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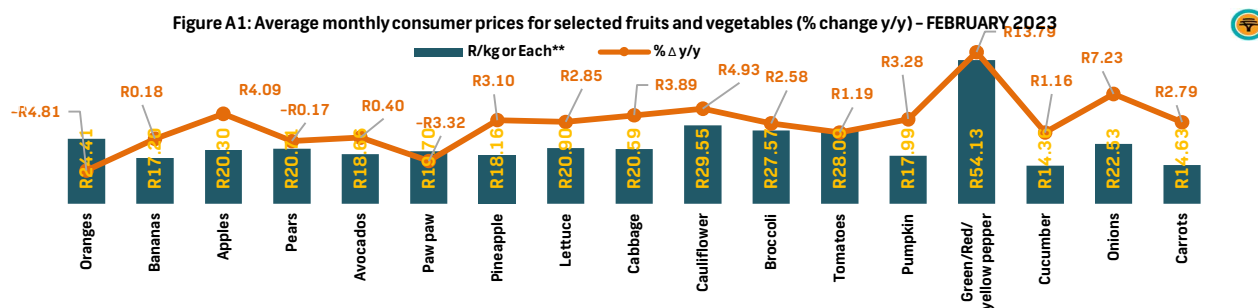
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First National Bank

Paul Makube | Tumi Kgasago | Vhutshilo Mabela | 24 MAR 2023

Weekly update – Fruit and Vegetable Markets

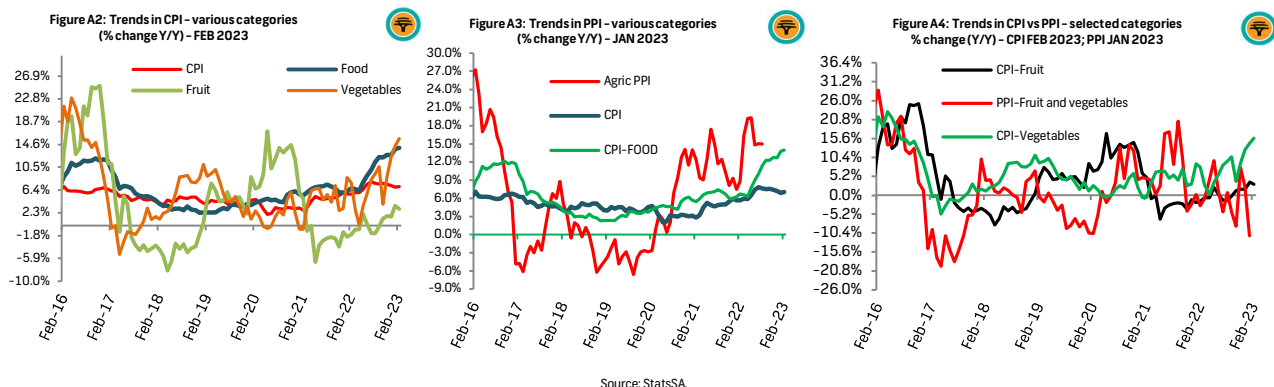
Vegetable CPI continues to surprise on the upside, clocking a 7-year high of 15.7% y/y in February 2023

- The recent February 2023 consumer price inflation (CPI) outcome showed a further acceleration to 7% y/y underpinned by gains in food and non-alcoholic beverages, housing and utilities, transport, and miscellaneous goods and services.
- Food inflation nudged 0.9% higher m/m and accelerated faster to a fourteen-year high of 14% y/y (since March 2009). Within the food CPI basket, fresh produce prices continued to trend on the upside with the vegetable CPI posting the biggest increase of 15.7% y/y which is the highest level in almost seven years. However, the vegetable CPI decelerated from 5.1% m/m in January to 1.3% m/m in February 2023.
- Fruits CPI decelerated to 1.2% m/m from 2.8% m/m previously and was 3% higher y/y in February 2023 after posting a twenty-three-month high of 3.6% y/y in January 2023. The improved seasonal availability and increased production weighed heavily on prices.
- A drill down into the fruit consumer data shows strong monthly gains for avocados with an increase of a whopping 28% (+R4.09 each) m/m and a slight uptick of 2% (+R0.40 each) at R18.66 each. Apples followed with gains of 3% (+R0.68/kg) m/m and a whopping 25% (+R4.09/kg) y/y at R20.30/kg. Although orange prices saw strong growth of 13% (+R2.75/kg) m/m, they were sharply down by 16% (-R4.81/kg) y/y at R24.41/kg (figure a1).
- In the vegetable CPI category, prices of all big-ticket items posted strong growth led by cabbages with a 10% (+R1.80 each) rise m/m and were 23% (+R3.89 each) higher y/y at R20.59 each. Potato prices rose by 4% (+R0.62/kg) m/m and 20% (+2.73/kg) y/y at R16.40/kg. This means a 7kg bag of potatoes would have cost the consumer R114.80 while R164 was required to purchase a 10kg bag. Although onion prices fell by 3% (-R0.63/kg) m/m, they were sharply higher by 47% (+R7.23/kg) y/y at R22.53/kg.



Source: StatsSA.

- Figures A2 to A4 illustrate trends in headline inflation, CPIs for food, fruit, and vegetables as well the overall PPI for agriculture and the PPI for fruit and vegetables that represent costs at producer level.



- Our analysis of the weekly fresh produce prices at producer level so far shows some declines across most commodities under review for the first three weeks of March 2023 relative to February but remained elevated across the board on the 2022 levels (fig. B1&2).
- The biggest losers for the big-ticket items in the fruit category included avocados, pears, and apples with prices falling sharply by R16.33/kg, R6.71/kg, and R0.64/kg m/m respectively. This points to a potential further deceleration in the monthly fruit CPI outcomes for March if the benefits were indeed passed on to the consumer.
- In the vegetable complex, the trend is mixed with most of the vegetable commodities posting slight to moderate gains m/m but the big-ticket items such as tomatoes, potatoes, and cabbages saw slight decreases of R1.89/kg, R0.57/kg, and R0.37/kg m/m respectively. This might outweigh the increases in other vegetables with lower weightings resulting in a slowdown in the March 2023 inflation outcomes.

Figure B1: Changes in average monthly vegetable prices on South Africa's major Fresh Produce Markets (% Δ w/w, y/y) Avg for the first 3 weeks of MAR 2023

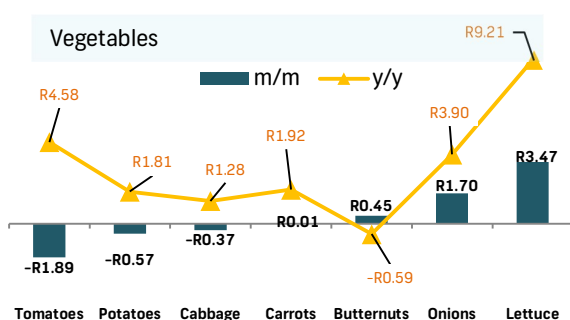
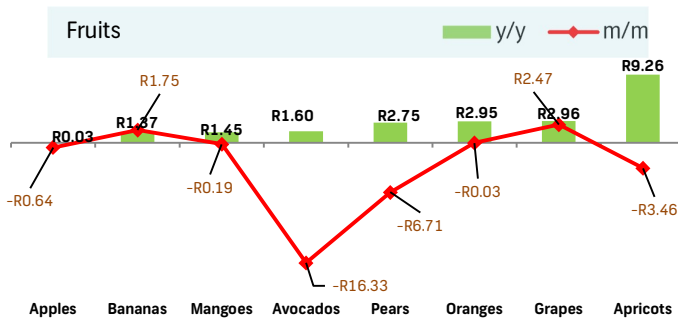


Figure B2: Changes in average monthly fruit prices on South Africa's major Fresh Produce Markets (% Δ w/w, y/y) Avg for the first 3 weeks of MAR 2023



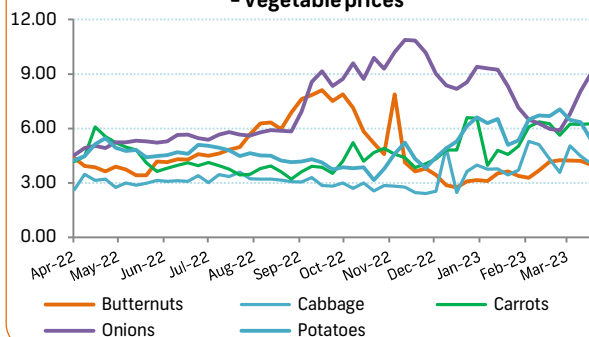
Source: Own calculations from FNB AgriComms.

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

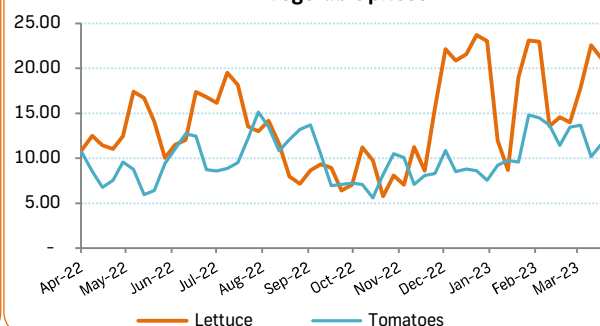
Week ending	Average Price	Price change	Price change	Price change	Price change	Total	Volume change	Volume Change
17 MAR 2023	(R/Kg)	(% Δ w/w)	Δ w/w	(% Δ y/y)	Δ y/y	Volume (t)	w/w	y/y
Butternuts	4.01	-5.2%	-R 0.22	-8.6%	-R 0.38	1028	-14.6%	-1.4%
Cabbage	4.08	-8.6%	-R 0.38	34.0%	R 1.04	1,619	7.0%	44.9%
Carrot	6.26	0.7%	R 0.04	45.3%	R 1.95	1,893	-4.4%	-2.6%
Lettuce	21.11	-6.4%	-R 1.44	105.1%	R 10.81	303	11.4%	-18.2%
Onion	9.00	12.0%	R 0.96	107.2%	R 4.66	4,789	-19.4%	-13.0%
Potato	5.40	-14.9%	-R 0.95	27.5%	R 1.16	6,842	-1.6%	-4.3%
Tomato	10.19	-25.4%	-R 3.46	62.8%	R 3.93	3,897	23.6%	-10.9%

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 Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)**

Week ending	Average Price	Price change	Price change (R/kg)	Price change	Price change (R/kg)	Total	Volume change	Volume Change
17 MAR 2023	(R/Kg)	(% Δ w/w)	Δ w/w	(% Δ y/y)	Δ y/y	Volume (t)	w/w	y/y
Apples	8.12	-0.2%	-R0.02	4.0%	R0.31	2,059	-9.1%	-3.3%
Avocados	11.69	-8.6%	-R1.11	9.3%	R0.99	481	0.7%	-5.4%
Bananas	10.00	2.6%	R0.25	18.1%	R1.53	3,409	-13.8%	-0.6%
Grapes	17.35	-11.0%	-R2.16	12.8%	R1.97	601	10.5%	-6.0%
Mangoes	18.43	9.7%	R1.63	17.7%	R2.77	251	-34.7%	4.7%
Pears	7.10	-31.0%	-R0.91	30.9%	R1.02	792	22.5%	-6.0%

Source: FNB AgriComms

Figure D1: Fresh Produce Markets – Fruit prices

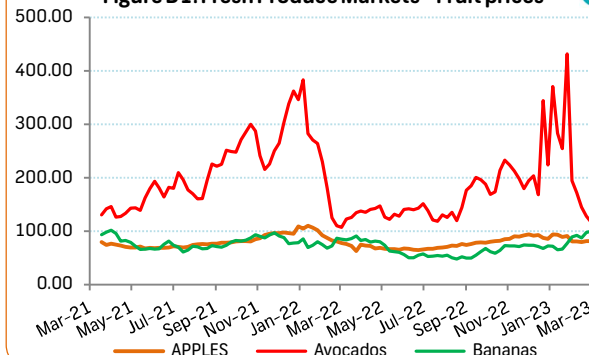
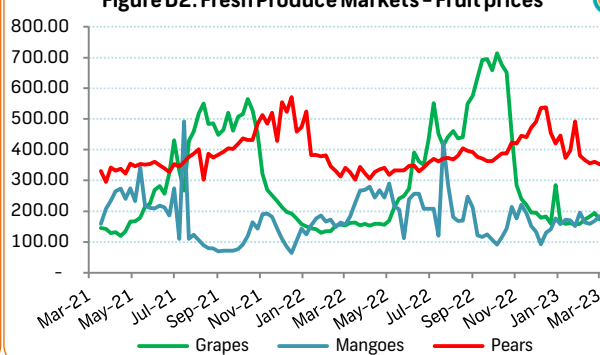


Figure D2: Fresh Produce Markets – Fruit prices



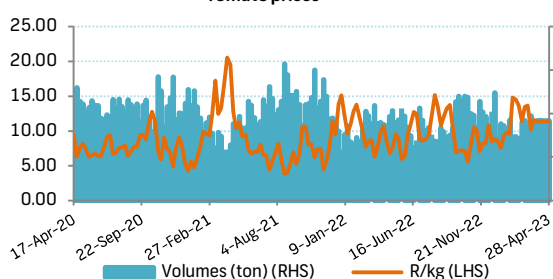
Source: FNB AgriComms

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

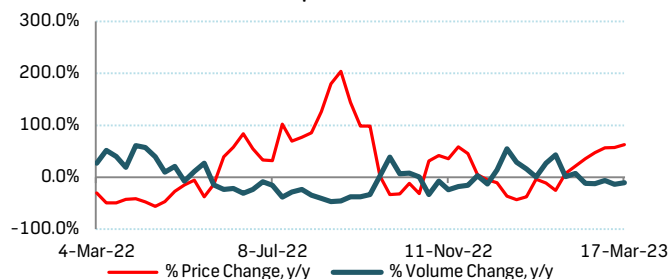
(Average 5 major markets – Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)

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

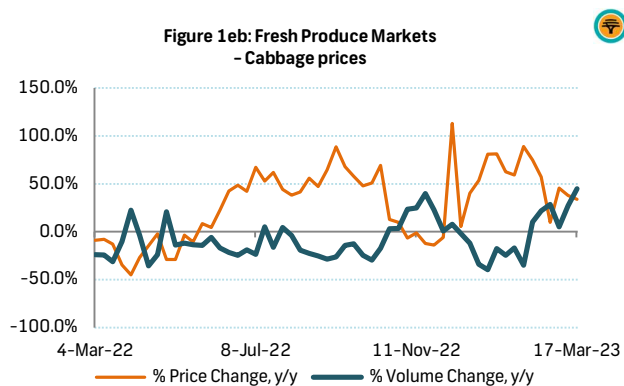
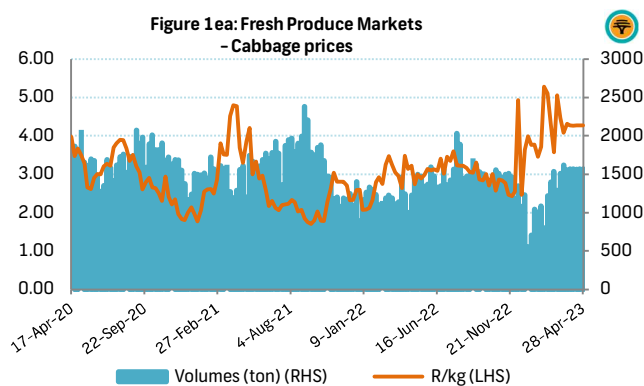
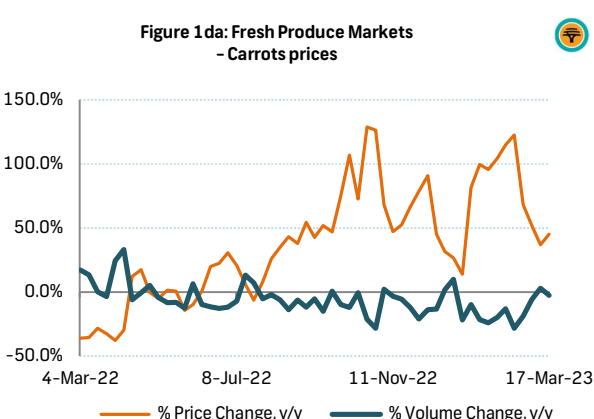
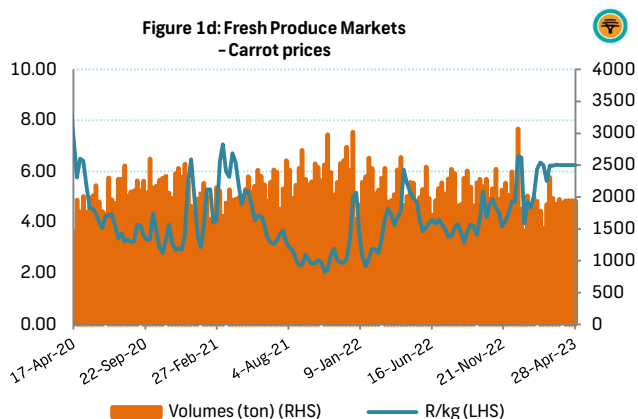
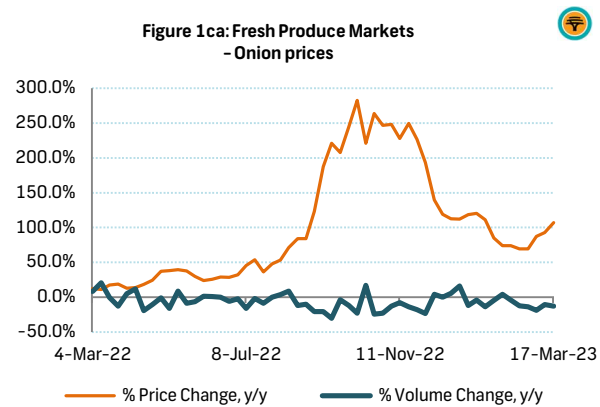
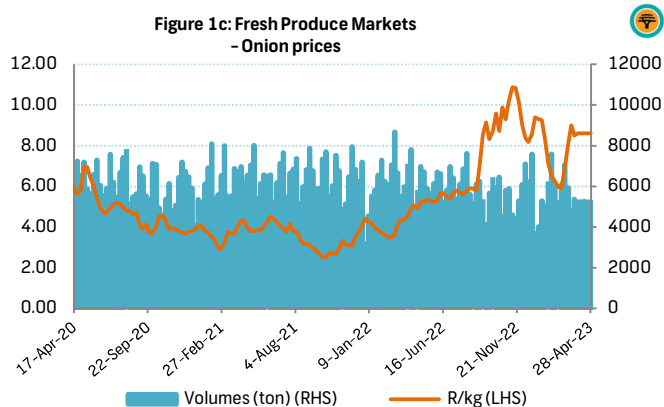
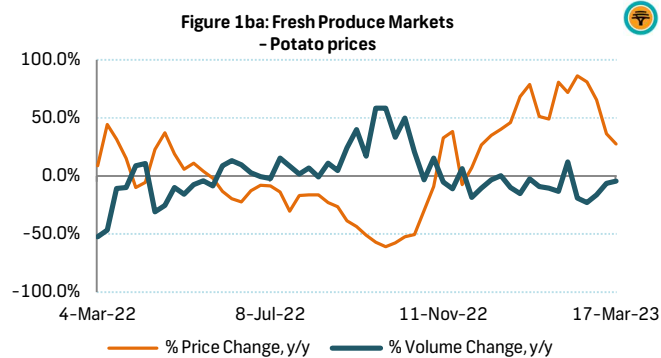
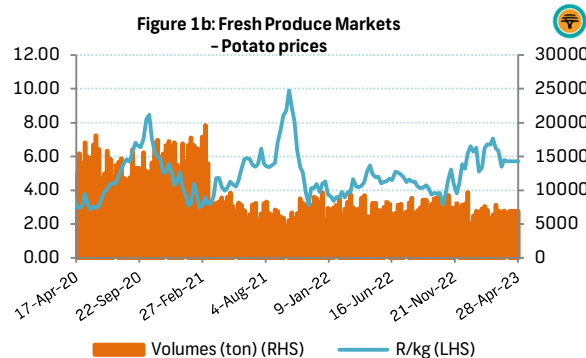
**Figure 1a: Fresh Produce Markets
- Tomato prices**



**Figure 1aa: Fresh Produce Markets
- Tomato prices**

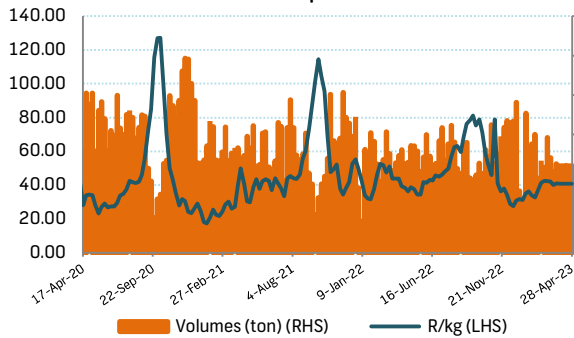


Source: FNB AgriComms

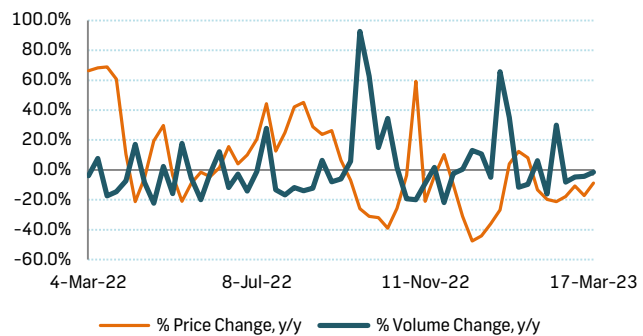


Source: FNB AgriComms

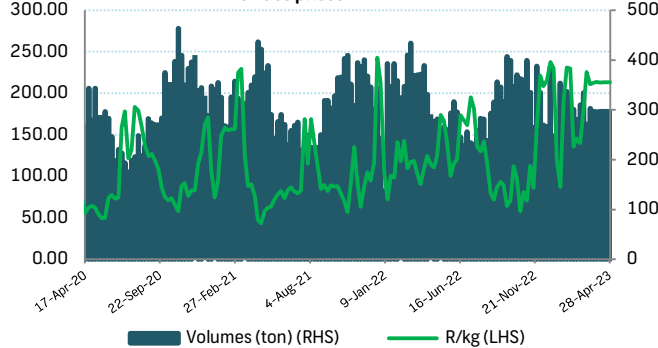
**Figure 1fa: Fresh Produce Markets
- Butternut prices**



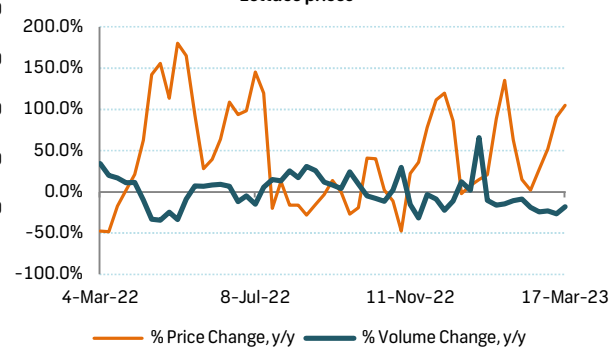
**Figure 1fb: Fresh Produce Markets
- Butternut prices**



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



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

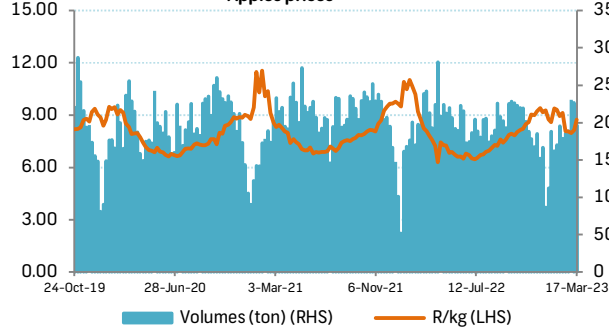


Source: FNB AgriComms

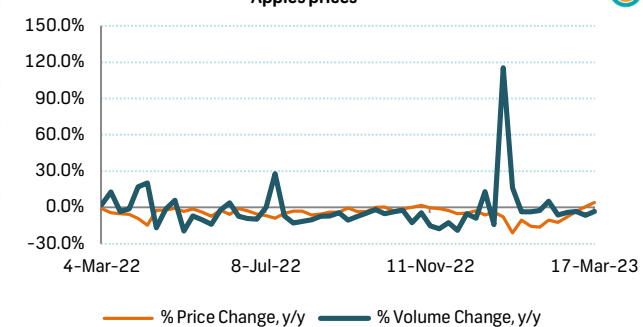
Fruit trends on Major Fresh Produce Markets in SA (figures 2a to 2f)

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

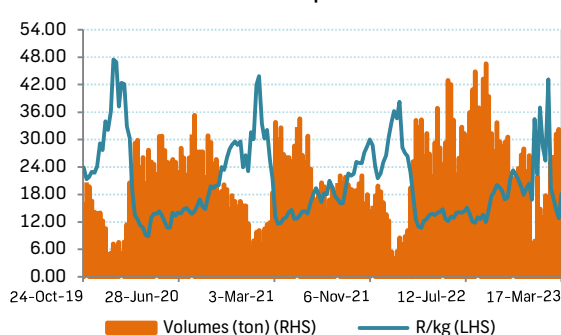
**Figure 2a: Fresh Produce Markets
- Apples prices**



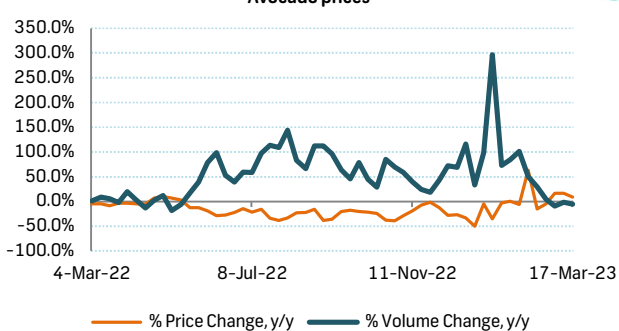
**Figure 2aa: Fresh Produce Markets
- Apples prices**



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



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



Source: FNB AgriComms

Figure 2c: Fresh Produce Markets
- Banana prices

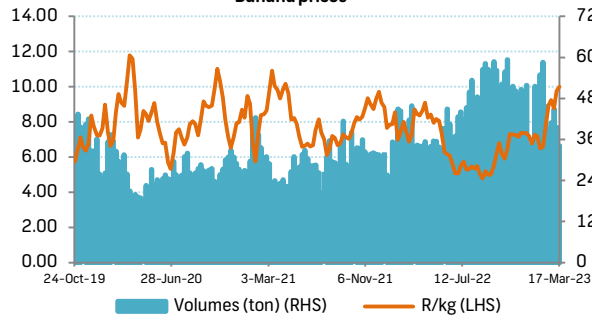


Figure 2ca: Fresh Produce Markets
- Banana prices

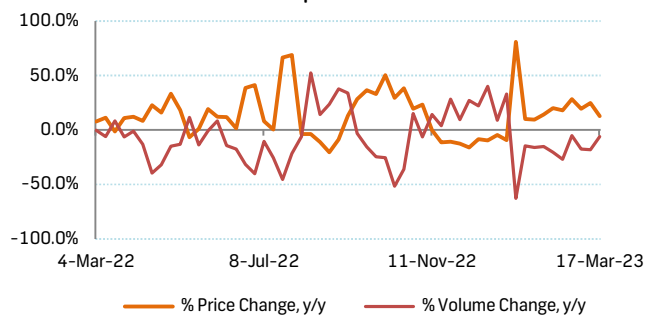


Figure 2d: Fresh Produce Markets
- Mango prices

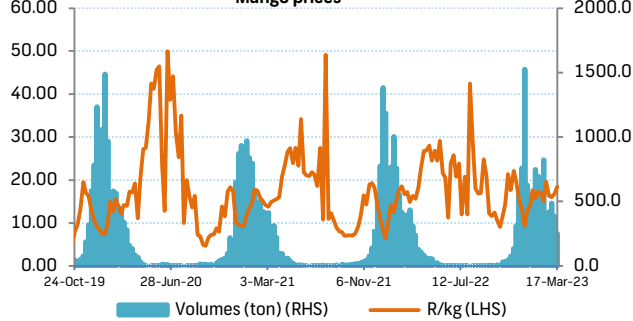


Figure 2da: Fresh Produce Markets
- Mango prices

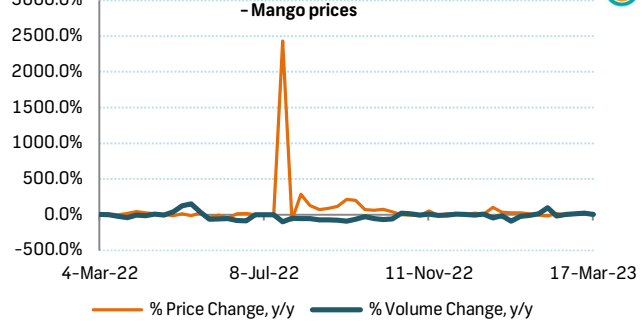


Figure 2e: Fresh Produce Markets
- Pear prices

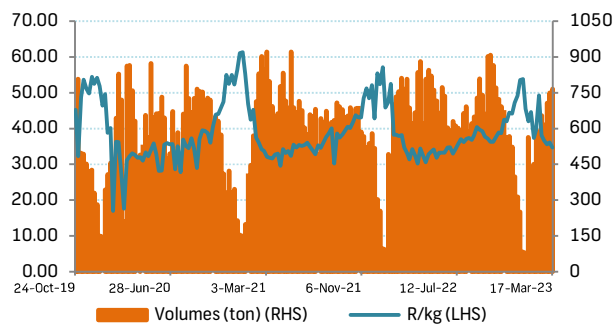


Figure 2eb: Fresh Produce Markets
- Pear prices

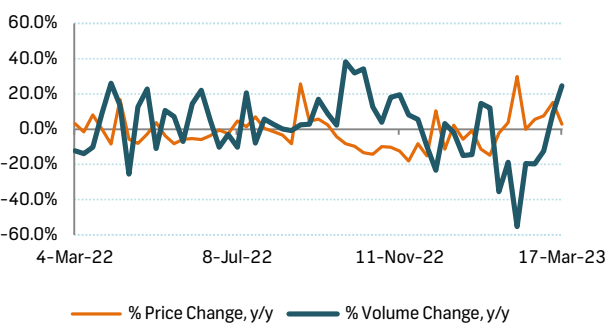


Figure 2d: Fresh Produce Markets
- Grapes prices

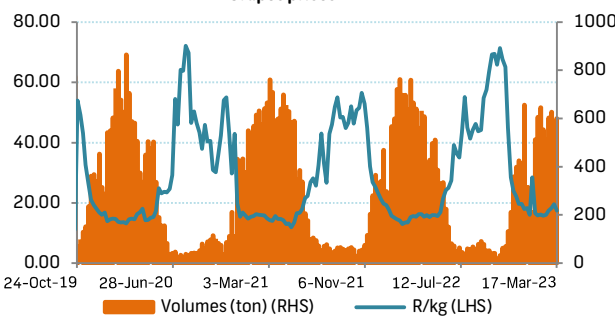
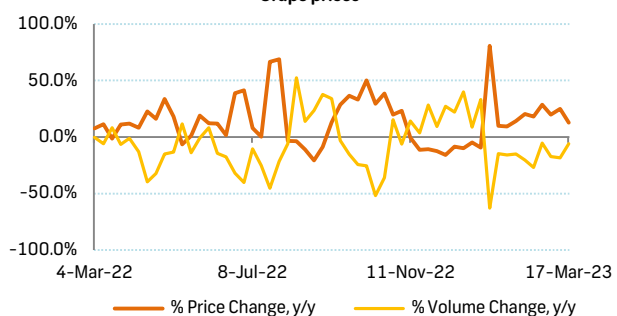


Figure 2bb: Fresh Produce Markets
- Grape prices



Source: FNB AgriComms.

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