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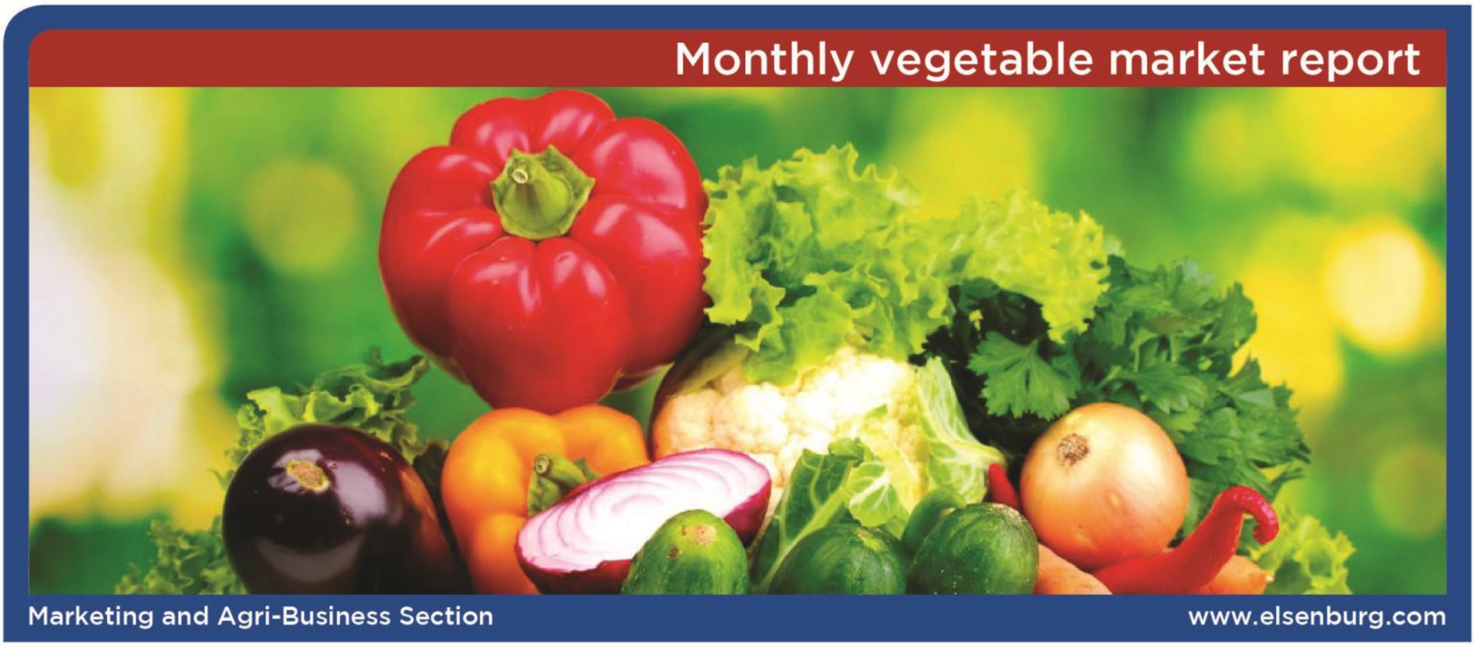

MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Period under review: April 2013 to April 2014

Issue: 2014/3

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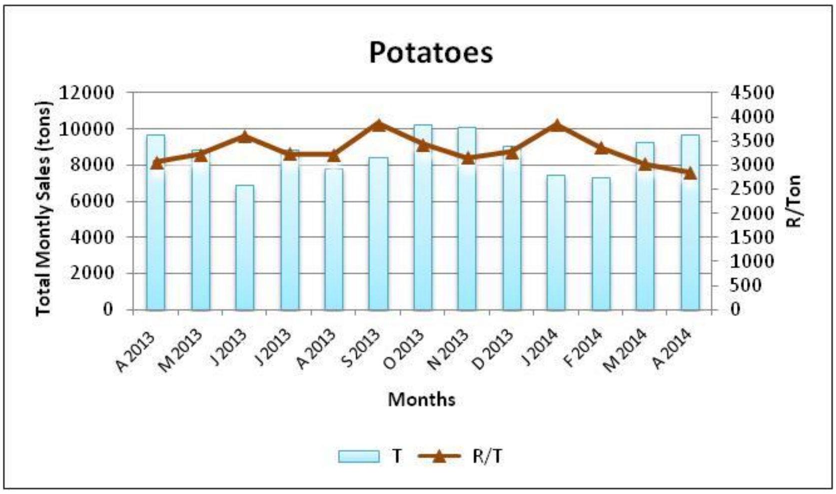
INTRODUCTION

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.

1. PRICE AND VOLUME TREND ANALYSIS

1.1 Potatoes

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

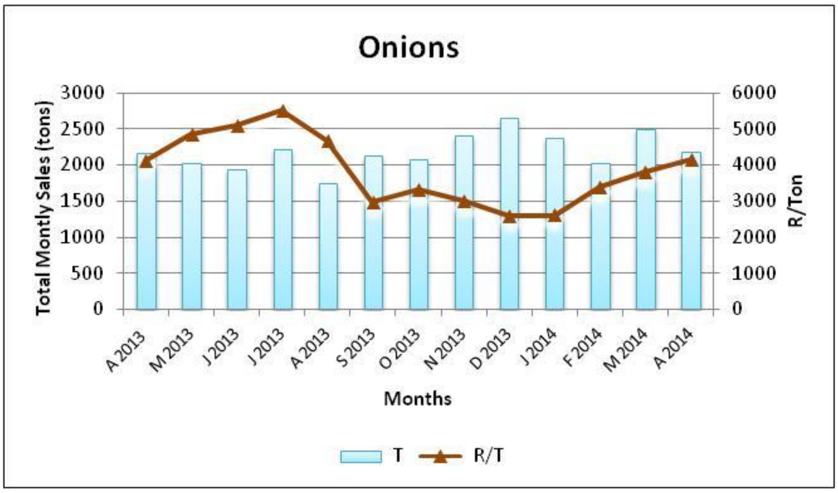


Potatoes market supply remained fairly unchanged when compared y/y for April 2014. Hence, producers received 7.04% lesser per average price of ton which amounted to R 2860 compared the same month the previous year.

Volumes increased by 4.34% when compared to the month of March, which further pressurised the average price downward. On average national fresh produce market volumes was relatively lower during April 2014, accompanied by lower prices.

1.2 Onions

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

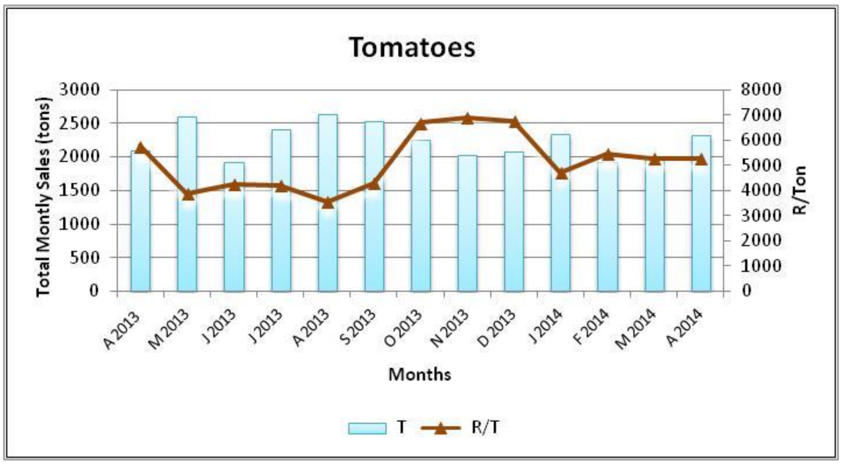


The total onions marketed remained relatively unchanged below 1% y/y, accompanied by a fairly unchanged average price per ton if compared to the same period in the previous year.

If compared to the month of March, marketed volumes decreased by 12.68%, which pushed prices upward (8.92% m/m) to reach R 4150 per ton. The national fresh produce markets experienced relatively lower volumes due to the adverse weather conditions, which pressurised prices downward. Refer to below insertion in the news clips regarding shortage in domestic supply.

1.3 Tomatoes

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

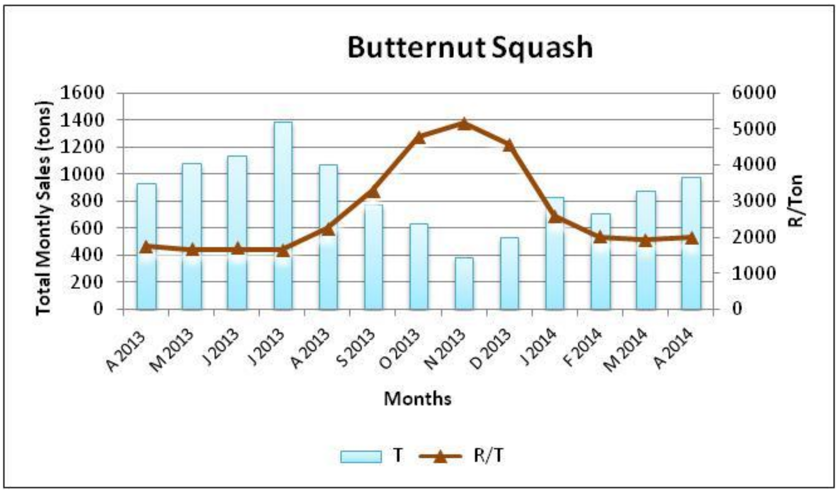


The total volumes supplied on the market increased by 10.15% y/y accompanied by a decrease in the average price per ton of R 5250 which is 8.63% y/y lower than the same period in the previous year.

If compared to the previous month, volumes marketed were 17.2% higher than the previous month, reaching 2317 tons. The average price per ton was relatively unchanged when compared to the previous period.

1.4 Butternut squash

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

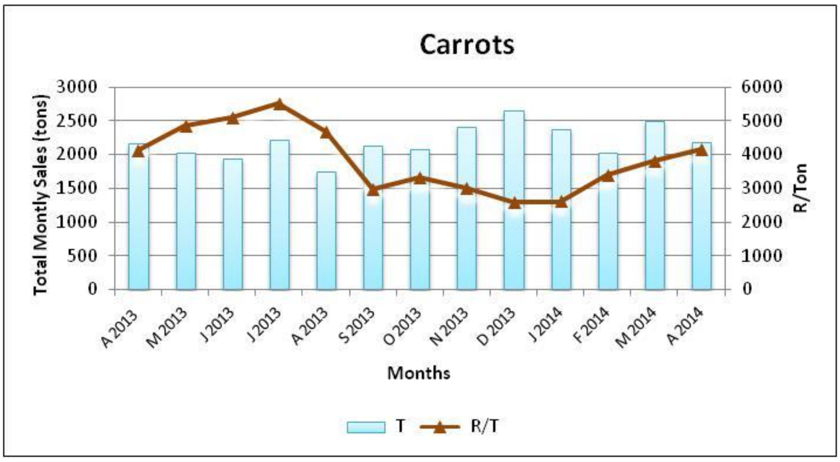


Total volumes marketed increased by 5.52% y/y to reach 982 tons. Higher prices were obtained for April 2014 to reach R 2001 per ton with an increment of 14.24% if compared y/y.

On a monthly basis, volumes marketed increased by 12.34%, accompanied by an increase in the average price per ton by a mere 3.14%.

1.5 Carrots

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

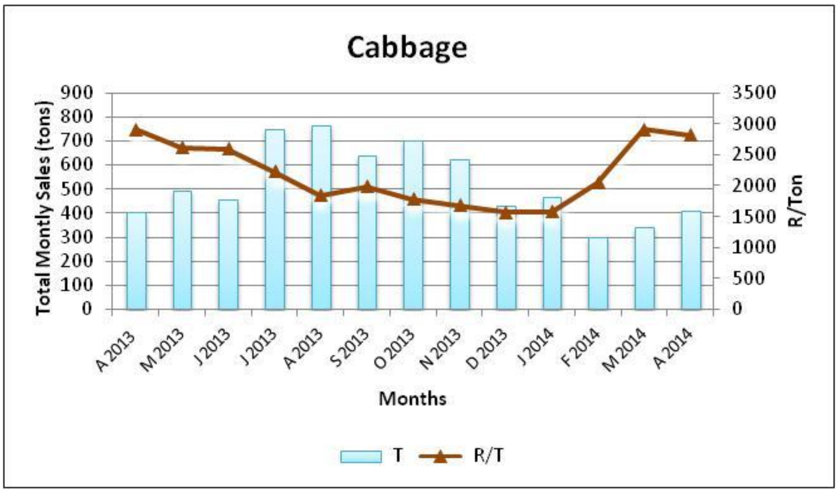


Volumes supplied to market decreased by 16.66% and reached 551.24 tons in comparison to the same period the previous year. The average price per ton was higher by 48.25% and amounted to R 4590 per ton for the same period.

If compared to March 2014, volumes marketed increased by 3.29%, accompanied by a 5.76% increase in the average price per ton. On average, the carrot supply on the major national fresh produce markets increased during April 2014, which pressured average prices downward.

1.6 Cabbage

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

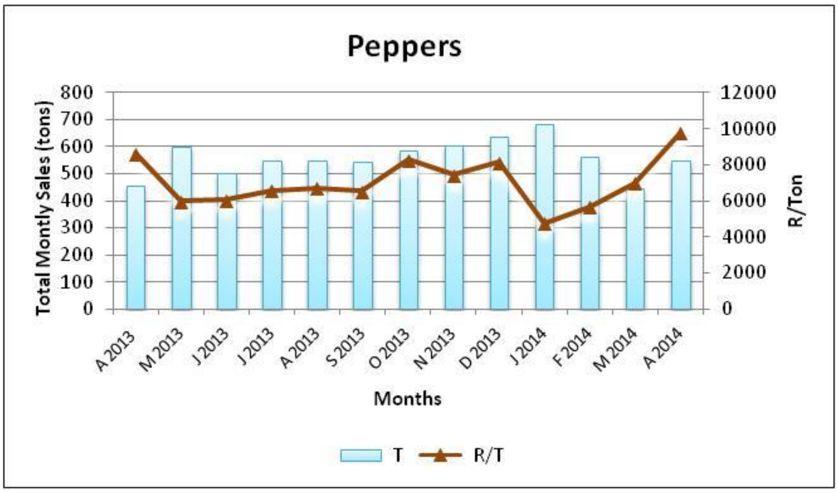


Cabbage supply increased by 1.24% for April 2014 if compared y/y. The average price per ton was however 3.13% lower than the April 2013 and reached R 2830 per ton.

The quantities marketed for April 2014 increased by 19.60% m/m, which pressurised prices downward to be 3.08% lower than the previous month. The playing field on the average national fresh produce market was however differently; the increased supply was accompanied by a slighter higher average price.

1.7 Peppers

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

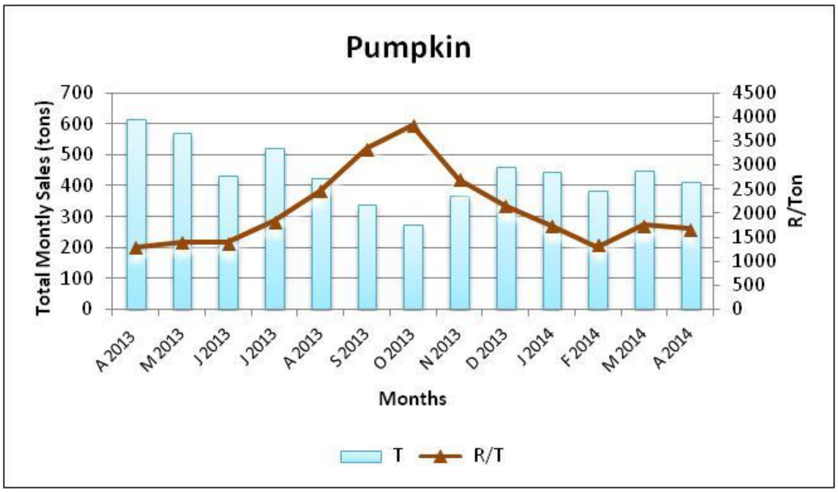


Volumes supplied to the market were 20.32% higher when compared to April 2013. Prices was however much more favourable being 13.32% higher y/y, reaching R 9750 per ton.

If compared to the previous month, the volumes marketed increased by 22.09%. However, the increase supply did not influence the prices as it would normally expect. The increasing demand pushed prices upward to reach an average price per ton increase of 39.68% m/m.

1.8 Pumpkins

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



Pumpkin volumes marketed decreased by 32.96% y/y, which resulted in a higher average price of R 1670 per ton as when compared to the same period in the previous year.

When compared to the previous month, marketed volumes were 8.18% lesser, and the average price obtained 4.02% lesser.

1.9 Gem squash

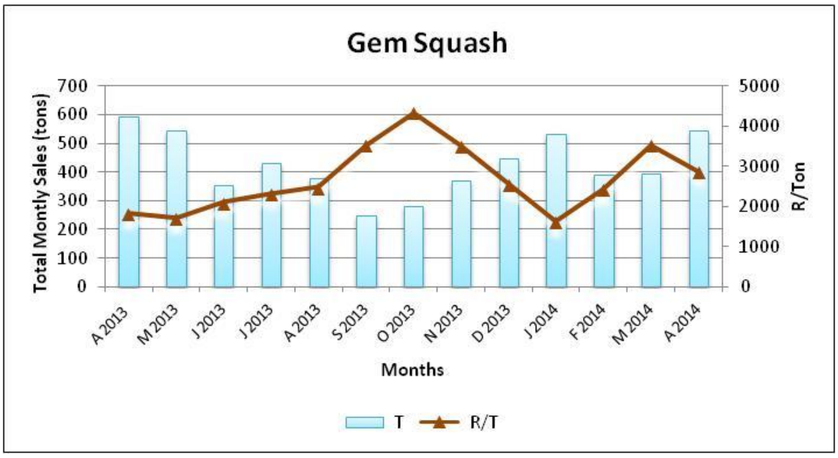


Figure 9: Gem squash sales on the Cape Town Fresh Produce Market

The volumes marketed for April 2014 decreased by 8.24% y/y, much higher prices being obtained as compared to the same period in the previous year. The average price increased by 57.73% y/y to reach R 2850 per ton in April 2014.

If compared to the previous month, volumes supplied on the local market increased by 38.41%, which pressurised prices downward by 18.80%.

1.10 Sweet potatoes

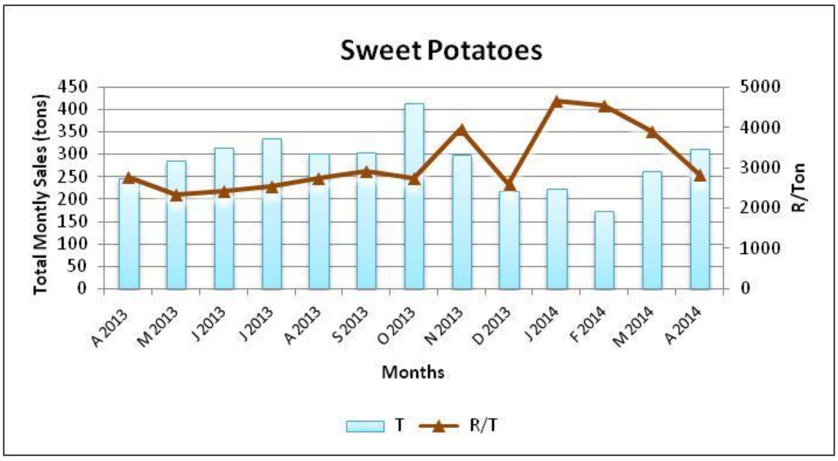


Figure 10: Sweet potatoes sales on the Cape Town Fresh Produce Market

Sweet potatoes volumes marketed increased by 27.06% y/y, accompanied by an increase of 1.86% in the average price per ton to reach R 2830 for the same period in the previous year.

The volumes marketed increased by 19.47% if compared to the previous month; increase since the low volume in February. This was accompanied by a 27.62% decrease in the average price per ton m/m to reach R 2830 per ton.

1.11 Lettuce

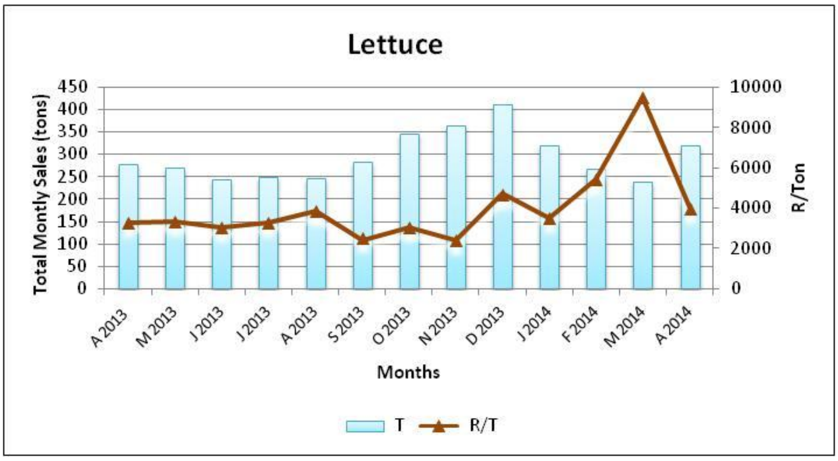


Figure 11: Lettuce sales on the Cape Town Fresh Produce Market

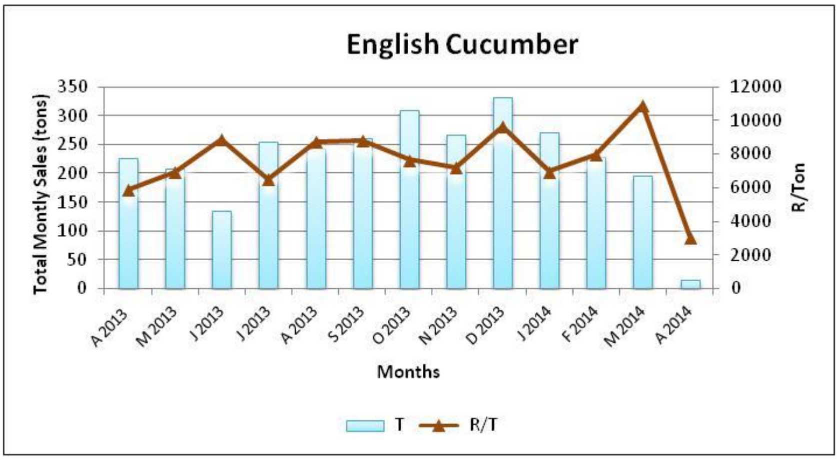
The total volumes marketed increased by 15.42% y/y, hence higher average prices were obtained in comparison to the same period in the previous year. The average price per ton increased to R 3960, which is a 20.89% increase as compared to the same period in the previous year.

On a monthly basis, the total volumes marketed were 34.15% higher than the previous month. This pressured prices downward by 58.18% to reach R 3960 in comparison to the previous month when it reached a high of R 9470 due to limited supply.

1.12 English cucumber

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

The quantity supplied on the market decreased by 93.70% y/y for April 2014 due to quality problems incurred due to the past few months unfavourable weather conditions for the successful production of the produce. As a result produce was sold at much cheaper prices which explains the lower average price R 3008, which is 48.56% lower than the same period in the previous year.



Volumes marketed for April 2014, were 92.71% lower and average prices 72.38% lower, than the previous month as a result of the quality problems mentioned.

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

2.1 Senegal onion production increase [1, 2]

Onion production in Senegal increased by 550% over a 10 year period ending 2014, from 40,000 tons to 260,000 tons. The mentioned puts Senegal in a favourite position as one of the world's main producing countries to leverage market opportunities where shortages are currently experienced. No exports have been recorded to South Africa as from 2009 to 2012 (TradeMap, 2014).

The government announced at the end of last year, that it will be issuing limited import quotas with the aim of implementing a ban on onion imports as from February 2014. The overall aim of this movement is to ensure that a well managed import regulation is maintained, when local production is sufficient (Agritrade, 2014).

2.2 Zimbabwean import ban on fresh produce – implications for SA fresh produce exports [3]

South Africa represented 65.2% of Zimbabwean fresh produce imports in 2012, with a total import value of USD 10,484,000. The major fresh vegetable produce commodities exported to Zimbabwe in 2012 included the following;

HS code	Produce type	USD import value	% market share of Zimbabwe imports
HS0703	Onions, garlic and leeks (fresh or chilled)	1,141,000	100%
HS0701	Potatoes	591,000	100%
HS0706	Carrots, turnips, salad beetroot (fresh or chilled)	566,000	100%
HS0702	Tomatoes	221,000	96.1%
HS0707	Cucumbers and gherkins (fresh or chilled)	172,000	94%
HS0704	Cabbage and cauliflower (fresh or chilled)	75,000	100%

[1] http://www.freshplaza.com/article/120422/Onion-sector-booming-in-Senegal

[2] http://agritrade.cta.int/Agriculture/Commodities/Horticulture/Senegalese-government-moves-ahead-with-onion-sector-support-measures

[3] TradeMap 2014: Zimbabwean imports of HS07: Edible vegetables and certain root and tubers from South Africa (2008-2012)

HS0705:	Lettuce or chicory (fresh or chilled)	18,000	100%

2.3 Shortage of South African onion [4]

South Africa is currently facing an onion shortage due to the extensive rain (as well as hail in during week 46 & 47 last year) experienced during the planting and harvesting thereof led to a disturbance in the production of various fresh produce, either causing quality challenges or forcing producer to harvest earlier.

In a recent article the DuToit Group, one of the big players in the fresh produce market reported that production volumes is currently down between 20-25%. The mentioned shortage is expected to influence the market during June and July this year. Other producing areas such as the North West is expected to harvest later this year, which could create an oversupply in the market at the end of the year when the Northern Cape Province is expected to dominate the domestic market.

Exports to the traditional European Union countries were not realised, due to quality risks being the order of the day. Domestic marketers are rather pursuing local market campaigns as an alternative.

2.4Pick 'n Pay to increase fresh produce footprint [5]

South Africa's second largest retailer (with a retail footprint of 1078 stores across six Southern African countries) announced that it wishes to increase its fresh produce sales, which is part of the groups renewed focus area. Pick 'n Pay is set to open 100 new stores for this year.

2.5 Department of Trade and Industry (DTI) – 2014/15 National pavilion list

Kindly refer to the recently DTI national pavilion list for your perusal, with special emphasis to the trade fairs aimed at fresh produce exhibitions.

For more information, please refer any queries relating to this matter can directed to the mentioned individuals or alternatively visit
https://www.thedti.gov.za/news2014/nat_pav_list052014.pdf
or alternatively https://www.thedti.gov.za/invitations/Emia_Business_horizons.pdf .

[4] http://www.freshplaza.com/article/119970/Shortage-of-South-African-onions

[5] http://mg.co.za/article/2014-04-16-pick-n-pay-to-boost-fresh-goods-sales-as-100-new-stores-open

ACKNOWLEDGMENTS

The following information sources are hereby acknowledged:

ABSA Agribusiness: AgriTrends
www.absa.co.za

Fresh Plaza
http://www.freshplaza.com

Techno Fresh CRM
www.technofresh.co.za

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