



Agri Trends: Vegetable market report

Black frost impact already evident in fresh produce market trends.

Cabbage

Weekly and monthly price averages remain under pressure due to higher supplies seen in the market, between June and July. Analysts anticipate this trend to persist for the rest of winter.

Carrots

Week-on-week and month-on-month average price trends depicted declines, despite average volumes also calming down. Consumer demand remains a sensitive influence on the direction of prices, despite the trend in average volumes supplied. Analysts expect prices to remain under pressure at least the start of September.

Onions

Average monthly price and volume trends remained more consistent compared to weekly price and volume trends, while consumer demand remained neutral. At the moment the market is being supplied by the North-West, Brits, and smaller volumes from the Western Cape - as that season concludes. Onion producers note that they were not significantly affected by the black frost weather event.

Potatoes

The impact of the black frost weather event has already been seen in average weekly and monthly volume supplies. Analysts note that volumes will remain under pressure, keeping prices significantly low until the last quarter of the year.

Tomato

Some tomato crops have been affected by black frost and veld fires in some areas of Limpopo, analysts note this impact on lower weekly and monthly average volumes. As a result, prices are expected to increase for the next few weeks.

Abrie Rautenbach

+27 67 417 1645
Abrie.Rautenbach@absa.africa

Marlene Louw

+27 60 881 2450
Marlene.Louw@absa.africa

Zama Sangweni

+27 66 476 3140
Zama.sangweni@absa.africa

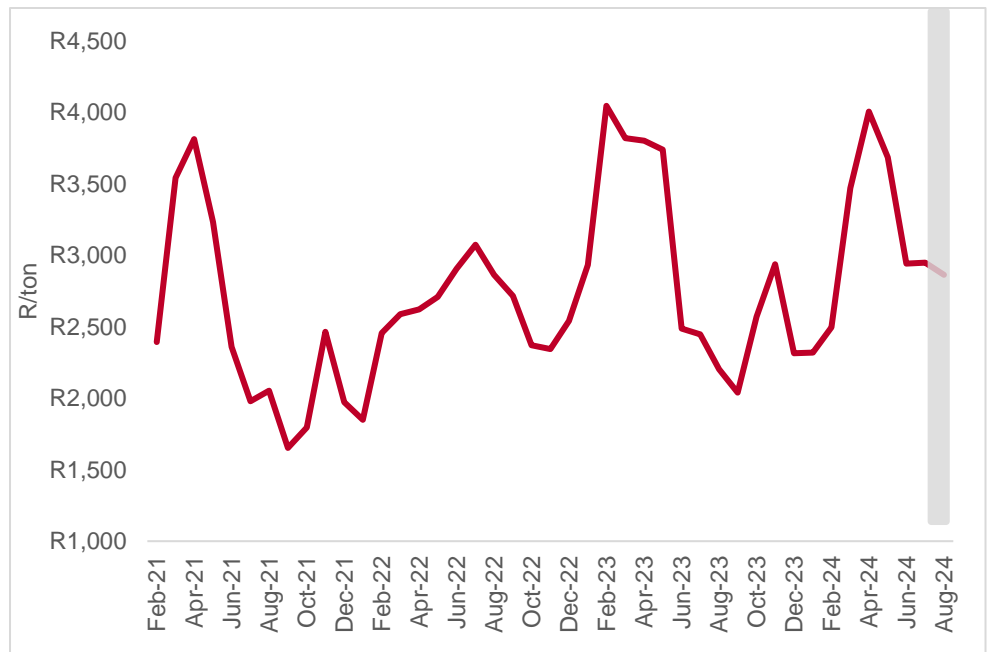
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Cabbage market trends

The fresh produce markets are still experiencing price pressures due to supply flows, this is reflected in both weekly and monthly trends. For the week ending on the 19th of July, average cabbage weekly prices have declined by 13%, this was supported by a week-on-week increase in average supplies to the market, noted at 20.2%. Month-on-month prices followed the same trend, falling from R2 880 per ton to R2 691 amounting to a 6.6% decrease. Average monthly volumes supplied supported the decline in prices with a 20.3% increase. Cabbage demand remains subdued; analysts note that this trend is anticipated to persist until late August.

Figure 1: Monthly cabbage prices and projections

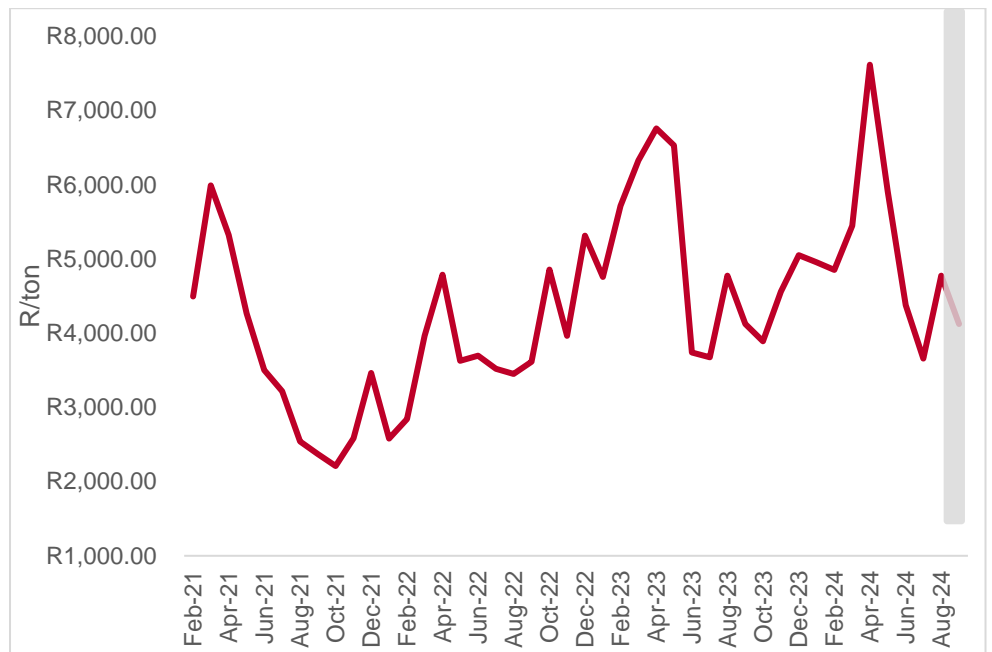


*The area in grey represents Absa AgriBusiness forecasts

Carrot market trends

Carrot trends have regulated back to a distinctive supply and demand relationship, where both weekly and monthly average price trends are declining along with average supplies. This was mainly driven by subdued consumer demand, representing sensitive elasticity to market prices. Average week-on-week prices declined at 7.3%, despite average volumes supplied also declining by 7.6%. Average monthly prices fell slightly from R3 588 per ton to R3 550, despite volumes coming down by 0.8%. Volume did not hold for mid-July; however, analysts still expect the monthly average volumes supplied to be higher than those supplied in June. Price recoveries are not expected until the beginning of September, when volumes may soften.

Figure 2: Monthly carrot prices and projections

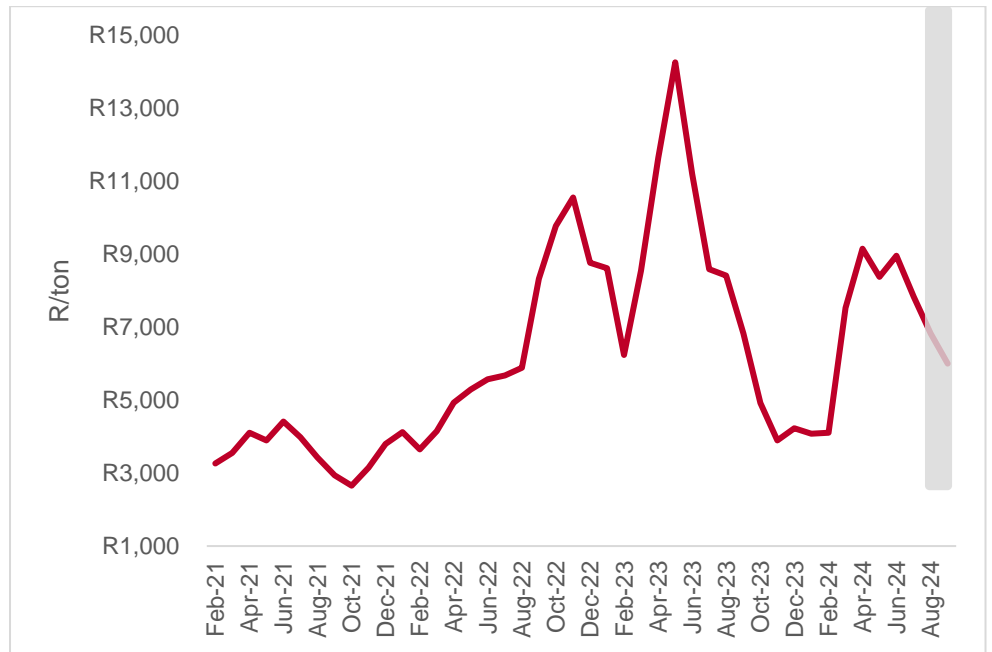


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Onion market trends

Monthly trends were more consistent compared to weekly trends, with weekly average prices and volumes following a declining trend for the week ending on the 19th of July. Week-on-week prices remained under pressure at 6.3%, despite a slight 0.1% increase in weekly average volumes supplied. Average prices saw a decrease from R8 761 per ton in mid-June to R7 356 in mid-July, supported by a 13.1% increase in average volumes supplied. The market is expecting a significant increase in onion volumes in the medium term, which will see onion prices coming down drastically. Price recoveries may only be seen again in October when the Northern Cape season commences and most of the Northern parts of the country have completed harvesting.

Figure 3: Monthly onion prices and projections

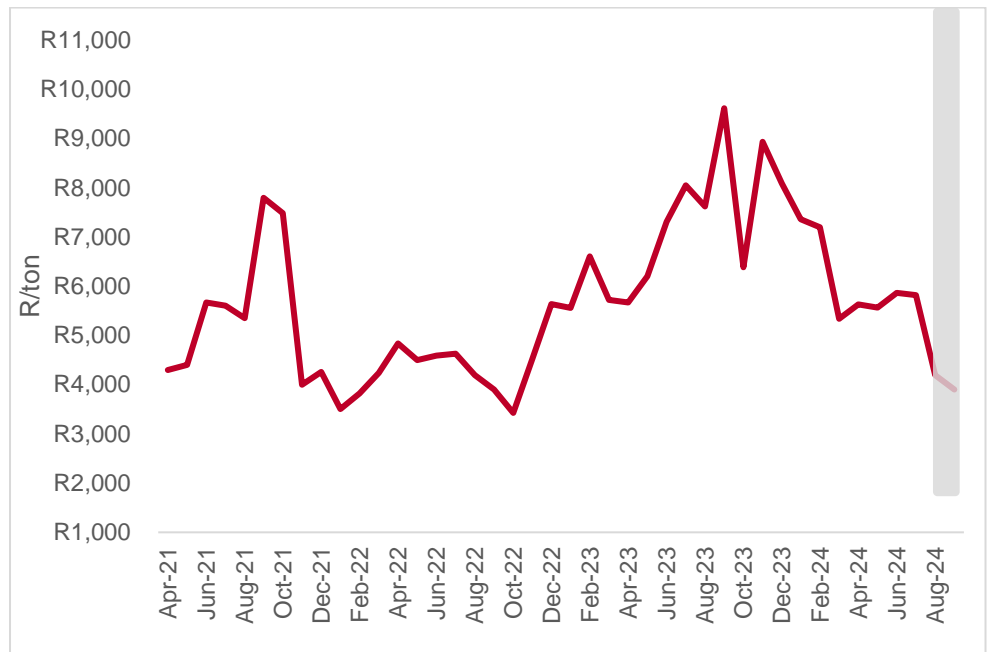


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Potato Market Trends

The potato industry has been negatively impacted by the black frost weather event that affected the Limpopo region at the beginning of July. The impact of the event has been seen in the preceding weeks, depicting a 22.7% decline in average volumes week-on-week and a more significant 32.9% decline in average volumes month-on-month. Average prices showed slight changes as a result of volumes coming down, with a 2.2% decline in average prices week-on-week. Monthly average prices however declined slightly at 0.7%, analysts anticipate average prices to show pronounced increases at the end of July into August. The market heavily relies on supplies from Limpopo for the second half of the year, developments in that area are expected to influence potato prices until the fourth quarter of the year.

Figure 4: Monthly potato prices and projections

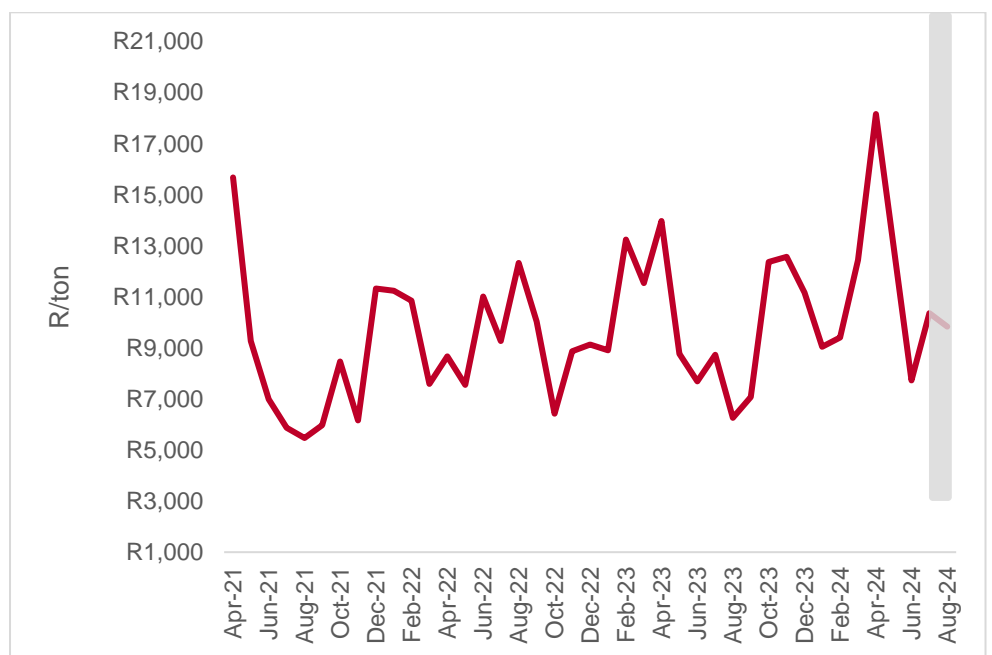


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Tomato market trends

There have been reports that tomato crops in Limpopo have been slightly affected by the black frost weather event as well as veld fires, although the long-term impact has not been determined. Weekly and monthly average volumes supplied showed declines for the week ending on the 19th of July. Which saw prices rise by 27.8% and by 59.7% weekly and monthly respectively. This is supported by a 20.2% increase week-on-week and by 20.3% monthly in average volumes supplied. Analysts anticipate a further increase in average prices as volumes are expected to remain higher until the end of August.

Figure 5: Monthly tomato prices and projections



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