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Weekly update – Fruit and Vegetable Markets

Vegetable prices post losses in September while fruits lift on rebound in demand

- Average fresh produce prices for September closed on a mixed note with higher volumes exerting downward pressure on the vegetable complex while strong demand helped lift fruit commodities.
- In the vegetable complex, most big-ticket commodities posted monthly losses led by tomatoes which fell by 18.8% month-on-month (m/m) but still 72% higher year-on-year (y/y) at R10.46/kg on major markets. However, the average September month end closing prices for tomatoes was much lower at R7.37/kg.
- Other monthly losers were potatoes which fell by 5.9% m/m and 48.1% y/y at R4.09/kg. The increased availability across markets underpinned the downswing in prices for September. Weekly prices for the week ended September 30 closed at R3.99/kg which is marginally lower than the monthly average and almost 60% lower y/y.
- Lettuce, carrots, and cabbages posted monthly decreases of 21%, 5.1%, and 3.6% respectively m/m at R8.08/kg, R3.46/kg, and R3.05/kg. Except for lettuce prices which fell by 7.3% y/y, carrots and cabbages remained elevated by 38% and 71.9% respectively y/y.
- In the fruit complex, most of the fruits tracked posted moderate to sharp gains on the back of strong demand across markets. The biggest gainers were grapes and avocados with monthly increases of 32% and 30% at R57.86/kg and R16.54/kg respectively during September 2022. Seasonality continued to play a huge role in price direction which saw grape prices lifting 23% y/y due to supply tightness while avocados came in much lower by 24% y/y on volume pressure.
- Weather will become a critical focus as the prolonged heat wave may impact negatively on quality thus placing downward pressure on prices. This may be exacerbated by the persistent loadshedding that interrupts the cold chains thus increasing storage costs due higher fuel consumption from generators especially those without alternative sources of energy such as solar.

Figure A1: Changes in average monthly vegetable prices on South Africa's major Fresh Produce Markets (% m/m, y/y) Avg for SEP 2022

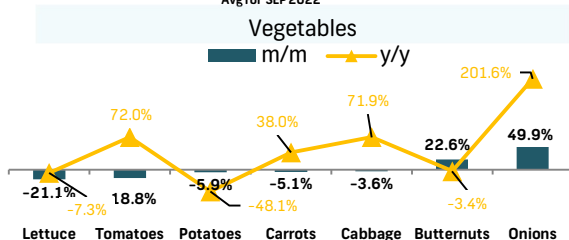
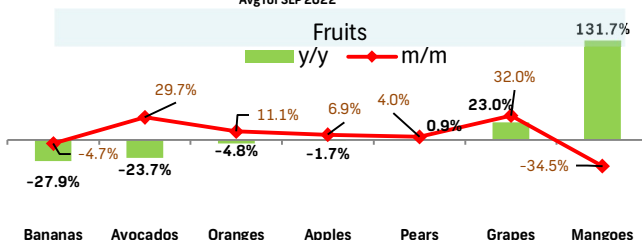


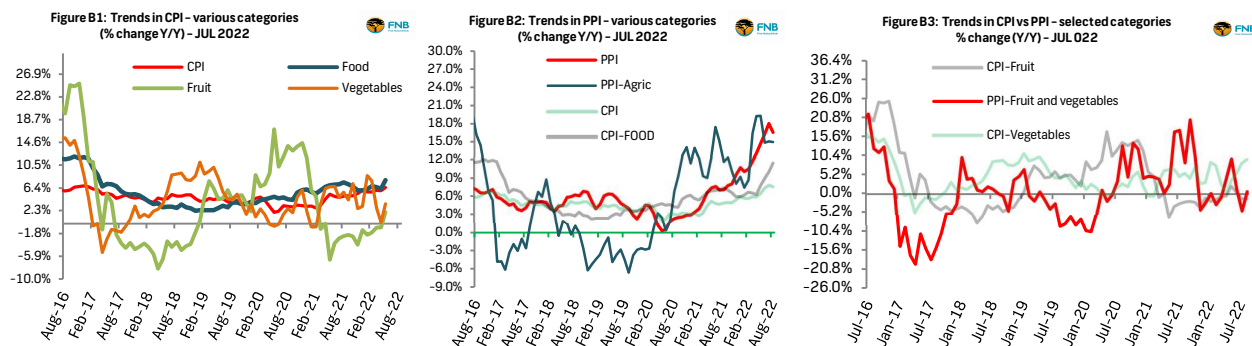
Figure A2: Changes in average monthly fruit prices on South Africa's major Fresh Produce Markets (% m/m, y/y) Avg for SEP 2022



Source: Own calculations from FNB AgriComms.

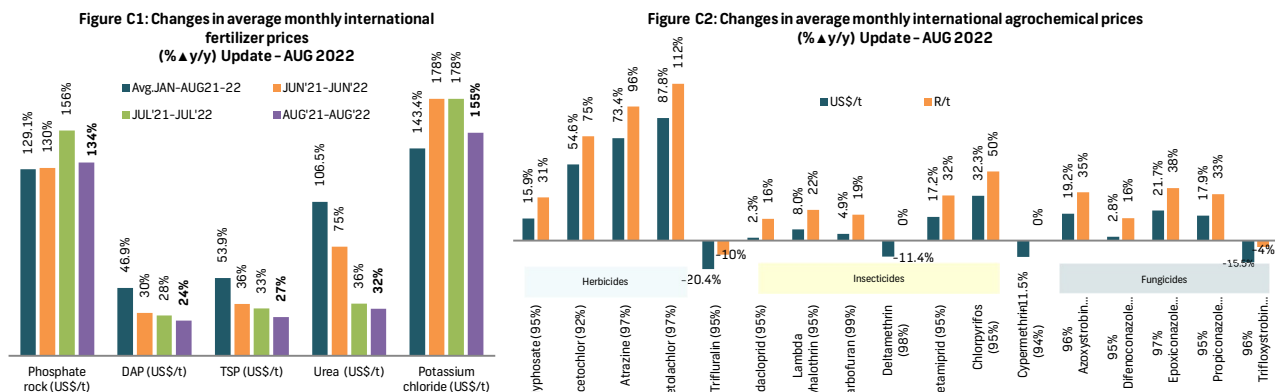
Cost pressures dissipate in AUG 2022, good news as the summer crop season gains momentum

- Statistics South Africa recently released the August 2022 price inflation outcomes at both the consumer (CPI) and producer (PPI) level. Both indices showed some deceleration with the CPI moderating to 7.6% y/y in August and only increasing marginally by 0.2% m/m underpinned by upside pressures in the food category.
- The PPI for August 2022 came in lower than expected at 16.6% y/y due to signs that the supply chain pressures have started to dissipate. The agriculture PPI came in unchanged at 15% y/y and eased by 0.3% m/m on easing monthly price pressures in the cereals and other crops (-1% m/m), live animals and animal products (-1.1% m/m), live animals (-1.2% m/m), milk and eggs (-0.6% m/m), other animal products (-1.2% m/m).
- Fruit and vegetables were however the exception with the PPI for this category surprising on the upside by coming in 2.9% higher m/m and rebounding to 0.7% y/y after a 4.6% y/y decrease in July.
- Although the crude oil outlook remains uncertain following the decision by OPEC to cut output by 2 million barrels per day, the recent fuel declines with petrol and diesel registering decreases of 5.5% m/m and 3.6% m/m respectively in August bodes well for agriculture at onset of the 2022/23 summer crop season.



Source: StatsSA.

- Although showing signs of moderation across the board recently, the monthly prices of major agrochemicals for AUG 2022 remain sharply higher relative to the 2021 level.
- Herbicide prices overall declined by 2% m/m but still 30% higher y/y. Insecticide prices eased by 1% m/m and 2% y/y while fungicides were the exception, closing a bit firmer by 1% m/m and 5% y/y.
- We saw a similar trend with fertilizer prices with some declines m/m but still showing a pronounced uptick relative to the same month the previous year. Potassium chloride and phosphate rock posted the biggest increases of 155% and 134% respectively y/y. Average urea, potassium chloride, and phosphate rock prices for the YTD (JAN to AUG 2022) increased by 106.5%, 143.4%, and 129% respectively y/y.

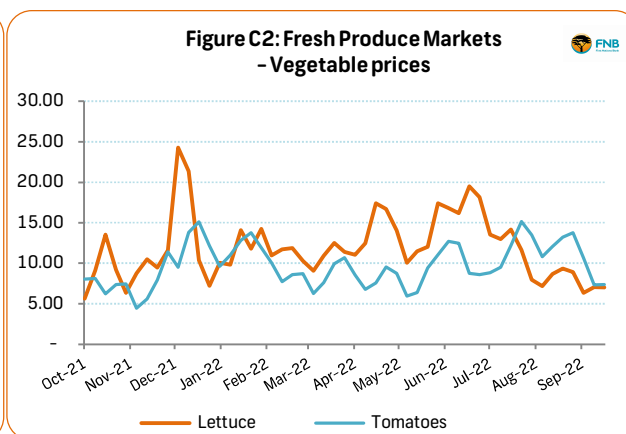
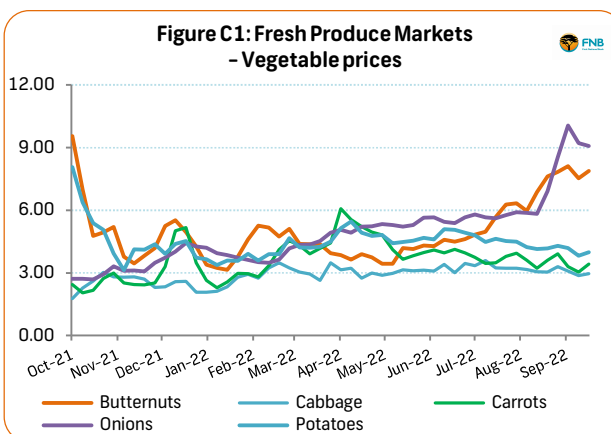


Source: World Bank, GrainsSA

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

Week ending 30 SEP 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	7.89	4.8%	-31.1%	1135	15.5%	62.7%
Cabbage	2.95	2.9%	45.3%	1,389	-9.6%	-24.9%
Carrot	3.42	12.4%	42.5%	2,279	1.1%	-9.6%
Lettuce	7.07	10.8%	-19.3%	399	-1.8%	9.6%
Onion	9.09	-1.3%	259.3%	6,449	13.7%	-12.0%
Potato	3.99	4.3%	-59.7%	8,760	10.2%	58.4%
Tomato	7.37	0.5%	-30.5%	4,798	5.9%	38.8%

Source: FNB AgriComms

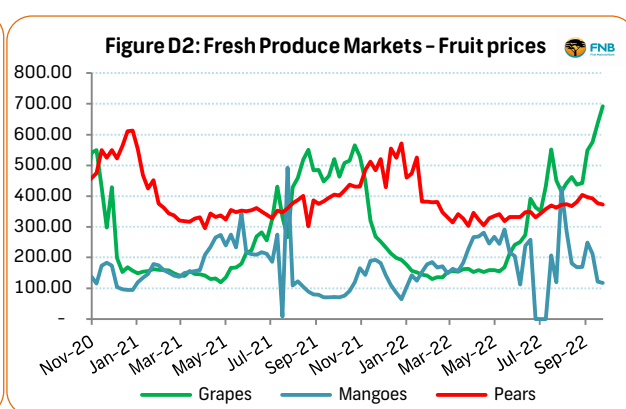
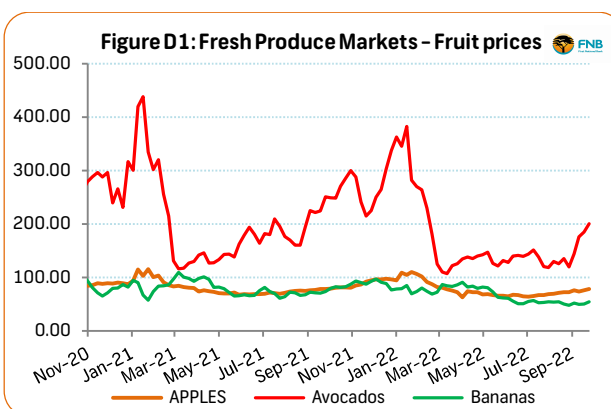


Source: FNB AgriComms

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 30 SEP 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	7.85	3.3%	0.0%	2,251	15.5%	-1.9%
Avocados	20.06	8.4%	-20.2%	500	22.9%	78.5%
Bananas	5.49	9.4%	-25.5%	5,876	7.9%	54.3%
Grapes	69.21	8.9%	33.0%	49	-4.1%	-24.5%
Mangoes	11.67	-4.2%	62.7%	5	-5.5%	-52.0%
Pears	3.07	3.3%	-3.0%	2,035	-1.0%	1.8%

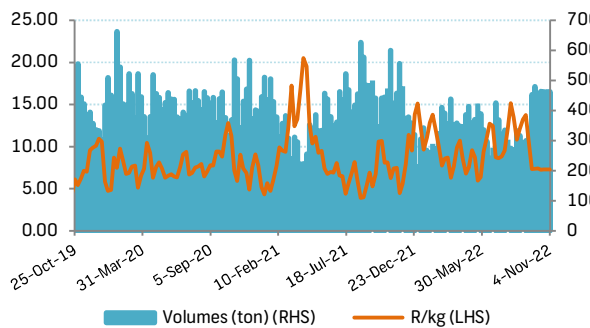
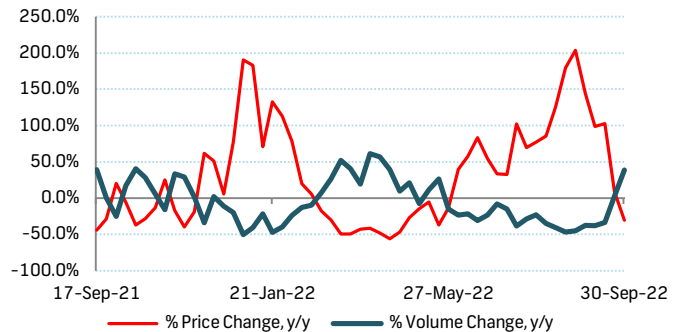
Source: FNB AgriComms



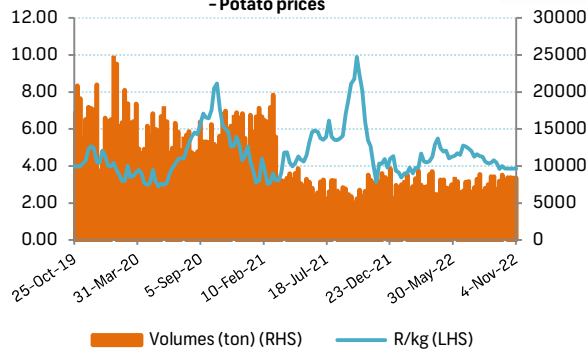
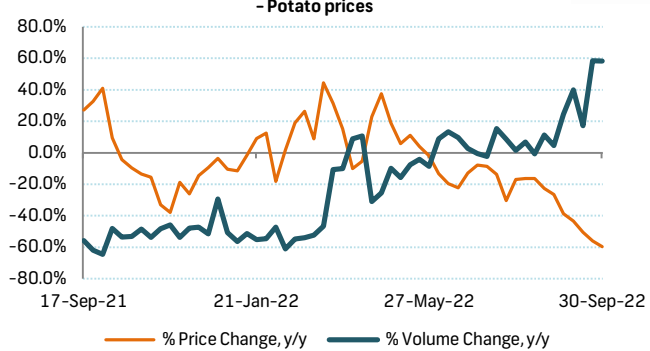
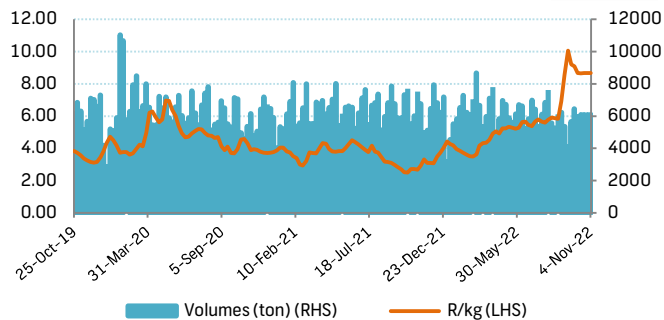
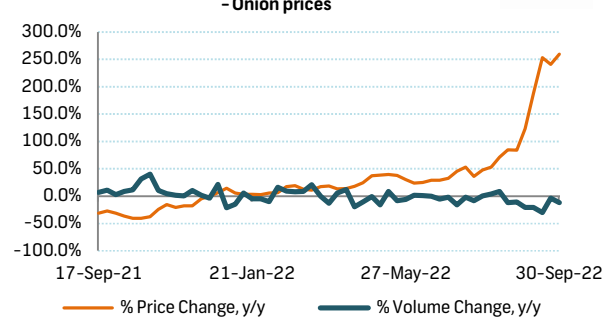
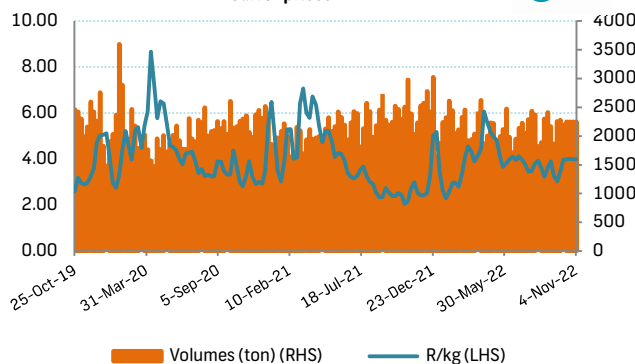
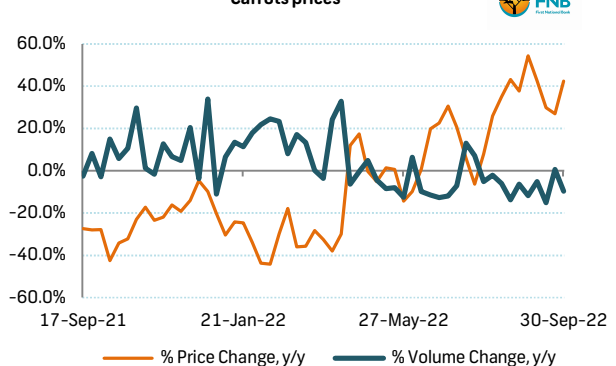
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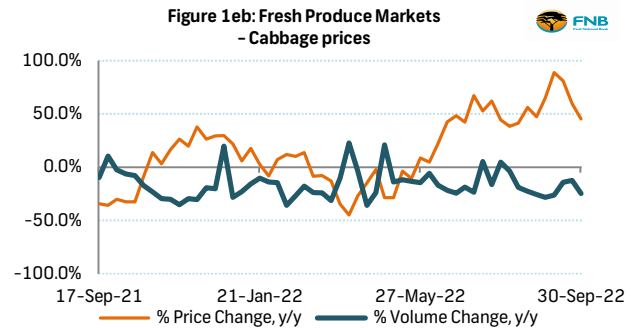
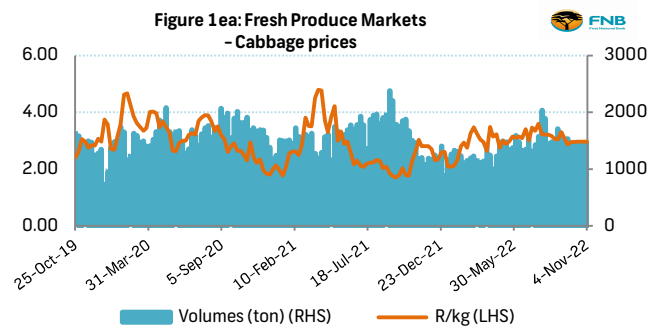
Vegetable trends on 5 Major Fresh Produce Markets in SA (Figures 1a to 1e)

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

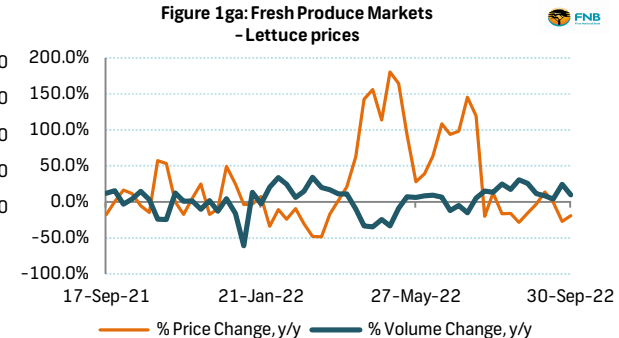
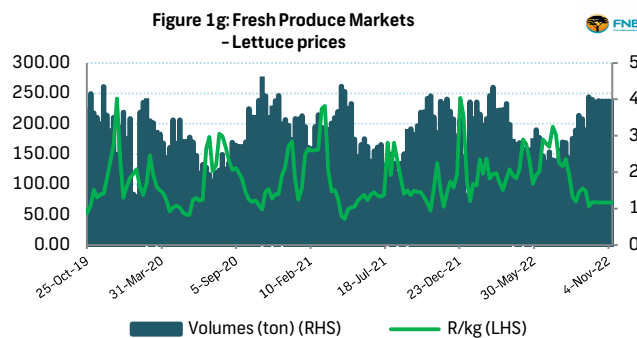
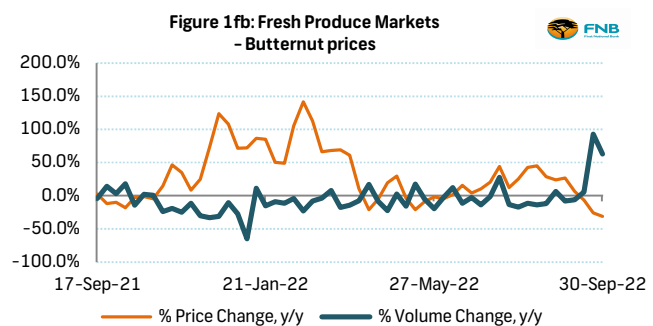
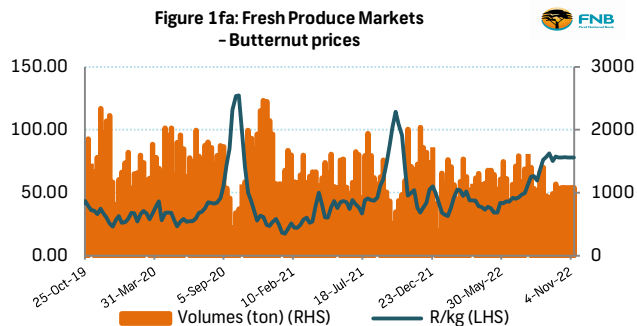
Note: The last six data points are preliminary for all vegetable prices and quantity graphs.*Figure 1a: Fresh Produce Markets
– Tomato prices****Figure 1aa: Fresh Produce Markets
– Tomato prices**

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**



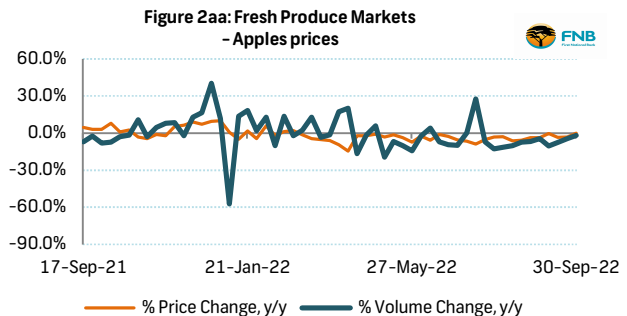
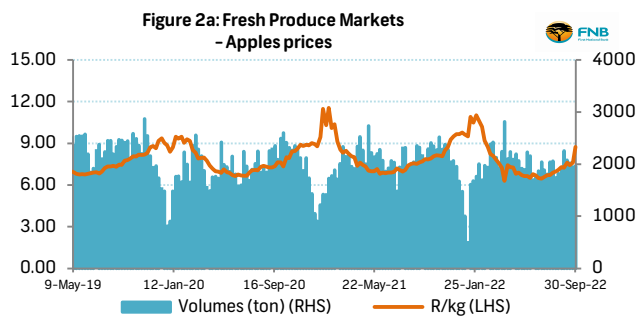
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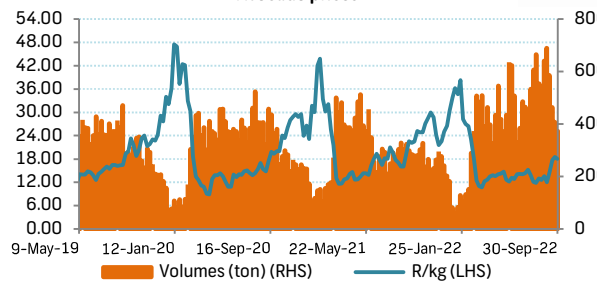
Source: FNB AgriComms

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

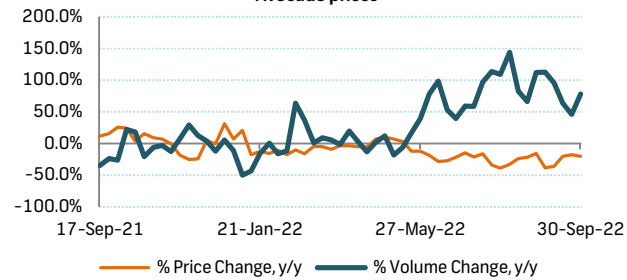
(Average 5 major markets - Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)



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

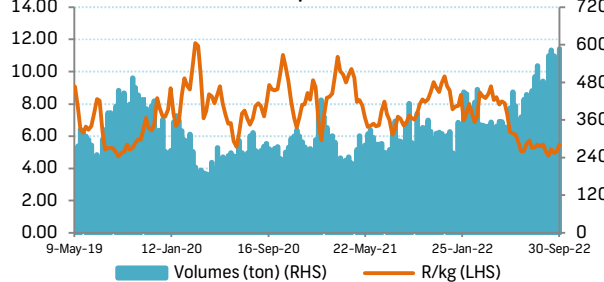


**Figure 2ba: Fresh Produce Markets
- Avocado prices**

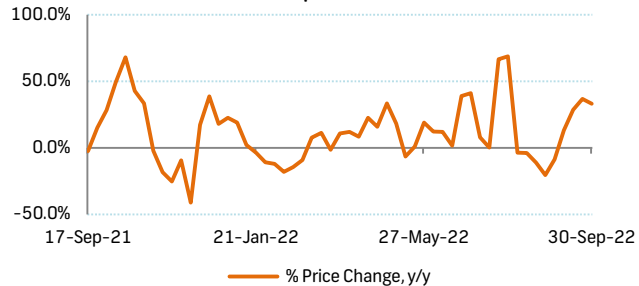


Source: FNB AgriComms

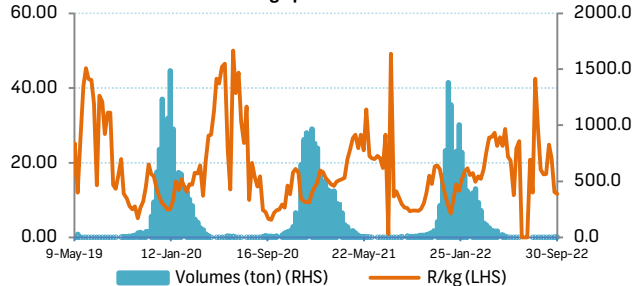
**Figure 2c: Fresh Produce Markets
- Banana prices**



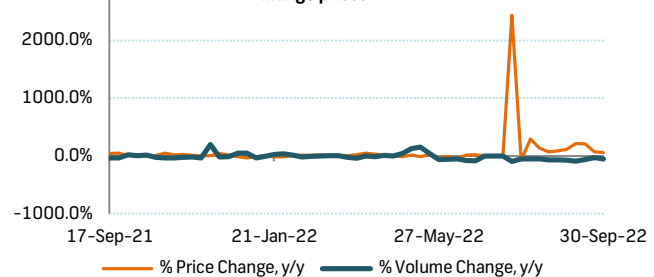
**Figure 2ca: Fresh Produce Markets
- Banana prices**



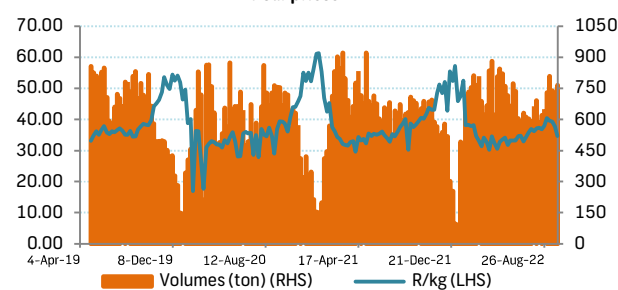
**Figure 2d: Fresh Produce Markets
- Mango prices**



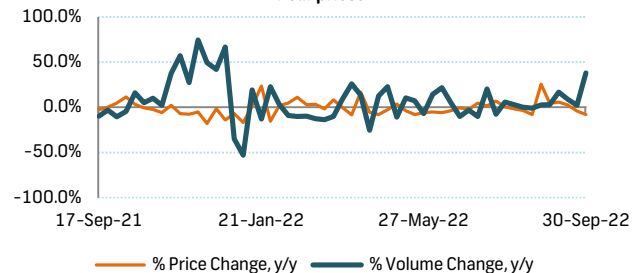
**Figure 2da: Fresh Produce Markets
- Mango prices**



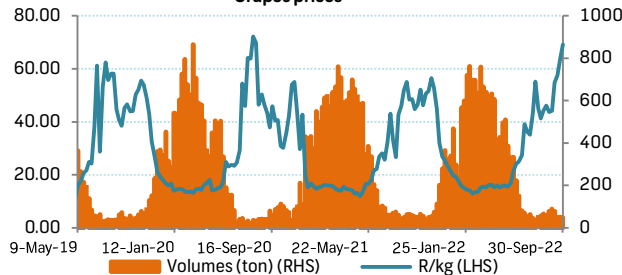
**Figure 2e: Fresh Produce Markets
- Pear prices**



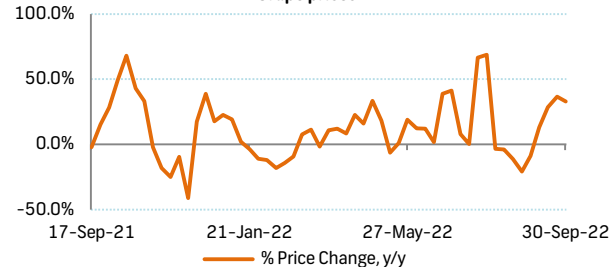
**Figure 2bb: Fresh Produce Markets
- Pear prices**



**Figure 2d: Fresh Produce Markets
- Grapes prices**



**Figure 2bb: Fresh Produce Markets
- Grape prices**



Source: FNB AgriComms

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