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Monthly vegetable market report

Marketing and Agri-Business Section

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# MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Period under review: December 2013 to December 2014

Issue: 2015/1

## IN THIS ISSUE

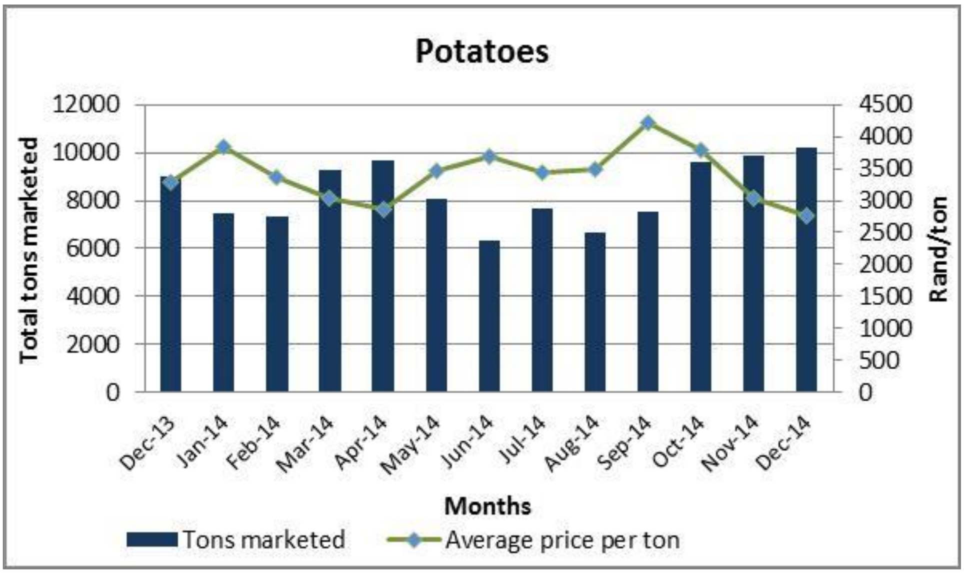
**INTRODUCTION**

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

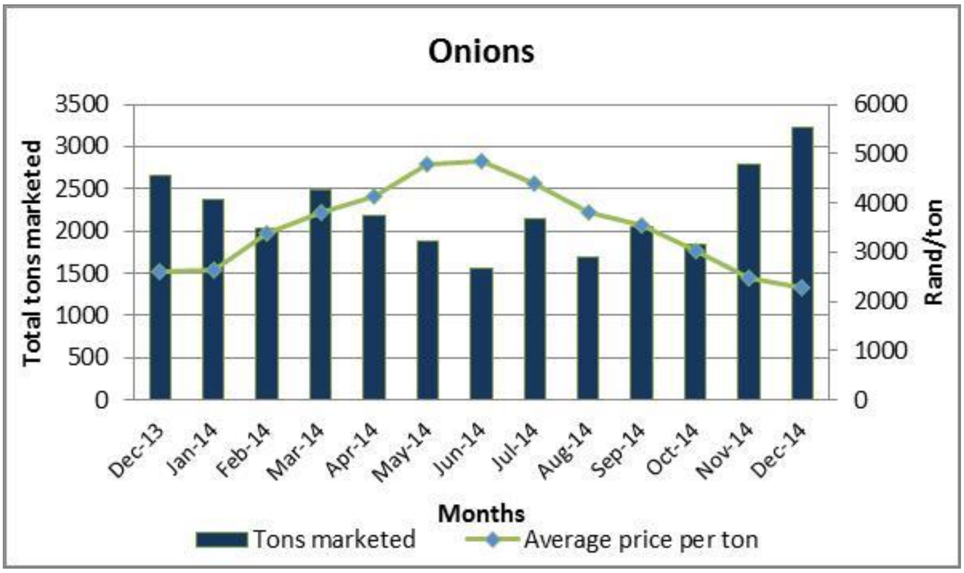



Volumes marketed during December 2014 continued to increase by 4% m/m to reach 9035 tons, which impacted on the downward pressurise on the average price per ton which was 10% m/m lower than the previous month.

If compared on an annual basis, the quantities supplied to the market were 14% y/y higher than December 2013. Hence the average price of R 2752 obtained for the same period in the previous year was 16% y/y lesser than the December 2013 average price of R 3287 per ton.

### 1.2 Onions

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

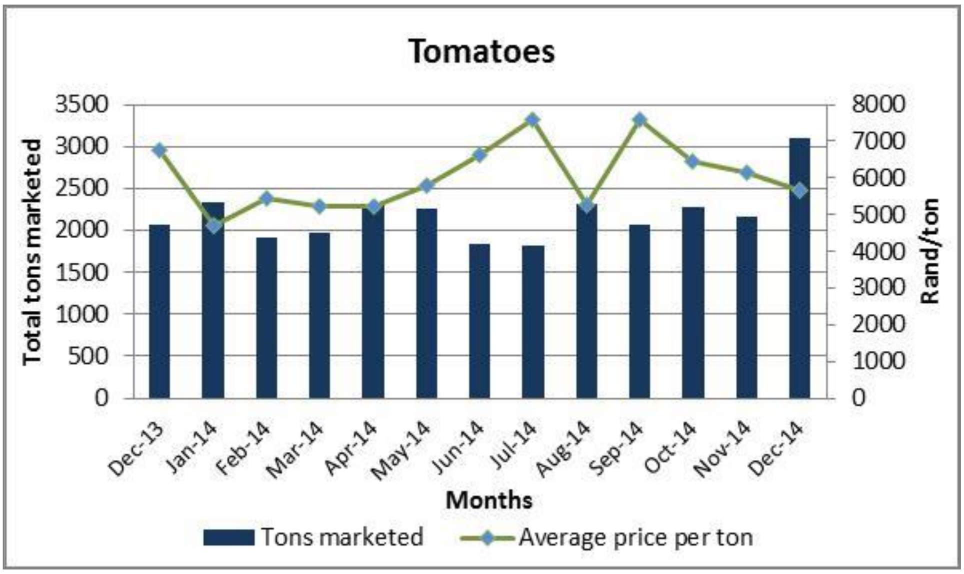



The quantity of produce supplied to the market increased by 16% m/m to 3236 tons, which impacted on the average price being further pressurised downward by 9% m/m to R 2267 per ton.

Evaluating the annual trend, quantities supplied to the market was 22% y/y higher than the same period in the previous year. On the other hand, the average price obtained for December 2014 was 13% y/y lower amounting to R 2267 if compared to the same month in the previous year.

## 1.3 Tomatoes

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

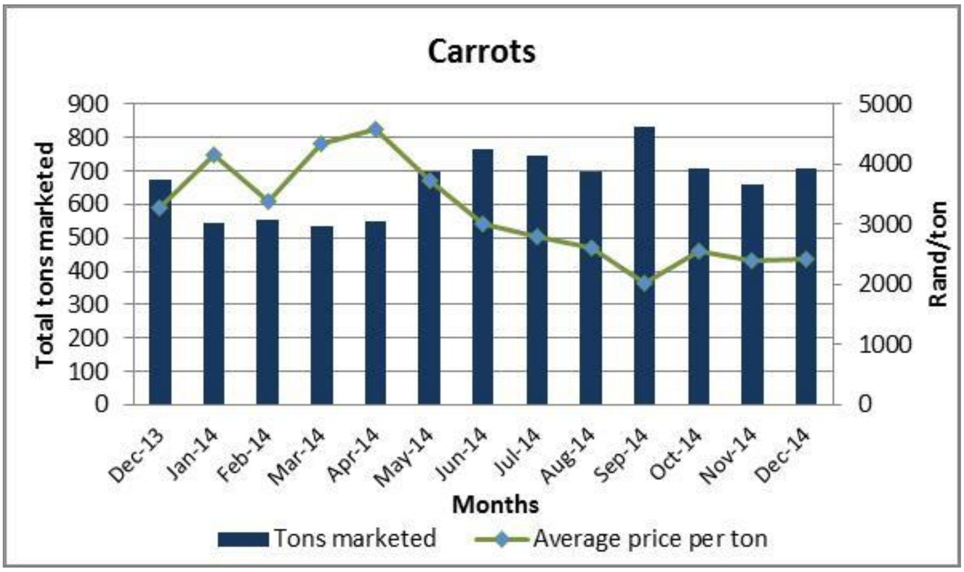



Volumes marketed increased by 44% m/m from 2154 to 3095 tons in December 2014. As a result the average price was pressurised downward by 8% to reach R 5674 per ton.

If compared to the same period in the previous year, the volumes supplied to the market were 49% y/y higher (from 2074 to 3095 tons). The average price per ton was 16% y/y lower compared to the same period in the previous year when the average price of R 6752 to R 5674.

## 1.4 Carrots

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




The volumes supplied to the market slightly increased by 7% m/m to 707 tons, accompanied by an average price increase of 2% m/m.

On an annual basis, the quantities supplied increased by 5% y/y from 676 to 707 tons. However the average price obtained for December 2014, was 26% y/y lower than the average price obtained per ton in December 2013 which amounted to R 3282 per ton.

## 1.5 Peppers

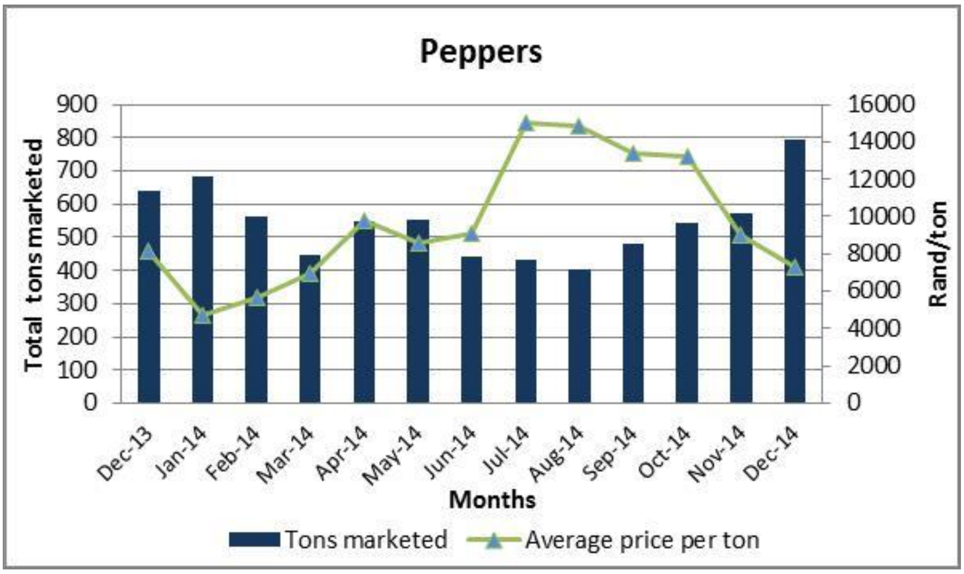



Figure 5: Pepper sales on the Cape Town Fresh Produce Market

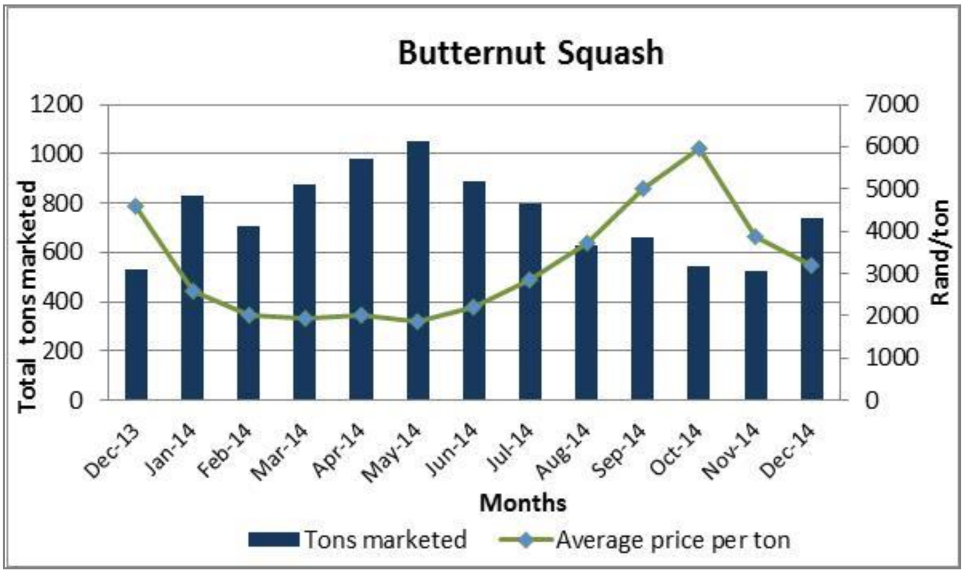
Pepper volumes marketed was higher by 39% m/m and reached 795 tons. This increase in supply was accompanied by a decrease in the average price per ton of 19% m/m from the previous month's price of R 8968 to R 7309 per ton.

If compared on an annual basis, the volumes supplied improved by 25% y/y from 638 to 795 tons.

However, the average price per ton was lesser by 10% y/y if compared to the same period in the previous year.

### 1.6 Butternut squash

Figure6: Butternut sales on the Cape Town Fresh Produce Market

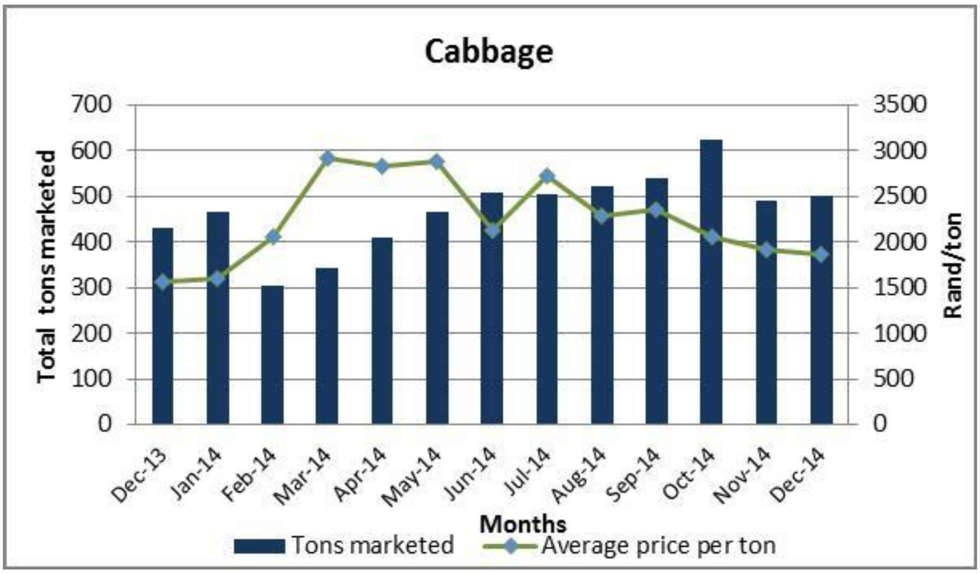



The supply to the market improved by 41% m/m to 739 tons from the 524 tons supplied in the previous month. The change in supply has been accompanied by a decrease of 17% m/m in the average price which amounted to R 3203 per ton.

On an annual basis, the quantities supplied improved by 39% y/y from 532 to 739 tons. This change was accompanied by a decreased in the average price per ton which was 31% y/y lower (from 4594 to 3203 tons).

### 1.7 Cabbage

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




Volume supplied to the market increased by 3% m/m to 501 tons. This was accompanied by a decrease in the average price by 3% m/m which resulted in an average price per ton of R 1859.

Looking at the annual trend, the quantities supplied improved by 16% y/y from 431 to 501 tons. The average price per ton however responded indifferently as it increased by 19% y/y from R 1563 to R 1859 per ton.

### 1.8 Pumpkin

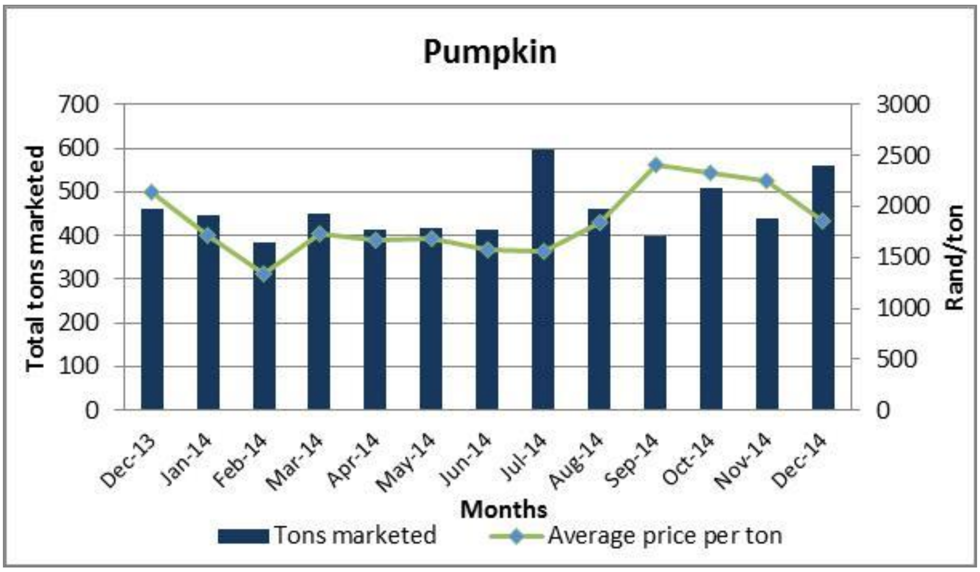


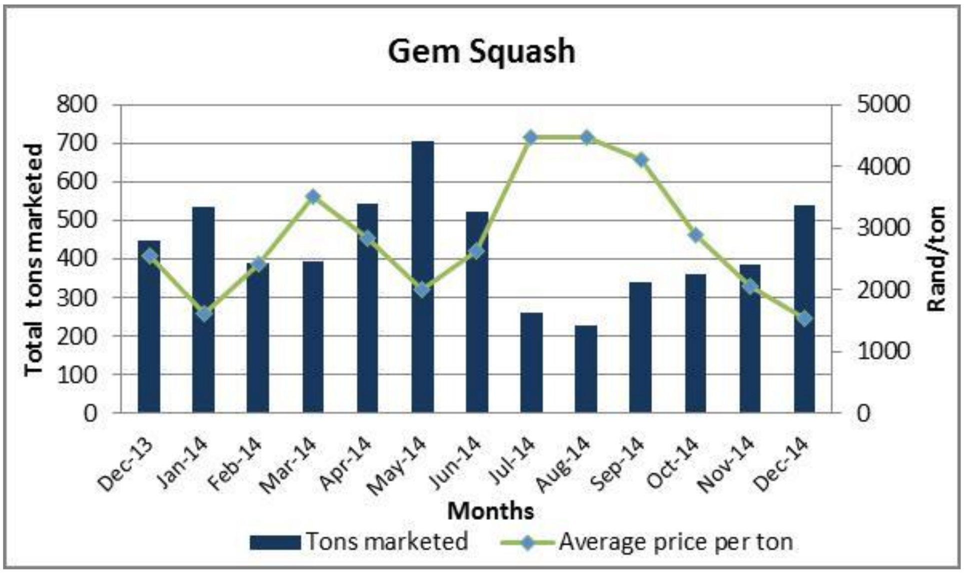

Figure 8: Pumpkin sales on the Cape Town Fresh Produce Market

Quantities supplied to the market increased by 27% m/m to 560 tons from the 441 tons marketed in the previous month. Hence, the average price was pressurised downward by 17% m/m to reach R 1864 per ton.

On an annual basis, the quantities supplied to the market increased by 21% y/y ( to 560 tons) , accompanied by lower prices being achieved which was 13% m/m lower ( from R 2144 to R 1864) than the same period in the previous year.

### 1.9 Gem Squash

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

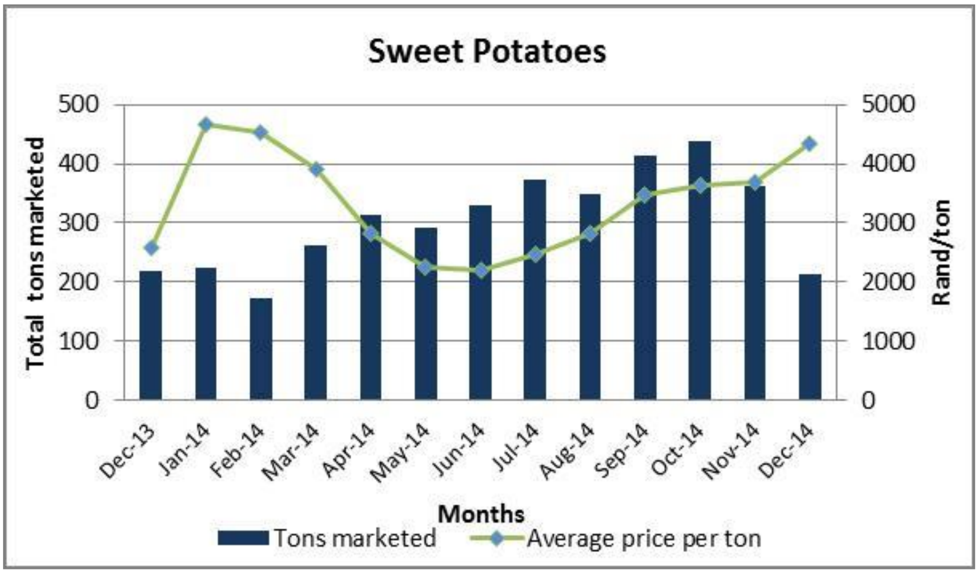



The volumes marketed during December 2014 improved by 39% m/m compared to the previous month's tonnage of 387 tons. This increment was accompanied by a decrease in the average price of 25% m/m from R 2059 to R 1539 per ton.

On an annual basis, the average price was 40% y/y lesser than the average price obtained in the same period in the previous year which decreased from R 2549 to R 1539 per ton. This could have been a direct result of the increased supply into the market which was 20 % y/y higher than December 2013.

### 1.10 Sweet Potatoes

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

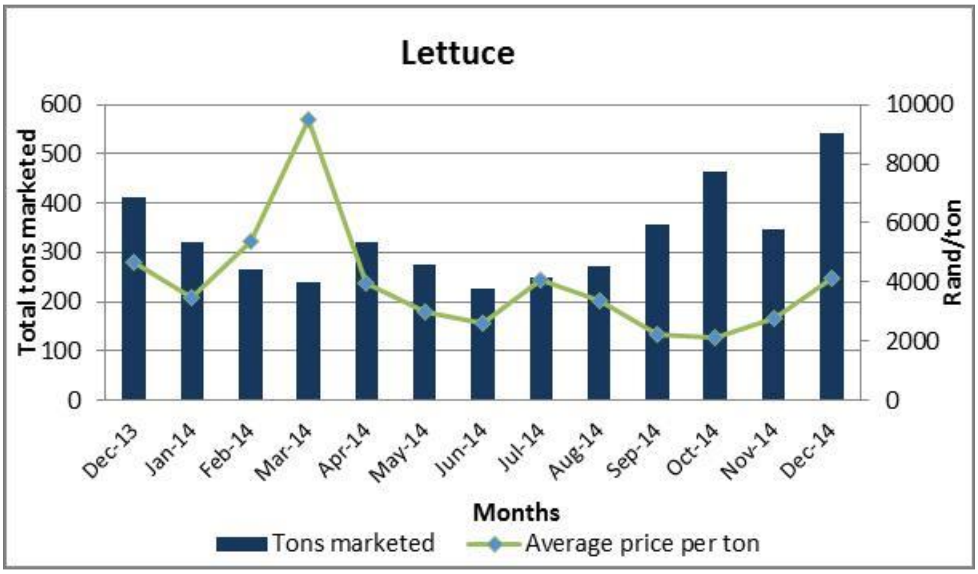



Volumes supplied during December 2014, was 42 % m/m lesser than the previous month of November 2014. The decrease in supply resulted in an upward movement of prices by 17% m/m, which amounted to an average price of R 4329 per ton.

On an annual basis, the volumes supplied to the market decreased slightly by 3% y/y to 212 tons. This was accompanied a upward push in the average price by 68% y/y from R 2582 to R 4329 per ton.

### 1.11 Lettuce

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

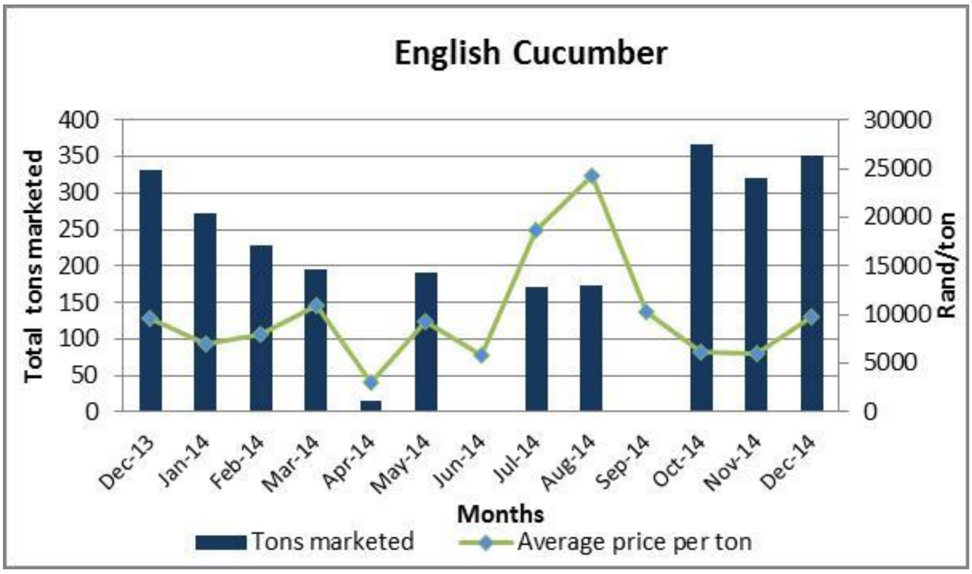



The volumes marketed during December 2014, increased by 56% m/m from 348 to 542 tons. This was accompanied by an indifferent response in the average price per ton of 48% m/m from R 2786 to R 4106 per ton.

On the other hand, the volumes supplied to the market improved by 32% y/y from 412 to 542 tons. This change was accompanied by a decrease 12% y/y in the average price from R 4689 to R 4106 per ton.

### 1.12 English Cucumber

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




The quantities supplied improved by 10% m/m to 351 tons from the previous month. This was accompanied by a price increase of 63% which could be due to the festive demand of the produce.

On an annual basis, the quantities supplied to the market increased by 6% y/y from 332 to 351 tons. The average price obtained in December 2014, however remained below the R 9800 price range if compared to the same period in the previous period.

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

| Produce name: | Average tons marketed for December 2014: (tons) | Average price obtained for December 2014: (Rand per ton) |
|---|---|---|
| **Cauliflower** | 298<br>(< 1% decrease m/m) | 2752<br>( 11% increase m/m) |
| **Sweetcorn** | 156<br>( 136% increase m/m) | 7600<br>(27 % decrease m/m) |
| **Beetroot** | 112<br>(65% increase m/m) | 2946<br>( < 1% increase m/m) |
| **Brinjals (eggplant)** | 101<br>(22% increase m/m) | 3629<br>(17% decrease m/m) |
| **Broccoli** | 92<br>(28 % increase m/m) | 8147<br>(13% increase m/m) |
| **Spinach** | 35<br>( no change) | 6311<br>( 7% increase m/m) |
| **Patty Pans** | 10<br>(11% increase m/m) | 5388<br>( 14% increase m/m) |
| **Mushrooms** | 9<br>(80 % increase m/m) | 44 791<br>( 1% decrease m/m) |

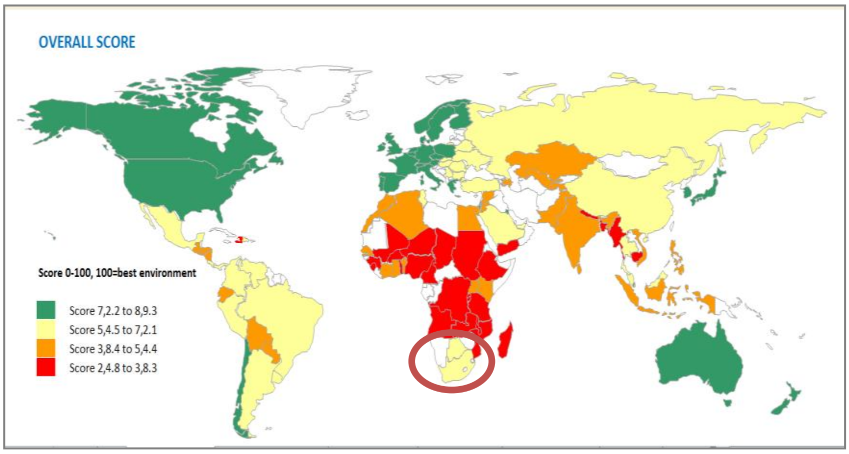
## 2. NEWS CLIPS: COMMODITY MOVEMENTS IN THE INTERNATIONAL & DOMESTIC MARKET

### a) GUIDELINES ON KEY REQUIREMNETS FOR GOVERNMENT FOR THE VEGETABLE SECTOR

Click here to acquire the useful publication published by the Directorate: Marketing from DAFF, to familiarise yourself with what the government's markets product requirements are in order to ensure that your produce is market ready (DAFF, 2013).

Should you be unable to access the document, please forward me an e-mail at michellesw@elsenburg.com.

### b) DU PONT FOOD SECURITY INDEX




The DuPont International has commissioned the Economist Intelligence Unit to develop a **Global Food Security Index,** which is based on 3 main drivers are food affordability, availability as well as food quality and safety.

South Africa obtained an overall score of 46th place out of the 109 countries surveyed. Food affordability obtained 52nd place, food availability obtained 32nd place and food quality and safety obtained 56th place. As per the below graph it is evident that South Africa is accompanied by Botswana whom obtained 48th place out of 109 countries, however Botswana has a greater availability in comparison with South Africa ( The Economist, 2014) .

Hence, it is important to reflect on this vital information to ensure that South African agriculture is steered in the right direction to ensure that we do not become a food insecure land like our other African counterparts. Thus, all stakeholders should play their role to ensure that South Africa's food security foot print is improved going forward.

Click here should you be interested in downloading the full Global Food Security Index.

### c) KENYA'S 50 KG PACKAGING REGULATION

Agriculture, Fisheries and Food Authority (AFFA) Kenya has reaffirmed the implementation of the 50 kg bag regulation for more than 20 crop types in accordance with Section 42 of the Agriculture, Fisheries and Food Authority Act 2013, as per Section 37 of the Crops Act 2013.

Thus, any packaging should be at 50 kg and not less or more than, and ranges from potatoes, coffee to maize and others. Although the regulation has been in effect from 2005, the latter amendment thereto includes the penalty clause which makes it more attractive to ensure compliance.

Click here to view the full article.


## ACKNOWLEDGMENTS

The following information sources are hereby acknowledged:

DAFF Statistics: www.daff.gov.za

Economist Intelligence Unit: Food Security Index: http://foodsecurityindex.eiu.com/

Fresh Plaza: http://www.freshplaza.com

Potatoes SA: www.potatoes.co.za

Techno Fresh CRM: www.technofresh.co.za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