Western Cape Government
Agriculture

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Monthly vegetable market report

Marketing and Agri-Business Section www.elsenburg.com

MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Period under review: October 2013 to October 2014

Issue: 2014/9

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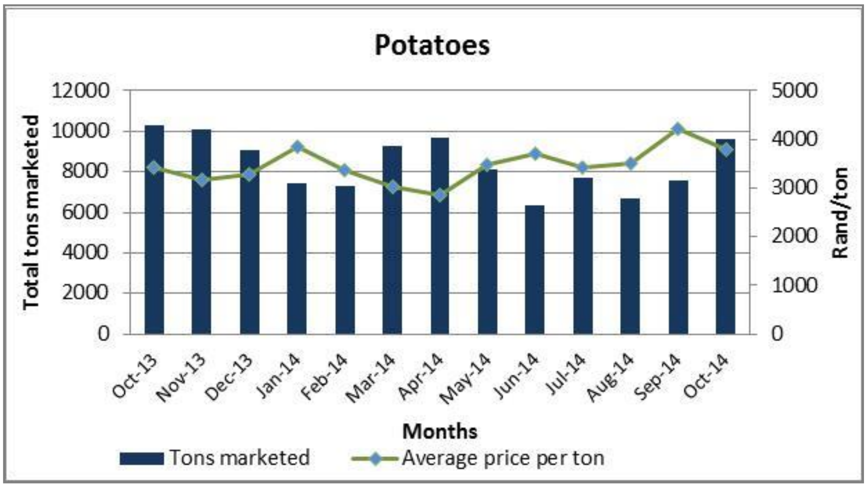
INTRODUCTION

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

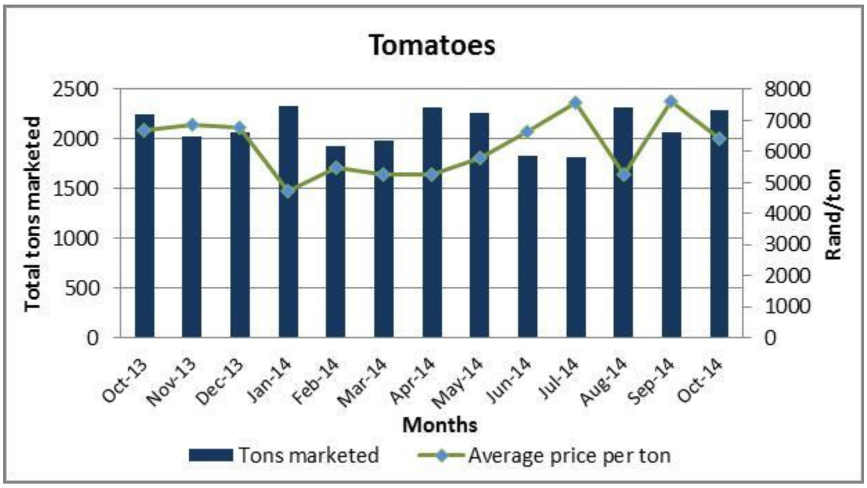


Potatoes volumes sold during October 2014 increased by 27 % % m/m (from 7565 to 9622 tons) if compared to the previous month. The average price obtained of R 3782 per ton has however responded negatively as it fell by 11% m/m. Potatoes prices are however expected to further continue downward in November as well, as per normal seasonality cycle (Potatoes SA, 2014).

On an annual basis, sale volumes were 6% y/y lower. Much better prices (up by 10% y/y) were however obtained in comparison to the same period in the previous year.

1.2 Tomatoes

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

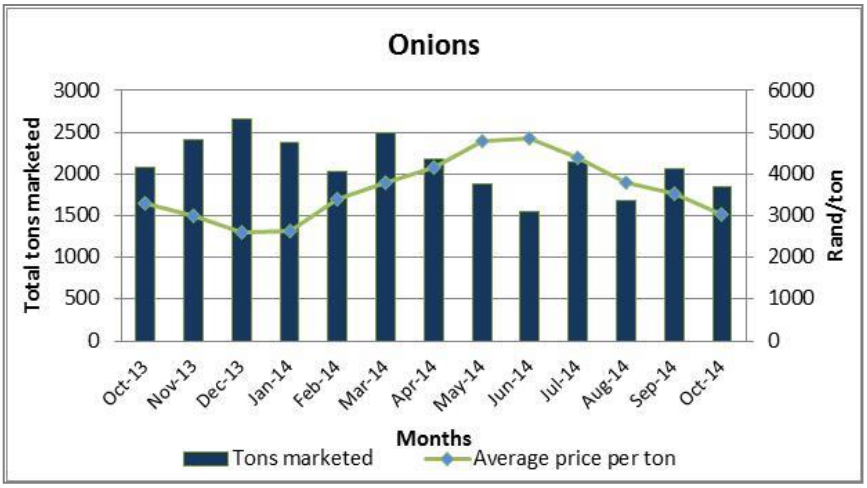


Quantities supplied to the fresh produce market increased to 2284 tons (11% m/m), which pressurised the average price obtained downward by 16% to reach R 6433 per ton (from R 7610 per ton).

If compared to the same period in the previous, the volumes marketed increased by 1.4 % y/y. Lower prices were achieved than the previous year, as prices lowered by 1.4%.

1.3 Onions

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

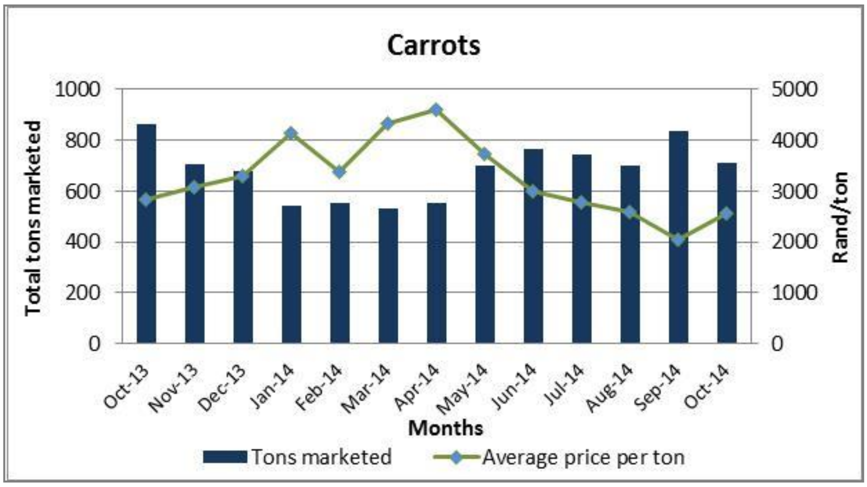


Volumes on the fresh produce market were lesser by 11% m/m (1842 tons) than the previous month. The average price obtained did however not respond indifferently as it did not push prices upward as a result of the downfall in volumes. Instead the average price was pushed downward by 14% m/m to reach R 3028 per ton.

On an annual trend, much lower volumes were realised as it lessen by 12% y/y from 2085 tons marketed in the same period in the previous year. In October, the average price obtained were 9% y/y lesser than the same period in the previous year.

1.4 Carrots

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

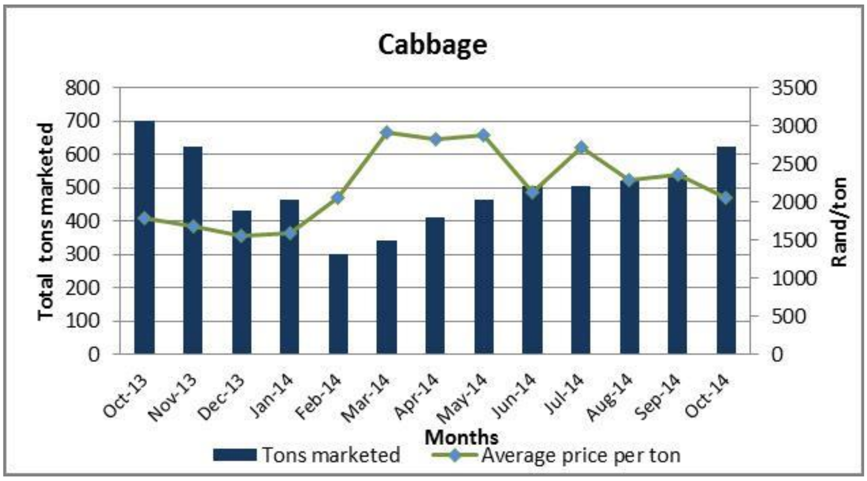


Volumes marketed during the duration of October were 15% m/m lower than the previous month. The market however responded favourably as the average price per ton was pushed upward by 26% m/m to R 2563.

Carrot volumes were 18% y/y lesser than the same period in the previous year when volumes reached 860 tons as compared to the 708 tons realised. Prices were however, much lesser than the realised price of R 2563 per ton which is 10% y/y lower.

1.5 Cabbage

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

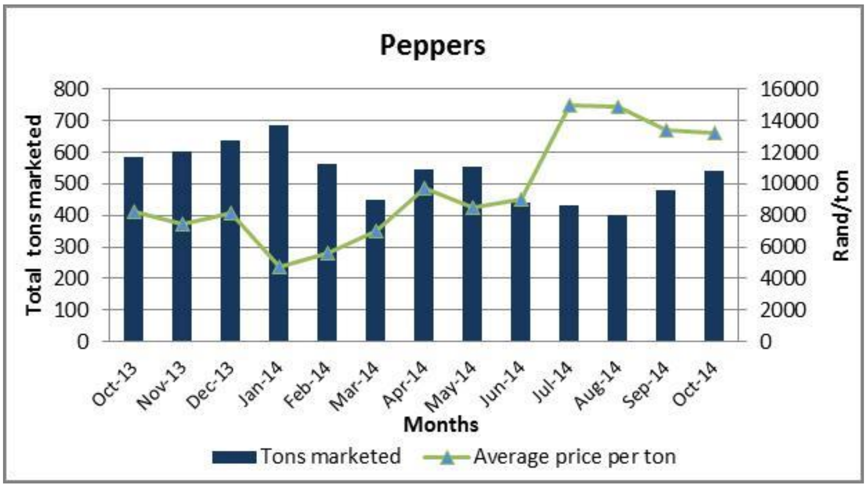


Volumes for sale increased by 16% m/m in October 2014, as volumes improved from 538 to 624 tons. This however, pressurised the average price obtained downward by 12% m/m to R 2058 per ton.

On an annual trend, cabbage sales did not improve as the volumes were lesser by 11% y/y. Much better prices was however realised in that average price was 15% y/y higher from R 1787 per ton, obtained a year ago.

1.6 Peppers

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

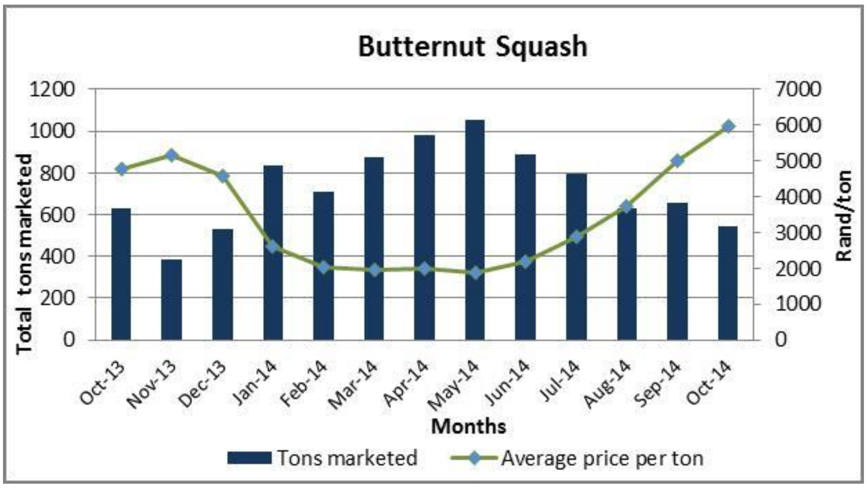


Pepper sale volumes on the fresh produce market improved by 13% m/m from 480 tons to 542 tons. Prices however remain to slightly respond to the supply of pepper in that it slightly moved side-ways (which means that there was an insignificant price movement) in the R 13 243 price range.

On an annual basis, volumes marketed were 8% y/y lower than the same period in the previous year. The average price realised was however much better as it was 60% y/y higher than October 2013.

1.7 Butternut squash

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

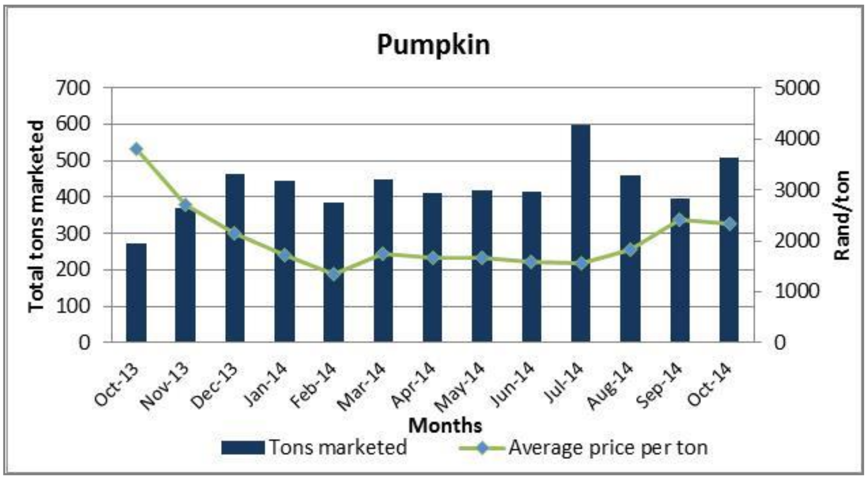


Volumes marketed decreased by 18% m/m to 541 tons if compared to the previous month. The decrease in supply however, continued to pushed prices upward by 19% m/m from R 5008 to R 5973 per ton.

On an annual basis, volumes remained lower than the same period in the previous year by 14% y/y compared to the 632 tons realised in October 2013. The average price obtained per ton, improved by 25% y/y from R 4793 to R 5973 per ton.

1.8 Pumpkin

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

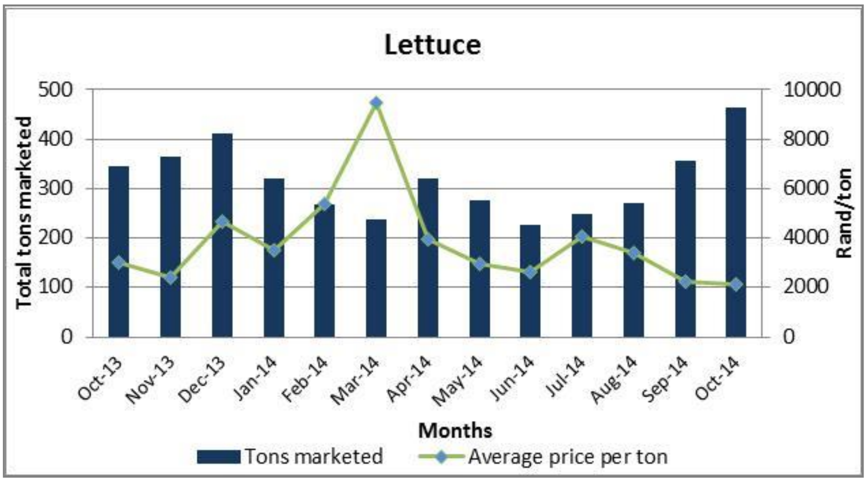


Pumpkin volumes increased by 28% m/m if compared to the previous month. Prices realised on the fresh produce market, was slightly pressurised downward by 3% to R 2337 per ton.

Volumes supplied were 85% y/y higher (274 tons to 507 tons) than the same period in the previous year. The oversupply during October 2014, however contributed to prices being pressurised downward by 39% y/y from R 3814 to R 2337 per ton.

1.9 Lettuce

Figure 9: Lettuce sales on the Cape Town Fresh Produce Market

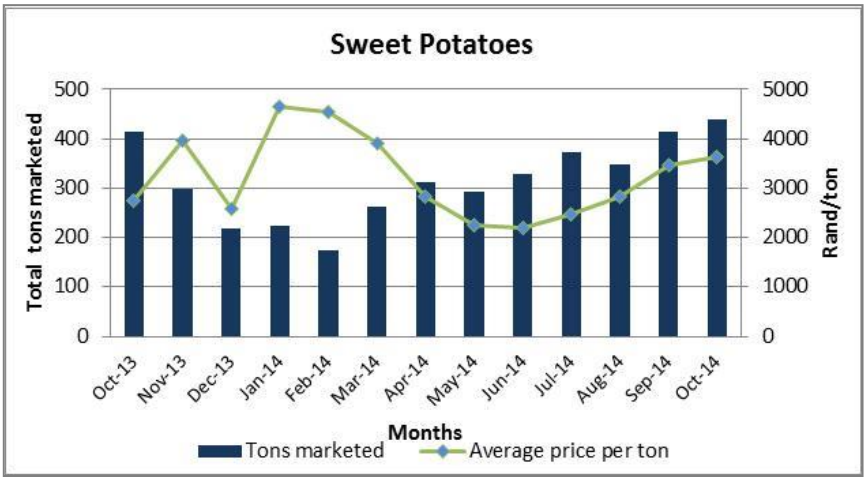


The volumes supplied to the market increased by 31% m/m from 356 to 465 tons when compared to the previous month. Due to the increased supply in the market, the average price per ton was slightly pressurised downward by 6% m/m to R 2108 per ton.

If compared on an annual basis, supplies to the market increased by 34% y/y from 346 to 465 tons. The average price obtained of R 2107 per ton, however did not respond positively to the increased supply as prices decreased by 31% y/y from R 3109 to R 2108 per ton.

1.10 Sweet Potatoes

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

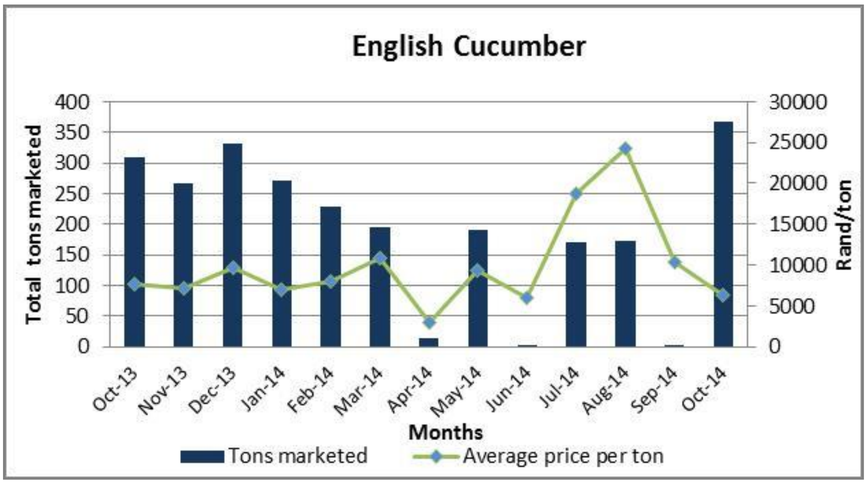


Sweet potatoes volumes supplied to the market increased by 6% m/m if compare to the previous month. The average price obtained amounted to R 3631 per ton, and is 5% higher than the price realised in September 2014.

If compared on an annual basis, the volumes marketed increased by 6% y/y. remarkably, better prices were obtained and were 33% y/y higher than the same period in the previous year.

1.11 English Cucumber

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

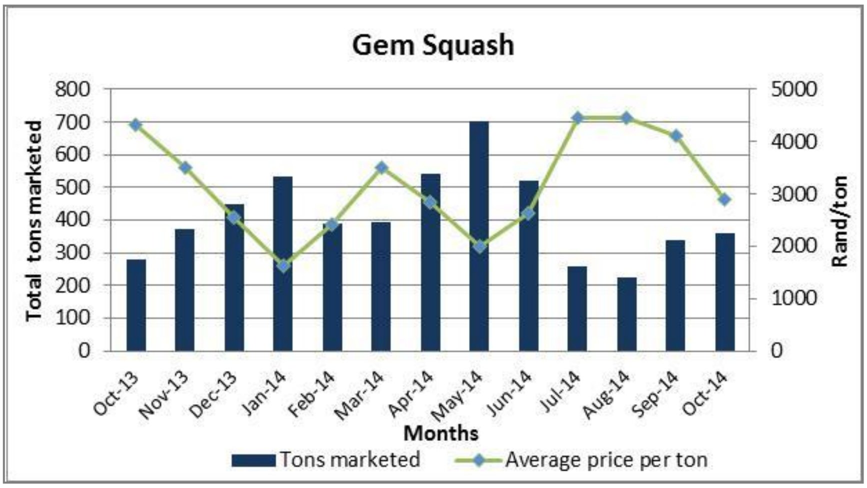


Volumes supplied to the market, improved significantly by more than 100%. It is suspected, due to the lower demand thereof (as we are already in spring and approaching summer months and still experiencing some chilly temperatures on occasion), prices were responsive to the oversupply, as it was pressurised downward by 40% m/m to R 6630 per ton compared to the previous month.

On an annual basis, volumes supplied to the marketed increased by 19% y/y compared to the same period in the previous year. Hence, the average price obtained for this month of October was 19% lesser than the same period in the previous year when the average price was R 7653 per ton.

1.12 Gem Squash

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



Volumes marketed were slightly higher by 6% m/m and amounted to 361 tons. As per the seasonality cycle, prices are expected to follow a continuously decreasing pattern up till Jan/Feb 2015. It is therefore no surprise that the average price was pressurised downward by 30% m/m to reach R 2894 per ton from R 4110.

If compared on an annual basis, the supply to the market was 29 % y/y higher than the same period in the previous year. However, much lower prices were realised, as the average price per ton decreased by 33% y/y from R 4327 to R 2894 per ton.

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

Produce name:	Average tons marketed for October 2014: (tons)	Average price obtained for October 2014: (Rand per ton)
Cauliflower	332 tons (**158% increase m/m)**	R 3084 (**58% decrease m/m)**
Beetroot	60 **tons (21% increase m/m)**	R 3798 (**35% decrease m/m)**
Brinjals (eggplant)	119 tons **(26 % increase m/m)**	R 4001 **(22% decrease m/m)**
Broccoli	91 tons **(7% increase m/m)**	R 7167 **(12% decrease m/m)**
Spinach	51 tons **(3% increase m/m)**	R 5 287 **(10% decrease m/m)**
Mushrooms	5.23 tons **(22% decrease m/m)**	R 44 289 **(6% decrease m/m)**

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

ZIMBABWE: TOMATOES DOMINATE AGRICULTURAL PRODUCE SALES

An agricultural research group, eMKambo's report for the month of August 2014, said the top four most earning products were tomatoes with an estimated revenue of US$1,1 million, bananas US$291 130, avocadoes US$211 180 and onions US$171 296.

Click **here** to read the full article, *also refer to a follow-up article* **here**.

South Africa's exports of tomatoes (fresh and chilled) HS070200 has decreased significantly since the ban on fresh produce imports. South African tomatoes exports have decreased from USD 13,000 (Q3/2013), USD 10,000 (Q4/2013), USD 6,000 (Q1/2014) and USD 1,000 (Q2/2014) respectively (Trade Map, 2014).

SKILL OF BALANCING THE CASH POSITION AND BALANCE SHEET OF FARMING ENTERPRISES

A possible failure indicator of land reform is the state investment of billions of rand in the recapitalising of farms with equipment and on-farm as well as off-farm infrastructure. While this is a good investment in essence, it goes onto the balance sheet of the farming enterprise and not the income statement. As a increasing in the asset base (which includes all mentioned infrastructure); is not necessarily accompanied by any performance in cash position of the operations of the business. The operational performance normally lacks due to the necessary skills development and training to ensure that the operation activities compliment the farming enterprise. Click **here** to read the full article.

SWEET POTATOES VINE GROWERS ASSOCIATION

An initiative by the Agricultural Research Council (ARC) and funded by the Department of Rural Development and land Reform formed in May 2013. Nurseries that grow sweet potatoes cuttings are monitored by the ARC to ensure pest control and that isolation distances from commercial plantings are maintained. In addition, the ARC also regularly supplies clean, virus-free material to nurseries making it easier for farmers to have access to clean propagation material.

The program is similar to that of the potatoes industry, where farmers have a certification scheme to assure them against disease-free propagation material.

Should you wish to acquire more information regarding this initiative, please contact Dr Suzette Laurie (senior researcher) at the ARC –Vegetable and Ornamental Plant Institute, Pretoria at 012 841 9611 or alternatively at slaurie@arc.agric.za .
Click **here** to read the full article.

PROMOTIONAL IDEAS TO USE FOR MARKETING OF FRESH PRODUCE

Herewith a few promotional ideas to use in your marketing strategy of your produce;

- Snack or kiddies packs
- Single or pensioners packs
- Indicating freshly-cut ; "still growing"; locally grown on the packaging
- Are you catering for ethnic groups with special dietary requirements such as the Indian and Malay as well as the African customers (requiring produce such as morogo) or kale for the Greek and German consumers?

Click **here** to read the full version of the Supermarket & Retailer, September 2014 issue.

FOOD SHORTAGE TO POSSIBLY HIT GHANA

Due to political turbulence, it is anticipated that food shortages are likely to hit Ghana in the coming months, which is a result of protest against President Blaise Compaore's bid to extend his 27-year rule.
Click **here** to read the full article.

CAULIFLOWER PRICES DROP SLIGHTLY IN ITALY DUE TO HIGHER TEMPERATURES EXPERIENCED

- Click **here** to read the full article.

SKYSERVICES INVEST IN THE FUTURE OF IMPORT AND EXPORT OF PERISHABLE PRODUCE IN CAPE TOWN

- Click **here** to read the full article.

INCREASE IN EGYPTIAN POTATOES EXPORTS

An increase has been reported for approved potatoes exports amounting to 697,710 tonnes compared to the 254,000 tonnes exported in the previous production season. The main exporting destinations are however aimed at the EU, Russia, Arabian countries and a smaller percentage to the rest of the world.
Click **here** to read the full article.

CUTTING OF LETTUCE STRAIGHT AFTER HARVESTING, IF USED FOR FRESH CHAIN

- Click **here** to read the full article.

FOOD LABELLING GUIDE FROM UNILEVER

- A free copy of the guide can be acquired on the Unilever website by clicking **here.**

Please click on the respective links to open;
- Chapter 1: Consumer Protection Act
- Chapter 2: Understanding Food Labels
- Chapter 3: Food ingredients and additives
- Chapter 4: Dietary Requirements
- Chapter 5: Nutrition Table
- Chapter 6: Understanding symbols & logos

ACKNOWLEDGMENTS

The following information sources are hereby acknowledged:

Agri Portal
www.farmingportal.co.za

Farmer's weekly
www.farmersweekly.co.za

Fresh Plaza
http://www.freshplaza.com

Potatoes SA
www.potatoes.co.za

Techno Fresh CRM
www.technofresh.co.za

Trade Map
www.trademap.org

Unilever Food Solutions
www.unileverfoodsolutions.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 alternatively 021 808 5189
Fax: 021 808 5210
E-mail: michellesw@elsenburg.com

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