. Broccoli</td>
<td>83</td>
<td>22%</td>
<td>R11 052</td>
<td>-3%</td>
</tr>
<tr>
<td>17. Brinjals/Eggplant</td>
<td>70</td>
<td>-4%</td>
<td>R6 851</td>
<td>15%</td>
</tr>
<tr>
<td>18. Beetroot</td>
<td>70</td>
<td>-7%</td>
<td>R4 992</td>
<td>-29%</td>
</tr>
<tr>
<td>19. Sweetcorn</td>
<td>59</td>
<td>-37%</td>
<td>R8 814</td>
<td>-12%</td>
</tr>
<tr>
<td>20. Leeks</td>
<td>44</td>
<td>47%</td>
<td>R3 931</td>
<td>1%</td>
</tr>
<tr>
<td>21. Spinach</td>
<td>42</td>
<td>27%</td>
<td>R7 913</td>
<td>-9%</td>
</tr>
<tr>
<td>22. Spring Onion</td>
<td>25</td>
<td>5%</td>
<td>R7 397</td>
<td>2%</td>
</tr>
<tr>
<td>23. Hubbard Squash</td>
<td>19</td>
<td>-8%</td>
<td>R2 129</td>
<td>-24%</td>
</tr>
<tr>
<td>24. Marrow</td>
<td>9.3</td>
<td>&gt;100%</td>
<td>R795</td>
<td>-46%</td>
</tr>
<tr>
<td>25. Mushrooms</td>
<td>7.9</td>
<td>11%</td>
<td>R56 109</td>
<td>1%</td>
</tr>
<tr>
<td>26. Radish</td>
<td>1.3</td>
<td>-28%</td>
<td>R7 406</td>
<td>-9%</td>
</tr>
<tr>
<td>27. Patty Pans</td>
<td>0.9</td>
<td>-77%</td>
<td>R20 830</td>
<td>&gt;100%</td>
</tr>
</tbody>
</table>
2.1 Famous brand group acquire discounted tomatoes paste factory in the Eastern Cape

The Famous Brand Limited, a consumer product company whom owns 25 consumer brands such as the well-recognised brands and franchise names such Wimpy, Steers, Debonairs Pizza, Mugg and Bean, Fishaways and others.

As part of continuous efforts from the company holding, to apply vertical integration in its supply chain, the group has recently acquired a tomatoes paste manufacturing plant, Cape Concentrate constructed in 2010 within the Coega industrial area, Eastern Cape Province. This follows after a similar company acquisition in May 2016, when the Famous Brands holding acquired a potatoes chips manufacturing plant in Lambersbay, Western Cape as part of its strategy to own both its upward and downward supply chain. In conducting affairs in this manner, the holding company is providing medium to long term security in the supply of key menu items as well as ingredients needed within the manufacturing process of products.

In addition, the holding company has also conducted tougher market research as it aims to capitalise on the shortage of tomatoes paste within the South African market through strengthening the supply thereof in its customer base as well as beyond. An indication was provided by Famous Brand CEO that the South African market is short in supply of about 30,000 to 35,000 tons of tomatoes paste on average per annum, of which the shortage is met through the supply of imported products. Thus, the company imports between 1500 to 2000 tons of tomatoes paste per annum to cater for its sauce and spice manufacturing plants which in turn supplies to the company’s group 2,600 restaurant and retail chain network.

As a result the company group is conveniently establishing a local supplier network, through which raw products can be sourced in order to secure supply to its manufacturing plants.

Source: Famous Brands, Fin 24, Engineering News & Business day (2016)

2.2 Analysing South Africa’s domestic preserved and prepared tomatoes processing market

South Africa is self-sufficient in tomatoes production; however the development of the local industry in terms of scale within the upper value-chain such as the processing thereof has been less developed. Thus, the majority (estimated at 77% as per Business Live article, 5 June 2015) of tomatoes paste, purees and concentrates are being imported from China in order to meet the domestic shortage thereof.
As an incentive to grow the local agri-processing (i.e. manufacturing) industry, the Department of Trade and Industry (DTI) has provided an incentive enhancement scheme for such endeavour’s through the Manufacturing Competitiveness Enhancement Programme (MCEP). MCEP has also funded agro-processing initiatives up until 28 October 2015; where after the intake of new applications under the scheme was temporarily suspended pending on the availability of funding within the 2016/17 financial year (DTI, 2016). In addition, the DTI through the International Trade Administrative Commission of South Africa has also increased the general import duty applicable on tomatoes paste, purees and concentrates from 15% to 37% (ITAC, 2014 & SARS, 2016).

Table 2: List of supplying markets for Product: 2002 Tomatoes prepared or preserved imported by South Africa in 2015

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>33744</td>
<td>-31229</td>
<td>100</td>
<td>38078</td>
<td>16</td>
<td>11</td>
<td>-21</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. China</td>
<td>19182</td>
<td>-19182</td>
<td>56.8</td>
<td>21175</td>
<td>25</td>
<td>17</td>
<td>-21</td>
<td>2</td>
<td>20.6</td>
<td>40.7</td>
</tr>
<tr>
<td>2. Italy</td>
<td>10882</td>
<td>-10882</td>
<td>32.2</td>
<td>13171</td>
<td>5</td>
<td>3</td>
<td>-17</td>
<td>1</td>
<td>37.7</td>
<td>0</td>
</tr>
<tr>
<td>3. United States of America</td>
<td>1978</td>
<td>-1978</td>
<td>5.9</td>
<td>2105</td>
<td>25</td>
<td>17</td>
<td>-10</td>
<td>4395</td>
<td>3</td>
<td>10.3</td>
</tr>
<tr>
<td>4. Portugal</td>
<td>656</td>
<td>-656</td>
<td>1.9</td>
<td>514</td>
<td>33</td>
<td>14</td>
<td>127</td>
<td>5</td>
<td>5.2</td>
<td>0</td>
</tr>
<tr>
<td>5. Greece</td>
<td>276</td>
<td>-276</td>
<td>0.8</td>
<td>321</td>
<td>16</td>
<td>13</td>
<td>-74</td>
<td>8</td>
<td>1.7</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: ITC, 2016

During 2015, South Africa imported 38,078 metric tons of prepared and preserved tomatoes (HS2002), amounting to USD 33 million. Between 2011 and 2015, the countries imports have grown by 16% per annum in value on average, whilst growth in terms of quantity has escalated upwards by 11% per annum for the same period under review. Import growth has however contracted during 2014-2015 by 21% during the year.

South Africa mainly imported preserved and processed tomatoes products, which is listed under HS2002 from China, Italy, United States of America (USA), Portugal and Greece which jointly occupies 75.5% of the global import market and 97.9% of the South African import market for the listed product. Although Italy is ranked first as the top supplying country in terms of the global export market share during 2015, China has emerged as the top supplying market to South Africa. China has supplied 56.8% of the South Africa market with preserved and prepared tomatoes products, extorting a total of 21,175 metric tons of the mentioned produce from China alone to meet shortages within the domestic consumer market.

Table 3: Customs and excise tariff schedule

<table>
<thead>
<tr>
<th>HS Code</th>
<th>Description</th>
<th>Rate of Duty</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002.10</td>
<td>Tomatoes prepared or preserved other than by vinegar or acidic acid</td>
<td>Rate of Duty</td>
</tr>
<tr>
<td>2002.10</td>
<td>General</td>
<td>Rate of Duty</td>
</tr>
<tr>
<td>2002.10</td>
<td>EU</td>
<td>Rate of Duty</td>
</tr>
<tr>
<td>2002.10</td>
<td>EFTA</td>
<td>Rate of Duty</td>
</tr>
<tr>
<td>2002.10</td>
<td>SADC</td>
<td>Rate of Duty</td>
</tr>
</tbody>
</table>

As per the Customs and Excise tariff booklet issued by SARS (dated 07/08/2016), in conjunction with table 2, prepared and preserved tomatoes imports from China and the USA were levied at an general import tariff rate of 40.7% during 2015 which has since been halted at 37% as a maximum. The European Union
(EU) and Southern African Development Community (SADC) member countries enjoy a preferential duty-free rate as part of the respective trade agreements between South Africa and the economic regions.


2.3 Nigerian farmers affected by tomatoes pest problem

Tomatoes supply to the market has been negatively affected by the tomato crop pest, Tuta absoluta. As a result of production losses, tomatoes shortages has been prevalent on the market floor and thus market prices has rapidly increased by far as 15 times more than the average market prices experienced before the pest outbreak affected stock levels (Bloomenberg, ac cited in the Farming portal, June 2016).

The effect of the pest had become known in Nigeria during 2015, but has spread swiftly since 2008 from South America through Spain where after the pest spread across a reported 15 African countries. The ripple-effect of the pest within Nigeria has resulted in the standstill of production at a USD 20 million processing plant due to the lack of fresh tomatoes supply. This impact on Africa’s trade capability in fresh as well as preserved and prepared tomatoes produce – as this was reiterated by the Internal Trade Centre which confirmed that Africa supplied about 10% of world exports (~USD 800 million) of preserved and prepared tomatoes produce during 2015 (Bloomenberg, as cited in the Farming portal, June 2016). Whilst, the FAO (Food and Agriculture Organisation) estimated tomatoes production in Africa to amounted to USD 6,9 billion in 2013 (Bloomenberg, as cited in the Farming portal, June 2016).

As the threat of infestation is threatening unaffected neighbouring African countries, concerns are mounting. Farming Portal has indicated that DAFF Plant Health: Plant Health Early warning has indicated that the pest has not been detected in South Africa as yet but that the risk of spreading from affected African countries has increased (DAFF, as cited in the Framing Portal, June 2016).

The pest is reported to spread through infected seedlings, contaminated fruit and contaminated reused crates and boxes. To counter the pest within the production cycle, producers also adapt integrated pest resistant management strategies.
Further reading can be found on the Tomatoes Producers Organisation of South Africa website, as well as the Department of Agriculture, Forestry and Fisheries (DAFF): Plant Health Early warning.

Technical information regarding the pest can be directed to:
Mr Jan Hendrik Venter Manager: Early Warning System
Tel.: (012) 319 6384/ 6138
E-mail: JanHendrikV@daff.gov.za


**2.4 WEATHER UPDATE: DAFF NAC ADVISORY ON THE 2015/16 SUMMER SEASON FOR JUNE 2016**

**The 2015/16 El Niño is coming to an end**

"The tropical Pacific Ocean has returned to a neutral El Niño–Southern Oscillation (ENSO) state. Sea surface temperatures across the tropical Pacific have cooled to neutral levels over the past fortnight, supported by much cooler-than-average waters beneath the surface. In the atmosphere, indicators such as the trade winds, cloudiness near the Date Line, and the Southern Oscillation Index have also returned to neutral levels. Outlooks suggest little chance of returning to El Niño levels, in which case mid-May will mark the end of the 2015–16 El Niño…… Changes in the tropical Pacific Ocean and atmosphere, combined with current climate model outlooks, suggest the likelihood of La Niña forming later in 2016 is around 50%.....” -Australian Bureau of Meteorology - http://www.bom.gov.au

According to the latest SAWS seasonal forecast, rainfall over the winter rainfall region is expected to be normal to above normal during much of the winter whilst the interior is expected to remain dry and temperatures anticipated being below normal over the southern western parts of the country.

Source: ARC, 2016.

"The Western Cape Province received mostly below-normal precipitation and experienced above normal temperatures. Winter crops and pastures remain under stress in the winter cereal production regions of the West Coast, Overberg and Southern Cape due to poor rainfall. While planting recently commenced in these areas, the early phase of plants desperately needs substantial rainfall to improve to normal production conditions. The average level of major dams has decreased to 39% in 2016 as compared to 48% of 2015” (DAFF NAC, 2016).
Preventative strategies applicable for adverse weather conditions

Heavy rainfall raises water level. When the water level is higher than the river banks or the dams, water comes out from the river and flooding occurs.

Preventive measures:

- Construct proper drainage system – Shallow drains due to silts must be cleaned constantly as they ensure proper water irrigation.
- Increased evaporative losses, mechanical land treatment of slopes, such as contour ploughing or terracing, to reduce the runoff coefficient.
- Construction of small water and sediment holding areas.
- The construction of floodways (man-made channels to divert floodwater).
- Terracing hillsides to slow flow downhill.

What to do when heavy rainfall is forecasted:

- Cutting grass in the rainy season (nutrient depletion).
- Applying fungicides and pesticide (plants and animals).
- Applying N fertilizer (burning of plants) (Nitrogen loss is higher during heavy rain), immediately follows a surface application of fertilizer, especially on sloped areas.
- Dumping fertilizer in one spot can cause the roots below the fertilizer to be burned and die.
- Irrigation (waterlogging can occur, nutrient depletion).
  - Cover Urea licks to prevent them from becoming toxic.
  - Provide shelter for animals (young ones die easily).
  - Leave cultivated areas coarse.
  - Relocate/Move animals to a safe place.

The below are a number of concerns and recommendations:

- Be extra cautious for pest and diseases after rain has fallen, as high moisture content and the high temperatures may trigger these.
- Assume that flood water contains sewage and might be harmful for human and livestock consumption.
- Before leading livestock across a river, check whether the water level is rising. This is especially necessary if it is already raining, but remembers that there could be a storm further upstream and floodwaters could be on the way.

(Extracted from DAFF, NAC as cited by Elsenburg. 2016)

A comprehensive list of strategies can be found in the monthly NAC Advisory report issued by DAFF: Climate Change and Disaster Management. It can be accessed 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

Forward an email to Mrs. Zaibu Arai to ZaibuA@elsenburg.com or alternatively call (021) 808 5368.

Click here to view the most recent update (latest update on 04 July 2016) on the dam levels within the Western Cape Province or alternatively visit the Elsenburg Website at www.elsenburg.com.

Source: DAFF National Agro-meteorological Committee (NAC) Advisory & Provincial Department of Agriculture, 2016
2.5 MONTHLY FUEL PRICE ADJUSTMENT HAVE BEEN EFFECTIVE AS FROM WEDNESDAY, 03 JULY 2016

The average international product price of petrol, diesel and illuminating paraffin increased during the period under review.

International Brent Crude Oil Prices (2000 to 2016)  

Source: Quantec, 2016

During the period under review, the domestic currency (i.e. Rand) strengthens against the US dollar by 5.13% month-on-month, from R15, 79/USD1 on 31 May 2016 to R14.98/USD1 on 30 June 2016.

Both domestic and international factors impacted on the fuel price adjustment, taking into account that South Africa imports both crude oil and finished petroleum products at a price determined at an international level, which includes shipping costs.

"The main reasons for the fuel price adjustments in July 2016 are:-
(a) the strengthening of the Rand against the US Dollar during the period under review which cushioned the fuel prices by over 17.00 cents per litre,
(b) the slight increase on average in the prices of petroleum products in the international markets, and
(c) an increase in the prices crude oil, on average, during the period under review mainly due supply disruptions in Canada, Venezuela, Libya, Nigeria and Iraq" (DoE, 2016).

<table>
<thead>
<tr>
<th>Product description</th>
<th>Numeric adjustment applicable to the Coastal parts in South Africa (cents per litre)</th>
<th>Price adjustment description</th>
<th>Average price applicable to the Coastal parts in South Africa (cents per litre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petrol 93 ULP</td>
<td>11.00c</td>
<td>cents per litre increase in retail price</td>
<td>1269.00</td>
</tr>
<tr>
<td>Petrol 95 ULP &amp; LRP</td>
<td>8.00c</td>
<td>cents per litre increase in retail price</td>
<td>1286.00</td>
</tr>
<tr>
<td>Diesel 0.05% Sulphur</td>
<td>42.00c</td>
<td>cents per litre increase in wholesale price</td>
<td>1170.87</td>
</tr>
<tr>
<td>Diesel 0.005% Sulphur</td>
<td>41.00c</td>
<td>cents per litre increase in wholesale price</td>
<td>1174.27</td>
</tr>
<tr>
<td>Illuminating Paraffin (Wholesale)</td>
<td>43.00c</td>
<td>cents per litre increase in wholesale price</td>
<td>706.03</td>
</tr>
<tr>
<td>Product</td>
<td>Price per Unit</td>
<td>Increase Type</td>
<td>Price Unit (in ZAR)</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>----------------</td>
<td>------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Illuminating Paraffin (SMNRP)</td>
<td>57.00c</td>
<td>per litre increase</td>
<td>979.00</td>
</tr>
<tr>
<td>Maximum Retail Price for LPGAS</td>
<td>12.00c</td>
<td>per kilogram increase</td>
<td>R7794.55 per metric ton or 432.60 per litre.</td>
</tr>
</tbody>
</table>

LPG for residential customers is derived as per the control sheet per kilometre.

Source: Department of Energy, 3 July 2016
ACKNOWLEDGMENTS

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Business Day: www.bdlive.co.za
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Elsenburg (recent dam levels): www.elsenburg.com
Engineering News: www.engineeringnews.co.za
Famous Brands: www.famousbrands.co.za
Fin24: www.fin24.com
International Trade Centre (Trade Map): www.intracen.org
Potatoes South Africa (SA): www.potatoes.co.za
South African Government Online Site (Media statements): www.gov.za
Techno Fresh CRM: www.technofresh.co.za
Quantec: www.easydata.co.za

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