

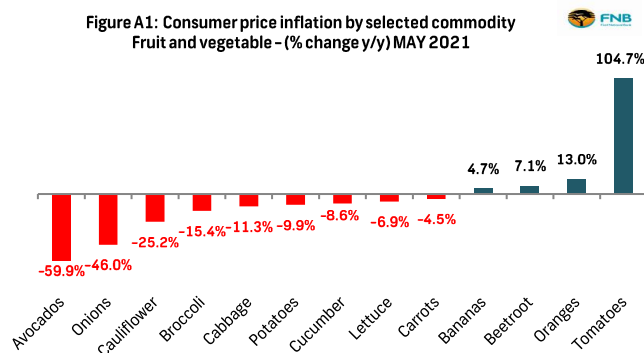


Paul Makube | Tumi Kgasago | Vhutshilo Mabela | 24 JUNE 2021

Weekly update – Fruit and Vegetable Markets

- This week saw the release of the May 2021 inflation numbers and the outcome painted a picture of a deterioration in the consumer welfare as the CPI spiked to a 30-month high of 5.2% year-on-year (y/y). The CPI is now back above the midpoint and drifting towards the upper end of the Reserve Bank's target range of 3% to 6%. At 6.7% year-on-year (y/y), food and non-alcoholic beverages (FNAB) reached the highest level since July 2017 with the food category alone coming in even higher at 6.8% (figure A2). However, both decelerated by 0.7% month-on-month (m/m) in May 2021 due to easing price pressures in the grain, fruit, and vegetables markets.
- In the fresh produce complex, the trend was mixed with the fruit category taking a dive while vegetables accelerated for the third consecutive month. The monthly fruit price inflation for May fell by 6.5% y/y and was down by 3.9% m/m after falling by 1.3% in April 2021. While vegetables' May CPI accelerated further by 6.6% y/y following a rise of 6.3% y/y in April, it showed a decrease of 1.4% m/m after decelerating to 2.7% m/m in April from 4.4% m/m in March 2021.
- Our analysis the monthly prices of fruit and vegetable commodities at consumer levels shows a massive spike of 105% y/y for tomatoes in May 2021 (figure A1) at R26.59/kg while avocados were the biggest losers in the fruit category, plunging almost 17.6% m/m and 60% y/y at R8.01/kg.
- However, tomatoes prices fell sharply by 13.6% m/m under pressure as volumes rebounded strongly after the weather induced supply crunch earlier during the year. At producer level, tomatoes prices have started to correct to normal seasonal levels of single digits while volumes ramped up 44% m/m in May and the cumulative total for the year-to-date (YTD, Jan-May) quantity increasing by 28% relative to the same period in 2020.

Figure A1: Consumer price inflation by selected commodity
Fruit and vegetable – (% change y/y) MAY 2021



Source: StatsSA

Figure A2: Trends in CPI – various categories (% change y/y)
MAY 2021

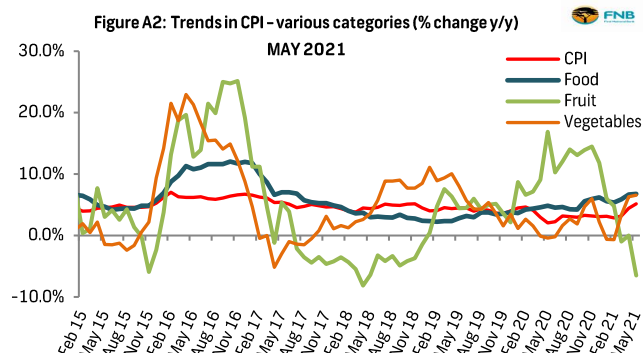
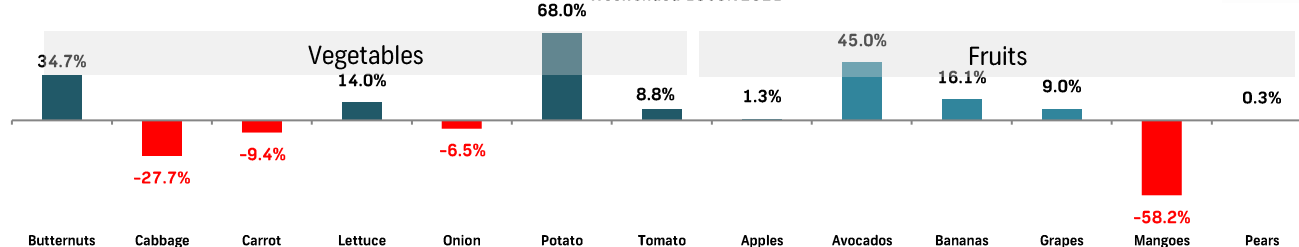


Figure A: Weekly fruit and vegetable price changes (y/y)

Week ended 18 JUN 2021



Source: Own calculations from FNB AgriComms.

- In last week's trade, vegetable prices trended downwards across the board as demand slipped during midmonth despite a contraction in the volume of supplies. Cabbages and carrots posted the biggest weekly losses with decreases of 15% and 13.5% respectively week-on-week (w/w) as reflected in table 1. The current cabbage and carrot prices are down by a whopping 28% and 9% respectively relative to the 2020 levels.
- In the fruit market, the weekly trend was mixed with 50% of the commodities tracked posting strong gains led by grapes and avocados with increases of 20% and 8% respectively w/w and still 9% and 45% higher y/y at R26.91/kg and R19.37/kg.
- On production conditions, one area of concern is the level of water in dams critical for irrigation in the Eastern Cape (EC). The overall EC dam levels so far was 51.9% full as of the week ended 21 June 2021 which is almost on par with last year. However, the critical dams for irrigation of agriculture crops such as the Kouga and Waterdown remain at very low levels of 4.1% and 24.2% respectively. For the Western Cape which receives much of its rainfall in winter, overall dam levels were better than last year at 53.8% with the regions biggest dam at 79.6% full relative to 55.7% last year. Berg River reached the high of 86.2% full vs 73.3% last year.
- The short to medium term rainfall outlook calls for some showers of about 10 mm to 60 mm of rain in the coastal areas of the WC while the EC will receive about 7.5 mm to 16mm of rain.

Table 1: Vegetable prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)

Week ending 24 JUNE 2021	Average Price (R/Kg)	Price change w/w	Price change y/y	Total Volume (t)	Volume change w/w	Volume Change y/y
Butternuts	3.70	-12.9%	34.7%	988	-9.2%	-36.2%
Cabbage	2.17	-15.4%	-27.7%	1 699	-4.3%	33.0%
Carrot	3.42	-13.5%	-9.4%	1 937	-11.7%	9.2%
Lettuce	8.32	13.2%	14.0%	230	-15.2%	16.0%
Onion	4.39	-2.4%	-6.5%	5 233	-20.2%	-5.8%
Potato	5.91	1.3%	68.0%	5 857	-16.3%	-50.2%
Tomato	6.93	-1.2%	8.8%	3 498	-8.0%	-7.8%

Source: FNB AgriComms

Figure B1: Fresh Produce Markets – Vegetable prices

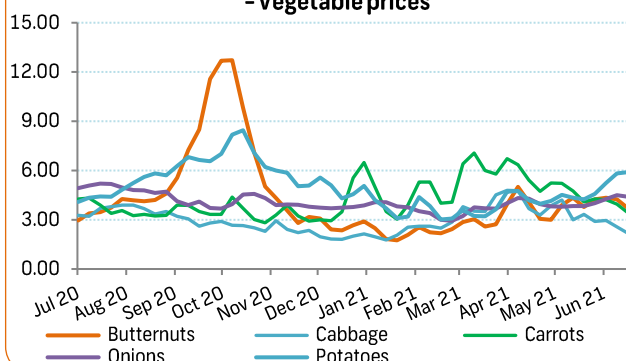
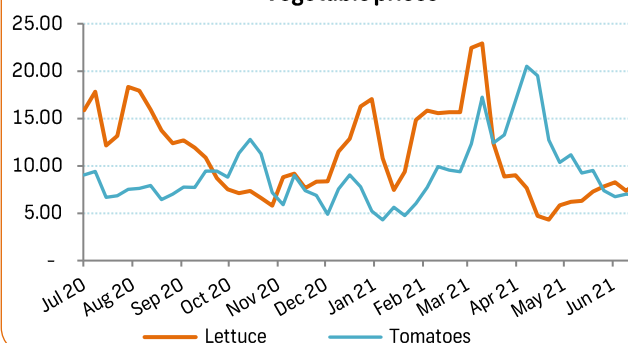


Figure B2: Fresh Produce Markets – Vegetable prices



Source: FNB AgriComms

Table 2: Fruit prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)

Week ending 24 JUNE 2021	Average Price (R/Kg)	Price change w/w	Price change y/y	Total Volume (t)	Volume change w/w	Volume Change y/y
Apples	6.86	-0.5%	1.3%	1 861	-10.2%	17.7%
Avocados	19.37	8.1%	45.0%	216	-15.8%	-42.0%
Bananas	6.60	-2.5%	16.1%	2 833	-6.8%	15.6%
Grapes	26.91	20.7%	9.0%	98	-44.2%	157.6%
Mangoes	20.90	-1.1%	-58.2%	1	-41.0%	-88.7%
Pears	36.06	2.0%	0.3%	575	-4.8%	20.9%

Source: FNB AgriComms

Figure C1: Fresh Produce Markets – Fruit prices

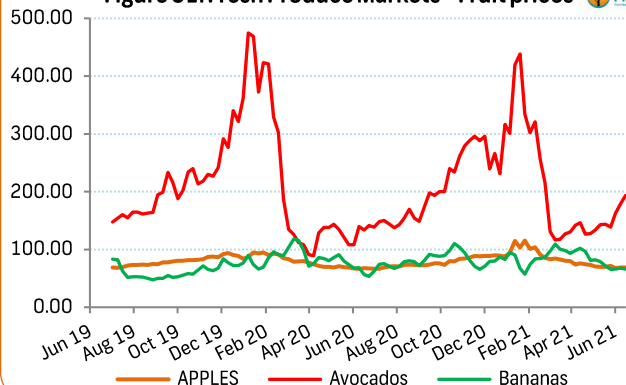
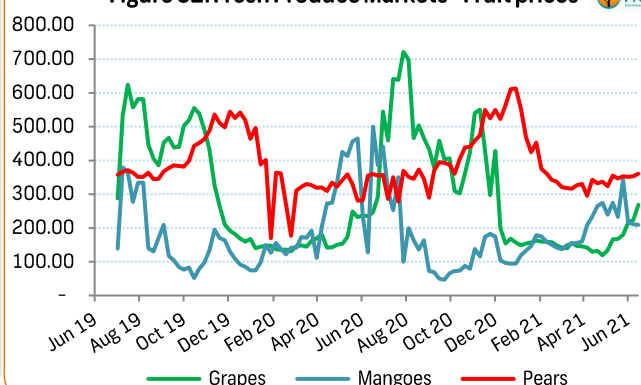


Figure C2: Fresh Produce Markets – Fruit prices



Source: FNB AgriComms

Vegetable trends on 5 Major Fresh Produce Markets in SA (Figures 1a to 1e)

(Average 5 major markets – Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)

*Note: The last six data points are preliminary for all vegetable prices and quantity graphs.

Figure 1a: Fresh Produce Markets – Tomato prices

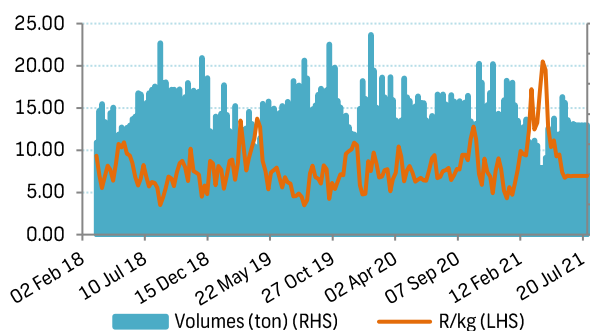


Figure 1aa: Fresh Produce Markets – Tomato prices

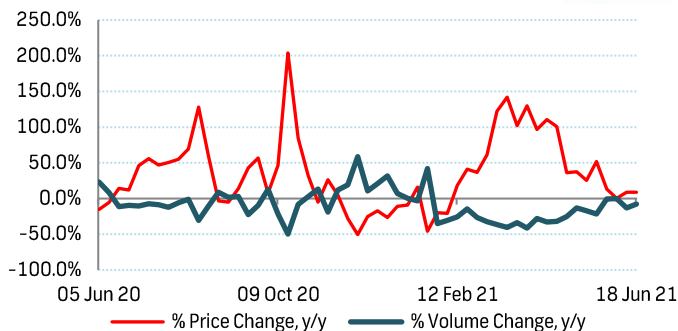


Figure 1b: Fresh Produce Markets – Potato prices

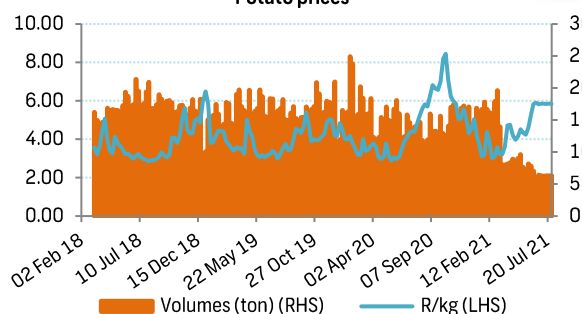


Figure 1ba: Fresh Produce Markets – Potato prices

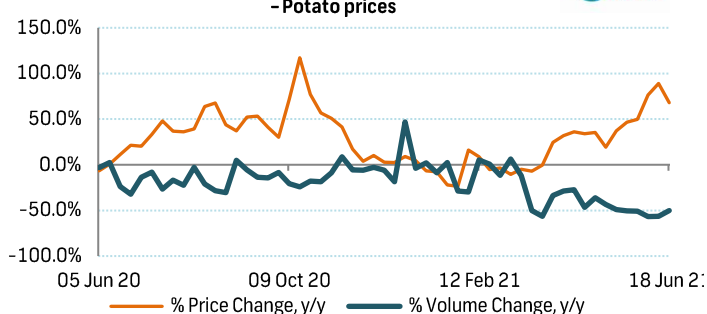


Figure 1c: Fresh Produce Markets
- Onion prices

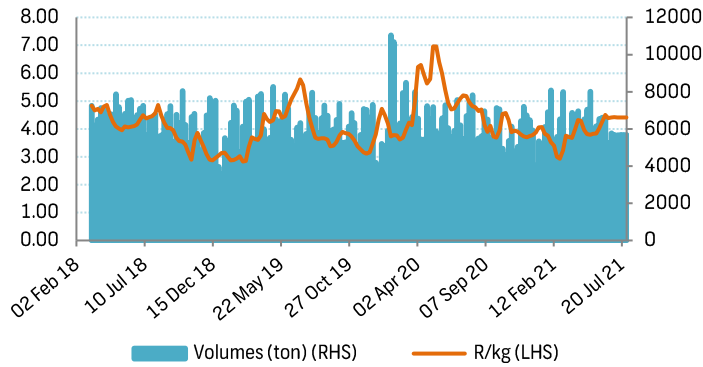


Figure 1ca: Fresh Produce Markets
- Onion prices

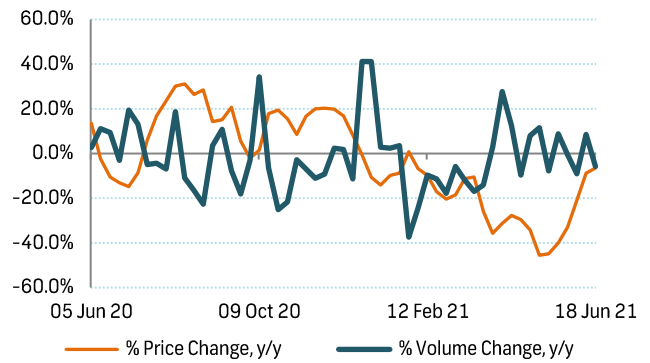


Figure 1d: Fresh Produce Markets
- Carrot prices

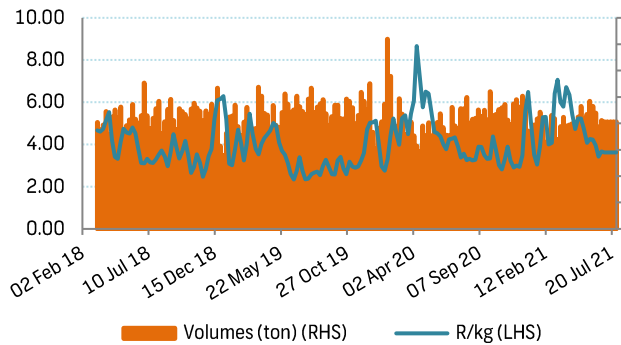


Figure 1da: Fresh Produce Markets
- Carrots prices

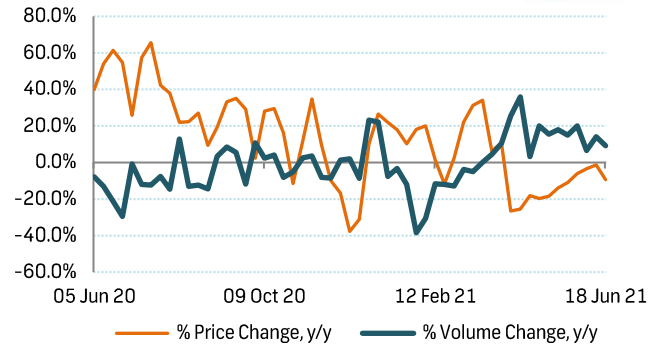


Figure 1ea: Fresh Produce Markets
- Cabbage prices

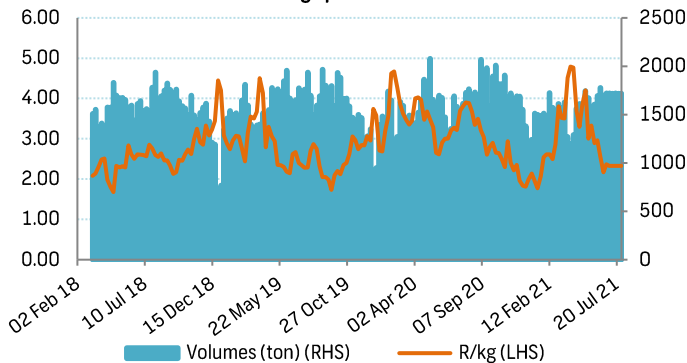


Figure 1eb: Fresh Produce Markets
- Cabbage prices

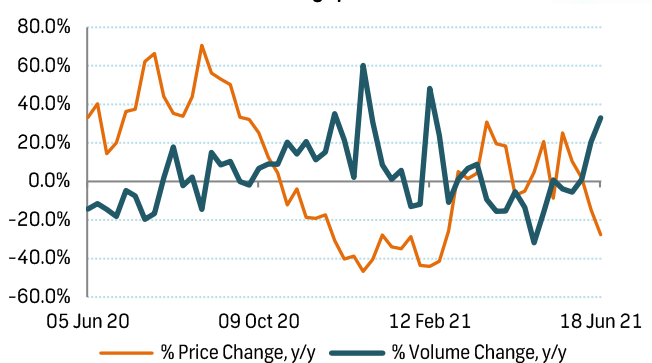


Figure 1fa: Fresh Produce Markets
- Butternut prices

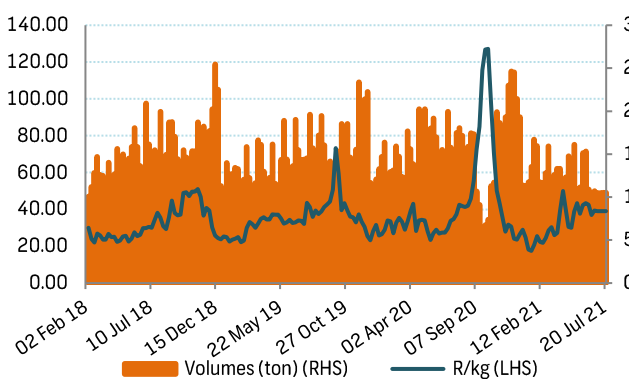


Figure 1fb: Fresh Produce Markets
- Butternut prices

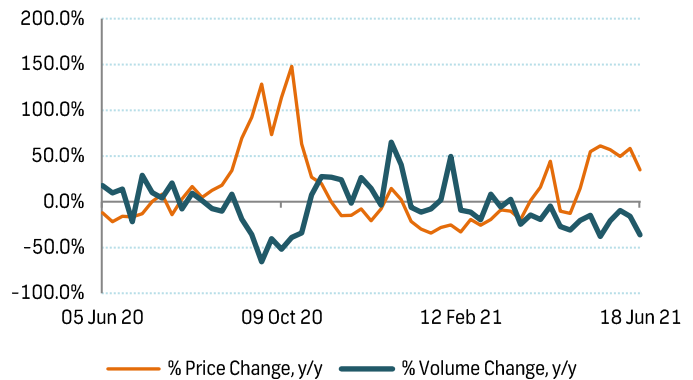
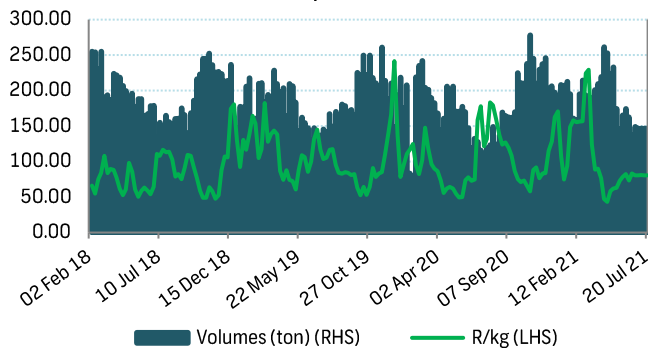
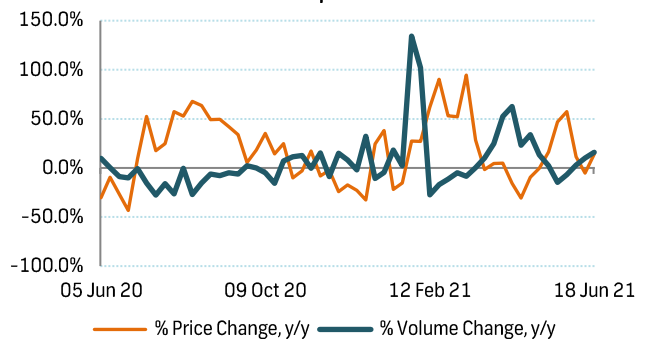
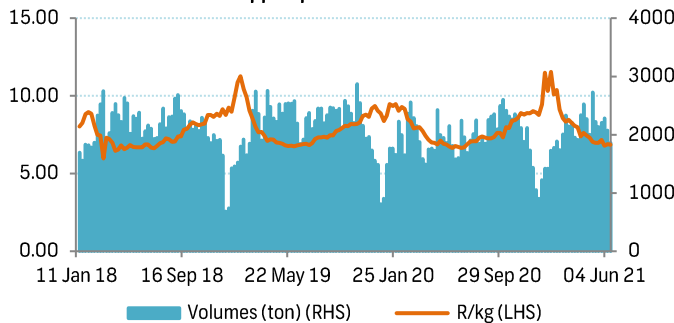
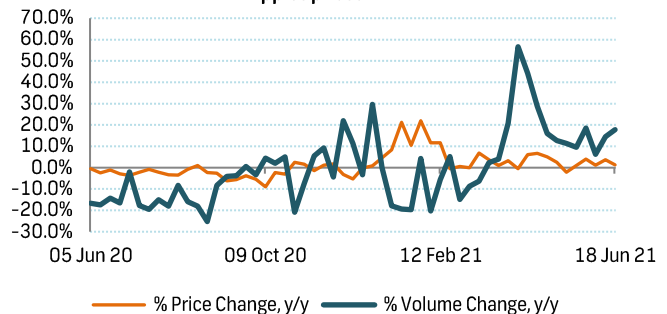
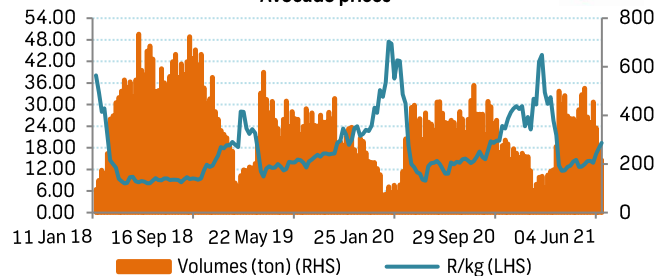
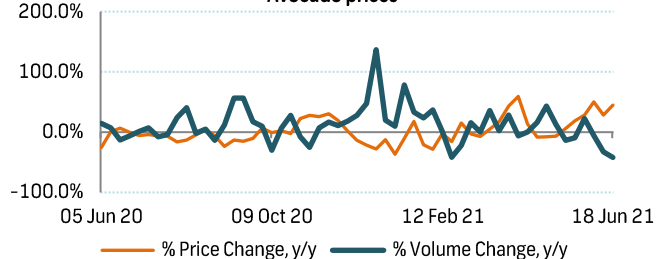
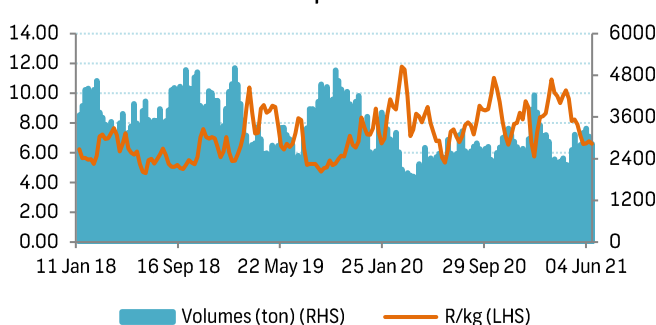
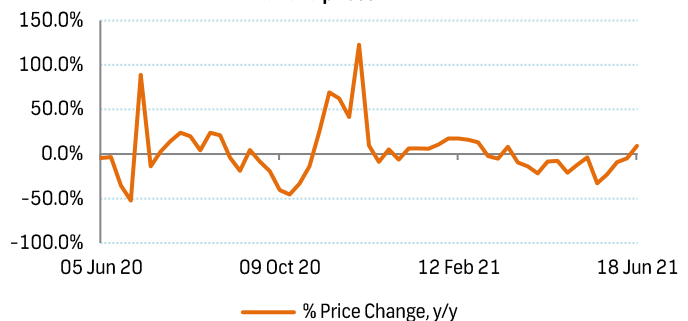


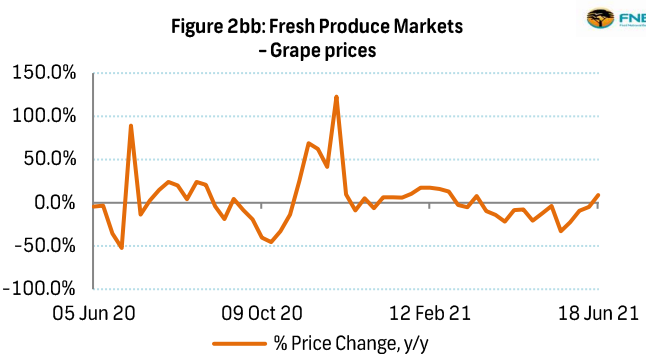
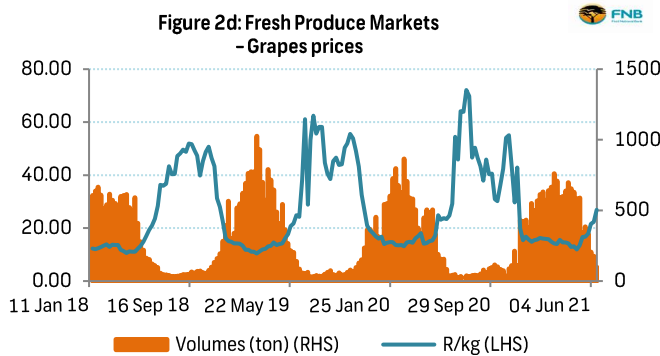
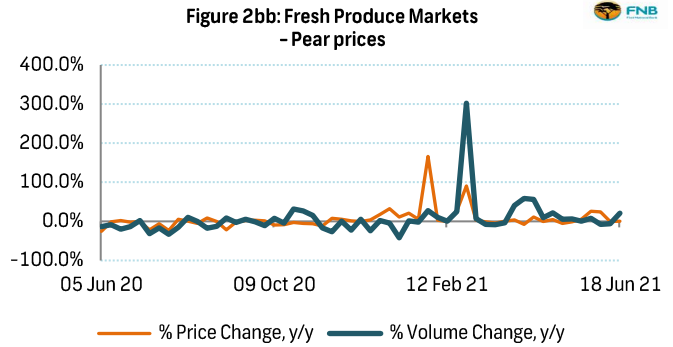
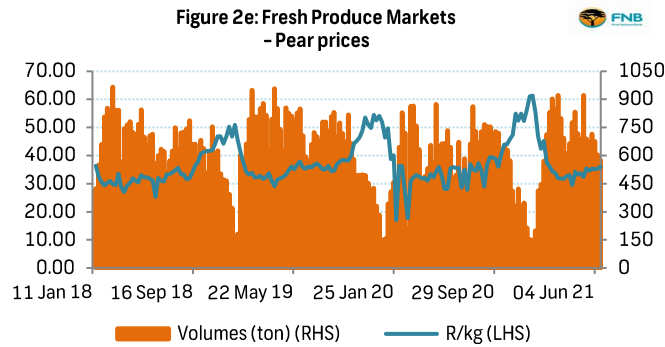
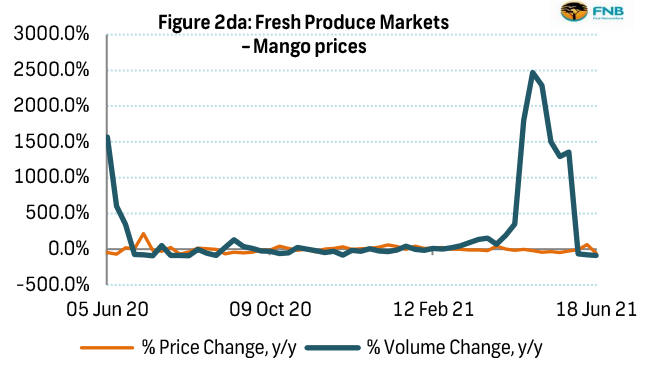
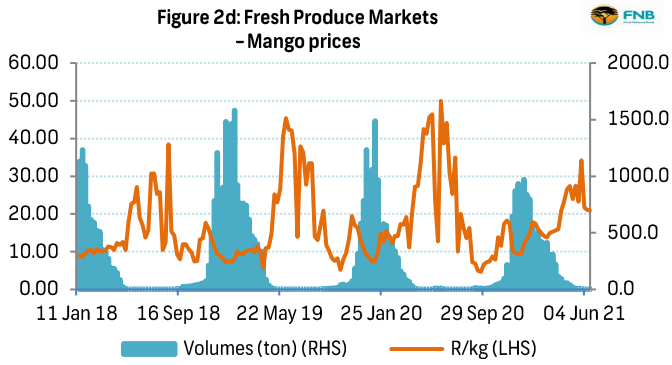
Figure 1g: Fresh Produce Markets
- Lettuce pricesFigure 1ga: Fresh Produce Markets
- Lettuce prices

Source: FNB AgriComms;

Fruit trends on Major Fresh Produce Markets in SA (figures 2a to 2f)

(Average 5 major markets - Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)

Figure 2a: Fresh Produce Markets
- Apples pricesFigure 2aa: Fresh Produce Markets
- Apples pricesFigure 2b: Fresh Produce Markets
- Avocado pricesFigure 2ba: Fresh Produce Markets
- Avocado pricesFigure 2c: Fresh Produce Markets
- Banana pricesFigure 2ca: Fresh Produce Markets
- Banana prices



Source: FNB AgriComms.

Disclaimer:

This report may contain certain opinions, predictions and assumptions and has been compiled from a variety of sources. Accordingly, you use the information in this report ("this information") at your own risk and should not rely on it as a substitute for obtaining any specific professional advice you require. Accordingly, First National Bank, a division of FirstRand Bank Limited ("FNB") provides no warranties or undertakings of any kind, whether express, implied or otherwise, concerning this information, its accuracy and/or reliability. Neither FNB nor its holding company, subsidiaries or other group companies will be liable to you for any claims, demands, expenses, losses or damages, of whatsoever nature, which

To find out more or to speak to one of our **agricultural specialists**, please contact us.

Name	City	Cell	Email
Grewar, Oosthuizen	Eastern Cape - Port Elizabeth	071 607 6850	grewar.oosthuizen@fnb.co.za
Edmund, De Beer	Eastern Cape - Port Elizabeth	084 656 5634	edebeer1@fnb.co.za
Fred, Terblanche	Eastern Cape - Graaff Reinet	064 500 5880	frederik.terblanche@fnb.co.za
Martin, Louw	Free State - Theunissen	082 784 8880	mlouw1@fnb.co.za
Chris, Bekker	Free State - Bloemfontein	082 560 1894	cbekker@fnb.co.za
Leon, Bergman	Free State - Bethlehem	083 387 7977	leon.bergman@fnb.co.za
Krohn, Jo-Ann	Free State - Bloemfontein	064 542 3548	Jo-Ann.Krohn@fnb.co.za
Humphreys, Freddy	Free State - Bloemfontein	060 975 0273	freddy.humphreys@fnb.co.za
Voutsas, Philip	Gauteng - Sandton	082 820 4202	philip.voutsas@rmb.co.za
Da Silva, Kristin	Gauteng - Sandton	079 693 8268	Kristin.DaSilva@fnb.co.za
Greg, Sparrow	KwaZulu-Natal - Pietermaritzburg	071 684 8420	greg.sparrow@fnb.co.za
Sarah, van der Merwe	KwaZulu-Natal - Pietermaritzburg	082 371 1040	sarah.vandermerwe@fnb.co.za
Bertram, July	KwaZulu-Natal - Pietermaritzburg	061 518 7165	bertram.july@fnb.co.za
Strydom, Marc	KwaZulu-Natal - Pietermaritzburg	082 497 4781	mstrydom@fnb.co.za
De Klerk, Arno	Limpopo - Polokwane	082 538 5970	arno.deklerk@fnb.co.za
Moseki, Papi	Limpopo - Polokwane	071 136 4090	papi.moseki@fnb.co.za
Theo, Verwey	Mpumalanga - Emalahleni	082 419 6086	tverwey@fnb.co.za
Gao, Ngakantsi	Mpumalanga - Emalahleni	072 471 6040	gaopalelwe.ngakantsi@fnb.co.za
Du Plessis, Hanro	Mpumalanga - Emalahleni	082 895 1762	hanro.duplessis@fnb.co.za
Pedrie, Van der Merwe	Northern Cape - Kimberley	071 351 3439	pedrie.vandermerwe@fnb.co.za
Johan, De Klerk	North West - Brits	082 776 3477	jdeklerk2@fnb.co.za
Johan, Beukes	Western Cape - Stellenbosch	082 372 4656	johan.beukes@fnb.co.za
Michelle, Swarts	Western Cape - Willowbridge	072 020 5181	michelle.Swarts@fnb.co.za
Andries, Van Zyl	Western Cape - Willowbridge	073 280 8703	andries.vanzyl@fnb.co.za

Disclaimer:

This report may contain certain opinions, predictions and assumptions and has been compiled from a variety of sources. Accordingly, you use the information in this report ("this information") at your own risk and should not rely on it as a substitute for obtaining any specific professional advice you require. Accordingly, First National Bank, a division of FirstRand Bank Limited ("FNB") provides no warranties or undertakings of any kind, whether express, implied or otherwise, concerning this information, its accuracy and/or reliability. Neither FNB nor its holding company, subsidiaries or other group companies will be liable to you for any claims, demands, expenses, losses or damages, of whatsoever nature, which you may suffer or incur by using this information.