



Monthly vegetable market report



Marketing and Agri-Business Section

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MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Period under review: September 2013 to September 2014

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IN THIS ISSUE

1. Price and volume trend analysis

- * Potatoes
- * Tomatoes
- * Onions
- * Carrots
- * Butternut squash
- * Pumpkin
- * Cabbage
- * Peppers
- * Sweet potatoes
- * Lettuce
- * Gem squash

2. News Clips: commodity movements in the domestic & international market

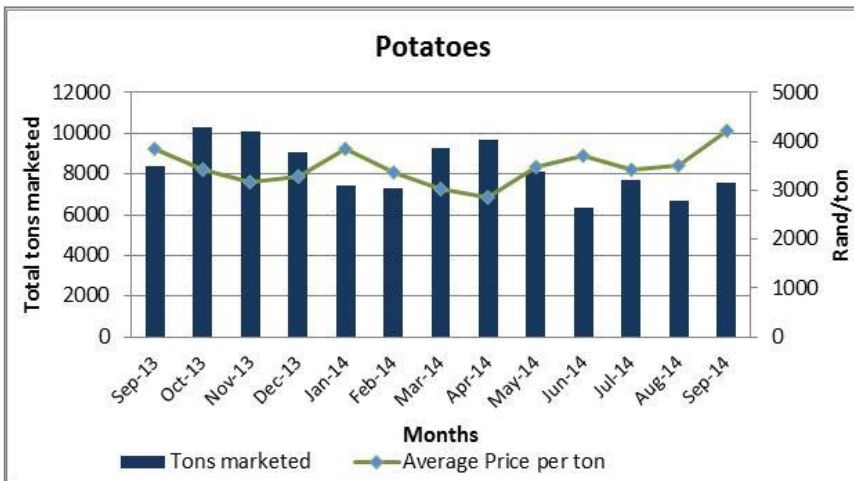
INTRODUCTION

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



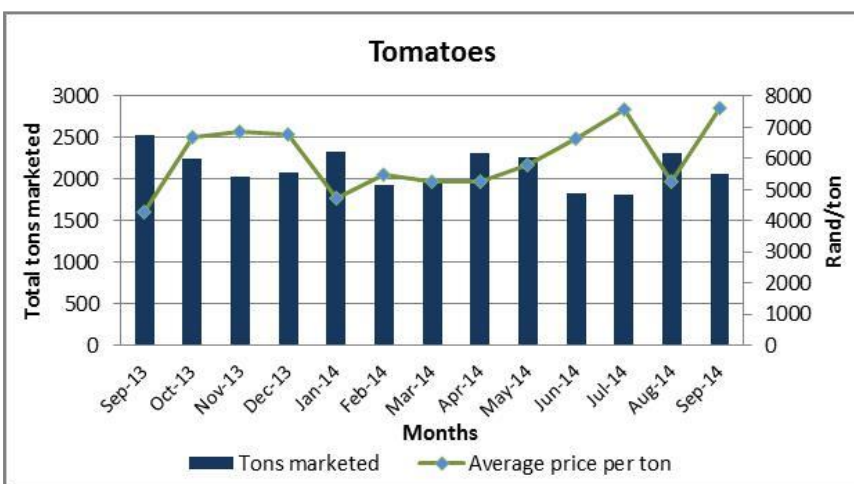
Potatoes volumes marketed during the month of September 2014 improved by 13 % m/m (7565 tons) if compared to the previous month. However, the average price obtained has slightly improved by 21% m/m which is in line with the fluctuations experienced during the annual seasonal cycle.

On an annual scale, volumes were 10% y/y lower than in the same period in the previous year. Higher prices of R 4227 per ton were however obtained in comparison to September 2013, as the average price per ton was 9% y/y higher

than a year ago. Refer to the article pertaining to the European potatoes harvest expected to influence the potatoes frozen chip imports into South Africa.

1.2 Tomatoes

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



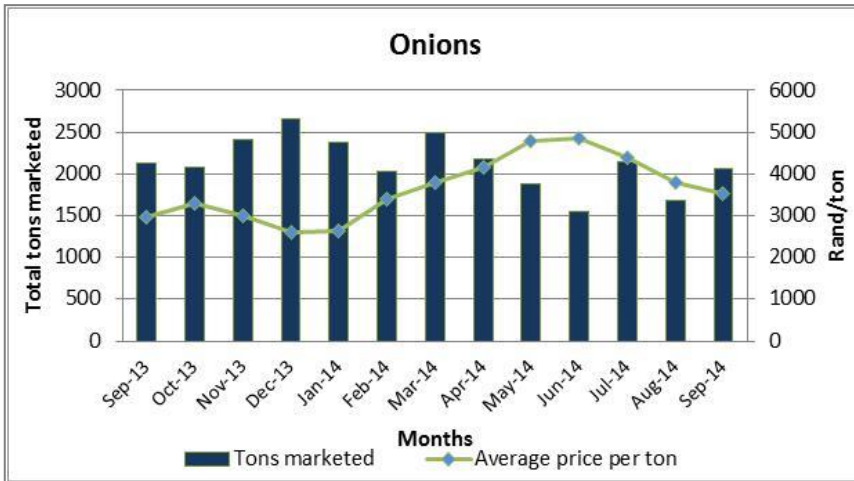
The quantities supplied to the fresh produce market decreased by 11% m/m if compared to the previous month. As a result prices were pushed upwards due to the lower supply and closed at R 7610 per ton which is 44% m/m higher than the previous month of August 2014.

If compared on an annual basis, the volumes supplied was lower by 18% y/y lower (2066 tons) if compared to the same period in the previous year. Prices were however pushed upward by 78%

y/y.

1.3 Onions

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

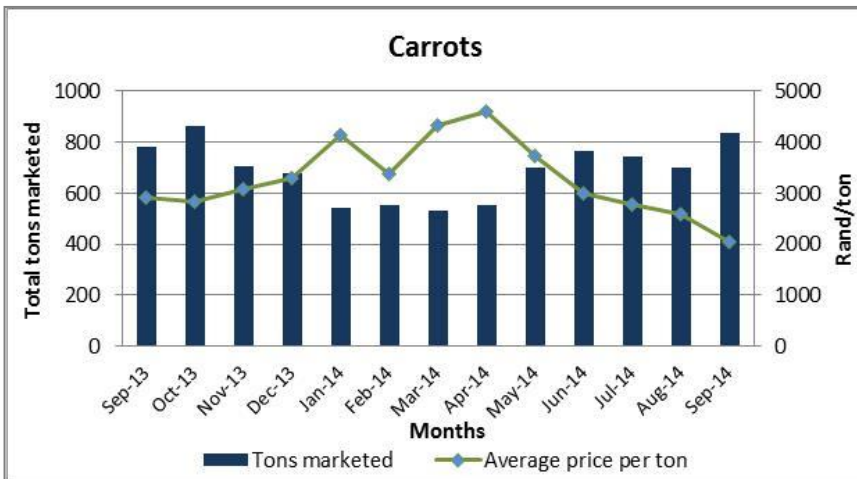


Sale volumes were 21.8% m/m higher if compared to the previous month. The oversupply resulted in the average price being pressurised downward by 7.2% m/m to reach R 3536 per ton.

If compared on an annual basis, the volumes supplied decreased slightly by 3% y/y to 20 57 tons. The average price per ton of R 3536 per ton was much higher than the same period in the previous year.

1.4 Carrots

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

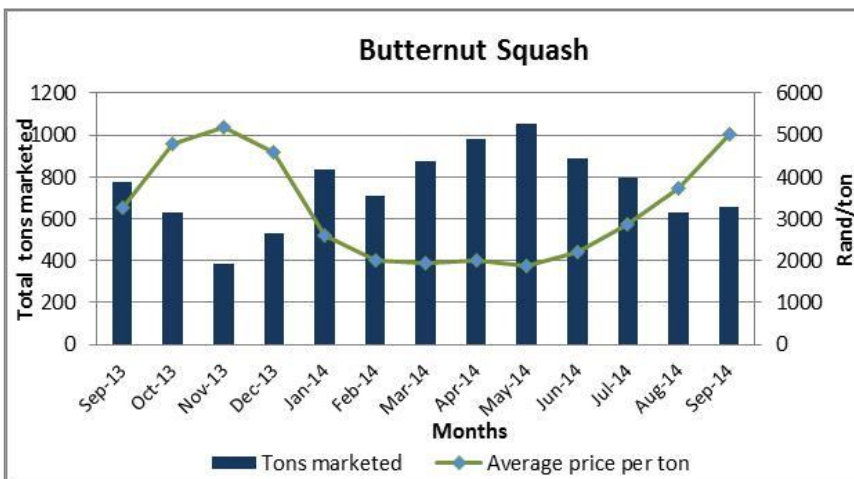


During September 2014, the volumes supplied were 19% m/m higher than the 700 tons supplied in the previous month of August. The increased supply resulted in a decrease in the average price per ton by 22% to reach R 2013 per ton.

If compared on an annual basis, the average volumes supplied to the market were 7% y/y higher than the same period in the previous year. Prices were pressurised downward by 31% y/y in comparison to September 2013.

1.5 Butternut squash

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

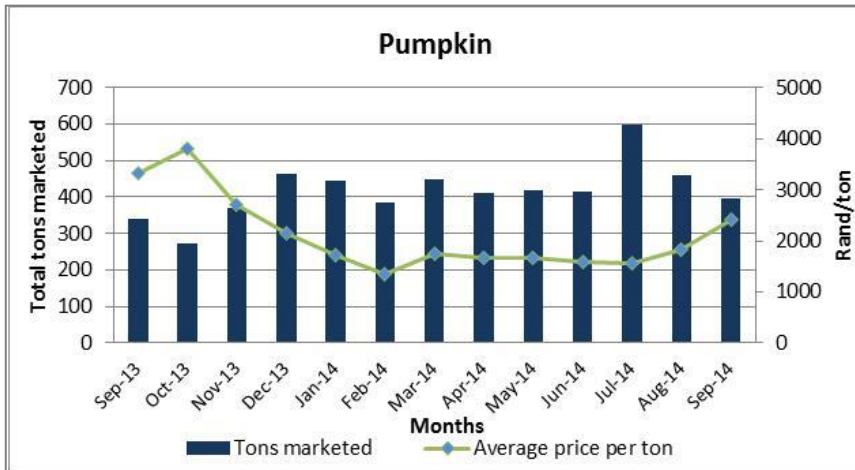


The average price per ton of R 5008 is a 35% m/m increase despite the 4% m/m increase in the volumes marketed which amounted to 659 tons. As per graph 5, the average price per ton continued to increase on a monthly basis as from June to date.

On an annual comparison, the quantities supplied was 15% y/y lesser than in the same period in the previous year. Higher prices was however realised by 53% if compared to September 2013.

1.6 Pumpkin

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

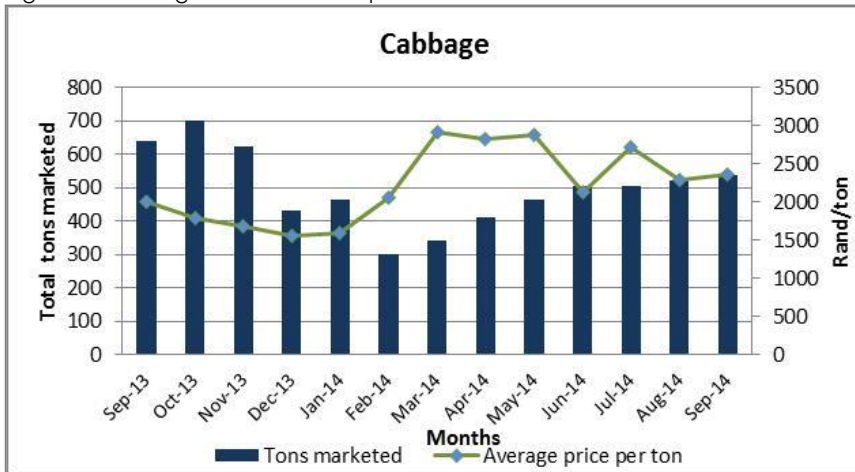


Pumpkin volumes decreased by 14% m/m to 398 tons, which pushed prices upward by 31% m/m to reach R 2414 per ton. Prices have been on an increasing trend since July 2014.

Volumes supplied are 17% y/y higher if compared to the same period in the previous year. The average price per ton was pressurised by 28% y/y compared to September 2013, from R 3331 to R 2413 per ton.

1.7 Cabbage

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

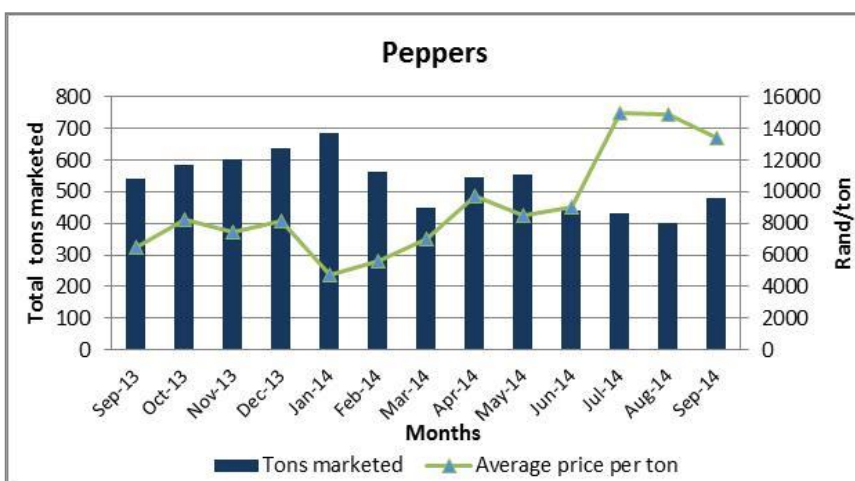


Cabbage sales were slightly higher by 3% m/m in comparison to the previous month; accompanied by average prices which remained more or less the same at R 2357 (amounted to R 2290 per ton in the previous month).

If compared on an annual basis, the quantities supplied to the market were 16% y/y lower than the same period in the previous year. The average price per ton was pushed upward to realise R 2357 per ton, which is 18% y/y higher than September 2013.

1.8 Peppers

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

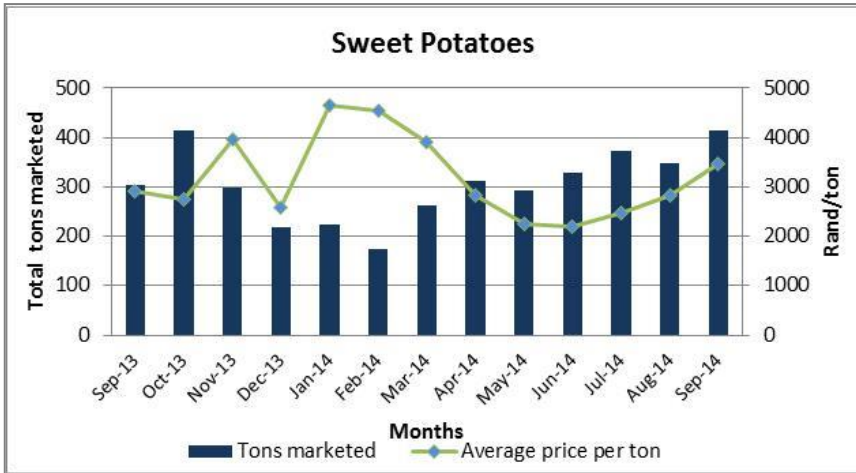


Supplies to the market increased by 19% m/m if compared to the previous month. This was accompanied by a 10% m/m decrease in the average price to reach R 13 392 per ton compared to the previous month.

If compared on an annual basis, the tonnage supplied decreased by 11% y/y and reach 480 tons. It was accompanied by an increase of more than 100% y/y per average price for one ton of produce from R 6513 in 2013 to R 13 392 in 2014.

1.9 Sweet Potatoes

Figure 9: Sweet potatoes sales on the Cape Town Fresh Produce Market

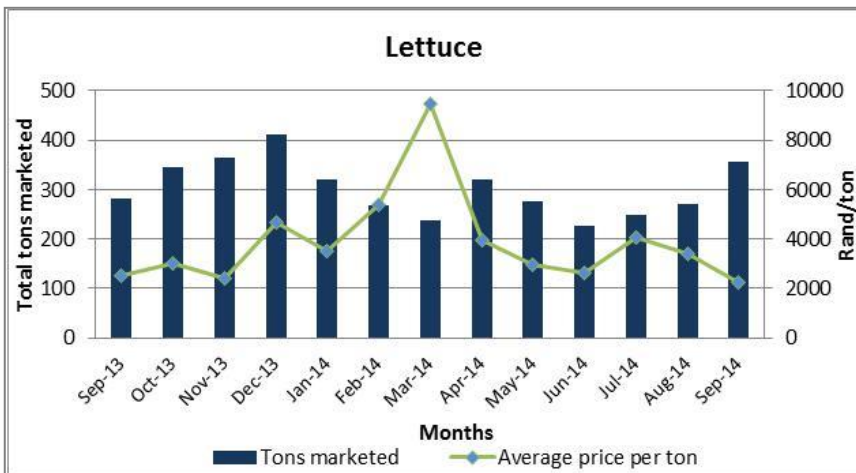


Sweet potatoes volumes marketed increased by 19% m/m to 414 tons. However, the average price per ton continued to increase by 23% m/m and reached R 3472 per ton. Prices continued with an upward trend as from June 2014.

On an annual basis, produce supplied increased by 36% y/y accompanied by a price increase of 19% y/y if compared to the same period in the previous year.

1.10 Lettuce

Figure 10: Lettuce sales on the Cape Town Fresh Produce Market

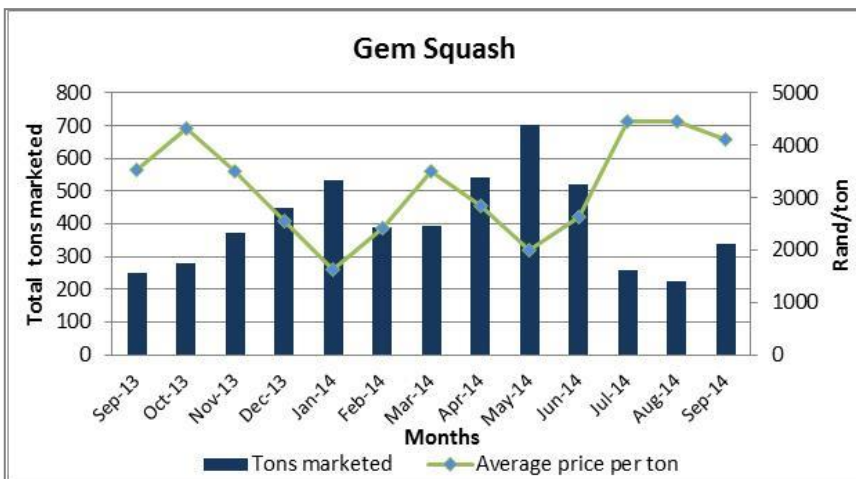


The supplies marketed increased by 31% m/m from 272 to 356 tons when compared to the previous month. Due to the oversupply in the market, the average price per ton was pressurised downward to R 2244 per ton.

If compared on an annual basis, the supplies marketed increased by 26% y/y from 283 to 356 tons for the same period in the previous and current year. Lower prices was realised for the period of September 2014, as prices was 10% y/y below the previous year's average price.

1.11 Gem Squash

Figure 11: Gem squash sales on the Cape Town Fresh Produce Market



Volumes marketed increased by 50% m/m if compared to the previous month when volumes picked at 227 tons. The increase in supply amounted to a slight decrease of 8% m/m in the average price per ton which reached R 4110 per ton in September 2014.

On an annual basis, the produce supplied was 36% y/y higher than the same period in the previous year. However, the average prices obtained in this period was 17% y/y higher and improved from R 3527 to R 4110 per ton.

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

Produce name:	Average tons marketed for September 2014: (tons)	Average price obtained for September 2014: (Rand per ton)
Cauliflower	128.32	R 7 401
English Cucumber	0.23	R 10 296
Beetroot	50.10	R 5 857
Brinjals (eggplant)	94.51	R 5 101
Broccoli	85.18	R 8 088
Spinach	49.57	R 5 857
Mushrooms	6.68	R 41 968

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



EXCESSIVE CHEMICAL RESIDUES TESTED IN CHINESE VEGETABLE PRODUCE (Chinese cabbage & lettuce and water spinach)

The Chinese Centre for Food Safety (CFS in short) of the Food & Environmental Hygiene Department has found 3 types of veggies (Chinese white cabbage, Chinese lettuce and water spinach) containing higher than the normal residue levels exceeding the maximum legal levels. To minimise the health risk posed, the public was alerted to rinse the produce under running water before proceeding to soak it for an hour to counter the potential risk it might pose.

The problem was identified through random tests conducted whereby 5000 samples of imported, local wholesale and retail level produce was tested as part of the new Regulation, Food Surveillance Programme which is effective since 1 August 2014, which purpose is to safeguard food safety and public health.

The value of imported vegetables from China into South Africa amounted to USD 41,775,000 with a 35.3% share in total imports in 2013 (ITC, 2014). The growth in the imported value declined by 3% over the 5 year period ending 2013 and by 49% over the 2 year period ending 2013. Imported vegetable produce from China to South Africa include amongst others: dried vegetables (containing a shell and not), frozen vegetables, onions/garlic/leeks (fresh and chilled), and others (ITC, 2014). Click [here](#) to read the full article.



ARGENTIAN WHITE GARLIC EXPORTS EXPECTED TO DECLINE BY 40%

Production thereof is expected to commence in less than one month. Due to the intense drought in the main producing region of San Juan as well as restriction posed on the usage of irrigation water. It added to the reduction of the total producing hectares, in 2006 it was 3000 hectares which lessen to 1000 in 2013 and to 600 hectares in 2014.

The situation is expected to remain unchanged in the short to medium term. SA total vegetable imports in 2013 amounted to USD 965,000 and for the HS0703 (onions/garlic/leeks (fresh or chilled) amounted to USD 491,000 with a market share of 8.5% in the SA market and growth of 77% over the 2 year period ending 2013 in the imported growth value.

Click [here](#) to read the full article.



INCREASED ANGOLAN TOMATO PRODUCTION

In the six month period ending June 2014, Luanda (Angola's main capital) has produced in excess of 800 tons of tomatoes.

The production was mostly derived from agricultural co-operative family groups which were assisted by with a considerable amount of farming tools being distributed under the Municipal Integrated Programme for Rural Development in a cause to fight against poverty.

Angolan exports from South Africa under HS 0702: Tomatoes amounted to USD 159,000 in 2013. South Africa occupies 1.7% of the tomatoes import market with an indicated 141 tons of produce imported.

Click [here](#) to read the full article.



NEW PRODUCTION DESIGN IS EXPECTED TO ADD TO HIGHER FAVOURABLE YIELDS

Green leaf producers can expect significant increases of 2.5 times and more their saleable yields of indoor-grown greens such as leafy salads if using a new production system with specialised growing towers which allows the occupation of vertical as well as horizontal space.

The towers are made up of modules, each with growing stations into which plugs are placed onto a hydroponic substrate. Irrigation is then passed through, with any an excess of water being recirculated.

(Article continues from previous column)

The system optimises the use of daylight so you can increase your yield per square metre. In addition, operating costs are minimised due to the fact that no mechanical moving parts are needed and the labour cost are quite low. The systems are easy to install in new or existing poly-tunnels or glasshouses.

Click [here](#) to read the full article.

OVERFLOW OF EUROPEAN POTATOES PRODUCTION

The European potatoes harvest has produced better yield of 11.5 million tons, which is 1.8 million tons higher than in previous years. In addition to that, much more hectares have been established adding to the increased supply of more than 12% y/y. As a result average prices realised was 80 % y/y lower.

Due to the aforementioned, the farm gate prices realised in Belgium (the largest frozen potatoes chips exporter to South Africa) is approximately R 290 per ton (€ 20 per ton at farm gate). Despite the safeguard against the increased import of frozen potatoes chips of 40.92% as from 1 July 2014 (refer to the Government Notice 457 of 2014), the exchange rate advantage is expected to encourage European producers to export the produce out of the already oversupplied market.

Click [here](#) to read the full article.

ACKNOWLEDGMENTS

The following information sources are hereby acknowledged:

Fresh Plaza

<http://www.freshplaza.com>

International Trade Centre

www.intracen.org

Techno Fresh CRM

www.technofresh.co.za

Potatoes SA

www.potatoes.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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