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# Weekly update – Fruit and Vegetable Markets

- This week saw the release of Statistics South Africa's (StatsSA) monthly consumer price inflation (CPI) update and the outcome showed some improvement in the consumer welfare in June 2021 relative to the previous month. The June CPI is now back below the 5% level at 4.9% year-on-year (y/y) and pulled away from the upper end of the Reserve Bank's target range of 3% to 6%. At 6.7% y/y, the food and non-alcoholic beverages (FNAB) subcategory was still at the highest level since July 2017 with the food category alone accelerating further to 7% y/y in June from 6.8% in May (figure A2). However, both decelerated by 0.2% month-on-month (m/m) in June 2021 due to easing price pressures across most categories led by fruit and vegetables with decreases of 3.2% and 2.1% respectively m/m.
- The annual CPI trend was however mixed in the fresh produce complex with a modest decline for the fruit category while vegetables accelerated for the fourth consecutive month. The monthly fruit price inflation for June fell by 3.5% y/y after falling by 6.5% in May 2021. While vegetables' June CPI accelerated further by 6.7% y/y following a rise of 6.6% y/y in May, it showed a decrease of 2.1% m/m after falling by 1.4% m/m in May.
- Our analysis of the monthly prices of individual fruit and vegetable commodities at consumer level shows tomatoes retaining the strong price growth of 30.7% y/y in June 2021 at R22.01/kg (figure A1) while apples were the biggest losers in the fruit category, plunging by almost 20% y/y at R16.53/kg.
- However, tomato prices fell sharply by 17.2% m/m under pressure as volumes continued to improve 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 at R4.39/kg by mid-July 2021 which is 34.4% lower relative to the same period in 2020 as reflected in table 1.

**Figure A1: Consumer price inflation by selected commodity Fruit and vegetable - (% change y/y) June 2021**

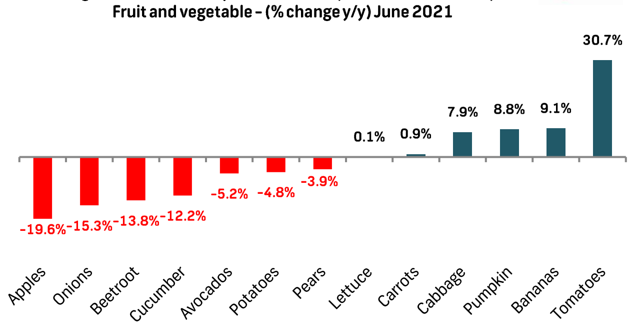
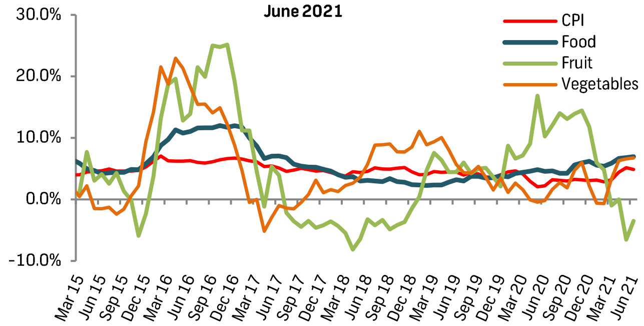
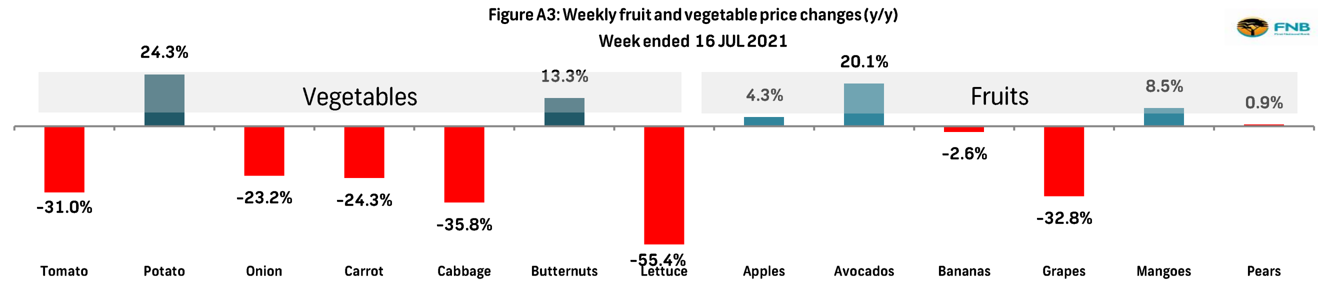



**Figure A2: Trends in CPI - various categories (% change y/y) June 2021**




Source: StatsSA

- On the domestic fresh produce markets, last week's saw volumes under pressure due to the unrest related shortages as farmers could not deliver to certain markets and limited access for buyers.
- This week however saw a strong rebound in volumes across markets and demand was also good for major commodities such as potatoes and tomatoes. The average price of potatoes for this week for Mon-Thu is R6.58/kg which is 20% higher relative to the same period last week and 18% higher than the full-week average see table 1. Seasonal production conditions will dictate further price direction in the next few weeks with limited availability likely to lift prices higher. However, constrained consumer incomes exacerbated by the recent riots, looting, and burning of some of the infrastructure in retail environment and the consequent jobs losses may limit further upswing in potato and other fresh produce prices in the medium term.
- In the case of tomatoes, the Mon-Thu average for this week is 31% and 33% higher respectively relative to the same period and the full-week average for last week at R5.86/kg.
- In the fruit complex, avocados were the biggest gainers this week with the average for Mon-Thu lifting 17% week-on-week (w/w) at R20.09/kg and was much higher than last week's full-week average by 11%. Volume pressure kept apple and banana prices on the downside with the average for this week (Mon-Thu) falling by 3% and 9% respectively w/w at R6.98/kg and R7.14/kg. At these levels, apple and banana prices are both 3% below the full-week average for last week as shown in table 2.
- Our analysis of yearly trends still shows declines across most commodities which is positive for fruit and vegetable inflation outcomes, see figure A3.

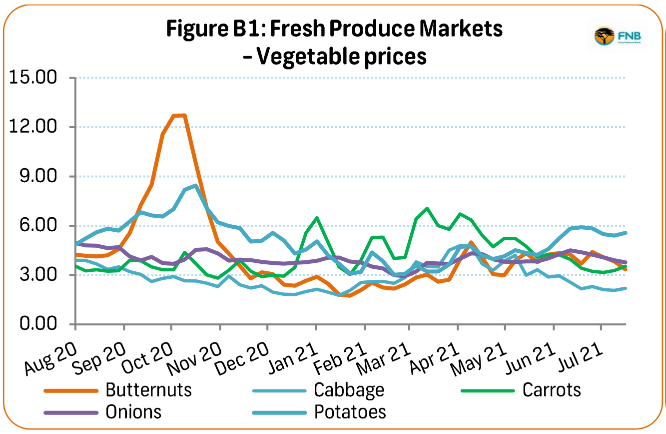


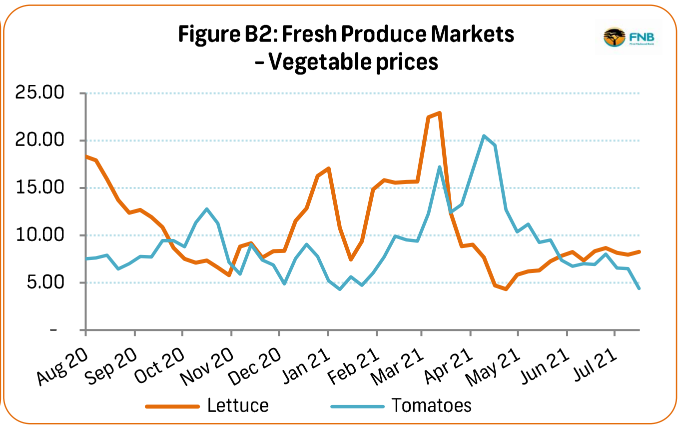

Source: Own calculations from FNB AgriComms.

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

| Week ending 16 JUL 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 | 3.35 | -12.6% | -3.6% | 917 | -42.8% | -38.8% |
| Cabbage | 2.19 | 6.1% | -40.7% | 1 359 | -23.5% | -4.0% |
| Carrot | 3.54 | 8.1% | -8.9% | 1 815 | -24.2% | -4.5% |
| Lettuce | 8.27 | 4.0% | -32.0% | 219 | -20.4% | 24.9% |
| Onion | 3.78 | -3.2% | -27.4% | 5 475 | -28.4% | 0.2% |
| Potato | 5.57 | 3.0% | 25.8% | 5 611 | -30.8% | -53.6% |
| Tomato | 4.39 | -32.4% | -34.4% | 5 221 | 20.2% | 12.3% |

Source: FNB AgriComms

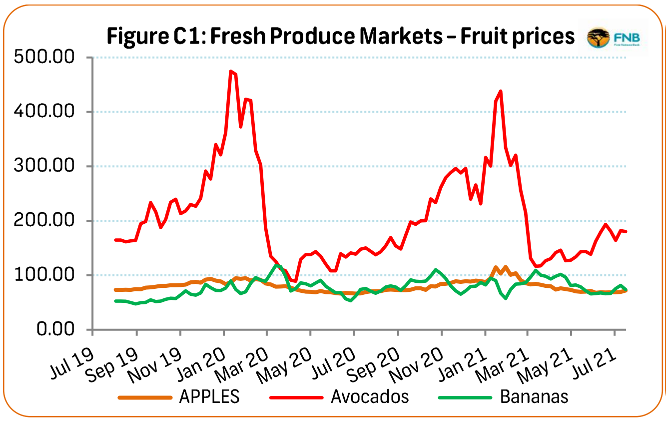


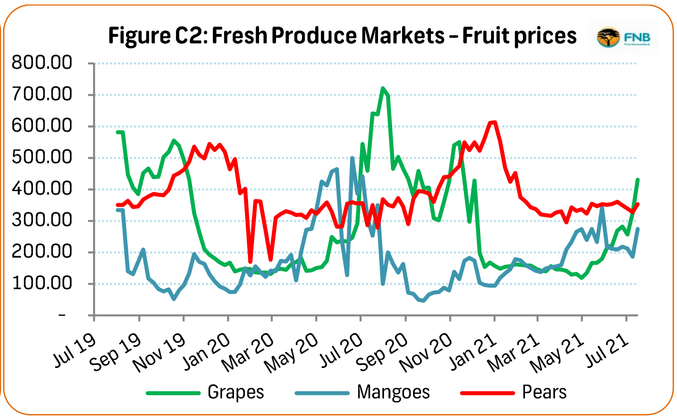




Source: FNB AgriComms

| Table 2: Fruit prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban) | | | | | | |
|---|---|---|---|---|---|---|
| Week ending 16 JUL 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 | 7.20 | 3.8% | 4.3% | 1 478 | -27.4% | -12.6% |
| Avocados | 18.04 | -1.0% | 20.1% | 210 | -28.2% | -36.3% |
| Bananas | 7.38 | -9.4% | -2.6% | 2 036 | -22.5% | -10.0% |
| Grapes | 43.10 | 32.7% | -32.8% | 61 | -14.9% | 86.0% |
| Mangoes | 27.46 | 47.5% | 8.5% | 0 | -87.7% | -64.0% |
| Pears | 35.30 | 7.8% | 0.9% | 500 | -26.7% | -14.3% |

Source: FNB AgriComms



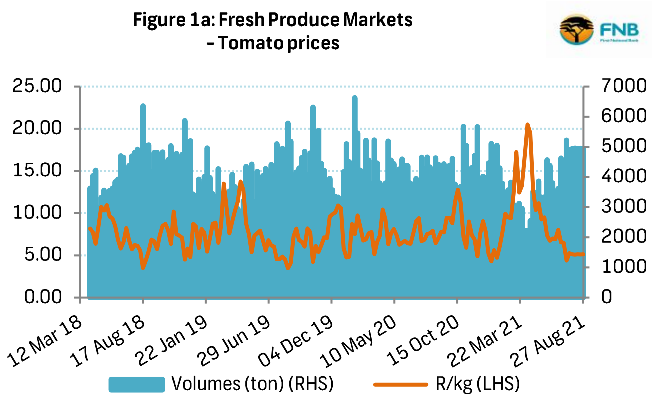



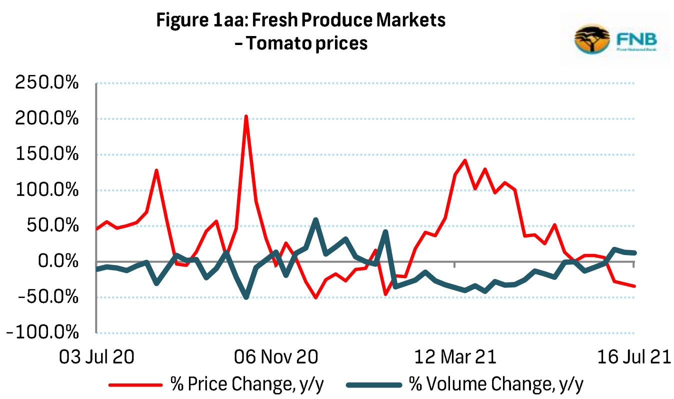

Source: FNB AgriComms

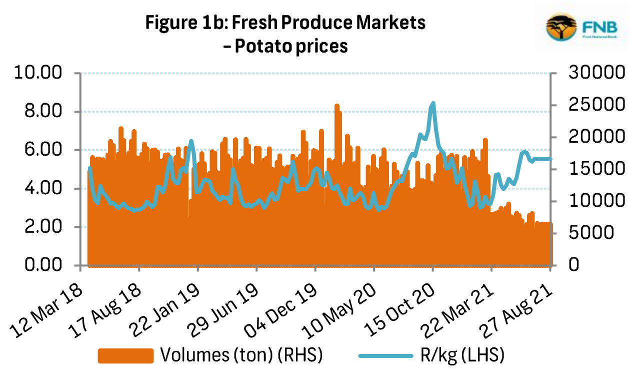
## Vegetable trends on 5 Major Fresh Produce Markets in SA (Figures 1a to 1e)

(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.*



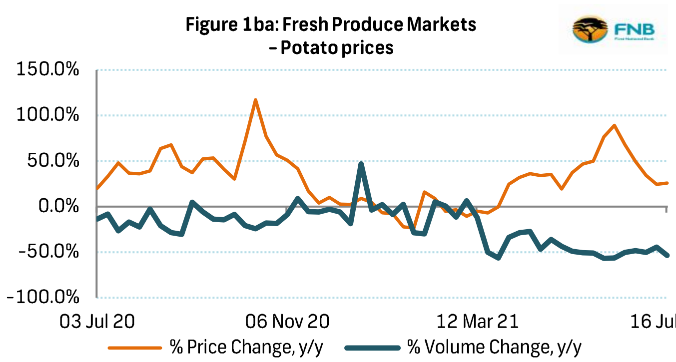



**Figure 1c: Fresh Produce Markets – Onion prices**

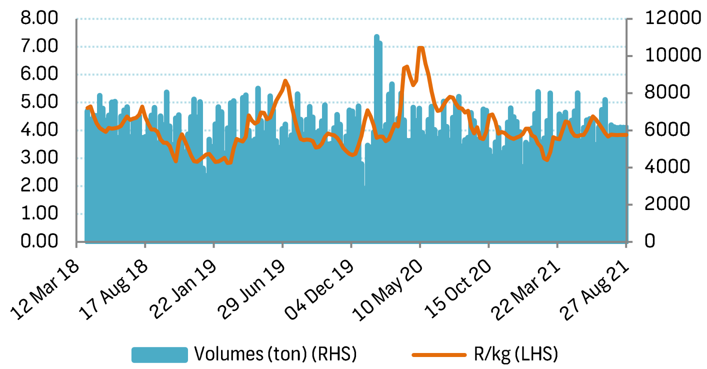



**Figure 1ca: Fresh Produce Markets – Onion prices**

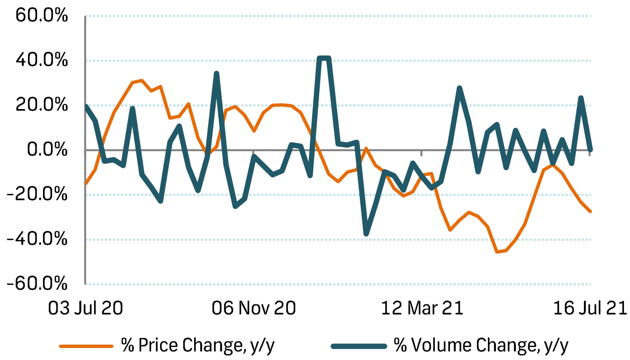



**Figure 1d: Fresh Produce Markets – Carrot prices**

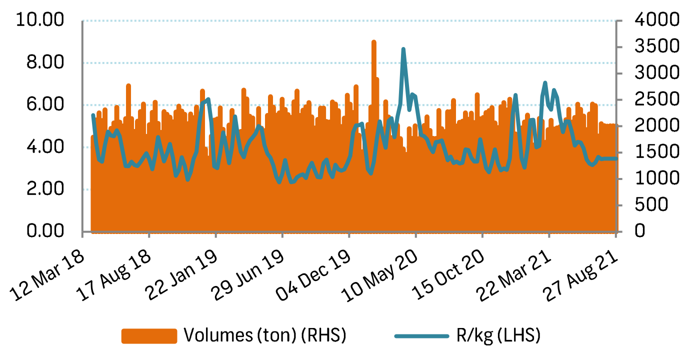



**Figure 1da: Fresh Produce Markets – Carrots prices**

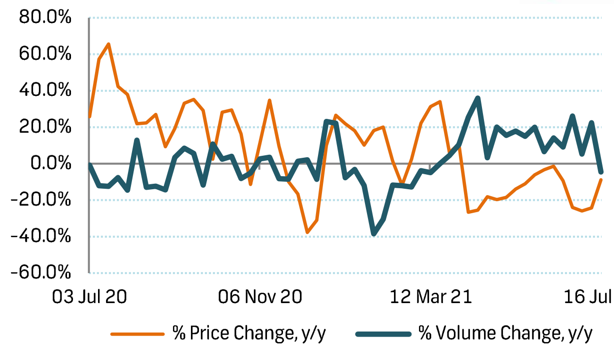



**Figure 1ea: Fresh Produce Markets – Cabbage prices**

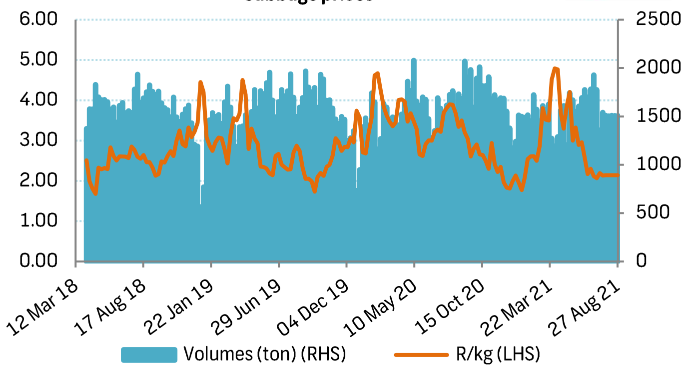



**Figure 1eb: Fresh Produce Markets – Cabbage prices**

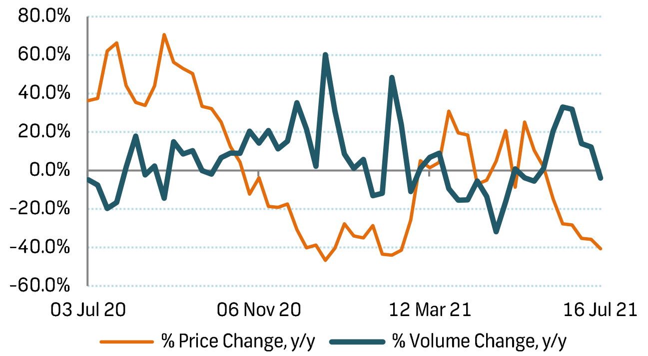



**Figure 1fa: Fresh Produce Markets – Butternut prices**

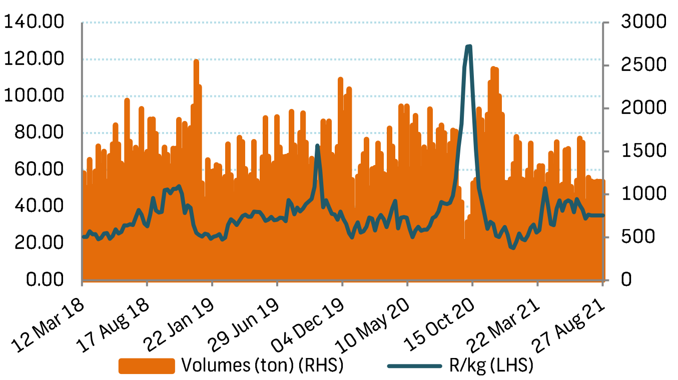



**Figure 1fb: Fresh Produce Markets – Butternut prices**

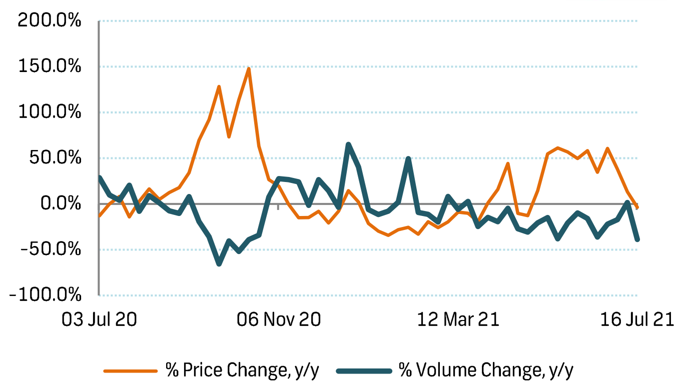


**Figure 1g: Fresh Produce Markets - Lettuce prices**

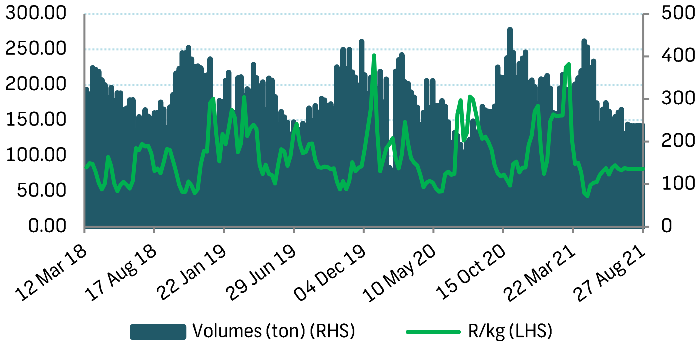
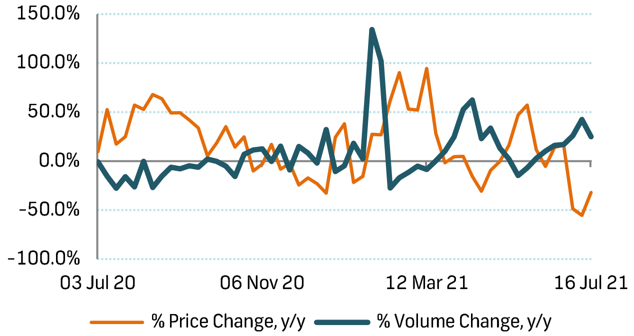



**Figure 1ga: Fresh Produce Markets - Lettuce prices**




Source: FNB AgriComms;

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## 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 prices**

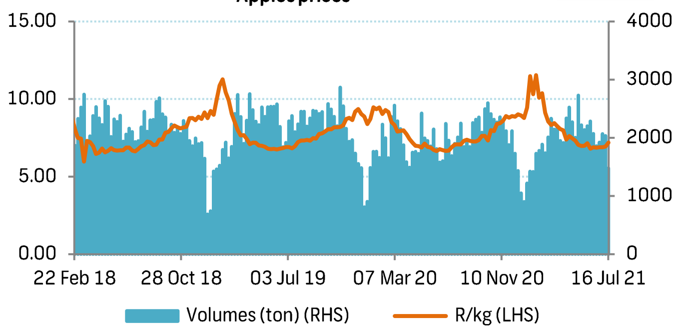



**Figure 2aa: Fresh Produce Markets - Apples prices**

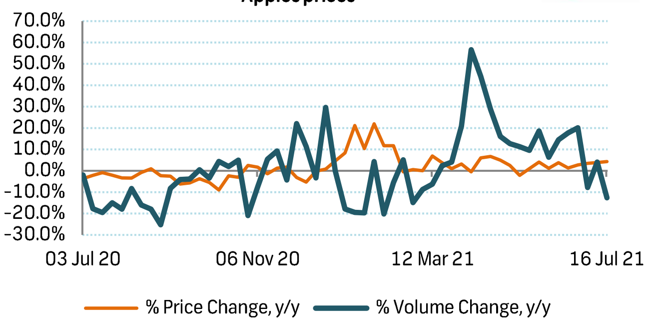



**Figure 2b: Fresh Produce Markets - Avocado prices**

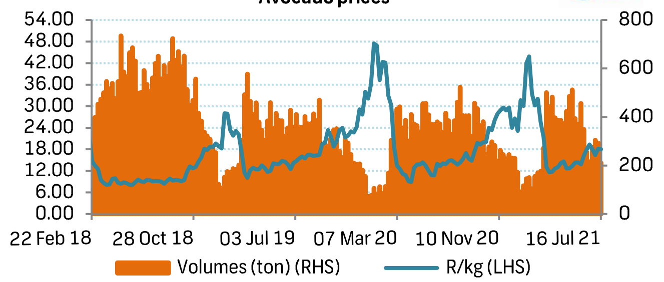



**Figure 2ba: Fresh Produce Markets - Avocado prices**

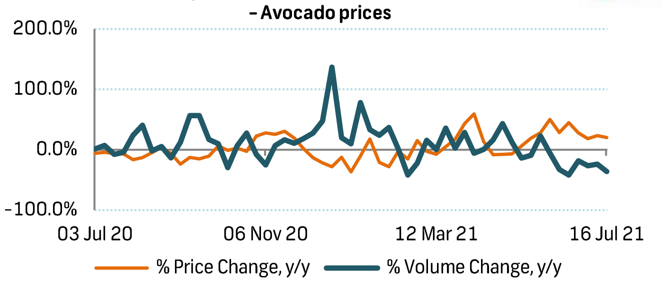



**Figure 2c: Fresh Produce Markets - Banana prices**

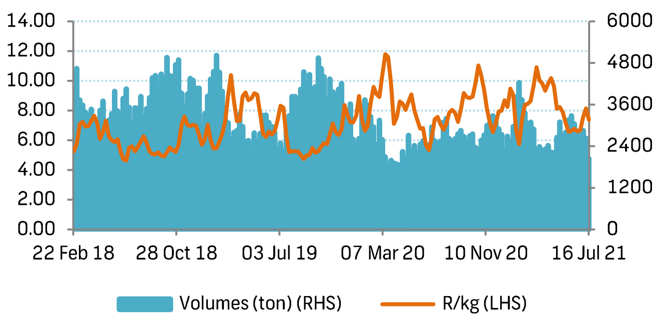
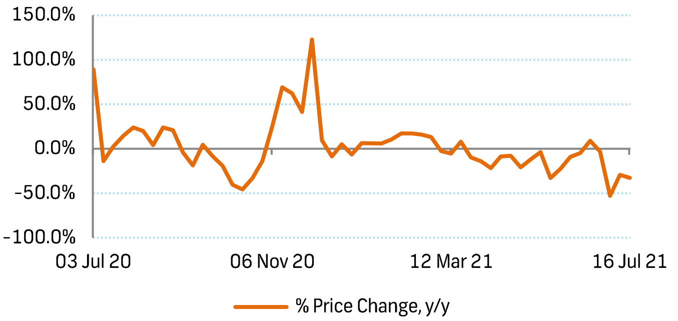
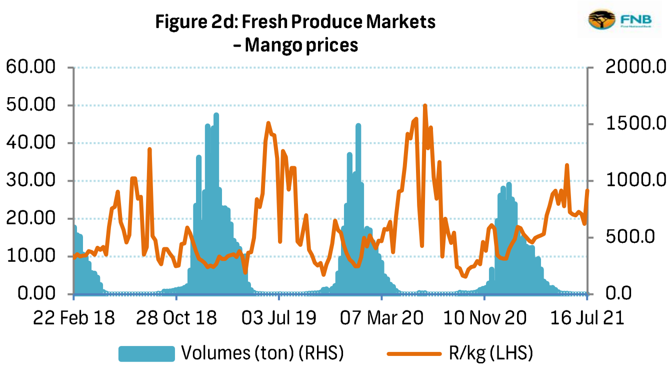
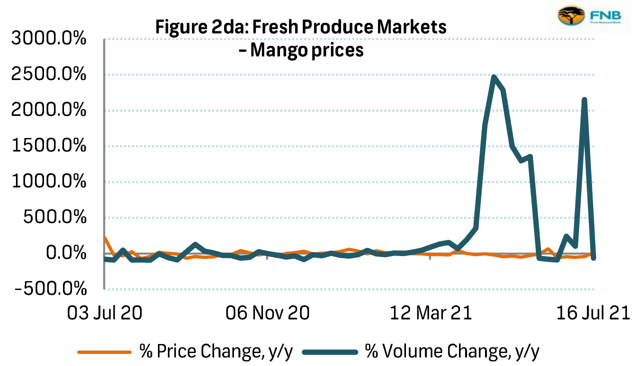
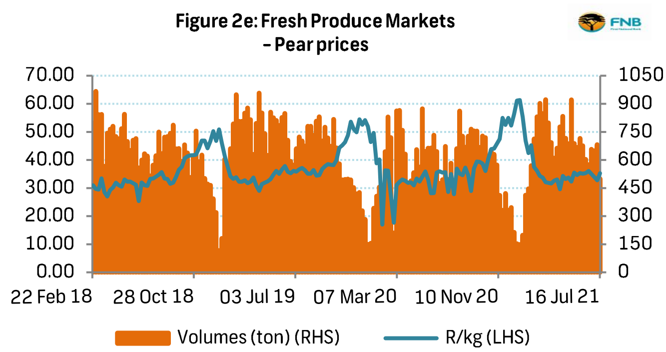


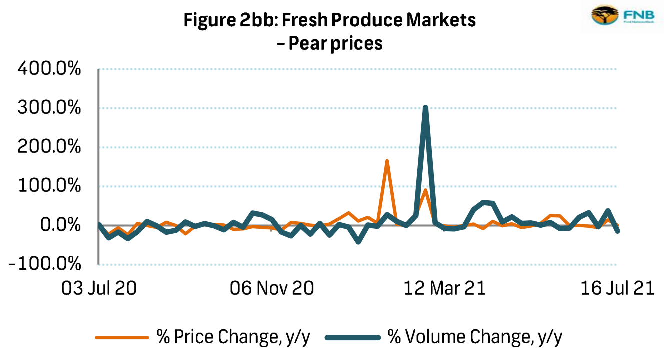

**Figure 2ca: Fresh Produce Markets - Banana prices**

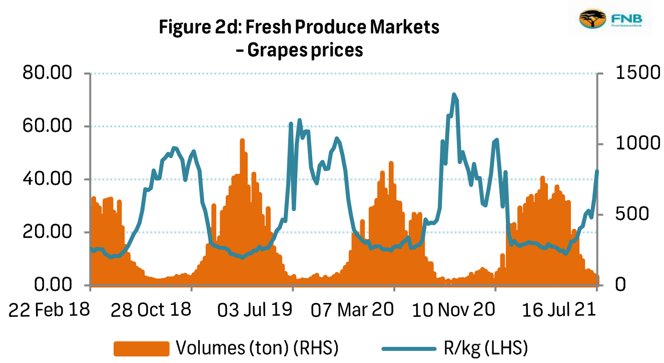


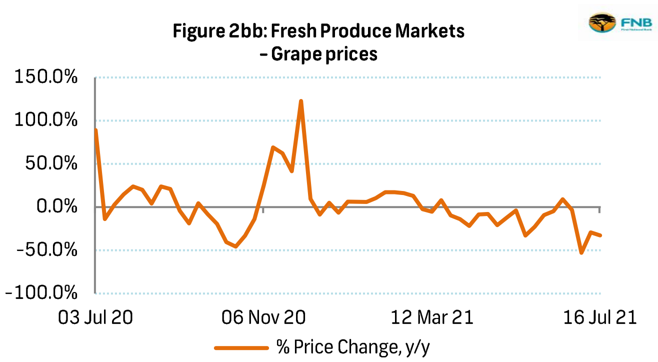



Source: FNB AgriComms.

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