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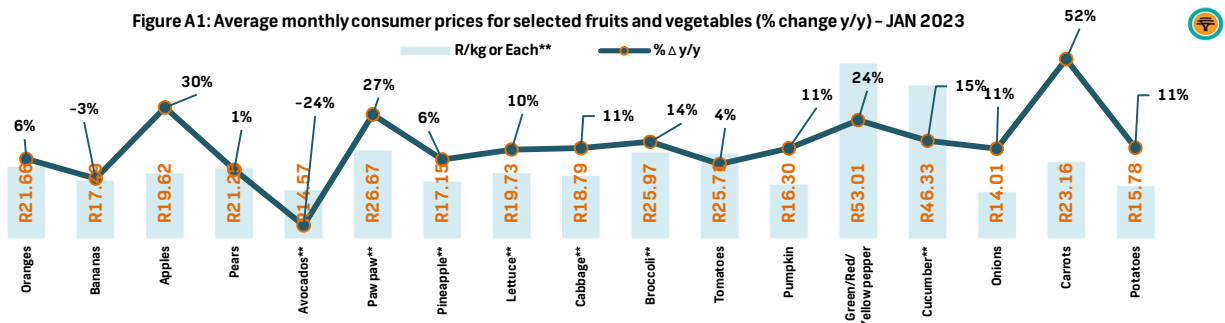
Paul Makube | Tumi Kgasago | Vhutshilo Mabela | 15 FEB 2023

Weekly update – Fruit and Vegetable Markets

Vegetable and fruit inflation surprise on the upside in January 2023

- The recent consumer price inflation (CPI) outcome showed a further slowdown from 7.2% in December 2022 to 6.9% year-on-year (y/y) in January 2023, according to recent data from Statistics South Africa (Stats SA).
- After posting a modest deceleration in December 2022, food inflation surprised on the upside despite downside pressure at producer levels owing to the seasonal demand contraction. The food CPI jumped 2% month-on-month (m/m) and clocked a record high of 13.8% y/y which is just above the 13.7% reached during March 2009.
- Within the food CPI subindex, vegetables posted the biggest increase of 5.1% m/m and rose to the highest level since October 2016 at 14.3% y/y. The fruit CPI accelerated by 2.8% m/m and increased by 5.6% percentage points to 3.6% y/y relative to the same month in 2022.
- A drill down into the fruit consumer data shows strong increases of 30% y/y (+R4.50/kg), 27% y/y (+R5.59/kg), 6% y/y (+R1.27/kg), and 6% y/y (+R0.96/kg) for apples, pawpaws, oranges, and pineapples which more than offset the decreases for some of the major commodities such as avocados and bananas which fell by 24% and 3% y/y respectively (figure a1).
- The vegetable consumer price category saw double-digit gains across all commodities under review led by carrots with an increase of a whopping 52% y/y (+R0.50/kg). They were followed by the cauliflower, green peppers (green, yellow, red), and carrots with gains of 30% y/y (+R6.67/kg), 24% y/y (+R10.25/kg), 19% y/y (+R2.33/kg) respectively.
- Recent negative news includes the proliferation of the potato tuber month due to the unfavourably higher temperatures in some areas and infrequent irrigation due to loadshedding. Quality issues and availability may become a frequent feature for this market should the situation persist.

Figure A1: Average monthly consumer prices for selected fruits and vegetables (% change y/y) – JAN 2023



Source: StatsSA, Own calculations

- At producer levels, our analysis of price trends of fresh produce on domestic markets shows a modest downside during the February mid-month. In the vegetable complex, weekly prices were down across most commodities with lettuce posting the biggest decrease of 41% week-on-week (w/w) but still 15% higher y/y at R13.56/kg. Pears posted the biggest weekly decrease in the fruit category with a sharp decline of 28.7% w/w and 39.7% y/y at R7.26/kg.
- The recent good rains bode well for alleviating pressure on the industry after experiencing challenges with irrigation due to the persistent loadshedding.
- On the export front, the debacle regarding the European Union rules implemented last July to contain the potential spread of the false codling moth (FCM) in the region has not yet been resolved as the South Africa export season draws nearer. This has serious cost implications for farmers and may curtail export volumes as in the case of Valencia which fell from 41% in 2021 to 38% in 2022. Nonetheless, positive developments on exports are increases in shipments to Russia despite the challenges as well as the strong upswing in lemon volumes to China following the implementation of the new lemon protocol.

Figure A2: Changes in average monthly vegetable prices on South Africa's major Fresh Produce Markets (% m/m, y/y)
Avg for JAN 2023

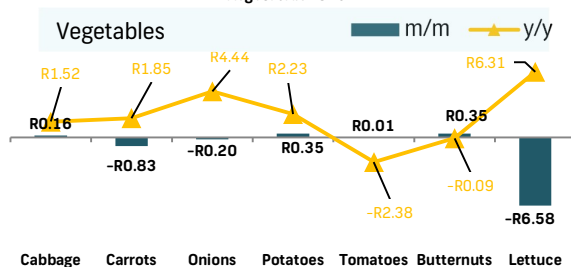
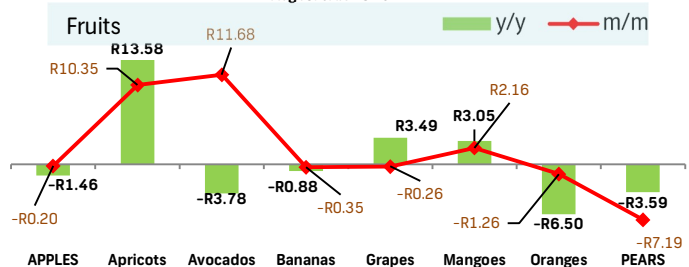


Figure A3: Changes in average monthly fruit prices on South Africa's major Fresh Produce Markets (% m/m, y/y)
Avg for JAN 2023



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 10 FEB 2023	Average Price (R/Kg)	Price change w/w	Price change y/y	Total Volume (t)	Volume change w/w	Volume Change y/y
Butternuts	9.13	2.0%	-10.4%	1,787	-8.6%	5.1%
Cabbage	43.16	69.8%	63.4%	227	-13.6%	50.7%
Carrot	7.76	17.5%	-3.1%	4,561	-22.1%	25.6%
Lettuce	15.64	-3.0%	20.3%	553	-14.3%	-20.5%
Onion	15.18	-10.9%	-18.1%	823	33.2%	99.1%
Potato	7.26	-28.7%	-39.7%	493	2.8%	68.0%
Tomato	9.13	2.0%	-10.4%	1,787	-8.6%	5.1%

Source: FNB AgriComms

Figure C1: Fresh Produce Markets – Vegetable prices

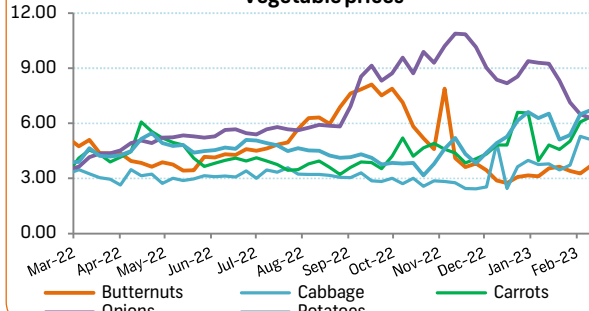
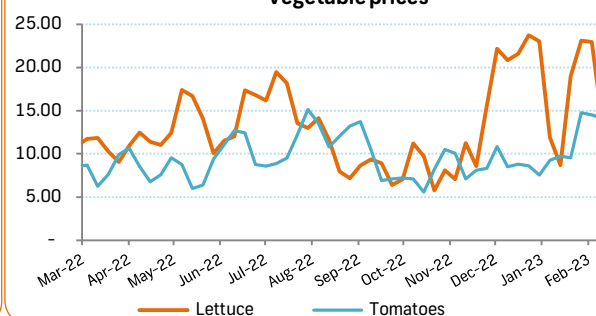


Figure C2: Fresh Produce Markets – Vegetable prices



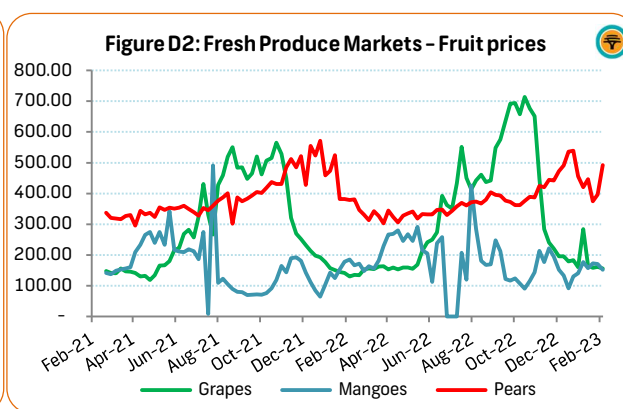
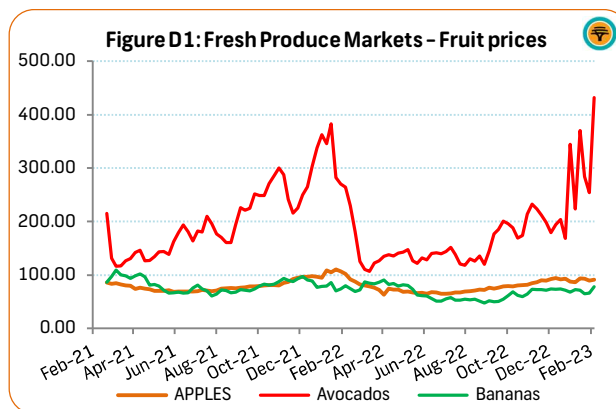
Source: FNB AgriComms

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 10 FEB 2023	Average Price (R/Kg)	Price change w/w	Price change y/y	Total Volume (t)	Volume change w/w	Volume Change y/y
Apples	3.69	12.7%	-19.7%	945	-36.9%	-16.1%
Avocados	5.11	-3.3%	74.7%	1,218	51.5%	10.2%
Bananas	6.35	4.5%	114.8%	1,783	-9.1%	-13.0%
Grapes	13.56	-41.0%	15.1%	301	-6.1%	-8.5%
Mangoes	6.28	-3.2%	73.7%	5,972	-21.1%	-4.4%
Pears	6.72	3.6%	72.2%	7,048	-7.9%	12.1%

Source: FNB AgriComms

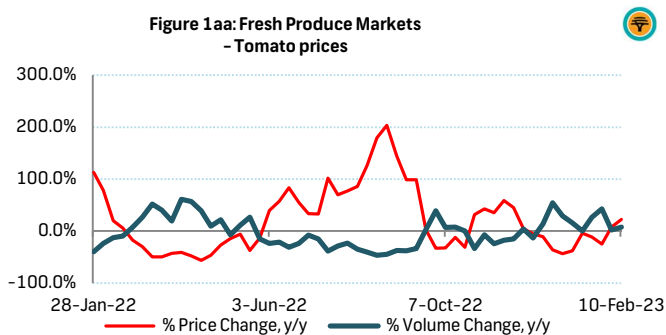
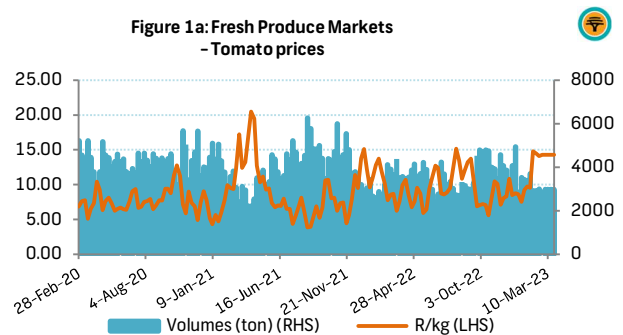


Source: FNB AgriComms

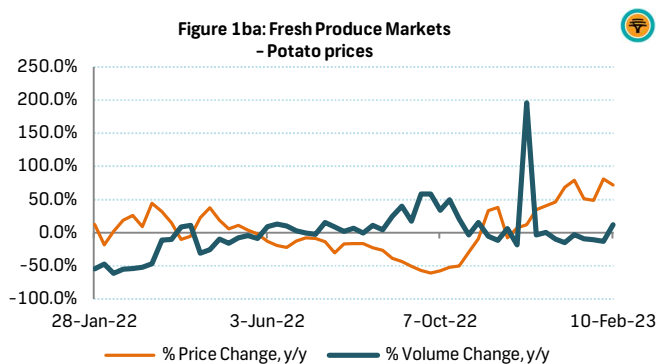
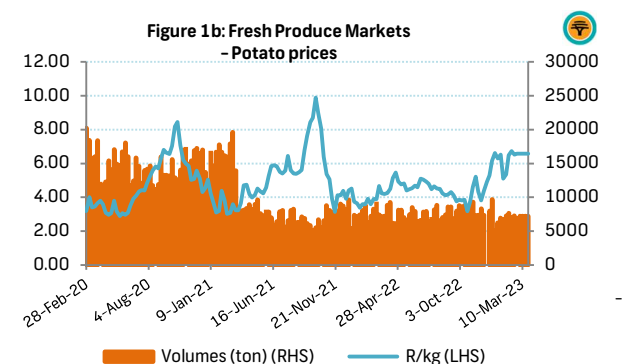
Vegetable trends on 5 Major Fresh Produce Markets in SA (Figures 1a to 1e)

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

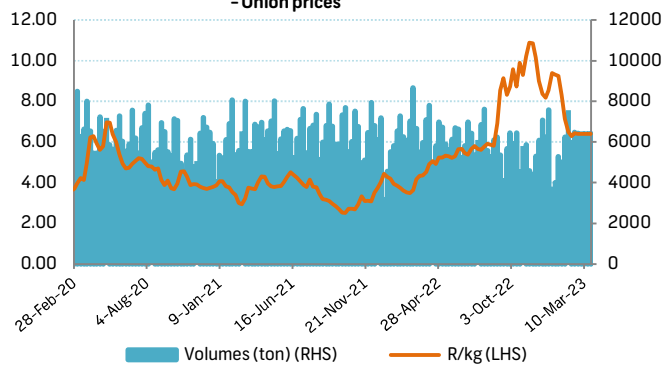
*Note: The last six data points are preliminary for all vegetable prices and quantity graphs.



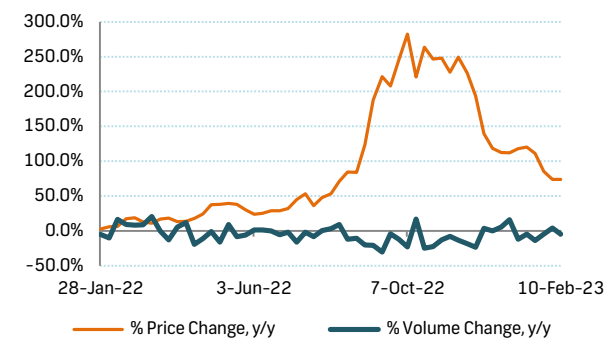
Source: FNB AgriComms



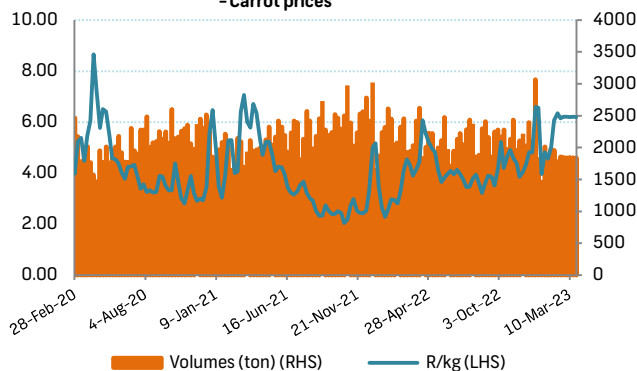
**Figure 1c: Fresh Produce Markets
- Onion prices**



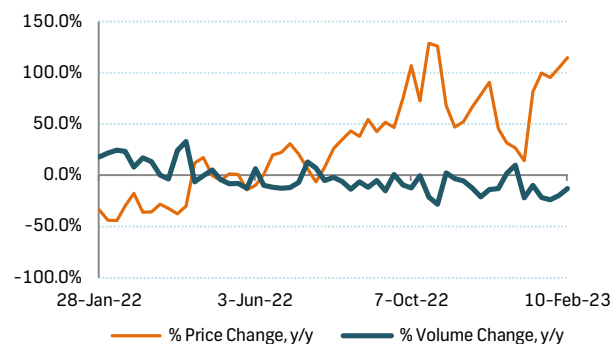
**Figure 1ca: Fresh Produce Markets
- Onion prices**



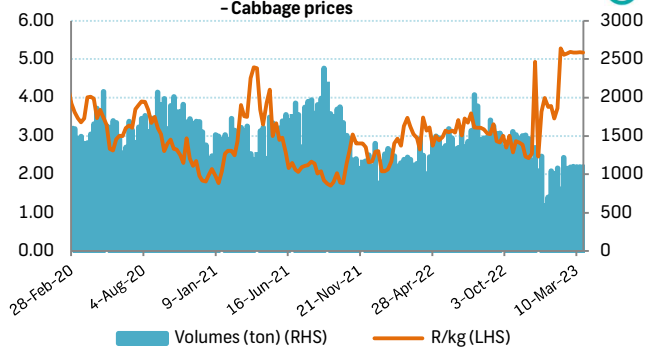
**Figure 1d: Fresh Produce Markets
- Carrot prices**



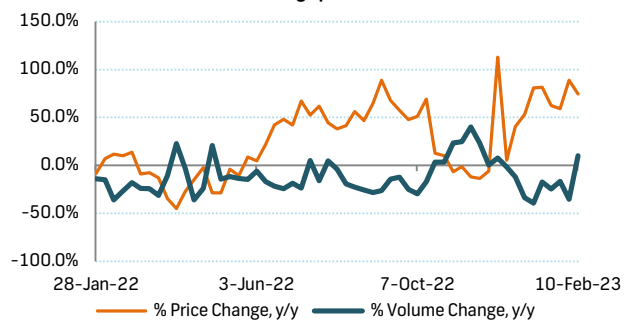
**Figure 1da: Fresh Produce Markets
- Carrots prices**



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

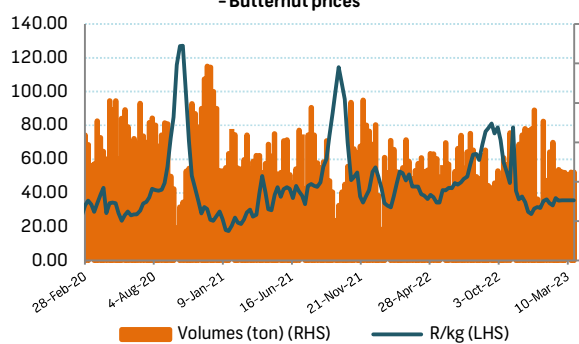


**Figure 1eb: Fresh Produce Markets
- Cabbage prices**

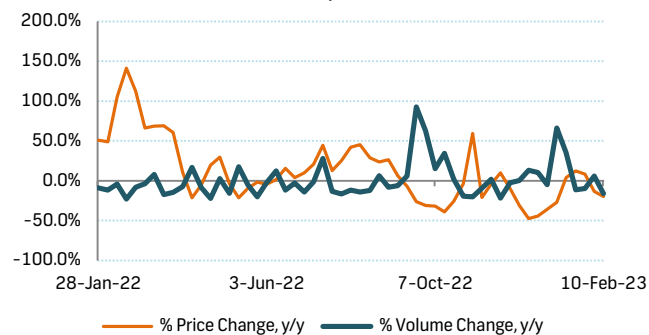


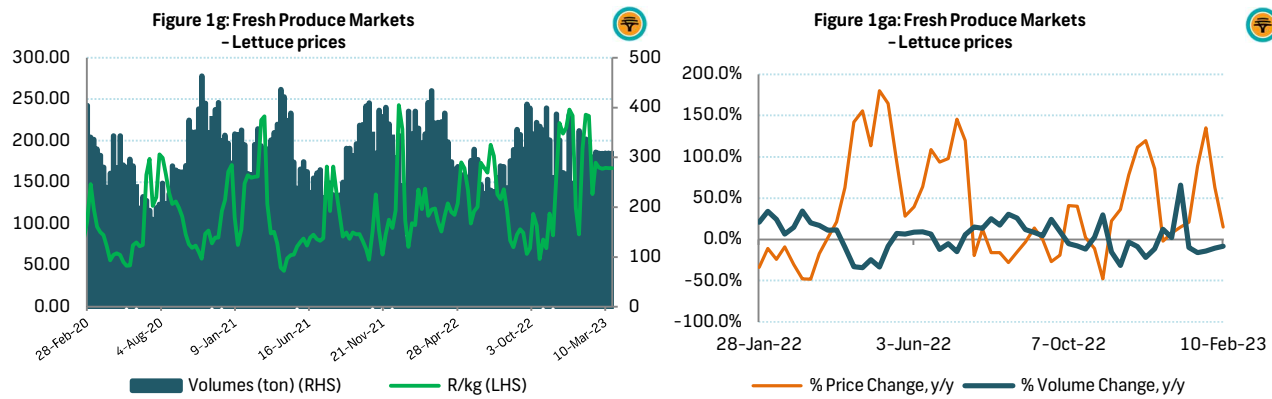
Source: FNB AgriComms

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



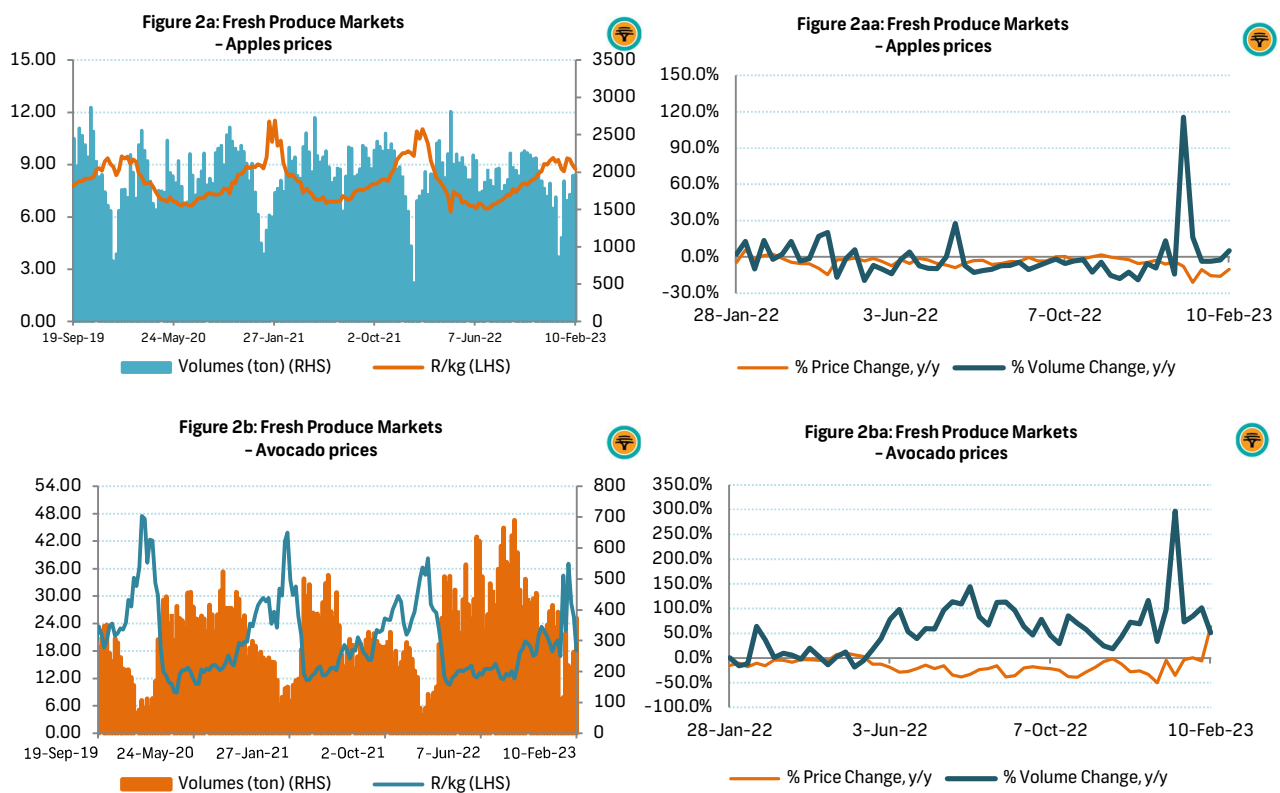
**Figure 1fb: Fresh Produce Markets
- Butternut prices**



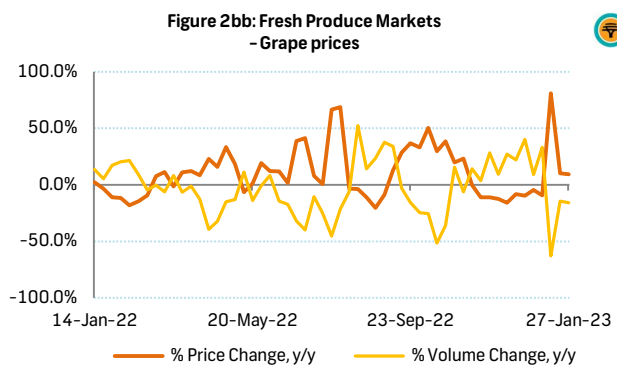
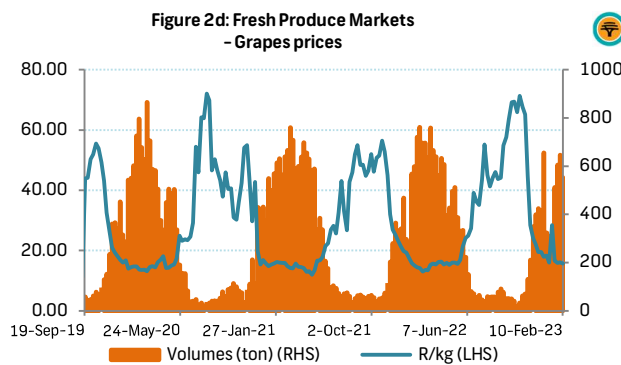
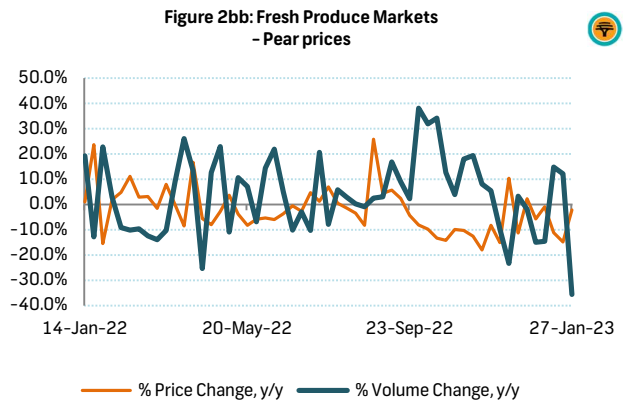
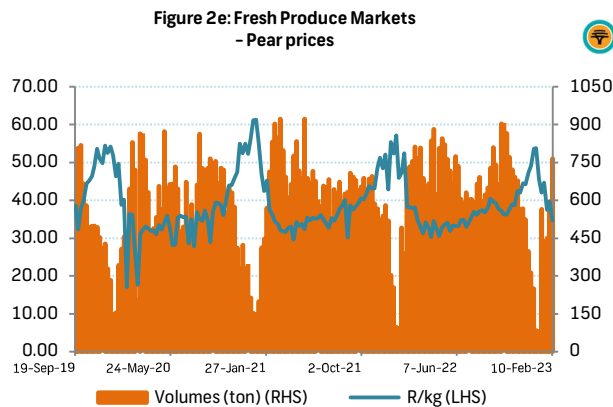
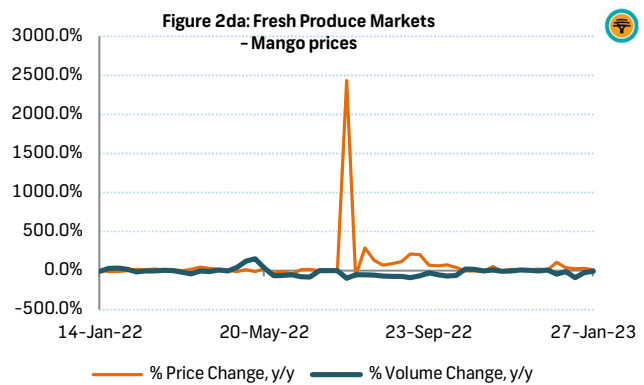
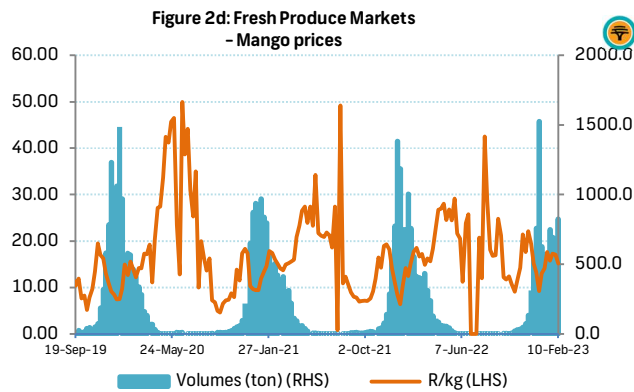


Fruit trends on Major Fresh Produce Markets in SA (figures 2a to 2f)

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



Source: FNB AgriComms



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