Paul Makube | Tumi Kgasago | Vhutshilo Mabela| 28 JULY 2022

Weekly update – Fruit and Vegetable Markets

- The latest USDA update on global citrus situation showed a modest increase in production for the 2021/22 season across most commodities relative to the previous season with lemons posting the biggest gains of 6.5% year-on-year (y/y) at 9.7 million tons. The higher global lemon output is underpinned by gains in Turkey, Argentina, and Brazil with increases of 35%, 23%, and 15% respectively y/y.
- Although the July 2022 export estimates for lemons are 2% down from the January update, the total global exports were forecast 5% higher y/y at 2.54 million tons led by Turkey with a 23.4% y/y increase. The USDA projected South Africa's exports up 6% y/y at 530 million tons.
- On other citrus commodities, oranges, tangerines/mandarins, and grapefruit production for 2021/22 are expected to increase by 4%, 6%, and 4% respectively y/y. Expectations on exports however shows declines of 2% and 13% y/y respectively for oranges and grapefruit while the tangerines/ mandarins remain steady y/y.
- Meanwhile, the SA-EU debacle concerning the implementation of the new regulations on the importation of citrus fruit continues. The SA government has since lodged a dispute with the WTO and requested consultation to iron out differences.
- The pace of citrus exports remains pedestrian with export total volumes for the year to week 29 of the 2022 export season falling behind by 6% on last year to 69.51 million cartons (figure A1) with decreases to Asia (-18% y/y), Europe (-17% y/y), and the UK (-8%) more than offsetting gains for South East Asia (+15% y/y) and North-America (+13%).
- Lemon shipments are so far 6% above last year at 22.52 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 5% y/y while Europe saw growth of 22% y/y (figure A5).
- In the case of other citrus namely oranges, grapefruit, and soft citrus shipments for the export season-to-date fell by 12.2%, 15.2%, and 3.8% respectively y/y (figure A3, A4, A6).

Figure A1: Citrus exports – total to week 29 of the 2022 season [69.51 million 15 kg cartons]

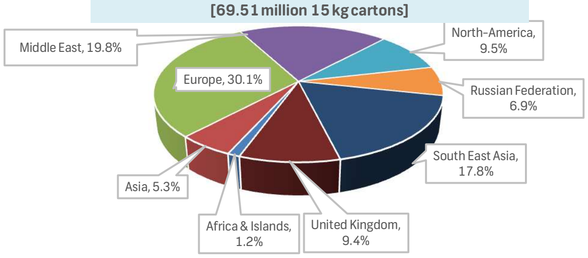
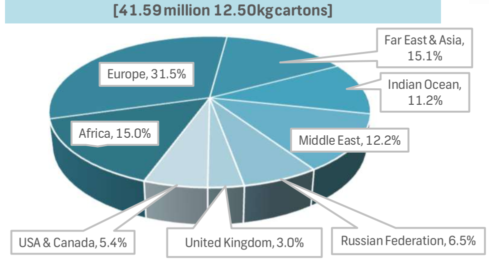


Figure A2: Pome exports – total to week 29 of the 2022 season [41.59 million 12.50kg cartons]



Source: Own calculations – AgriHub data.

Figure A3: Orange exports - total to week 29 of the 2022 season [20.1 million 15 kg cartons]

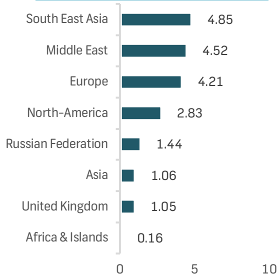


Figure A4: Grapefruit exports - total to week 29 of the 2022 season [512.07 million 15 kg cartons]

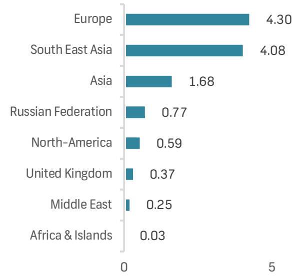


Figure A5: Lemon exports - total to week 29 of the 2022 season [22.52 million 15 kg cartons]

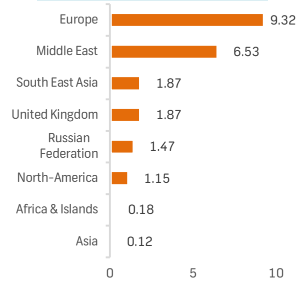
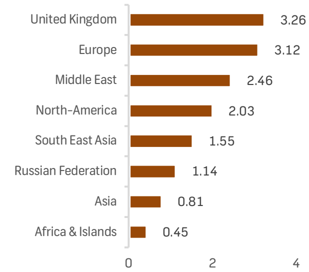


Figure A6: Soft Citrus exports - total to week 29 of the 2022 season [14.81 million 15 kg cartons]



Source: Own calculations - AgriHub data.

- Progress on the pome category has been relatively good with total season-to-date total pome fruits exported so far up by 11% y/y at 41.52 million cartons (12.5kg).
- Apples and pears shipments increased by 9% and 15% respectively relative to the 2021 levels. Europe still enjoys a lion share of 32% for pears while the Far East and Asia accounted for 15% of the total. Apple shipments to Africa increased by 18% y/y and accounting for 22% of the total. Europe remained in the lead for apples with a share of 29% with a 229% increase y/y.

Domestic trends on major fresh produce markets:

- Our analysis of prices on fresh produce markets shows gains across the vegetable complex during the first four weeks of July 2022 led by lettuce which increased by 16.7% month-on-month (m/m) and 63% y/y at R16.84/kg. However, the big-ticket items such as tomatoes fell sharply by 21.7% m/m at R8.93/kg but still up 55% y/y. Carrot prices fell by 3.6% m/m but still 12% higher y/y at R3.82/kg.
- The fruit complex was mixed with 50% of the commodities under review posting moderate to gains led by grapes with an increase of 47% m/m and 26% y/y at R169.74/kg (figure B1). Orange prices increased by 16% m/m but still down by 26% y/y at R12.06/kg. Mangoes have not been available recently due to the seasonal trends. Bananas however remained on the downside, coming in down by 6% m/m and 28% y/y at R21.61/kg.
- Meanwhile, Statistics SA's latest update on producer price inflation (PPI) earlier today showed a modest increase of 16.2% y/y in June 2022 from 14.7% y/y in May, and was 2.1% higher m/m. The food products, beverages and tobacco products sub-index contributed 2.6 percentage points to the increase in PPI with an increase of 10.1% y/y.
- The agriculture, forestry, and fishing PPI decelerated to 14.9% y/y from 18.9% previously with agriculture alone coming in at 14.8% y/y. The fruit and vegetables PPI increased by marginally by 0.7% m/m and still 7.7% y/y.

Figure B1: Changes in average monthly vegetable prices on South Africa's major Fresh Produce Markets (%▲m/m, y/y) Avg for the first 4 weeks of JULY 2022

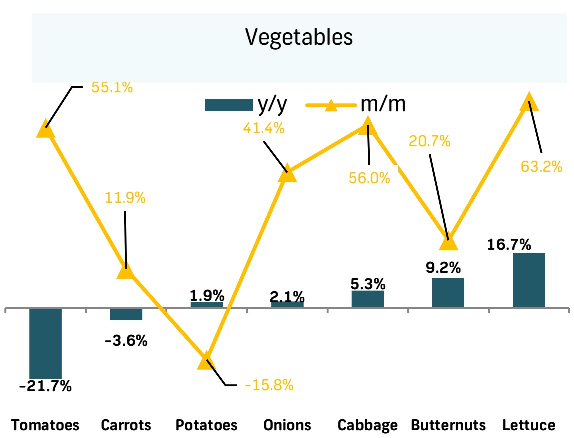
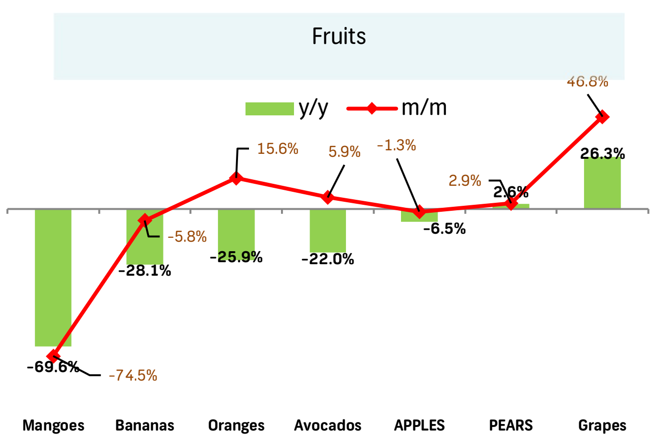


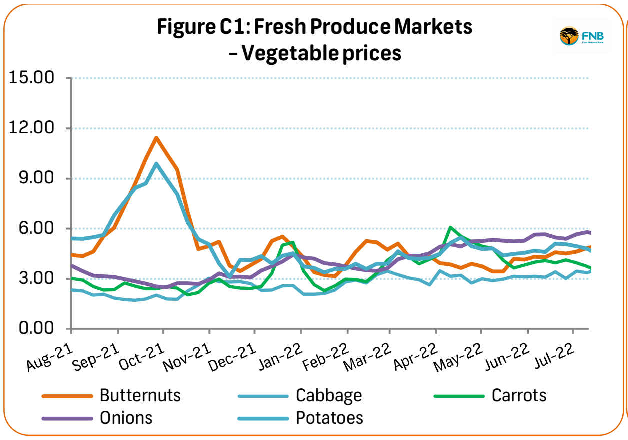
Figure B2: Changes in average monthly fruit prices on South Africa's major Fresh Produce Markets (%▲m/m, y/y) Avg for the first 4 weeks of JULY 2022

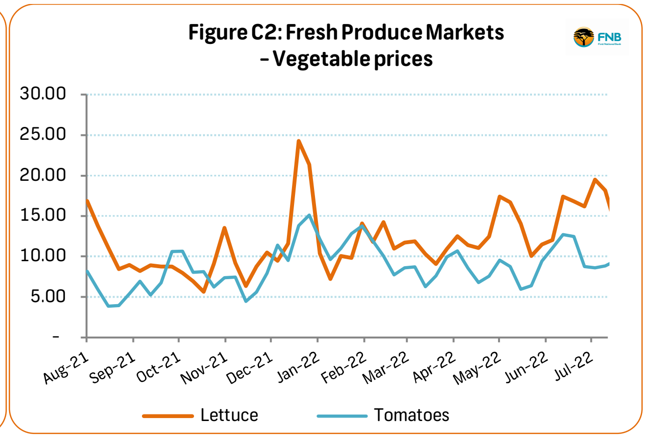


Source: Own calculations from FNB AgriComms.

Table 1: Vegetable prices – South Africa's Major Fresh Produce Markets – (Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)						
Week ending 22 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	4.97	2.8%	12.6%	1376	17.4%	-13.4%
Cabbage	3.59	7.3%	61.9%	1,569	9.9%	-16.2%
Carrot	3.44	-8.3%	-6.4%	2,287	11.5%	7.2%
Lettuce	13.54	-25.5%	-19.8%	259	12.1%	15.1%
Onion	5.66	-2.2%	36.1%	6,101	13.6%	-8.5%
Potato	4.49	-6.5%	-30.3%	7,091	9.7%	8.5%
Tomato	9.52	7.4%	69.6%	3,347	4.3%	-28.7%

Source: FNB AgriComms

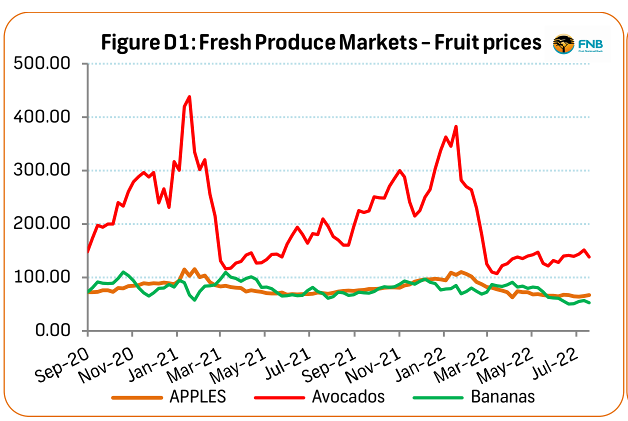


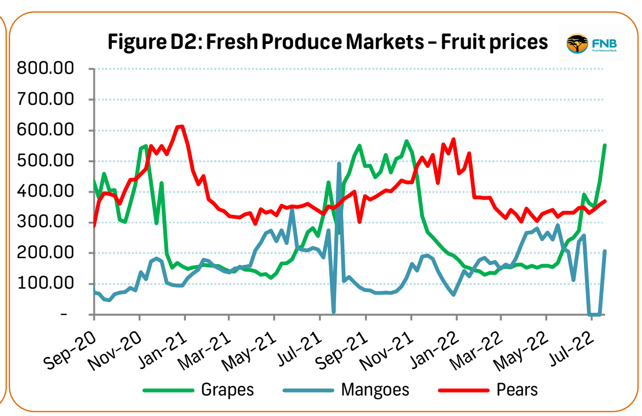


Source: FNB AgriComms

Table 2: Fruit prices – South Africa's Major Fresh Produce Markets – (Average Major Markets: Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban, & other markets)						
Week ending 22 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





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

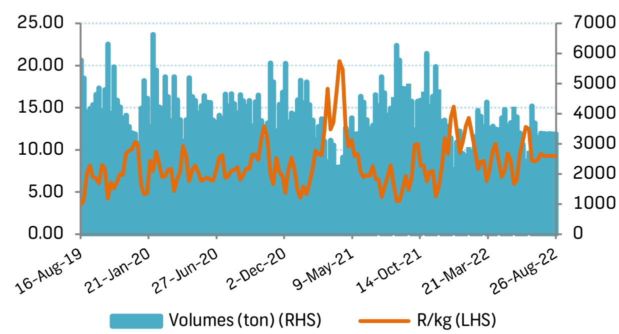
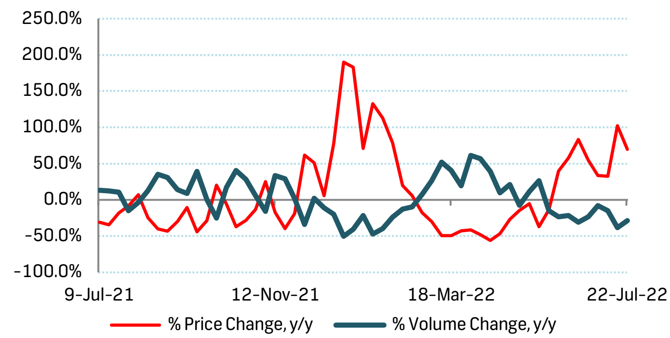


Figure 1aa: Fresh Produce Markets – Tomato prices



Source: FNB AgriComms

Figure 1b: Fresh Produce Markets – Potato prices

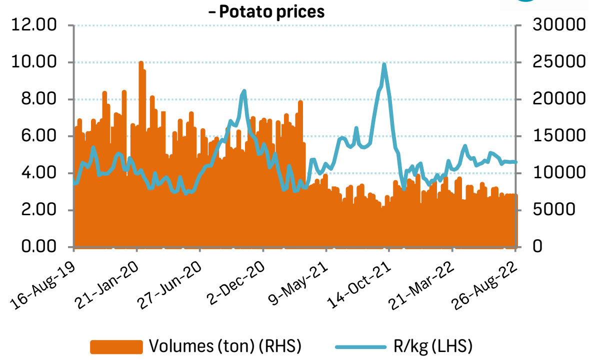


Figure 1ba: Fresh Produce Markets – Potato prices

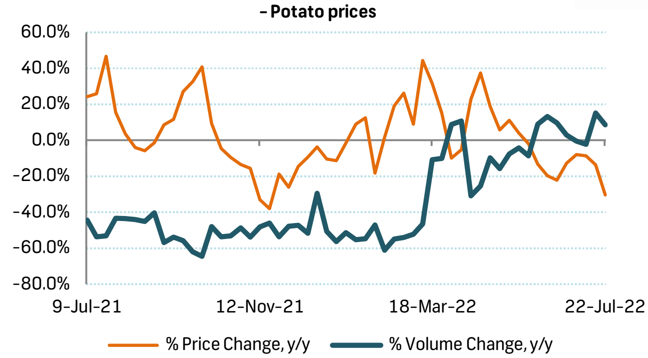


Figure 1c: Fresh Produce Markets – Onion prices

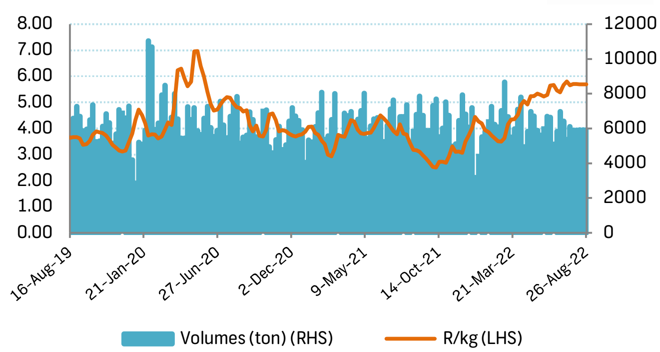


Figure 1ca: Fresh Produce Markets – Onion prices

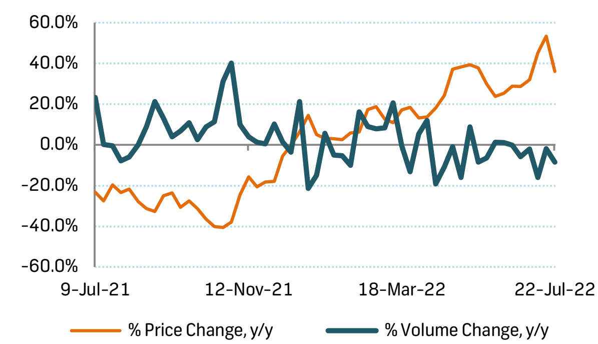


Figure 1d: Fresh Produce Markets – Carrot prices

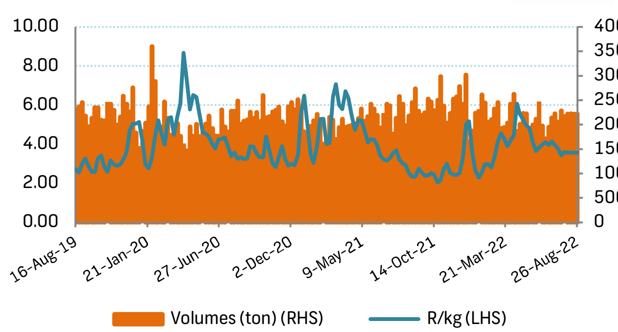


Figure 1da: Fresh Produce Markets – Carrots prices

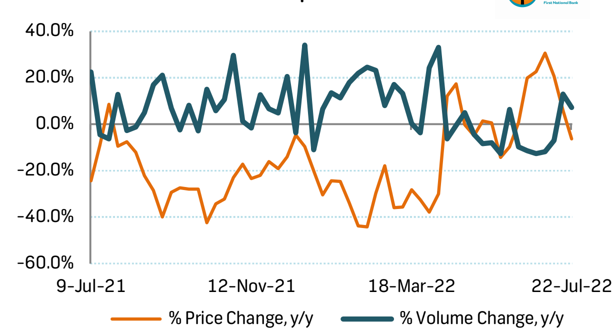


Figure 1ea: Fresh Produce Markets – Cabbage prices

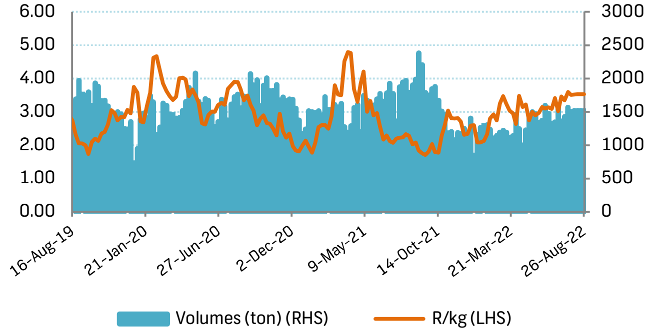
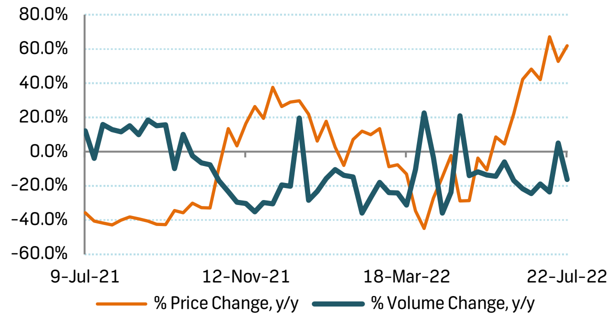


Figure 1eb: Fresh Produce Markets – Cabbage prices



Source: FNB AgriComms

Figure 1fa: Fresh Produce Markets – Butternut prices

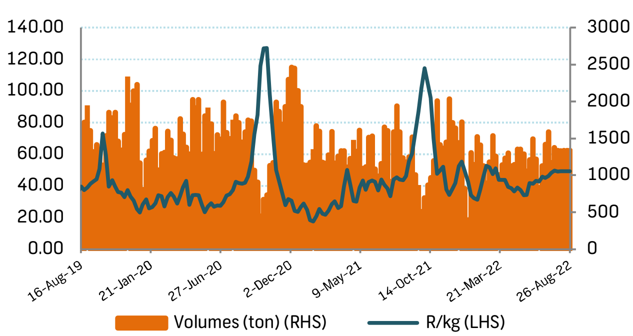


Figure 1fb: Fresh Produce Markets – Butternut prices

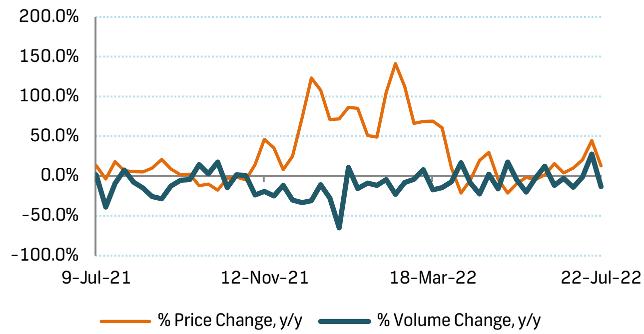


Figure 1g: Fresh Produce Markets – Lettuce prices

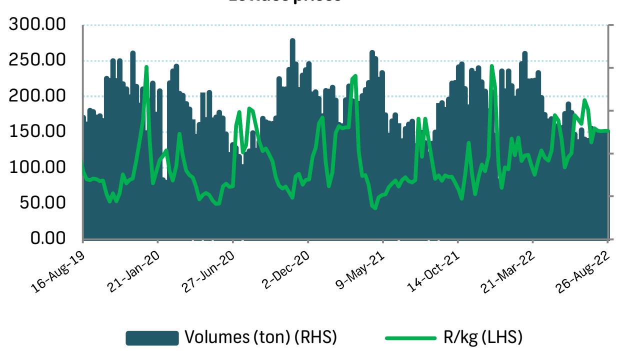
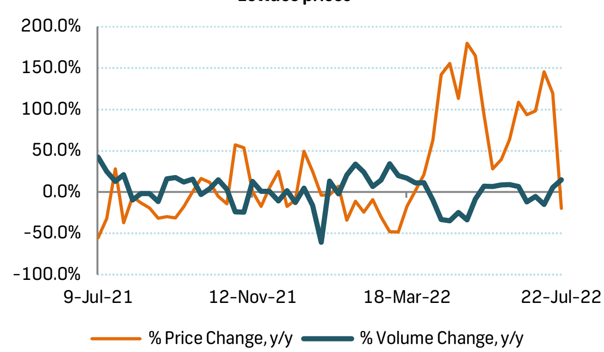


Figure 1ga: Fresh Produce Markets – Lettuce prices



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

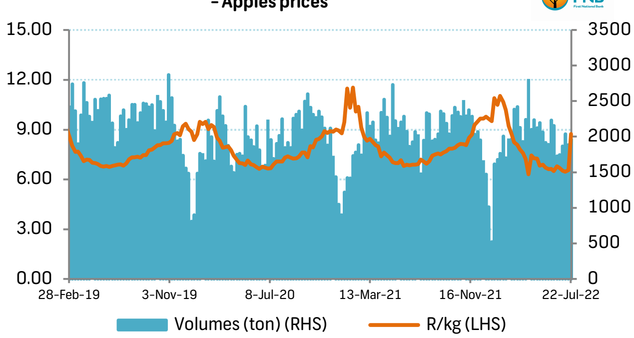


Figure 2aa: Fresh Produce Markets – Apples prices

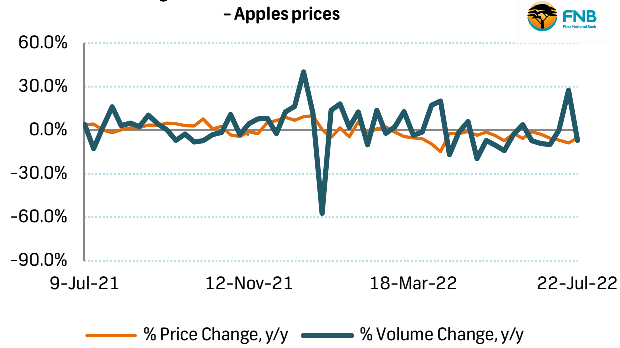


Figure 2b: Fresh Produce Markets - Avocado prices

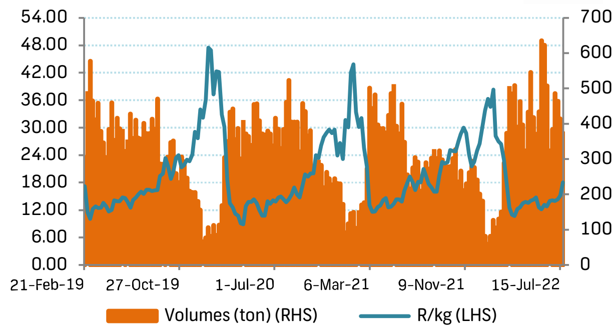
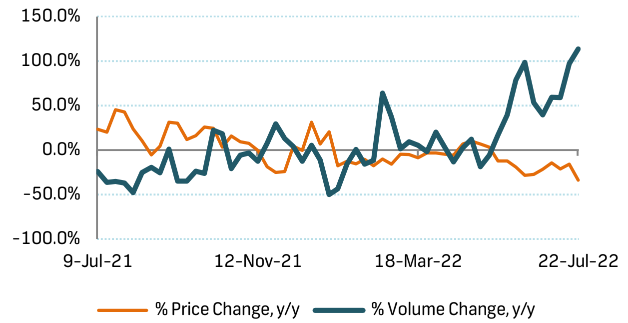


Figure 2ba: Fresh Produce Markets - Avocado prices



Source: FNB AgriComms

Figure 2c: Fresh Produce Markets - Banana prices

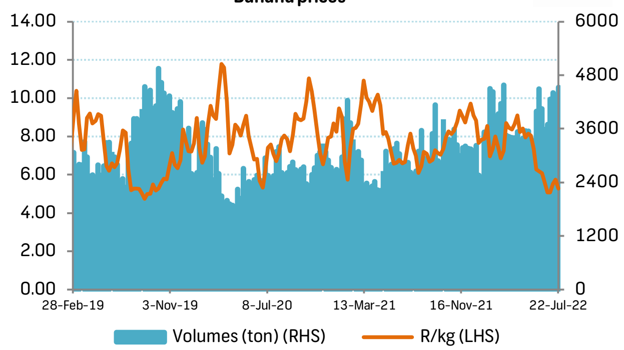


Figure 2ca: Fresh Produce Markets - Banana prices

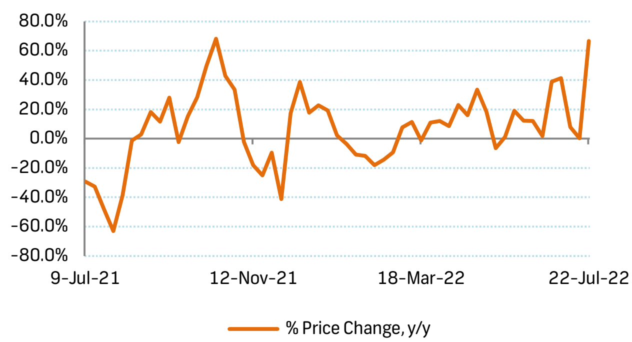


Figure 2d: Fresh Produce Markets - Mango prices

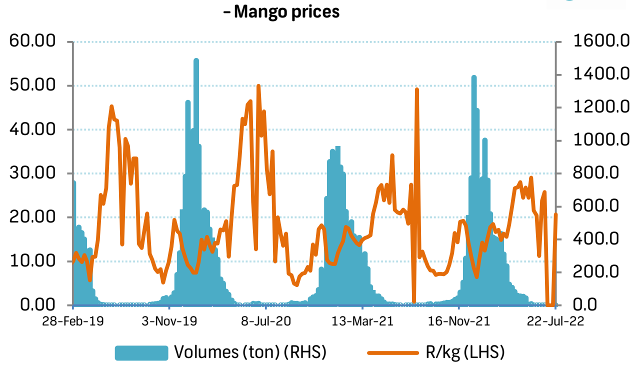


Figure 2da: Fresh Produce Markets - Mango prices

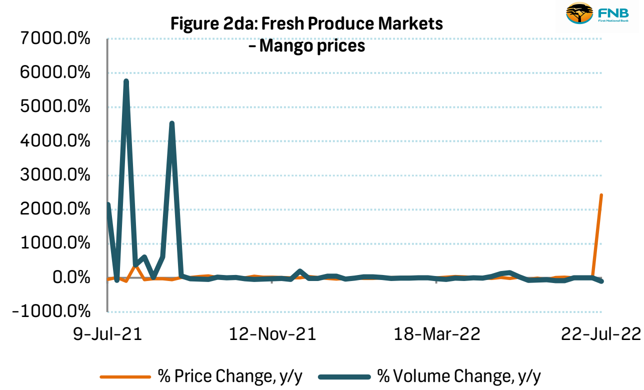


Figure 2e: Fresh Produce Markets - Pear prices

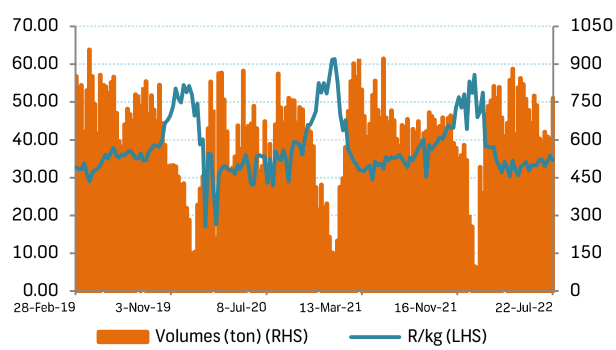
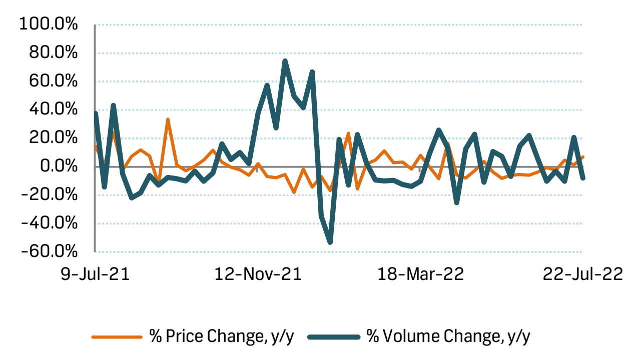
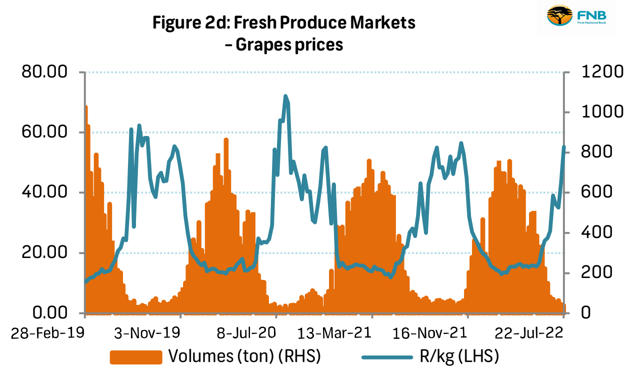
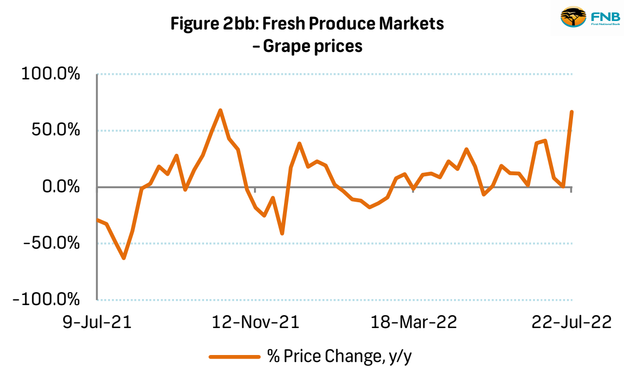


Figure 2bb: Fresh Produce Markets - Pear prices







Source: FNB AgriComms.

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