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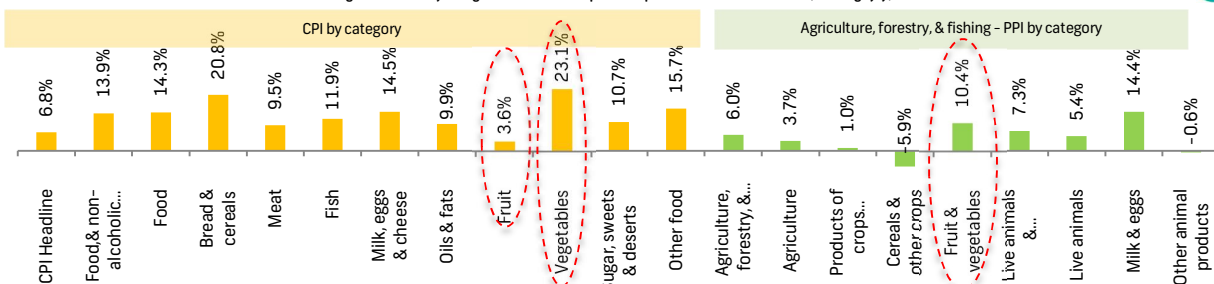
Paul Makube | Tumi Kgasago | Vhutshilo Mabela | 29 MAY 2023

Weekly update – Fruit and Vegetable Markets

Vegetable CPI lifts to a 7-year high of 23% y/y in April 2023

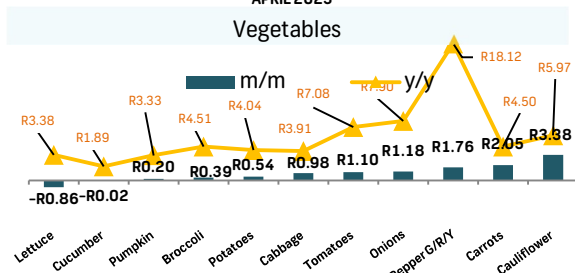
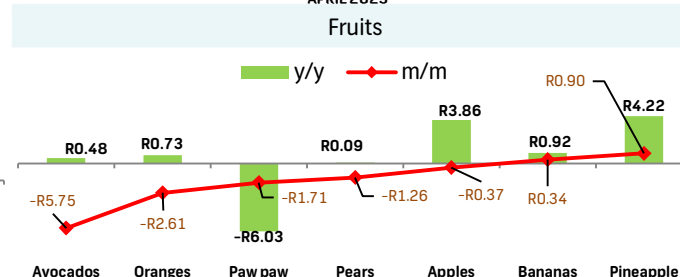
- There was no significant respite for the consumer as food inflation continued to trend at double-digit levels according to the latest update on consumer price inflation (CPI) from Statistics South Africa (StatsSA). Food inflation came in up 14.3% year-on-year (y/y) in April 2023 from 14.4% y/y in March (figure A1).
- Headline inflation decelerated to 6.8% y/y in April from 7% in March underpinned by elevated prices of food and non-alcoholic beverages; housing and utilities; transport; and miscellaneous goods and services.
- Within the food CPI basket, the vegetable CPI surprised on the upside with a 2.6 percentage points increase y/y to a whopping 23.1% y/y although the monthly figure shows a deceleration to 2.2% month-on-month (m/m) in April from 3.8% m/m in March. At individual commodity level, the big-ticket items such as carrots, onions, and tomatoes saw price gains of R2.05/kg (+13.3% m/m), R1.18/kg (+5.4% m/m), and R1.10/kg (+3.7% m/m) m/m at R17.50/kg, R23.20/kg, and R30.89/kg respectively, which is 34.6%, 51.6%, and 29.7% higher y/y.
- Potatoes only advanced by R0.54/kg m/m (+3.1% m/m) and were R4.04/kg higher y/y (+29.4% y/y) at R17.76/kg. Potatoes have been in the news recently following the announcement of a decision to reinstate the lapsed import duties on German, Belgium, and the Netherlands imported frozen potato chips or French fries by the International Trade Administration Commission (ITAC). The tariffs are aimed at levelling the playing field, protection, and helping to grow the domestic industry.
- The duties on imported frozen potato chips/ French fries are now 67.33%, 239%, and 181% for those originating from Belgium, the Netherlands, and Germany respectively. In April, the domestic consumer price of frozen potato chips was R45.02/kg, which is up 6% m/m (+R2.55/kg m/m) and 29% y/y (+R10.24/kg m/m).

Figure A1: Monthly changes in consumer and producer price indices for APRIL 2023 (% change y/y)



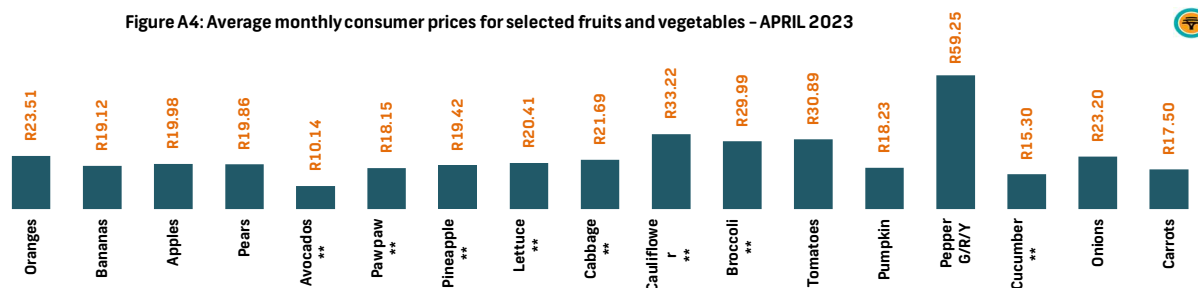
Source: StatsSA.

- The fruits CPI declined by 2.8% m/m and decelerated by 1.6ppts from 5.2% y/y in March to 3.6% y/y in April 2023. The improved seasonal availability and increased production again weighed heavily on prices.
- A drill down into the fruit consumer data shows avocados posting the biggest monthly decrease of R5.75/kg (-36.2% m/m) but still R0.48/kg higher y/y (+5% y/y) at R10.14/kg. They were followed closely by oranges with a decrease of R2.61/kg m/m (-10% m/m) but still 0.73/kg higher y/y (+3.2% y/y) at R23.51/kg (figure A3).

Figure A2: Changes in the CPI for vegetables (Δ m/m, y/y)
APRIL 2023Figure A3: Changes in the monthly CPI for fruit (Δ m/m, y/y)
APRIL 2023

Source: StatsSA

Figure A4: Average monthly consumer prices for selected fruits and vegetables - APRIL 2023

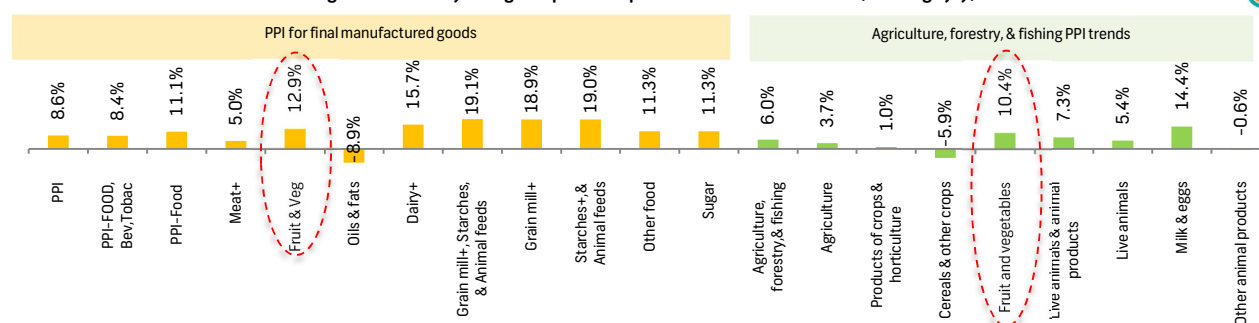


Source: StatsSA

Monthly agriculture fruit and vegetable PPI declines for the second consecutive month in April 2023

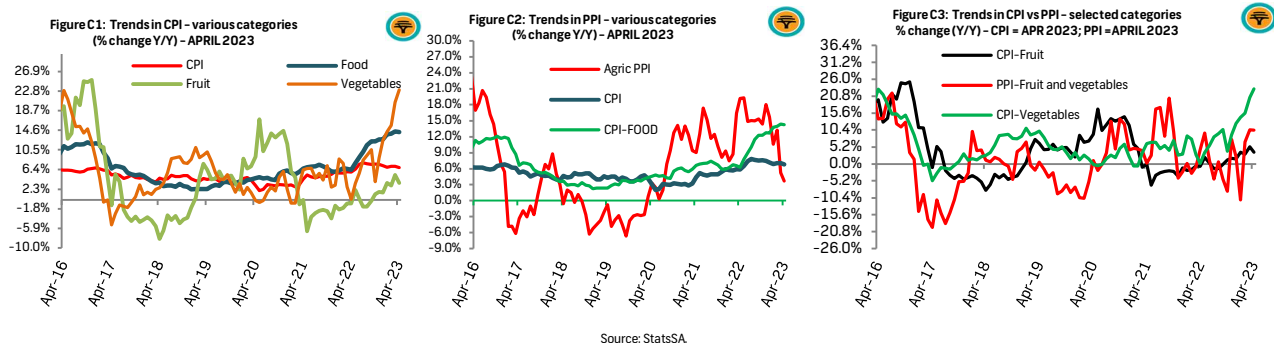
- Headline producer price inflation (final manufacturing) clocked 8.6% y/y in April 2023, a 2ppts deceleration from the 10.6% recorded in March 2023 with main contributors to the uptick being food products, beverages and tobacco products; coke, petroleum, chemical, rubber and plastic products; paper and printed products; transport equipment; and metals, machinery, equipment and computing equipment. The monthly producer price index steadied in April 2023 after increasing by 1% m/m in March.
- The PPI for manufactured fruit and vegetable products jumped 2.5ppts from March to 12.9% y/y in April 2023. The index increased sharply by 2.6ppts from the previous month to 2.9% m/m in April reflecting cost pressures associated with load shedding at manufacturing level (figure B1).
- At agriculture level, the monthly fruit and vegetable PPI fell for the second consecutive month by 1.5% m/m in April 2023. The annual fruit and vegetable PPI decelerated to 10.4% y/y after reaching a 17-month high of 10.5% y/y in March 2023 (figure B1).

Figure B1: Monthly changes in producer price indices for APRIL 2023 (% change y/y)

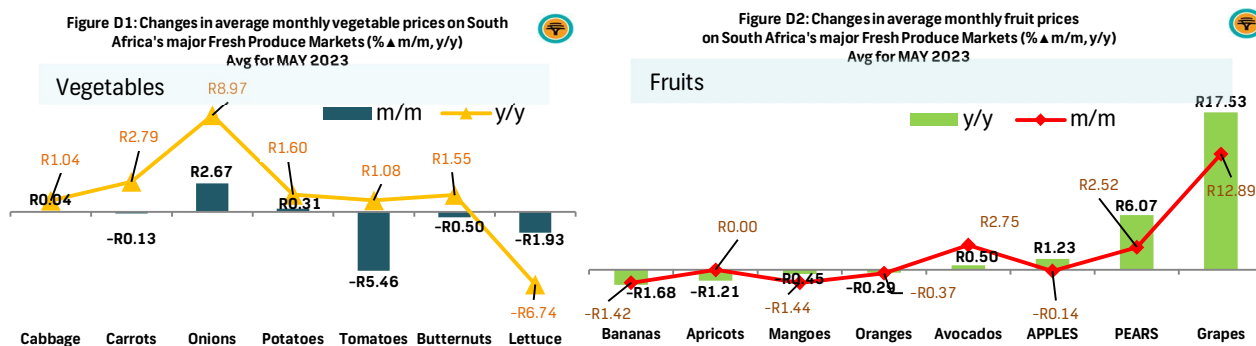


Source: StatsSA

- Figures C2 to C4 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 monthly fresh produce prices at producer level so far shows a downturn in prices across most commodities under review during May 2023 (figures D1&D2).
- The biggest losers for the big-ticket items in the fruit category were mangoes, bananas, and oranges with monthly declines of R1.44/kg, R1.42/kg, and R0.37/kg respectively m/m at R25.79/kg, R8.47/kg, and R4.85/kg. Increased availability amid demand deceleration underpinned the weakness in the fruit market.
- We saw a similar trend in the vegetable complex with most of the vegetable commodities posting moderate to sharp losses under pressure due to softer uptake as the tough economic conditions force consumers to be cautious with their purchases.
- Prices for big-ticket items such as tomatoes and butternuts decreased by R5.46/kg and R1.93/kg respectively m/m at R8.74/kg and R5.52/kg. However, tomato prices were R1.08/kg higher y/y while lettuce were sharply down by 6.74/kg y/y.
- The above trends in fruit and vegetable prices across major fresh produce markets point to a potential downside for both the fruit and the vegetable inflation at the consumer level.

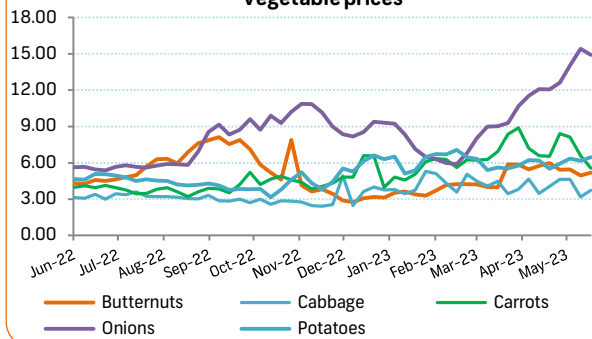


**Table 1: Vegetable prices – South Africa's Major Fresh Produce Markets –
(Average Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)**

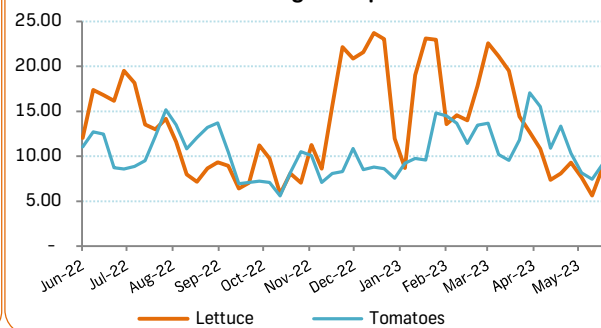
Week ending	Average Price	Price change	Price change	Price change	Price change	Total	Volume change	Volume Change
26 MAY 2023	(R/Kg)	(% Δ w/w)	Δ w/w	(% Δ y/y)	Δ y/y	Volume (t)	w/w	y/y
Butternuts	5.20	5.0%	R 0.25	24.5%	R 1.02	1201	7.5%	-1.1%
Cabbage	3.17	-31.3%	-R 1.44	6.7%	R 0.20	1,740	42.7%	29.7%
Carrot	6.59	-19.0%	-R 1.55	60.4%	R 2.48	1,694	-0.7%	-15.1%
Lettuce	8.67	54.2%	R 3.05	-13.6%	-R 1.36	299	-8.6%	1.7%
Onion	15.42	9.8%	R 1.38	191.8%	R 10.14	3,846	-13.8%	-31.6%
Potato	6.15	-3.4%	-R 0.22	39.5%	R 1.74	6,731	-5.8%	-3.6%
Tomato	7.42	-9.2%	-R 0.75	24.5%	R 1.46	3,953	5.3%	-6.6%

Source: FNB AgriComms

**Figure E1: Fresh Produce Markets
- Vegetable prices**



**Figure E2: 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
26 MAY 2023	(R/Kg)	(% Δ w/w)	Δ w/w	(% Δ y/y)	(Δ y/y)	Volume (t)	(% Δ w/w)	(% Δ y/y)
Apples	8.13	-3.4%	-R0.29	22.7%	R1.51	2,082	4.3%	9.9%
Avocados	13.69	-4.4%	-R0.64	12.5%	R1.52	483	4.8%	-24.1%
Bananas	6.10	-8.8%	-R0.59	-2.7%	-R0.17	4,710	19.7%	18.1%
Grapes	37.52	14.9%	R4.86	75.7%	R16.17	76	-24.2%	-77.2%
Mangoes	21.42	-14.6%	-R3.67	-0.7%	-R0.16	6	-70.0%	133.2%
Pears	40.33	5.7%	R2.16	21.2%	R7.04	665	-5.2%	0.0%

Source: FNB AgriComms

Figure F1: Fresh Produce Markets – Fruit prices

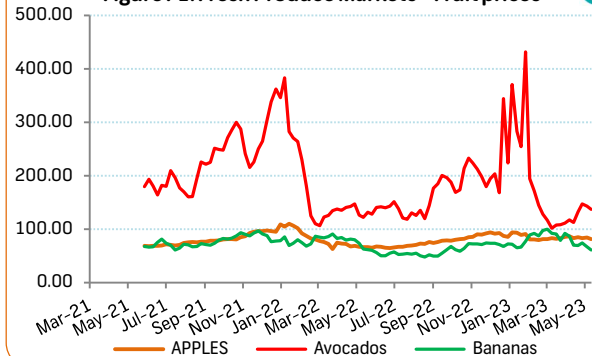
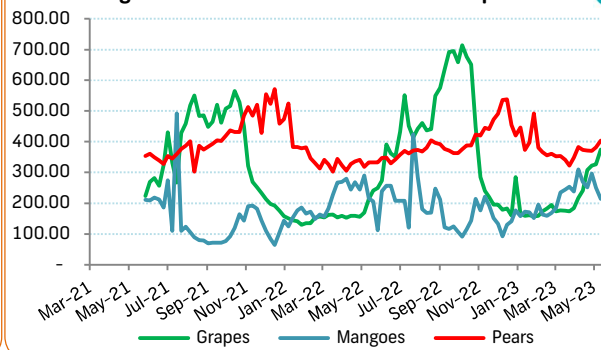


Figure F2: Fresh Produce Markets – Fruit prices



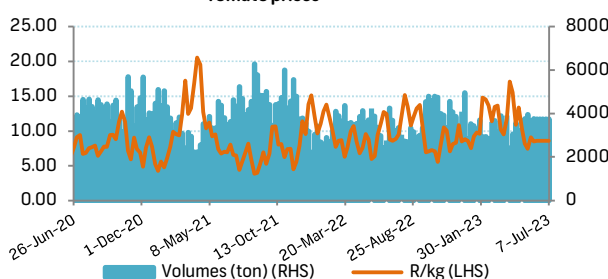
Source: FNB AgriComms

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

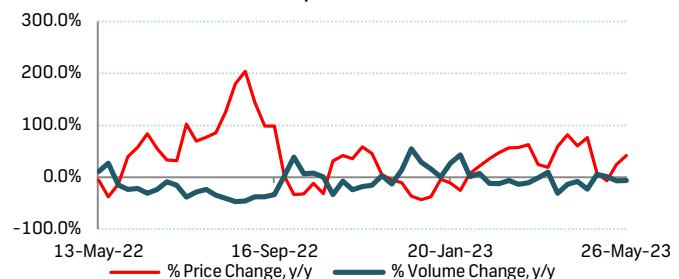
(Average 5 major markets – Pretoria, Bloemfontein, Johannesburg, Cape Town, and Durban)

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

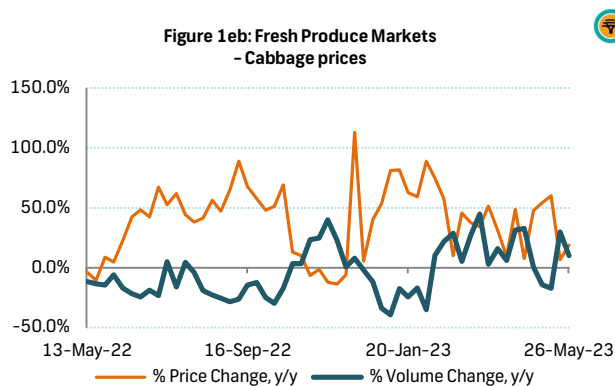
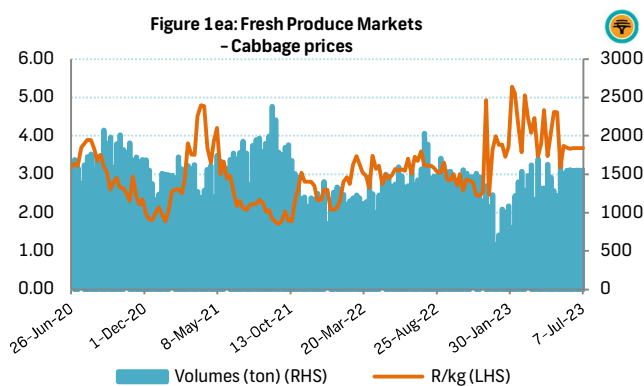
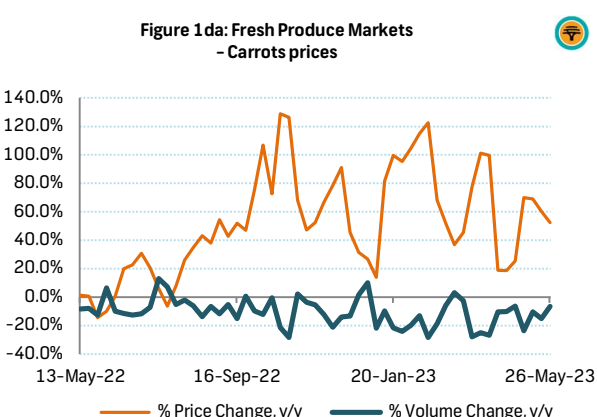
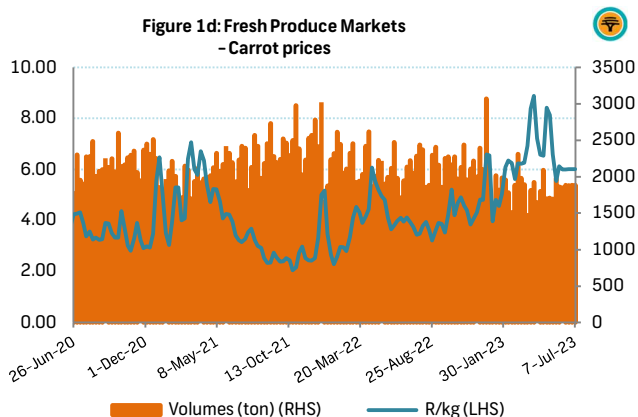
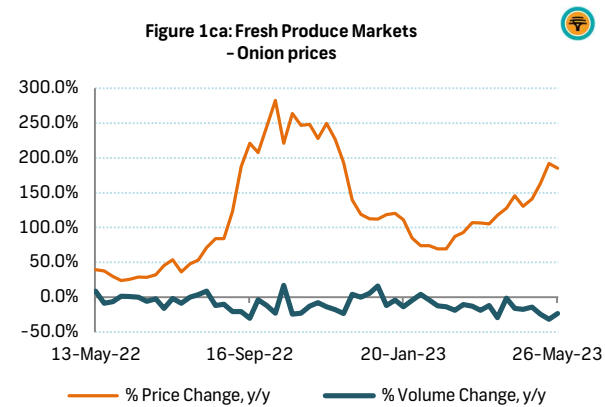
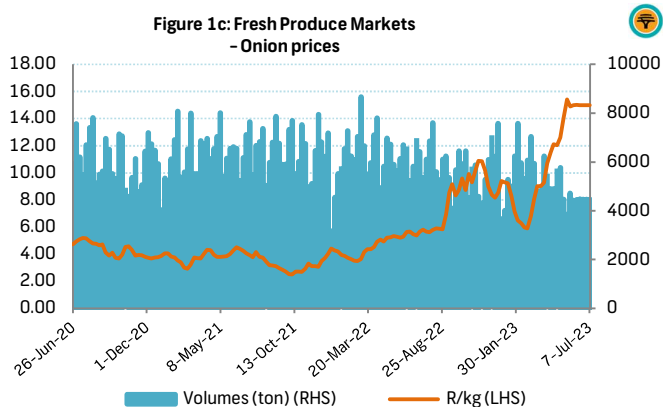
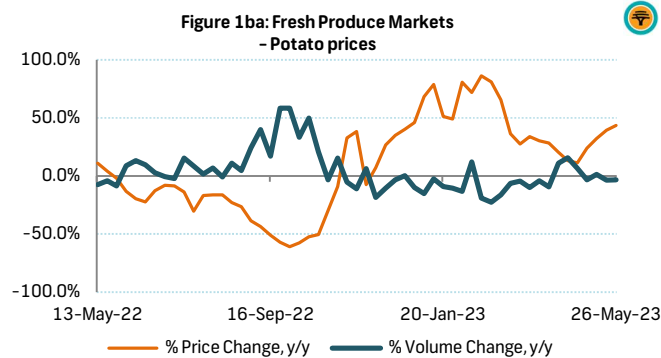
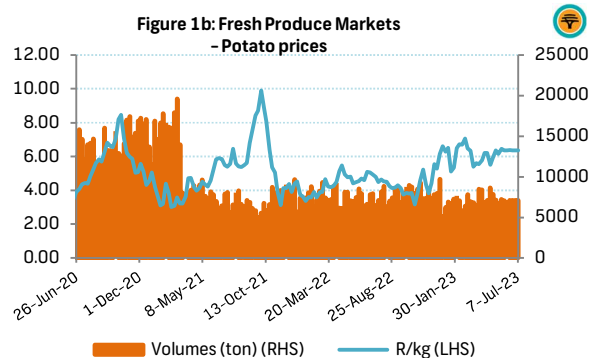
**Figure 1a: Fresh Produce Markets
- Tomato prices**



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

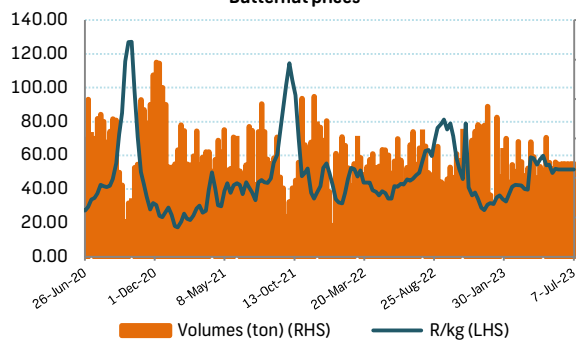


Source: FNB AgriComms

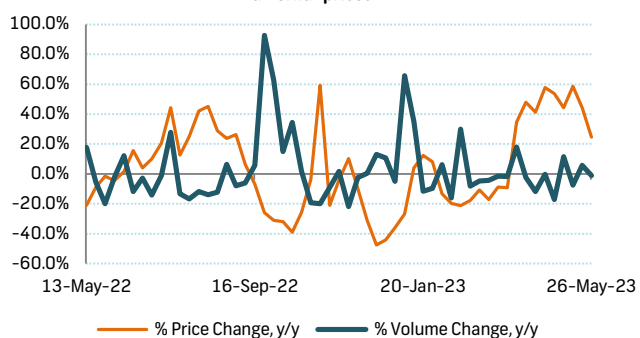


Source: FNB AgriComms

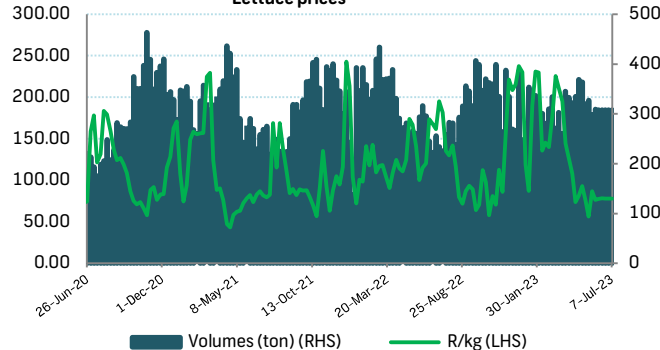
**Figure 1fa: Fresh Produce Markets
- Butternut prices**



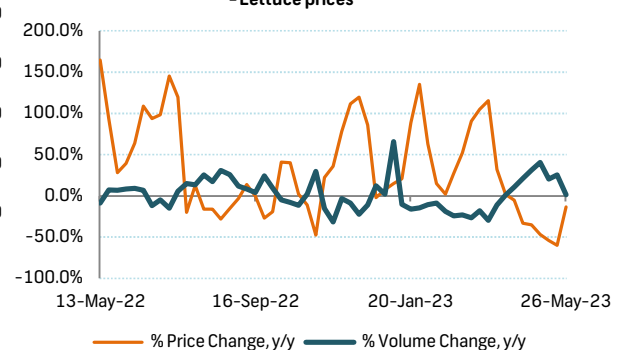
**Figure 1fb: Fresh Produce Markets
- Butternut prices**



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



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

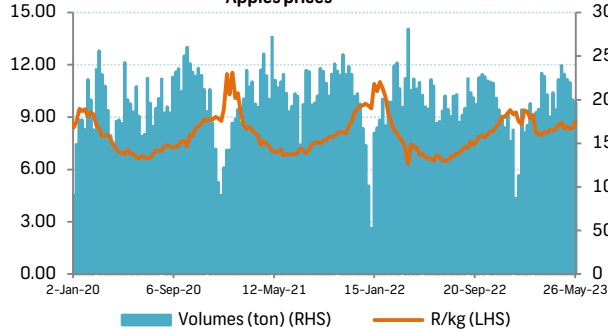


Source: FNB AgriComms

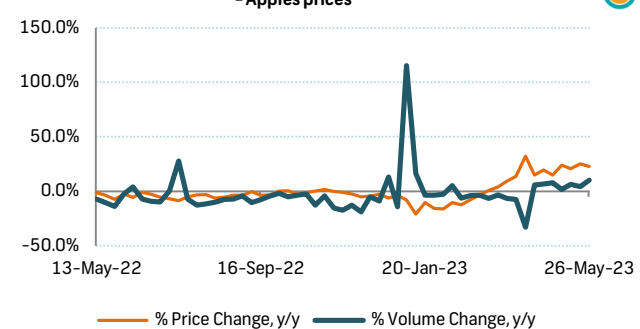
Fruit trends on Major Fresh Produce Markets in SA (figures 2a to 2f)

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

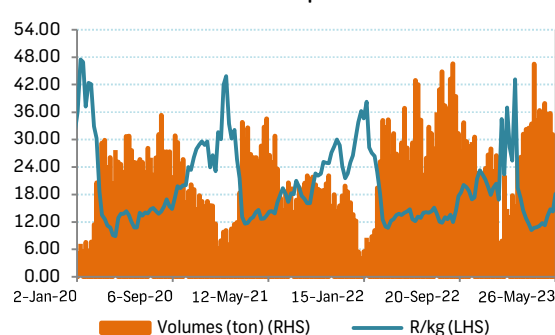
**Figure 2a: Fresh Produce Markets
- Apples prices**



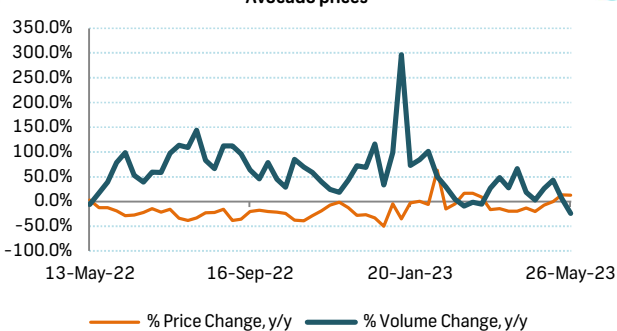
**Figure 2aa: Fresh Produce Markets
- Apples prices**



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

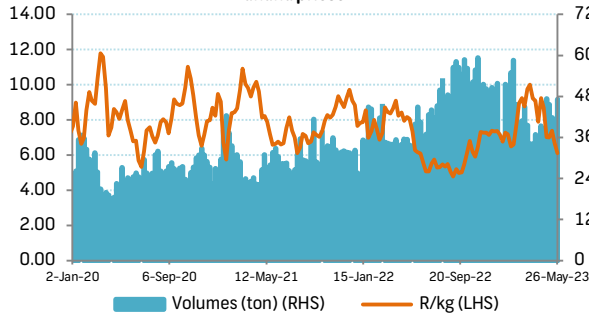


**Figure 2ba: Fresh Produce Markets
- Avocado prices**

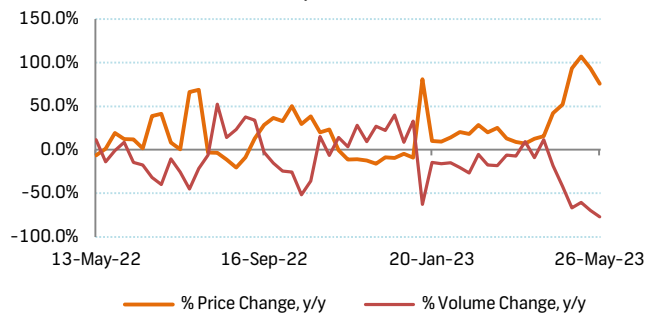


Source: FNB AgriComms

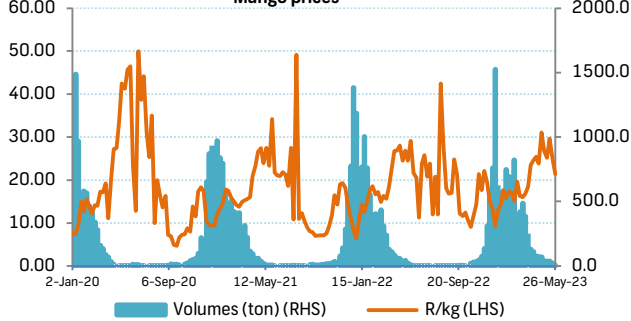
**Figure 2c: Fresh Produce Markets
- Banana prices**



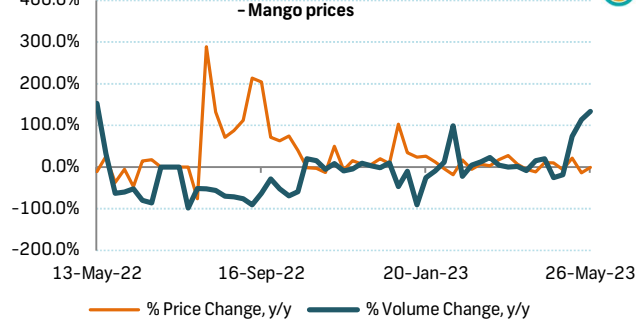
**Figure 2ca: Fresh Produce Markets
- Banana prices**



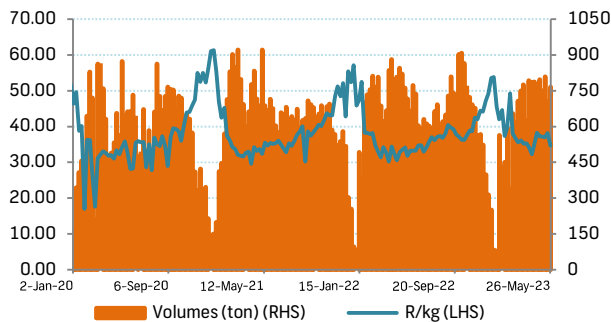
**Figure 2d: Fresh Produce Markets
- Mango prices**



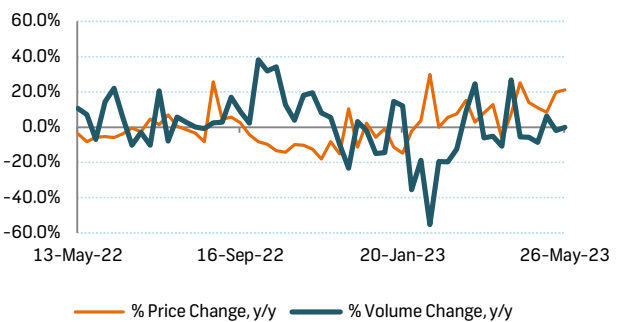
**Figure 2da: Fresh Produce Markets
- Mango prices**



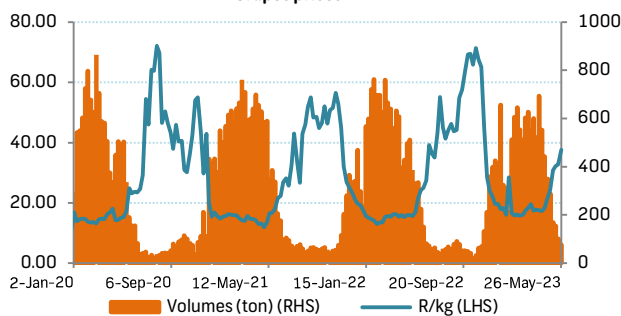
**Figure 2e: Fresh Produce Markets
- Pear prices**



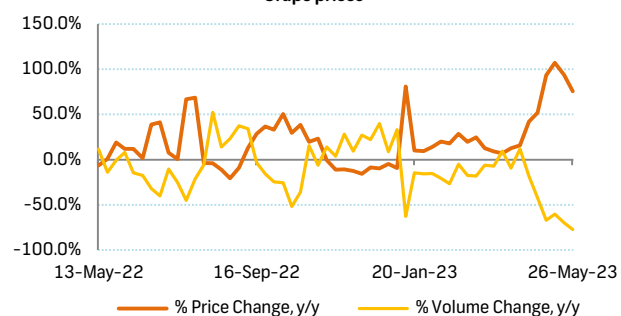
**Figure 2eb: Fresh Produce Markets
- Pear prices**



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



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



Source: FNB AgriComms.

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