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Monthly vegetable market report

Marketing and Agri-Business Section www.elsenburg.com

MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Period under review: May 2013 to June 2014

Issue: 2014/5

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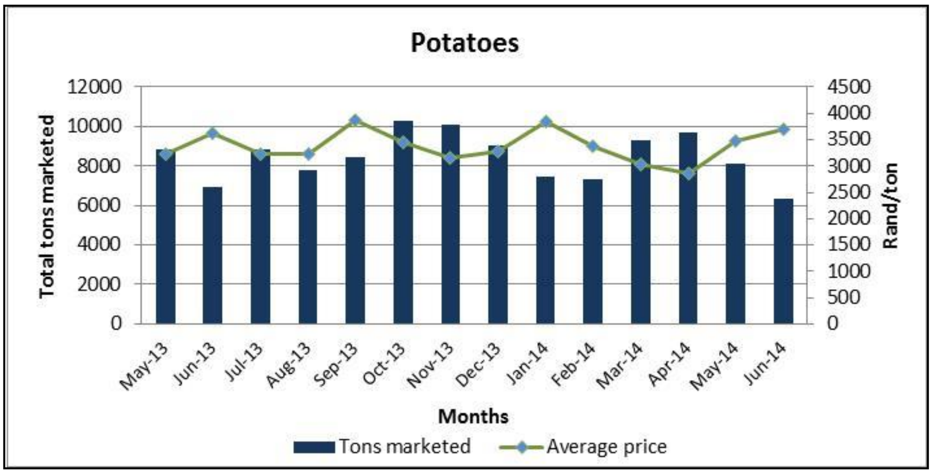
INTRODUCTION

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

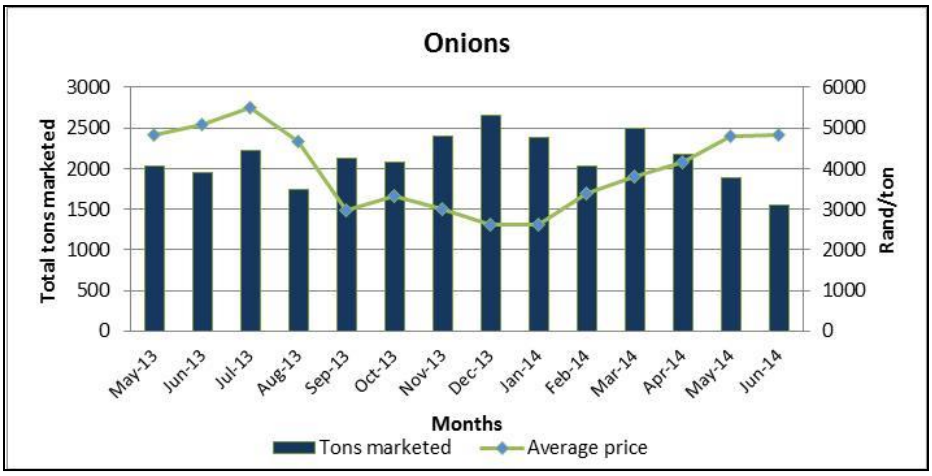


Potatoes supplies during June 2014 were lower by 21.88% m/m, which resulted in a price increase of 6.48% m/m to R 3695 per ton.

If compared to the same period in the previous year, supplies were slightly lesser by 8.60% y/y and reached 6316 tons, accompanied by higher prices which increased by 2.27% y/y.

1.2 Onions

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

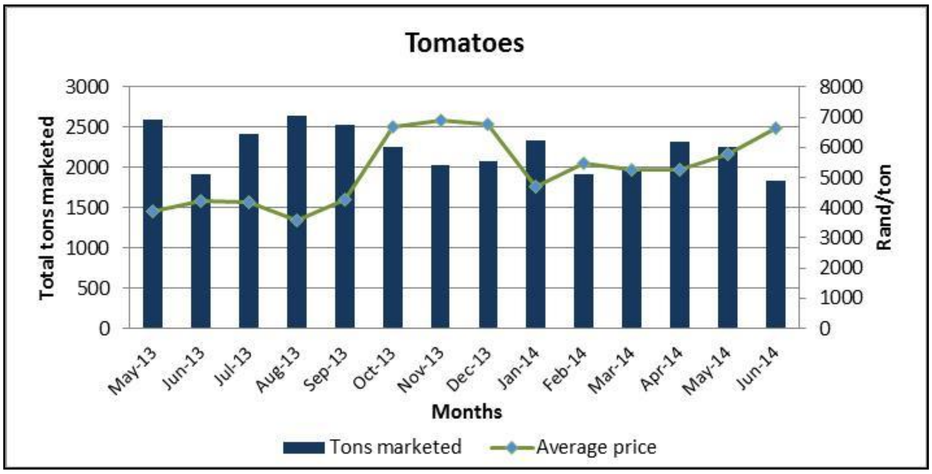


On a monthly basis, quantities supplied to the market decreased by 17.89% m/m to reach 1550 tons accompanied by a stable movement in the average price per ton.

If compared to the same period in the previous year, supplies were lower by 20.36% y/y, and prices were slightly lower by 4.71% y/y to reach R4843 per ton.

1.3 Tomatoes

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

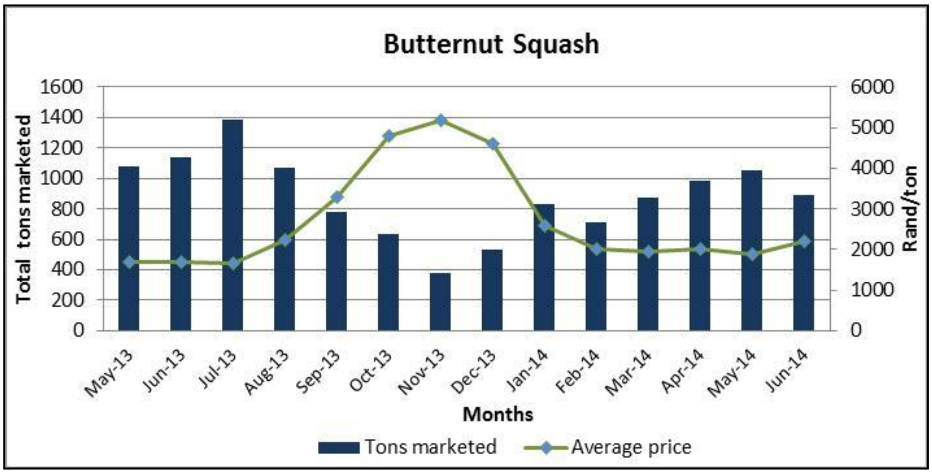


Quantities marketed for June was lower by 18.88% m/m and reached 1832 tons which resulted in a price increase of 14.24% m/m to reach R6625 per ton.

The annual supply was 4.33% y/y lower than the same period in the previous year. Prices increased by 56.22% y/y and were higher for June 2014, if compared to the same period of June 2013.

1.4 Butternut squash

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

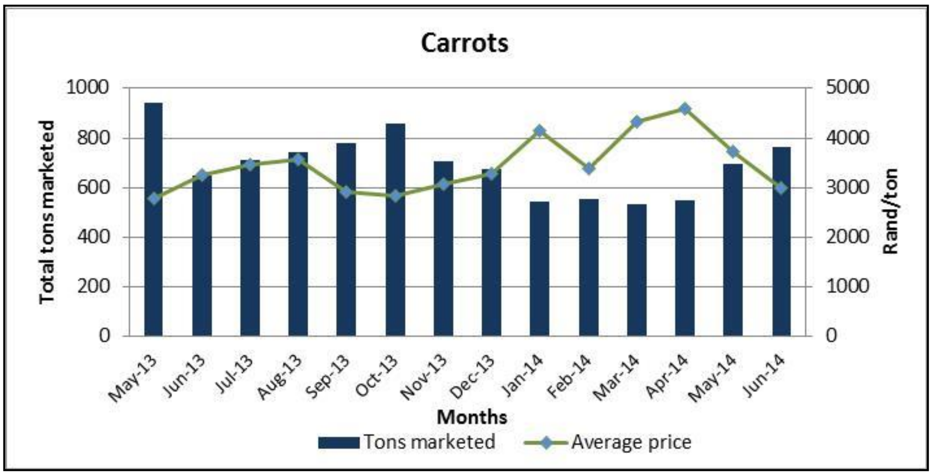


The total produce marketed for June 2014 was 15.60% m/m lower, which resulted in prices being pressured upward by 17.18% to reach R2191 per ton.

If compared to the same period in the previous year, volumes were lesser by 21.99% y/y and reached 887 tons. This was accompanied by an upward trend in the average price of 28.44% for June 2014.

1.5 Carrots

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

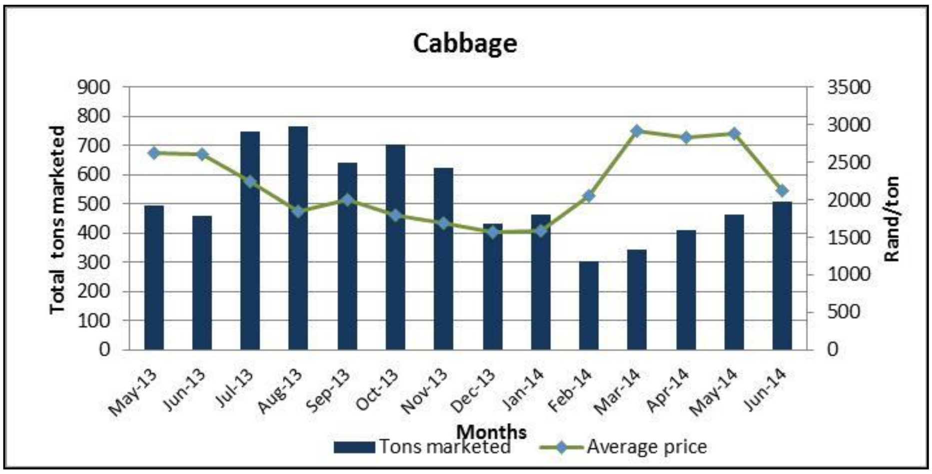


The tons marketed increased by 9.48% m/m to reach 764 tons for June 2014. As a result prices were pressured downward by 19.50% m/m to reach R3002.

If compared to the same period in the previous year, supplies were 17.85% y/y higher which resulted in lower average prices being obtained with a decrease of 7.85% y/y for June 2014.

1.6 Cabbage

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

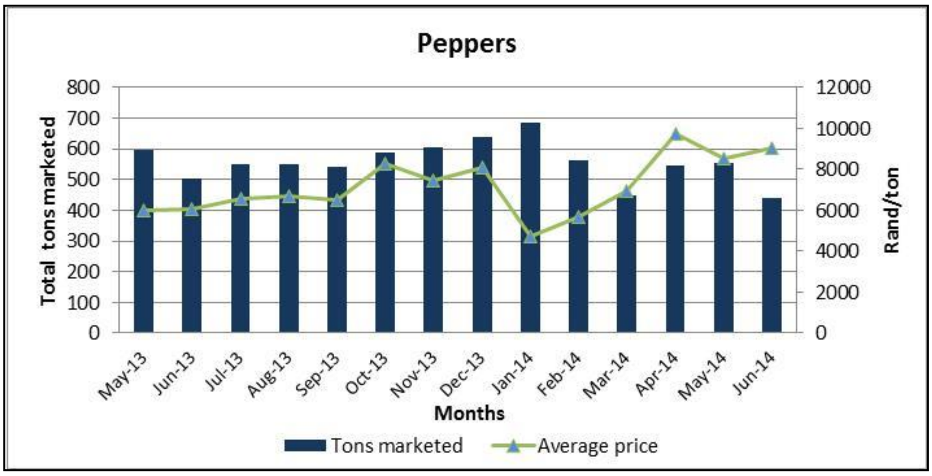


Cabbage supplies were 8.75% higher than the previous month, which pressured prices down by 26% to reach R2130 per ton.

Volumes supplies marketed were higher by 10.69% y/y to reach 506 tons, if compared to the same period in the previous year. The increase in supplies was accompanied by lower prices which decreased by 18.13% y/y to reach R 2130 per ton.

1.7 Peppers

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

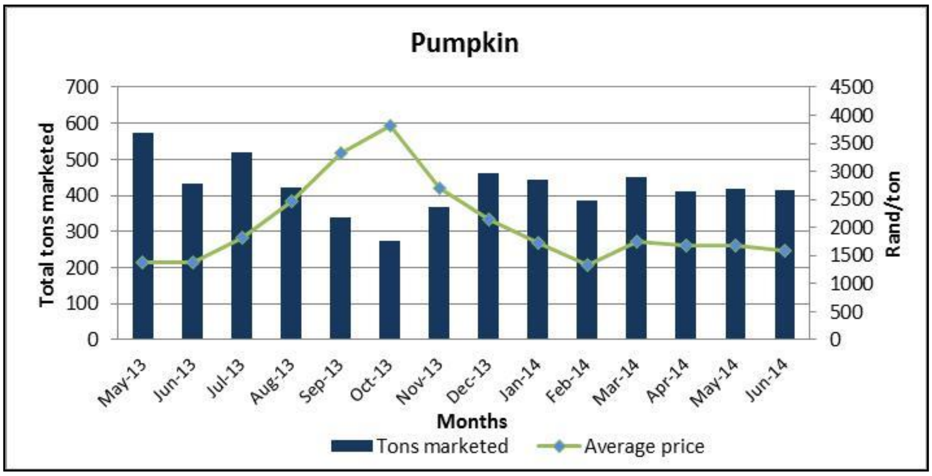


Monthly supplies to the market were 20.16% m/m lower if compared to the previous month; which pushed prices slightly upwards by 6.16% m/m to reach R9077 per ton.

If compared to the same period in the previous year, supplies were 12.01% lower in June 2014 to reach 441 tons, which was accompanied by higher prices being obtained. Prices were 50.39% higher than the previous year's prices realised.

1.8 Pumpkin

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

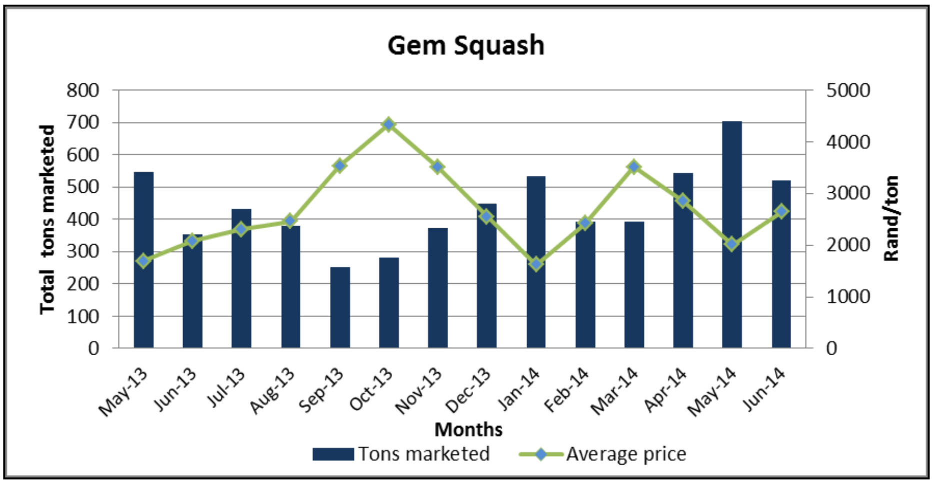


Supplies to the market were more or less stable if compared on a monthly basis for May and June 2014. The average prices obtained has slightly been pressured to reach R1582 per ton.

If compared to the same period in the previous year, supplies to the market have been lower by 4% y/y to reach 415 tons, which pressured prices upward by15% in June 2014.

1.9 Gem Squash

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

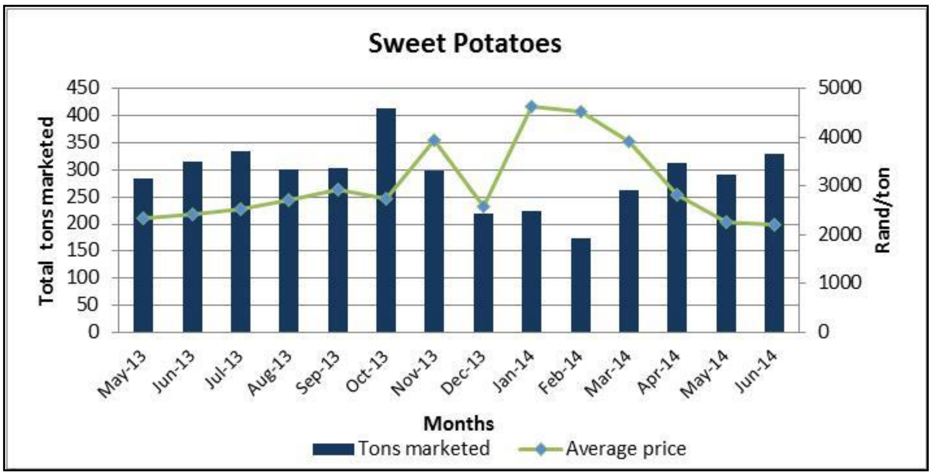


Lower volumes were supplied in June 2014 if compared to the previous month, which pushed prices upward by 31% m/m to reach R2639 per ton.

Volumes marketed were higher by 48% y/y (522 tons) if compared to the same period in the previous year. Despite the increased volumes, prices was obtained was higher by 26% y/y for June 2014.

1.10 Sweet Potatoes

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

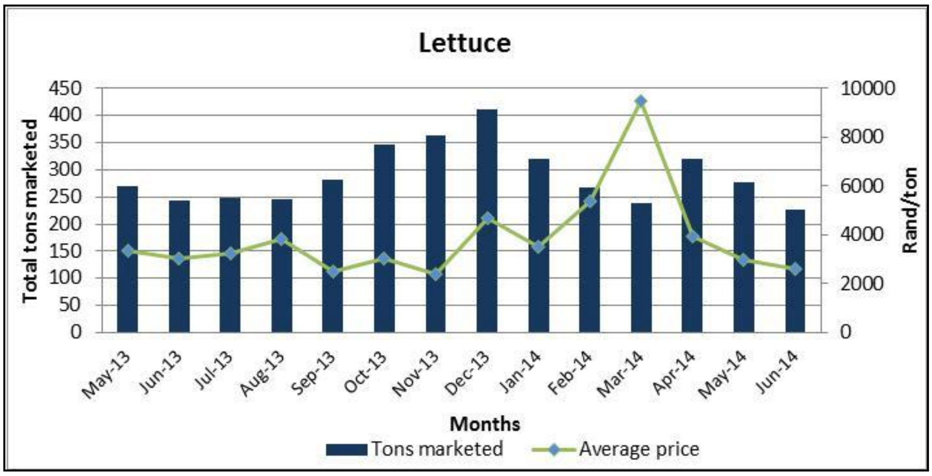


Sweet potatoes supplies marketed were 12.90% m/m higher and reached 330 tons. As a result, downward pressure was put on prices (by 2.50%) to reach R2204 per ton.

If compared to the same period in the previous year, volumes were 4.57% higher, accompanied by lower prices being obtained. The average price for June 2014 amounted to R2204, which is 8.82% y/y lower than the previous year's price obtained.

1.11 Lettuce

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

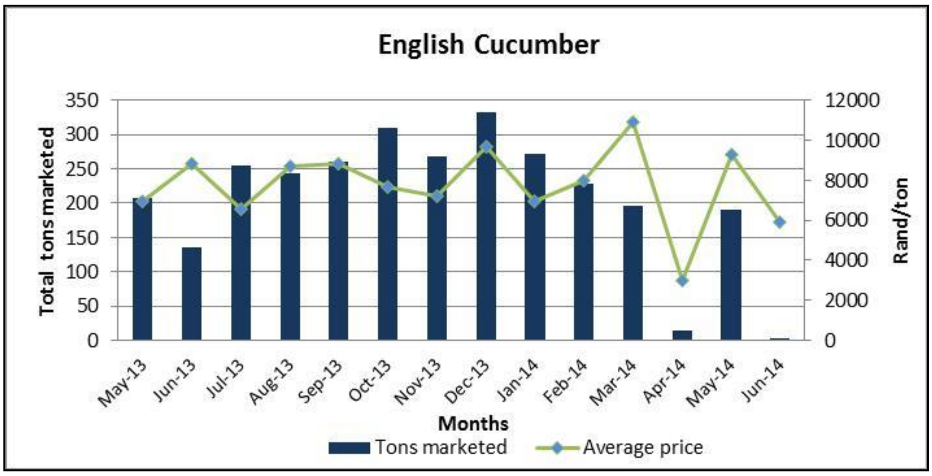


The average June-price decreased by 12.39% m/m, despite a decrease in the supply to market. The June-supply was 18.41% m/m lesser than the previous month.

If compared to the same period the previous year, supply was 6.97% y/y lower, which was accompanied by downward pressure on prices which were 13.94% lesser than the average price obtained for the same period in the previous year.

1.12 English Cucumber

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



Cucumber supply to the market amounted to less than one ton during June 2014. Despite limited supply, prices were pressured downward and reached R5881 per ton due to limited demand for cucumber during the winter months.

If compared to the same period in the previous year, volumes supplied were 99% lesser (from 136 to 0.62 tons), accompanied by a 33.58% decrease in the average price obtained for June 2014.

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

Produce name:	Average tons marketed for June 2014: (ton)	Average price obtained for June 2014: (Rand/ton)
Cauliflower	122.37	R 6516
Beetroot	82.82	R 5847
Brinjals (eggplant)	79.11	R 5117
Broccoli	43.28	R 11510
Spinach	42.59	R 7408
Mushrooms	4.099	R 4602

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

[1]Pepper oversupply in the Holland market, causing sales difficulty

The Holland market (including the Netherlands and Belgium) has been experiencing a prolonged supply period, due to by the Spain producers good season which resulted in continues delivery which interfered with the window period of other pepper producing countries.

The green pepper season in France is normally from June for a 4 month period, which has to enter the market with its already oversupply volumes. As a result the EU pepper market over flooded with stock is pressuring green & red pepper prices downward to reach between €1 - 1.25 per kilogram.

[2]Limited cauliflower supply throughout North-West Europe (Netherlands, Germany, Belgium and UK)

Low production volumes have been experienced due to the early spring weather which brought about much warmer weather conditions which is unfavourable for cauliflower cultivation. It is expected that stock levels will stabilise towards the mid-end of July 2014.

[3]Zimbabwe tomatoes farmers' collective bargaining to reach markets

[1] http://www.freshplaza.com/article/123599/Larger-supply-causing-difficult-sales-of-peppers

[2] http://www.freshplaza.com/article/123405/Limited-supply-of-cauliflower-throughout-north-west-Europe

Collective bargaining is the key for the success obtained by young Zimbabwean tomatoes farmers which has been assisted by an NGO (Agri-Link) in establishing sustainable market linkages. This success was achieved due to their improved skills base, access to critical inputs, and a centralised collection point which makes it easier to connect with prospective buyers through the structured platform which enhances product quality as well as production expansion.

[4]South African fresh produce market experiencing upward price trends

Weather in the main producing areas has resulted in limited supply of fresh produce, which results in increased pressure on fresh produce prices. Taking into account that producers are export driven (due to higher returns obtain with foreign exchange in event of favourable exchange currency conditions), the domestic market is under severe pressure to meet the demand of our local market, as continued shortages are experienced of certain crops.

[5]Marketing of fresh produce

The E-fresh (small-scale marketing model) has been introduced by TechnoFreshSA, which is a tiered approach (including mentorship assistance for up to 5 years) to secure markets for local developing farmers. Participating farmer's selection is based on a set of criteria in order to participate in the mentioned programme.

[6]International potatoes market: oversupplied

The global potatoes market is over flooded due to early cultivars realising increasing yields. The European market obtained €350 per ton last year, €150 per ton during the harvesting period and currently prices are being pressured to reach only €35 per ton.

[7]91% of Moroccan fresh agro-produce destined for EU markets (including the Russian Federation)

For the 5 year period (2007-2014) Moroccan exports to the EU has increased to 91% of its fresh produce exports. Main items exported includes: tomatoes, as well as fresh and frozen or pickled vegetables.

[8]Zambia commences with potatoes production

Zambia has embarked on the cultivation of Irish potatoes in order to diversify its agricultural production portfolio as part of the countries fresh produce strategy.

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[3] http://www.freshplaza.com/article/122638/Zimbabwe-Young-tomato-farmers-reach-new-markets
[4] http://www.farmersweekly.co.za/article.aspx?id=59813&h=Prices-continue-upwards
[5] http://www.farmersweekly.co.za/article.aspx?id=58044&h=Marketing-fresh-produce
[6] http://www.freshplaza.com/article/123519/Potato-market-revival-not-yet-in-sight
[7] http://www.freshplaza.com/article/123547/91-procent-of-Moroccan-fresh-agri-food-exports-is-to-Europe
[8] http://www.freshplaza.com/article/122234/Zambia-National-Farmers-Union-embark-on-potato-production

[9]Indian onion production drop by 44%

Due to unseasonal rains and hailstorms during February and March this year, India's export onion sector has been negatively affected due to the crop being damaged in the Nastik production region (which produces 70% of export volumes). It is anticipated that about 60% of the crop is damaged. There was a 44% drop in exports which amounted to 300,000 tonnes during the harvest season which took place during April and May. The shelf life of 6 months has been shortened to 3-4 months. Further damages are expected when the crop is transported.

ACKNOWLEDGMENTS

The following information sources are hereby acknowledged:

Farmers Weekly
http://www.farmersweekly.co.za

Fresh Plaza
http://www.freshplaza.com

Techno Fresh CRM
www.technofresh.co.za

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[9] http://www.freshplaza.com/article/123682/India-Onion-export-registers-44-procent-drop