Paul Makube | Tumi Kgasago | Vhutshilo Mabela| 15 JULY 2022

Weekly update – Fruit and Vegetable Markets

- After a promising start to the export season, the pace of citrus exports has been pedestrian up to week 27 of the 2022 export season. Except for lemons, the cumulative total shipments of most citrus fruit commodities so far to week 27 of 2022 were substantially lower across the board relative to the same period in 2021.
- Lemon shipments increased by 2% year-on-year (y/y) to 19.10 million cartons with the Europe and the Middle East accounting for the bulk of the exports at 41% and 29% respectively. However, shipments to the Middle East have fallen by 14% y/y while Europe saw growth of 31% y/y.
- In the case of other citrus namely oranges, grapefruit, and soft citrus shipments for the export season-to-date were 27%, 16%, and 11% lower relative to the same period in 2021. Europe remains the biggest destination accounting for 22%, 36%, and 21% of the total for oranges, grapefruit, and soft citrus respectively. Nonetheless, shipments of oranges, grapefruit, and soft citrus to the region have declined by 56%, 21%, and 15% respectively y/y.
- Meanwhile, Southern Africa citrus exports face a new challenge in exporting to this lucrative market following the EU's decision to impose a regulation on controlling False Codling Moth (FCM) that requires imports of citrus to undergo mandatory cold treatment and pre-cooling steps for periods of up to 25 days prior to the shipment effective from the 14th of July 2022.
- This is despite the SA industry having a rigid FCM Risk Management system in place and further providing scientific evidence to allay concerns. About 3.2 million cartons of fruit were already in transit and would reach the EU after this date thus becoming non-compliant with the new regulations. Although this affects only oranges, any changes to the rules of engagement have huge implications for the parties involved especially in the current tough trading conditions.
- However, indications are that there might be some accommodation given the strong lobbying from Citrus Growers Association and significant number of both the wholesalers and retailers in the EU except for Spain that the biggest beneficiary of this regulation.

Figure A1: Citrus exports - total to week 27 of the 2022 season [55.39 million 15 kg cartons]

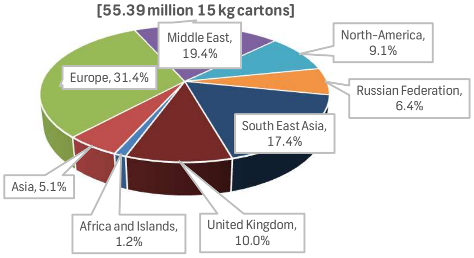
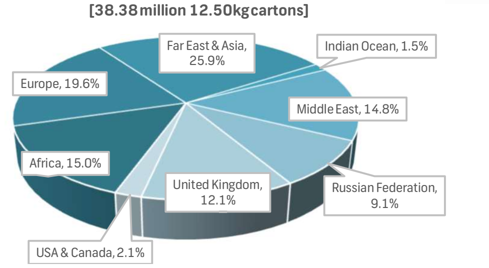


Figure A2: Pome exports - total to week 27 of the 2022 season [38.38 million 12.50kg cartons]



Source: Own calculations - AgriHub data.

- Progress on the pome category has been relatively good with total season-to-date apples and pears shipments increasing by 5% and 12% respectively relative to the 2021 levels. Europe enjoys a lion share of 37% for pears while the Far East and Asia accounted for 31% of the total apple shipments with Africa coming in second at 22%.

Domestic trends on major fresh produce markets:

- Our analysis of prices on fresh produce markets shows declines across the vegetable complex during midmonth with big-ticket items such as potatoes easing by almost 3% on the week at R5.02/kg which is 14% lower y/y. The fruit complex however saw gains across the board led by grapes with a weekly increase of 23% at R43.26/kg and still 0.4% higher y/y.
- Average fruit prices for the first 3 weeks of July 2022 show moderate to sharp gains for most fruits with grapes still in the lead with growth of 50% month-on-month (m/m) and 13% y/y (figure B2).
- While the average vegetable prices for the first 3 weeks of July 2022 show an upswing on 57% of the commodities tracked, the 3 big-ticket items namely carrots, potatoes, and tomatoes have so far declined by 0.5%, 2.9%, and 21% respectively m/m (figure B1).
- Meanwhile, the June consumer price inflation (CPI) update is due for release this week and expectations are for the fruit CPI to remain in negative territory while the vegetable CPI is likely to come in on the upside.

Figure B1: Changes in average monthly vegetable prices on South Africa's major Fresh Produce Markets (%▲m/m, y/y) Avg for the first 3 weeks of JULY 2022

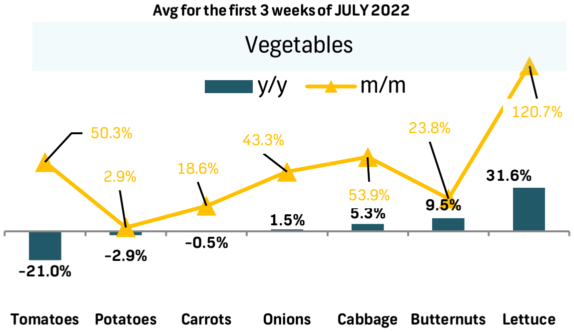
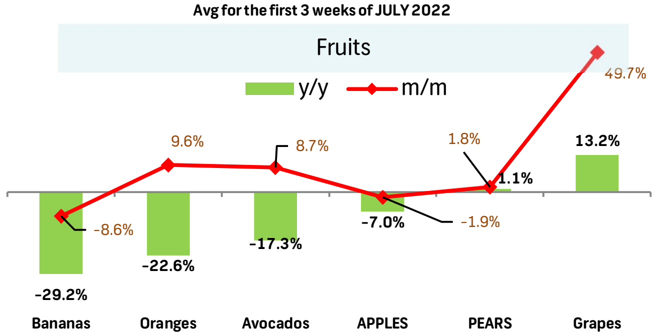


Figure B2: Changes in average monthly fruit prices on South Africa's major Fresh Produce Markets (%▲m/m, y/y) Avg for the first 3 weeks of JULY 2022



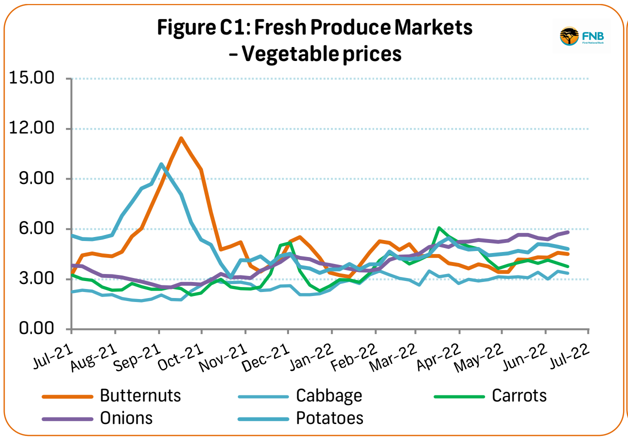
Source: Own calculations from FNB AgriComms.

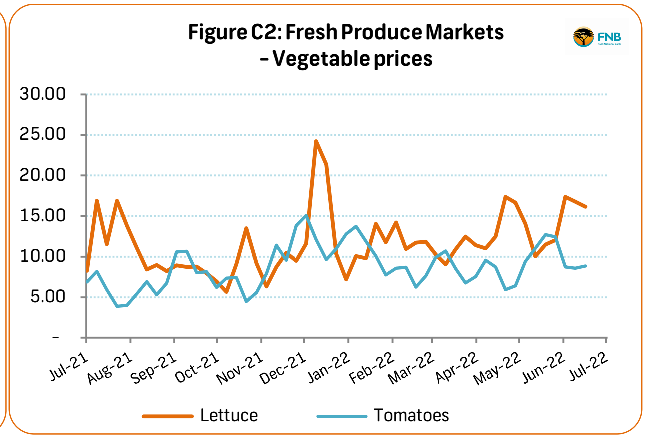
Table 1a: Vegetable prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)						
Week ending 15 JUL 2022	Average Price (R/Kg)	Price change w/w	Price change y/y	Total Volume (t)	Volume change w/w	Volume Change y/y
Butternuts	4.83	4.6%	44.3%	1172	-26.1%	27.8%
Cabbage	3.35	-3.1%	52.7%	1,428	5.1%	5.0%
Carrot	3.75	-5.0%	5.9%	2,050	-7.8%	13.0%
Lettuce	18.16	-6.8%	119.6%	231	-1.2%	5.5%
Onion	5.79	2.2%	53.4%	5,372	-16.4%	-1.9%
Potato	4.80	-2.7%	-13.7%	6,466	-18.4%	15.2%
Tomato	8.86	3.2%	102.1%	3,209	-13.0%	-38.5%

Source: FNB AgriComms.

Table 1b: Vegetable prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)						
Week ending 08 JULY 2022	Average Price (R/Kg)	Price change w/w	Price change y/y	Total Volume (t)	Volume change w/w	Volume Change y/y
Butternuts	4.62	2.7%	20.6%	1586	11.6%	-1.1%
Cabbage	3.14	4.3%	52.1%	1,477	-5.7%	-16.8%
Carrot	4.08	-1.3%	24.4%	2,038	-4.6%	-14.8%
Lettuce	19.50	20.6%	145.2%	234	-8.5%	-15.0%
Onion	5.44	0.9%	39.2%	6,457	-7.5%	-15.6%
Potato	5.02	-0.7%	-7.0%	7,318	-6.4%	-9.8%
Tomato	6.70	-1.3%	-2.7%	1,747	1.2%	-9.2%

Source: FNB AgriComms.





Source: FNB AgriComms

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

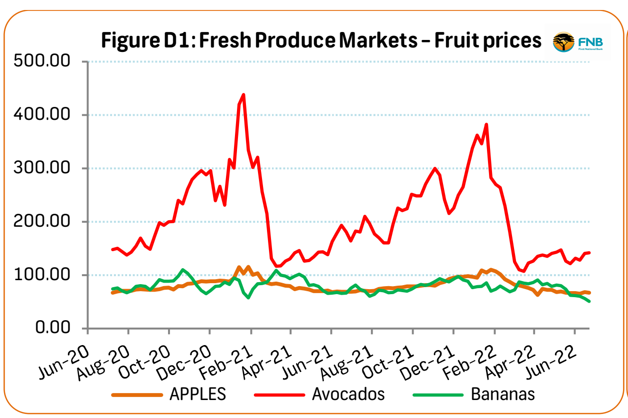
Week ending 15 JULY 2022	Average Price (R/Kg)	Price change w/w	Price change y/y	Total Volume (t)	Volume change w/w	Volume Change y/y
Apples	6.57	1.6%	-8.7%	1,888	-7.5%	27.7%
Avocados	15.18	5.7%	-15.8%	414	-10.9%	97.0%
Bananas	5.74	3.9%	-22.3%	4,172	-5.3%	104.9%
Grapes	43.26	23.3%	0.4%	45	-29.0%	-25.3%
Mangoes	-	-	-	-	-	-
Pears	3.38	0.6%	-21.3%	2,279	-18.7%	26.5%

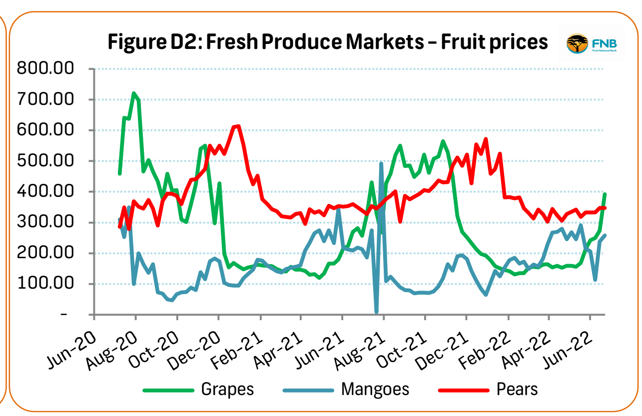
Source: FNB AgriComms

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

Week ending 08 JULY 2022	Average Price (R/Kg)	Price change w/w	Price change y/y	Total Volume (t)	Volume change w/w	Volume Change y/y
Apples	6.47	-0.7%	-6.7%	2,042	9.3%	0.2%
Avocados	14.36	2.5%	-21.2%	464	-4.4%	58.6%
Bananas	5.52	8.8%	-32.2%	4,407	3.4%	67.6%
Grapes	35.07	-3.2%	8.0%	64	14.0%	-10.5%
Mangoes	-	-	-	-	-	-
Pears	3.36	28.7%	-19.1%	2,804	-17.0%	22.8%

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 1a: Fresh Produce Markets - Tomato prices

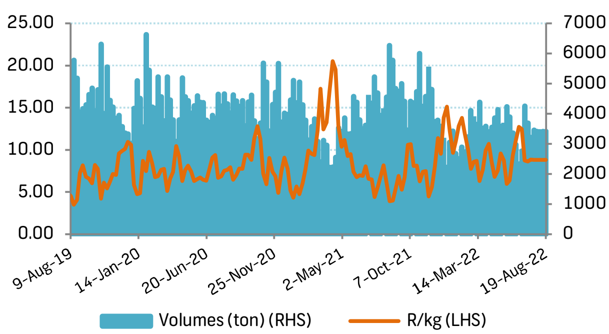
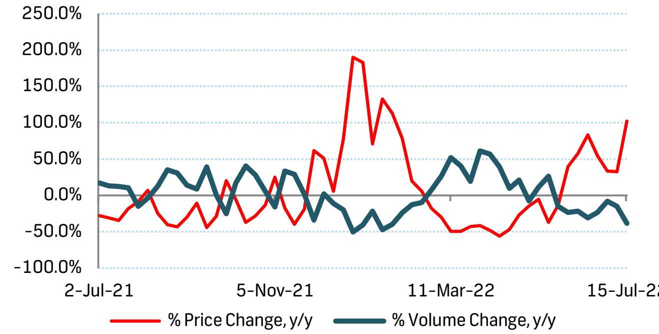


Figure 1aa: Fresh Produce Markets - Tomato prices



Source: FNB AgriComms

Figure 1b: Fresh Produce Markets - Potato prices

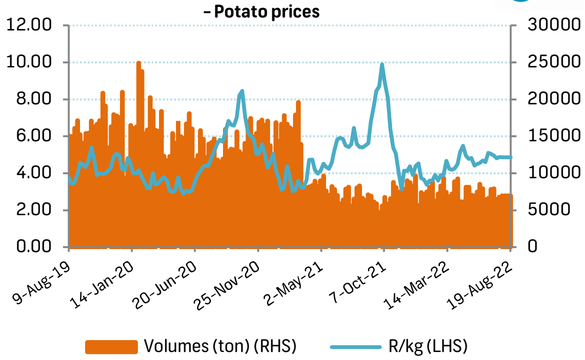


Figure 1ba: Fresh Produce Markets - Potato prices

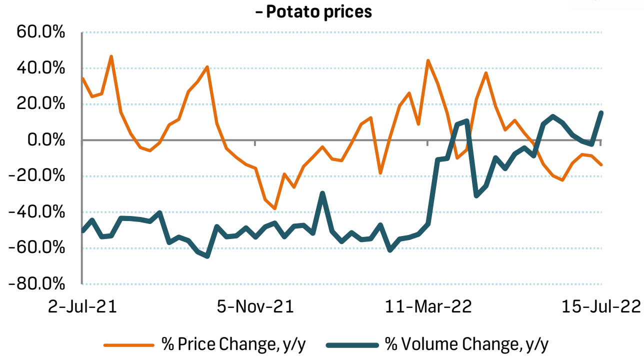


Figure 1c: Fresh Produce Markets - Onion prices

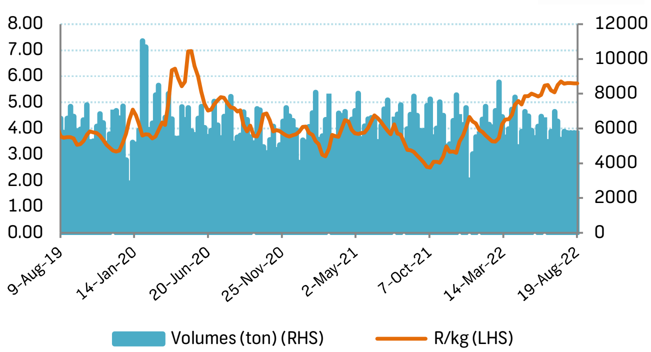


Figure 1ca: Fresh Produce Markets - Onion prices

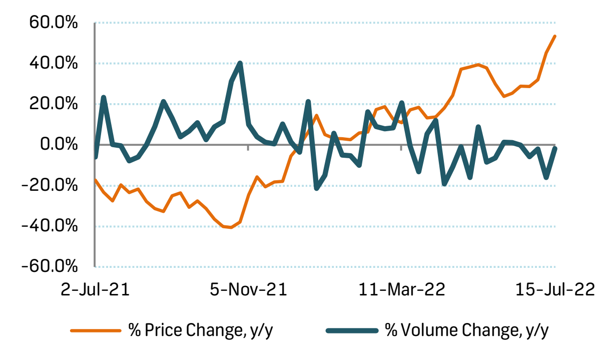


Figure 1d: Fresh Produce Markets - Carrot prices

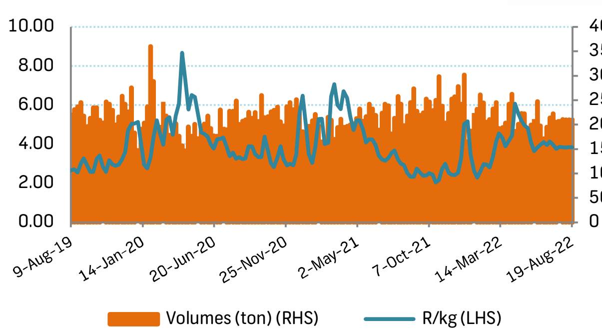


Figure 1da: Fresh Produce Markets - Carrots prices

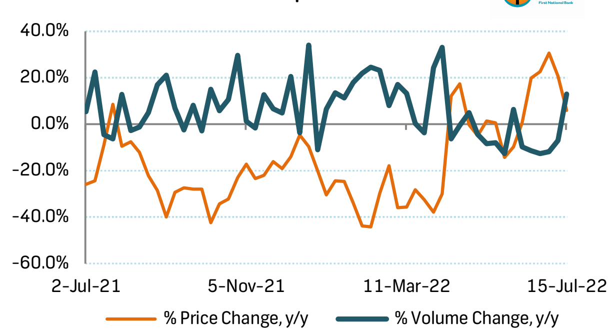


Figure 1ea: Fresh Produce Markets
- Cabbage prices

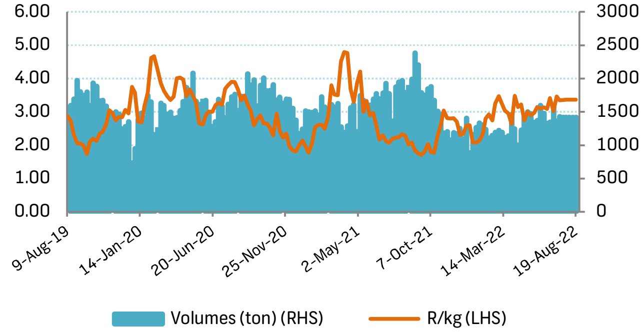
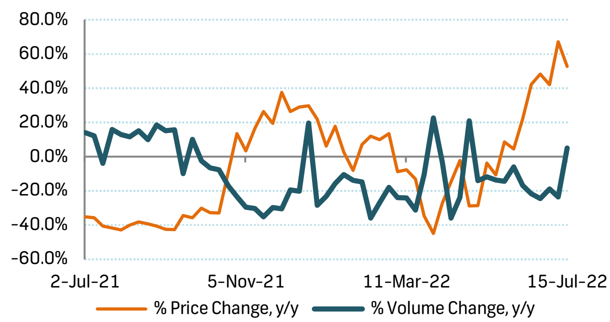


Figure 1eb: Fresh Produce Markets
- Cabbage prices



Source: FNB AgriComms

Figure 1fa: Fresh Produce Markets
- Butternut prices

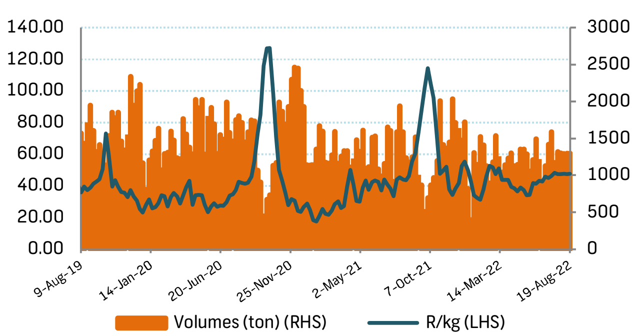


Figure 1fb: Fresh Produce Markets
- Butternut prices

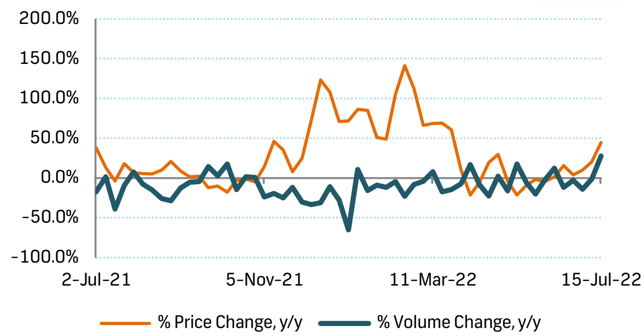


Figure 1g: Fresh Produce Markets
- Lettuce prices

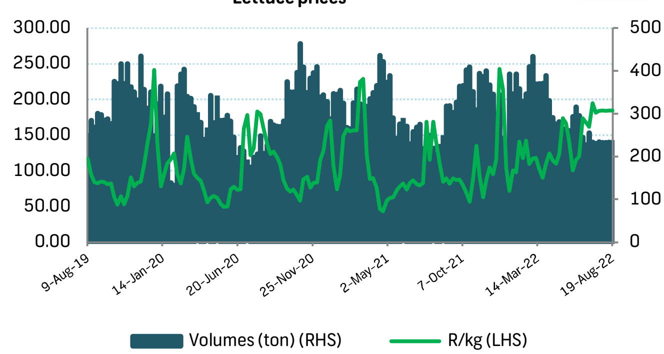
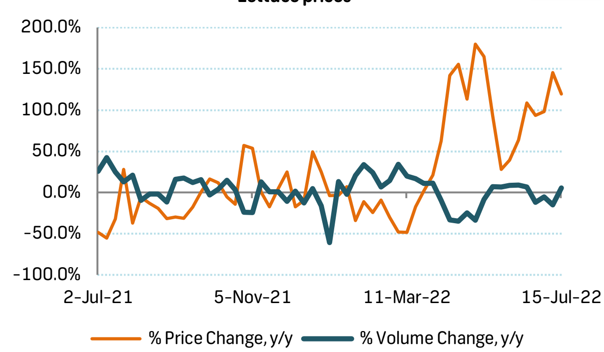


Figure 1ga: Fresh Produce Markets
- Lettuce prices



Source: FNB AgriComms

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

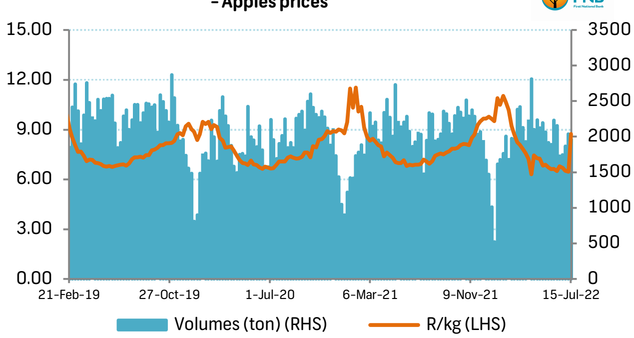


Figure 2aa: Fresh Produce Markets
- Apples prices

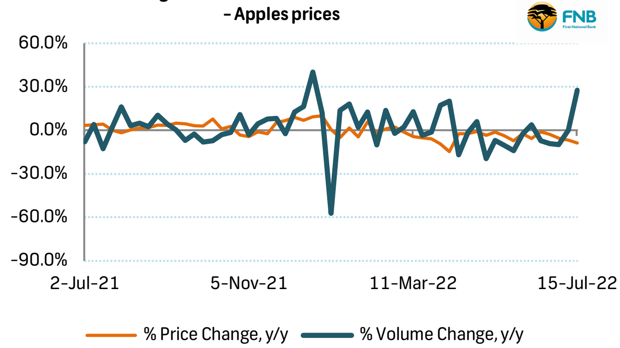


Figure 2b: Fresh Produce Markets - Avocado prices

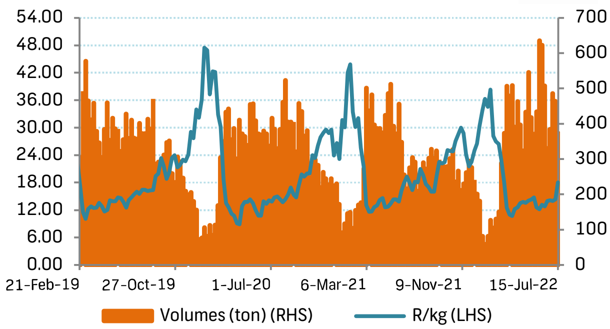
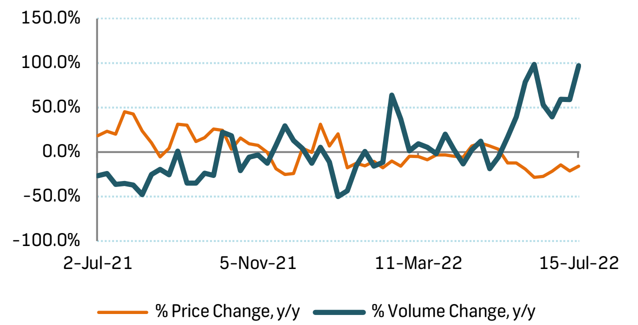


Figure 2ba: Fresh Produce Markets - Avocado prices



Source: FNB AgriComms

Figure 2c: Fresh Produce Markets - Banana prices

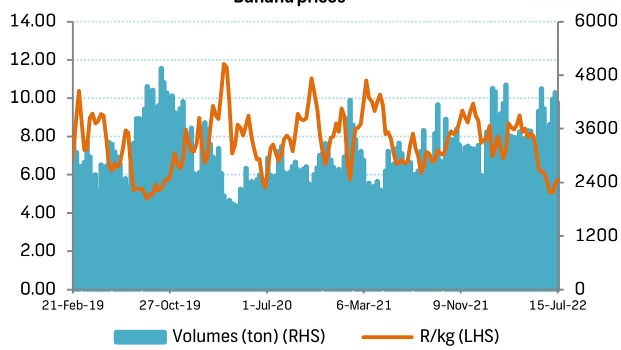


Figure 2ca: Fresh Produce Markets - Banana prices

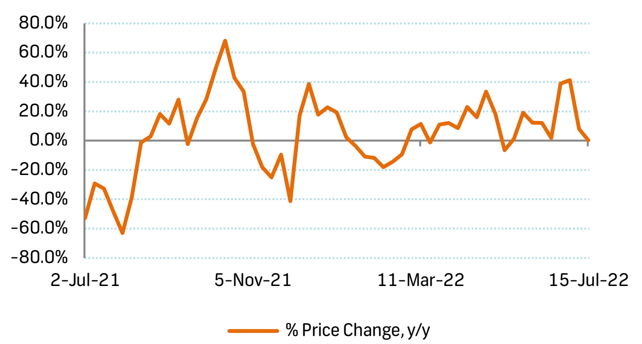


Figure 2d: Fresh Produce Markets - Mango prices

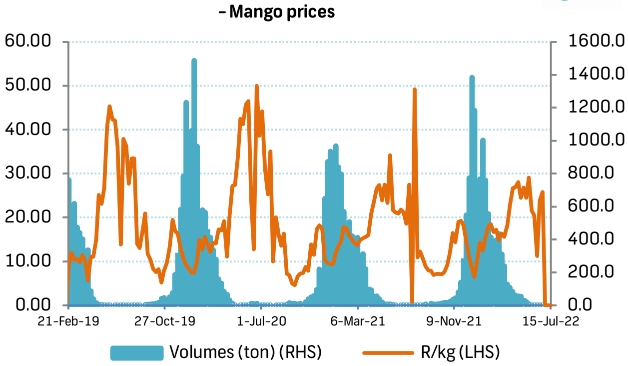


Figure 2da: Fresh Produce Markets - Mango prices

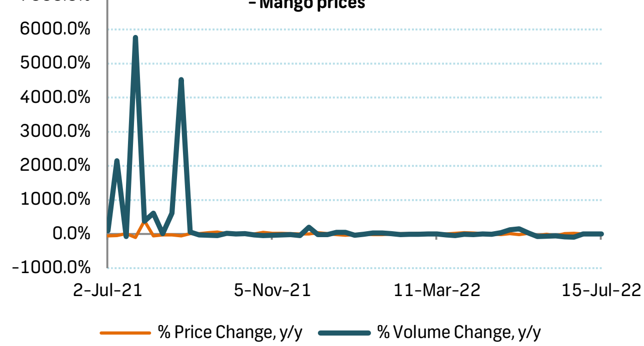


Figure 2e: Fresh Produce Markets - Pear prices

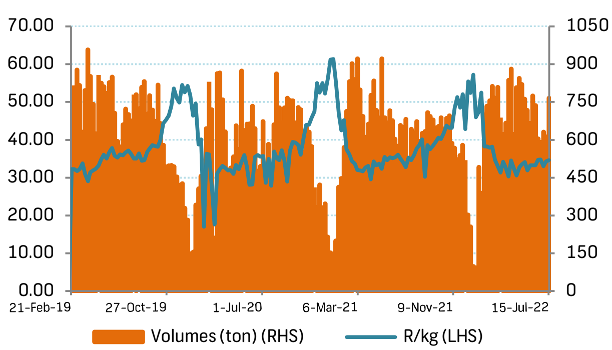
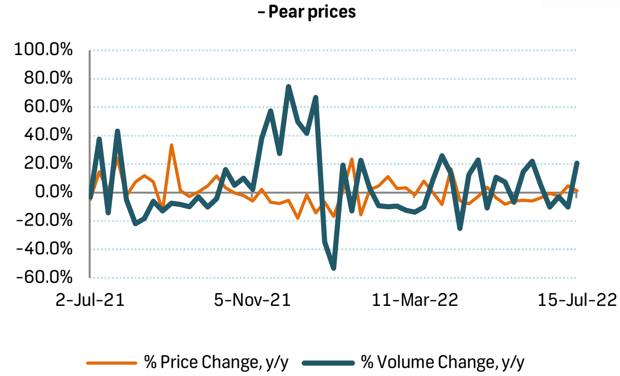
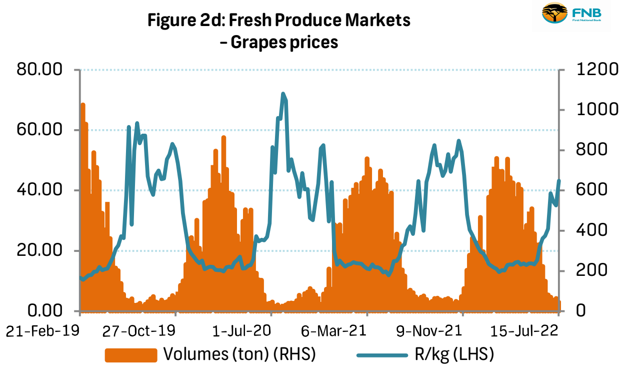
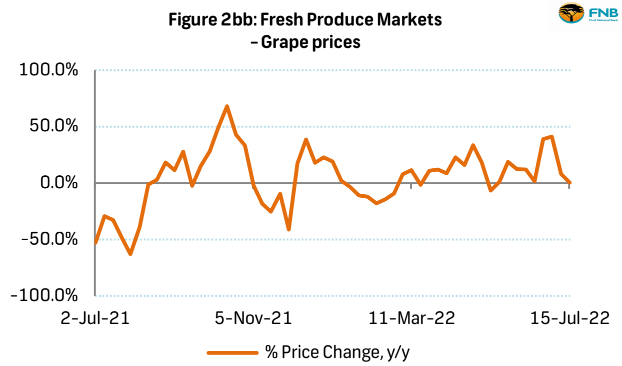


Figure 2bb: Fresh Produce Markets - Pear prices







Source: FNB AgriComms.

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