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Monthly vegetable market report

Marketing and Agri-Business Section www.elsenburg.com

MONTHLY MARKET INFORMATION REPORT: VEGETABLES

Period under review: February 2014 to February 2015

Issue: 2015/3

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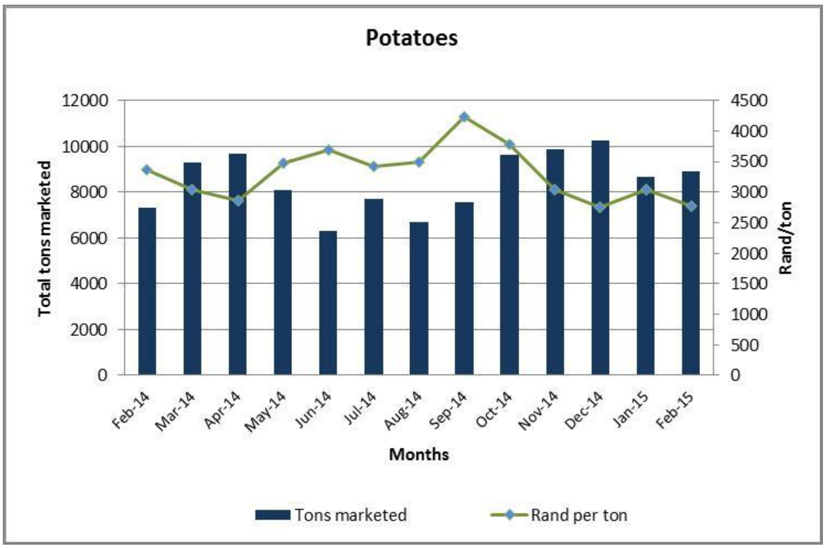
INTRODUCTION

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

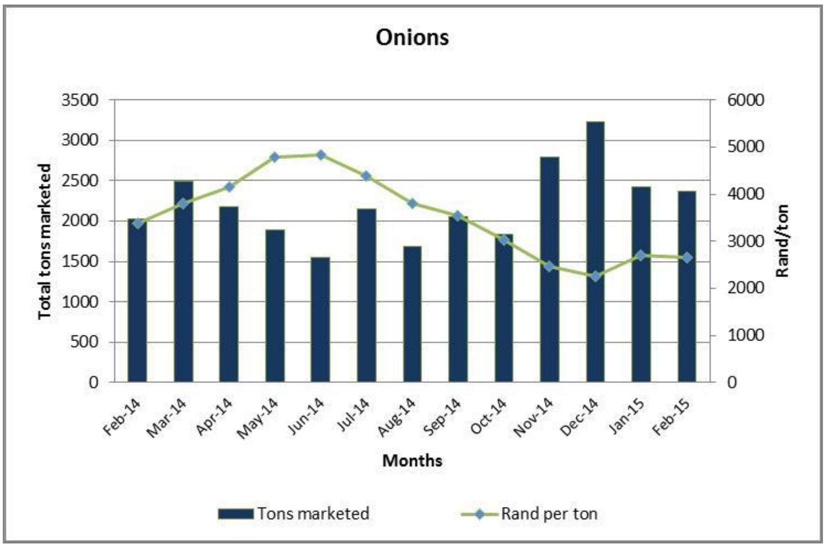


The volumes sold during February 2015 increased by 3% m/m to 8891 tons. The average prices was pressurised downward by 9% m/m to R 2762 per ton. Decay as a result of unexpected rainfall and relative higher temperatures in some producing areas are expected to further pressurise prices downward during the month of March/April (Potatoes SA, 2015).

On an annual basis, volumes supplied during February 2015 improved by 22% y/y from 7316 to 8891 tons. The average price obtained for February 2015, was 18% y/y lower than the same period in the previous year.

1.2 Onions

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

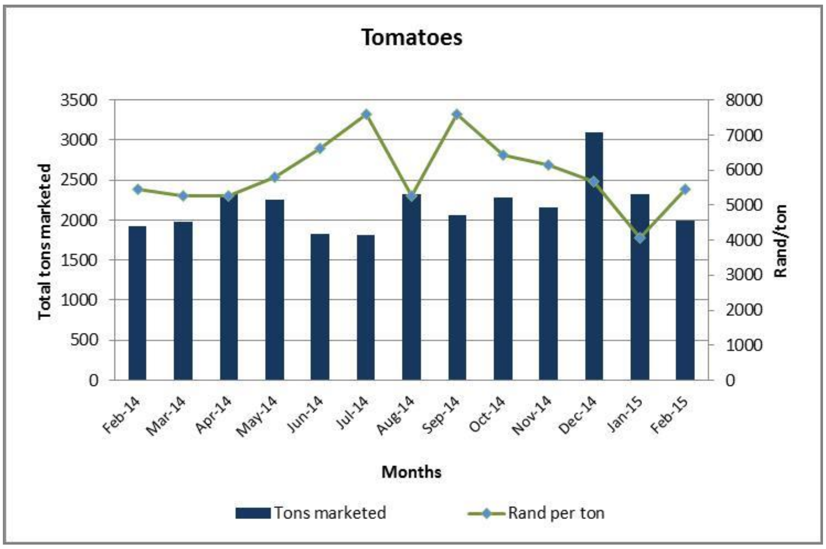


Onions supplied to the market declined by 2% on a month-to-month (m/m) basis and reached 2373 tons. The average price per ton however responded indifferently and declined by 2% m/m and reached R 2644 per ton.

The tonnage supplied to the market increased by 17% y/y from 2024 to 2373 tons. Prices achieved during the month of February 2015, were 22% y/y lower compared to the same period in the previous year when prices reached R 3390 per ton.

1.3 Tomatoes

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

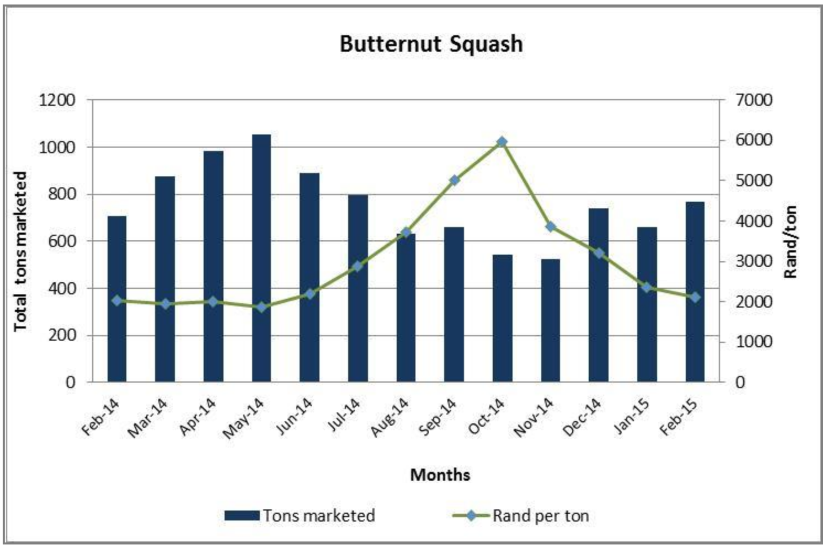


Volumes supplied during the month of February 2015 declined by 14% m/m if compared to the previous month of January (when 2326 tons was sold). Average prices were pushed upward by 34% m/m to R 5438 per ton.

If compared on an annual basis, the tonnage marketed increased by 4% y/y from 1922 to 1998 tons. The average price obtained per ton, responded indifferent as it decreased by less than 1% y/y.

1.4 Butternut squash

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

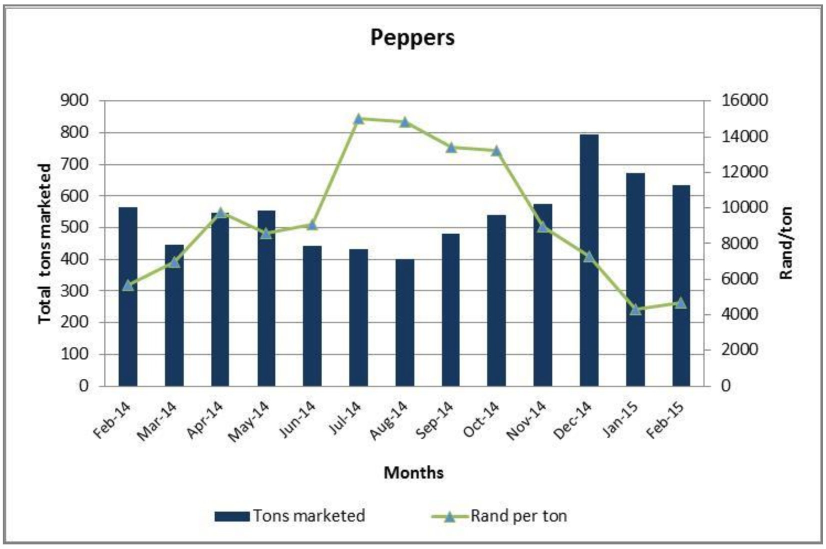


Butternut squash volumes supplied to the market increased by 17% m/m from 656 to 769 tons. The increased volumes supplied however continued to pressure average price downward by 10% m/m to reach R 2119 per ton.

If compared on an annual basis, the volumes marketed increased by 9% y/y from 708 tons in the same period in the previous year. Average prices improved by 5% y/y from R 2020 to R 2119 per ton.

1.5 Peppers

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

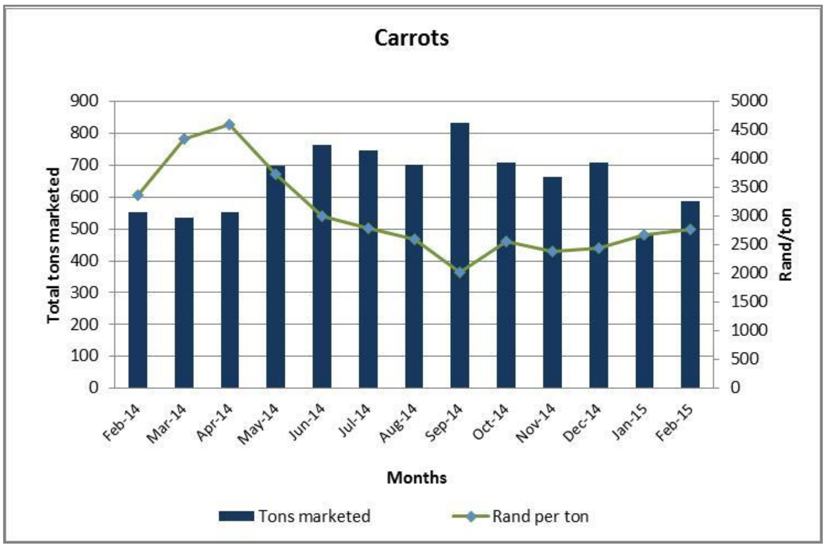


The tonnage sold on the market decreased by 6% m/m to 636 tons, compared to the previous month. The average price per ton was pushed upward by 8% m/m from R 4334 to R 4691 per ton.

If compared on an annual basis, the volumes sold increased by 13% y/y from 564 to 636 tons. The average price per ton however declined by 17% y/y, if compared to the R 5650 obtained per ton during February 2015.

1.6 Carrots

Figure 6: Carrots sales on the Cape Town Fresh Product Market

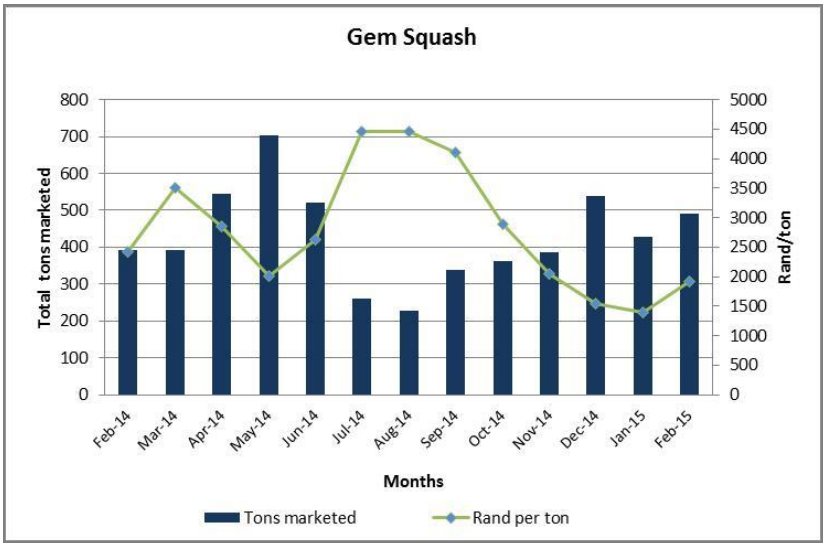


Volumes sold on the fresh produce market increased by 23% m/m from 479 to 586 tons, if compared to the previous month. Average prices obtained were pushed upwards by 4% m/m to R 2776 per ton.

The tonnage traded during February 2015, increased by 6%y/y from 552 tons for the same period in the previous year. Average prices were lesser by 18% y/y from R 3374 to R 2776 per ton.

1.7 Gem Squash

Figure 7: Gem squash sales on the Cape Town Fresh Produce Market

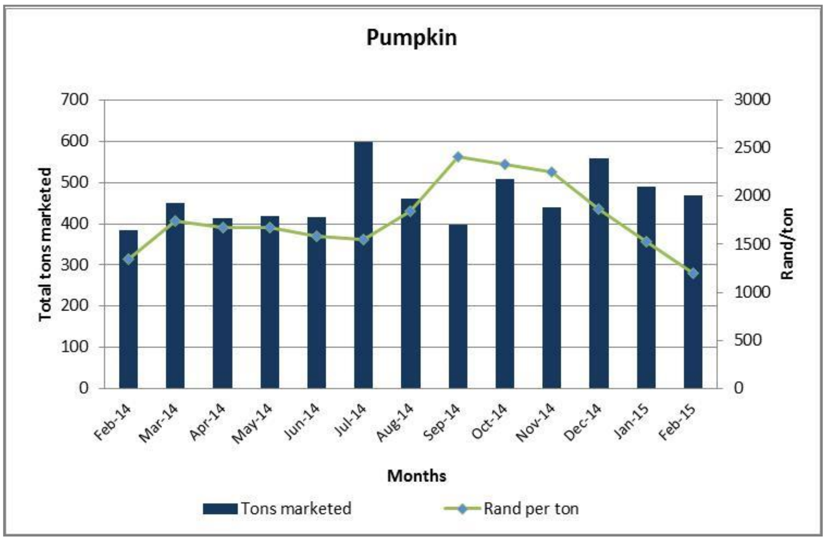


Supplies traded on the market, increased by 14% m/m to 491 tons, and were accompanied by prices that moved upward by 37% m/m reaching R 1913 per ton.

On an annual basis, the volumes traded improved by 26% y/y from 391 tons. The average price per ton declined by 21% y/y from R2419 to R 1913 per ton compared to the same period in the previous year.

1.8 Pumpkin

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

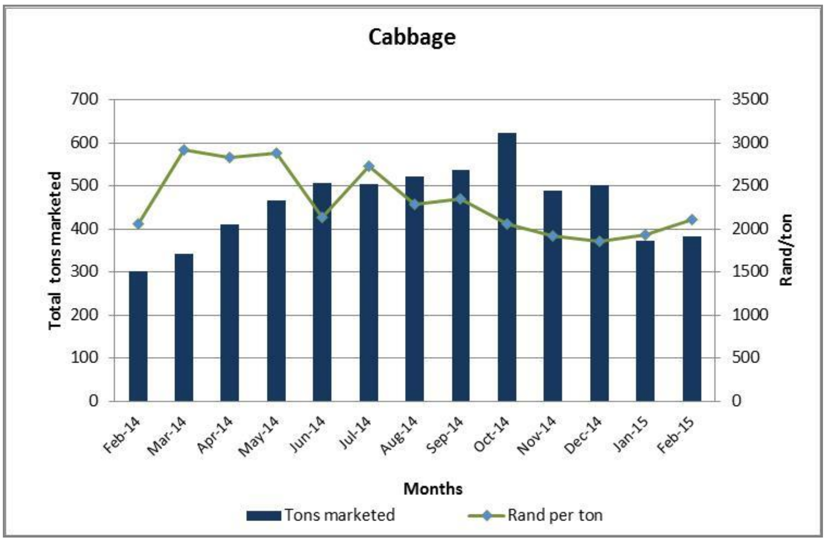


The volumes traded during February 2015, declined by 4% m/m if compared to the previous month. The average price declined by 22% m/m from R 1526 to R 1203 per ton.

On an annual basis, the volumes traded increased by 22% y/y from 385 to 470 tons. The average prices obtained in February 2015, was 11% y/y lesser than the same period in the previous year when a ton of pumpkin reached R 1344.

1.9 Cabbage

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

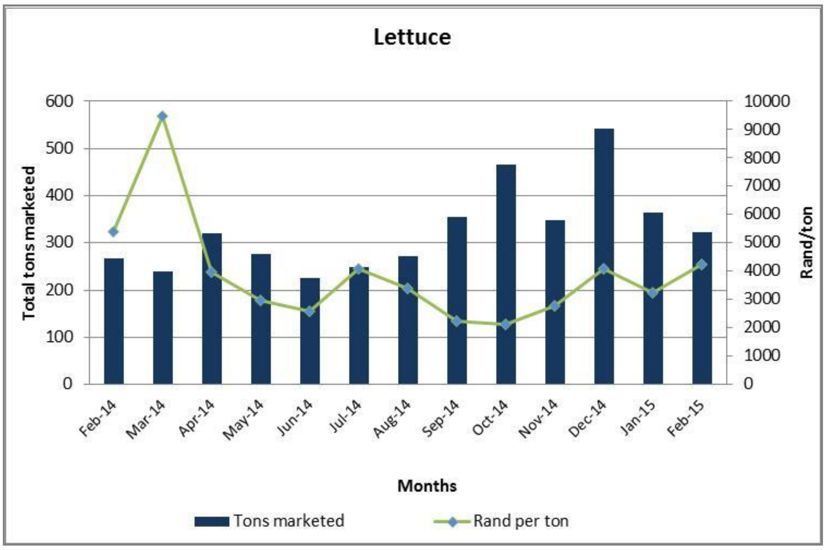


The tonnage sold during the month of February 2015, increased by 3% m/m to 384 tons from the previous month. The slight improvement of volumes was accompanied by prices which continued on an upward trend, and increased by 9% m/m to R 2107 per ton.

If compared to the same period in the previous year, volumes traded improved by 27% y/y from 302 to 384 tons. The average price improved by 2% y/y and reached R 2107.

1.10 Lettuce

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

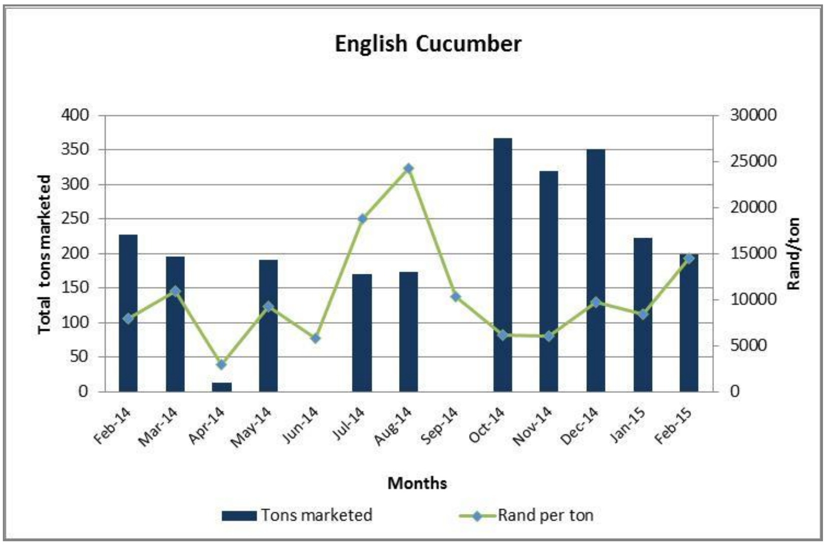


If compared on a monthly basis, volumes sold during February 2015 decreased by 12% m/m from 365 tons to 323 tons. Subsequently, the average price per ton increased by 31% m/m and reached R 4250 per ton.

On an annual basis, the tonnage supplied improved by 21% y/y from 267 to 323 tons. Average prices declined by 21% y/y (from R 5400 to R 4250) if compared to the same period in the previous year.

1.11 English Cucumber

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

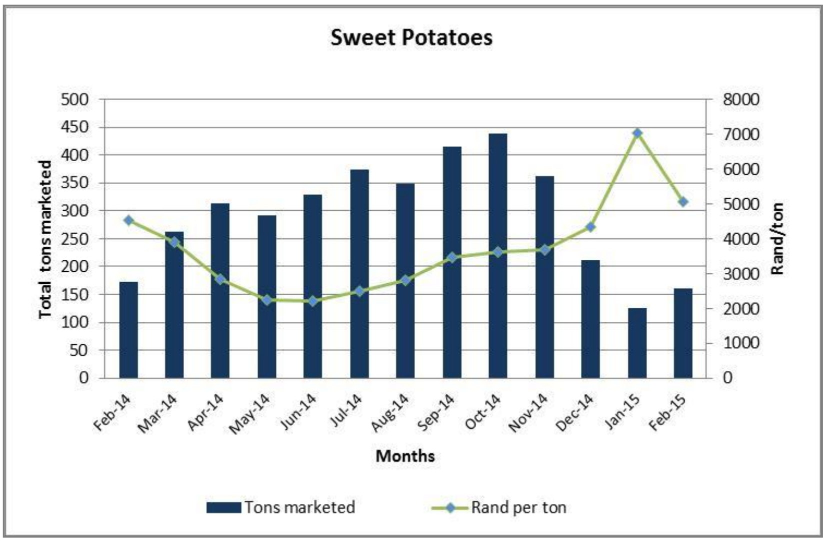


The volumes marketed during February 2015, declined by 11% m/m (from 222 to 198 tons) compared to the previous month of January 2015. English cucumber average prices increased by 72% m/m and reached R 14 448 per ton, which has become a familiar trend over the past months.

If compared on an annual basis, the volumes sold declined by 13% y/y from 228 to 198 tons. The average price obtained during February 2015, has however increased by 81% y/y from R 7963 to R 14448 per ton.

1.12 Sweet Potatoes

Figure 12: Sweet potatoes sales on the Cape Town Fresh Produce Market



Volumes traded increased by 29% m/m if compared to the previous month (from 125 to 162 tons). This resulted in the average price per ton, to experience downward pressure, and decrease by 28% m/m to decrease R 5046 per ton (from R 7042 in February 2014).

If compared on an annual basis, the volumes supplied to the market decreased by 7% y/y (from 174 to 162 tons). The average price per ton has improved by 11% y/y and reached R 5046 per ton if compared to the same period in the previous year.

COMMODITY MOVEMENTS OF OTHER VEGETABLE TYPES ON THE CAPE TOWN FRESH PRODUCE MARKET

Produce name: (in accordance from the highest to lowest volumes sold during this month)	**Average tons traded for February 2015: (tons)**	**Change in the average tons traded for February (monthly)**	**Average price obtained for February 2015: (Rand per ton)**	**Change in the average price marketed for February (monthly)**
Sweetcorn	108	16.58%	6866	-10.78%
Cauliflower	100	-26.66%	6858	77.56%
Beetroot	80	26.20%	2174	-7.23%
Brinjals (eggplant)	75	-16.99	3041	17.94%
Broccoli	66	0.59%	10 279	4.67%
Spinach	19	-2.85%	9 533	40.96%
Mushrooms	7	55.56%	34 430	-22.68%
Patty Pans	2	-61.00%	11 462	79.24%

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

2.1 Agricultural Marketing Information Systems (AMIS) database interface offered by the Department of Agriculture, Forestry and Fisheries (DAFF)

The main purpose of the Agricultural Marketing Information System (AMIS) is to provide reliable & updated information to farmers, specifically agrarian reform beneficiaries. To assist farmers to plan activities relating to production and marketing in a much informed manner.

Agricultural market information is provided for horticulture, field crops, livestock and industrial products, and includes:

- grading and standard information
- marketing prices
- annual price trends
- marketing news (pertaining to the application procedures for import and export permits)

Click here to view the user guide. More information can also be retrieved on the DAFF AMIS website.

2.2 Tanzania tomatoes price soars, due to Tomato Leaf Miner pest outbreak

During the first week of March 2015, tomatoes increased by 375% on an m/m basis, due to the scarcity of tomatoes produce as a result of the tomatoes leaf miner pest outbreak (also known as TLM).

The price of a carton of tomatoes increased from USD 9.4 in January 2015, to USD 35.3 in February 2015. Tomatoes produced in Tanzania are mainly domestically consumed; however a portion thereof is also exported.

Tomatoes ranked as the 6th largest exported edible vegetable with exports amounting to a total value of USD 981,000. The major trading partners of exports in 2013 were Kenya (export value amounted to USD 61, 000) and Rwanda (export value amounted to USD 920,000) (ITC, 2015).

Fresh plaza reported on 2nd March 2015, that Tanzanian industry experts indicated that a total loss of USD 176, 5 million is anticipated (Fresh plaza, 2015).

To read the comprehensive article on IPP media, click here.

2.3 Tomato Leaf Miner pest outbreaks

DAFF recently issued a media advisory dated 4 March 2015, pertaining to the pest alert for *Tuta absoluta (scientific name of tomato leaf minor, also known as TLF).*

It is reported that the pest has been prominent in the media since 2006, after the European and Mediterranean Plant Protection Organisation (EPPO) added it to the A1 list of pest recommended to be under quarantine (EPPO, 2005).

The pest is reported to emerge from Europe, originating from South America. It has invaded parts of the EU, North Africa and some parts of East and West Africa (Fresh plaza, 2015). The pest has been detected in Sudan (2010), Kenya (2014) and recently in Tanzania (2014/15). No report thereof has emerged within South Africa till date.

The main host of the pest is tomatoes and plants from the *Solanacea* family, which includes vegetables such as eggplants, peppers, potatoes, etc. Crop losses of 50% to 100% could be experienced, in the event if invasion in a crop areas. Subsequent measures are underway and taken by the DAFF: Early Warning Systems, National Plant Protection Contact Point (NPPSA) of South Africa in conjunction with concerning stakeholders to conduct the necessary surveillance.

To read the DAFF media advisory, click here.

Alternatively, refer any technical queries to Mr Jan Hendrik Venter (Manager: Early Warning Systems) at (021) 319 6384/6138 or e-mail at JanHendrikV@daff.gov.za

2.4 Seasonal restriction on onion imports imposed by Senegal

Senegal has imposed a seasonal import restriction on onion imports for a period of six months, commencing from February 2014. This year is no exceptions, as the Government of Senegal has embarked on this trade regulation once again. The purpose of this trade restriction is an attempt to develop the local production of onions, which has grown from 40,000 tonnes in 2003 to 240,000 tonnes in 2013 (Government of Senegal, 2015).

The "freeze on onion imports by Senegal", has commenced in week 8 (15- 21 February 2015) and is expected to continue up till August 2015 (Fresh plaza, 2015). The 3 major onion exporting countries to Senegal are;

- the Netherlands (78% of the onion import market),
- EU (8% of the onion import market), and
- Turkey (4% of the onion import market. (Trade Map, 2015).

2.5 South Africa is anticipated to be having a *"food crisis"*

Ageing commercial farmers (i.e. average age of SA farmer is reported be 62), the availability of arable land and electricity challenge are of the mounting factors that are foreseen to hinder the countries status as a net food producer (Fresh plaza, 2015), providing food to the 52,982 million South African citizens.

In light of the aforementioned the annual per capita consumption of the following major agricultural commodities was as follows in the 2013 production;

- maize: 86.40 kilogram,
- wheat: 48.33 kilogram,
- grain sorghum: 2.01 kilogram,
- barley: 4.53 kilogram,
- sugar: 35.22 kilogram,
- *potatoes: 34.75 kilogram,*
- *vegetables (excluding potatoes): 43.83 kilogram,*
- deciduous and subtropical fruit: 22.87 kilogram,
- citrus: 8.91 kilogram,
- sunflower seed oil: 5.80 kilogram,
- dry beans: 2.70 kilogram, and
- groundnuts: 0.63 kilogram.
- Source: DAFF, 2014.

2.6 Africa's largest air cargo terminal

Ethiopian Airlines, the largest airline in Africa according to the Africa Outlook (27 February 2015), by fleet size are in the process of planning for an air cargo in Addis Abeda with a prospective capacity to carry 600,000 tonnes of fresh and dried produce annually.

Click here to read the full article.

2.7 Turnover tax for qualifying micro-enterprises

The annual taxable turnover for the tax assessment payable has been increased from R150 001 to R335 001 to encourage micro-enterprise to meet their tax commitments.

As per the 2015/16 budget speech, qualifying micro enterprises with an annual turnover of R 1 million or less, the rates in the below table will "*be applicable for any year of assessment ending during the period of 12 months ending on 29 February 2016*":

Turnover (R)	Rate of tax (R)
0 - 335 000	0%
335 001 - 500 000	1% of each R1 above 335 000
500 001 - 750 000	1 650 + 2% of the amount above 500 000
750 001 and above	6 650 + 3% of the amount above 750 000

Table 1: Turnover Tax Rates for any year of assessment ending during the period of 12 months ending on 29 February 2016.

Click here to access the SARS website, for more information.

ACKNOWLEDGMENTS

The following institutions and organisations are hereby acknowledged:

African Outlook Magazine: www.africaoutlookmag.com

Department of Agriculture, Forestry and Fisheries (DAFF): www.daff.gov.za

European and Mediterranean Plant Protection Organisation (EPPO): www.eppo.int

Fresh plaza: www.freshplaza.com

International Trade Centre (ITC), Trade Map: www.trademap.org

Potatoes South Africa (SA): www.potatoes.co.za

Senegal Government, Ministry of Commerce: www.commerce.gouv.sn

South African Revenue Services (SARS): www.sars.gov.za

Techno Fresh CRM: www.technofresh.co.za

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