



Agri Trends: Vegetable market report

The impact of the black frost event may linger into September.

Cabbage

The end of August saw some significant price recoveries for average cabbage prices month-on-month; however, this could be short-lived as the market historically experiences an increase in volumes supplied into September.

Carrots

Carrot consumer demand has been under pressure between July and August, monthly average prices and volumes both followed a declining trend. However, analysts expect slight recoveries in prices as September commences.

Onions

Market trends suggest that average onion prices are still under pressure due to higher volumes supplied to markets. Analysts anticipate this trend to persist for September with some scope for prices to recover in October.

Potatoes

Despite uncertainties with the volumes supplied following the black frost event, average volumes have been noted to increase. This is due to some producers in Limpopo deciding to harvest earlier to salvage part of their yield.

Tomato

Tomato supplies have remained stable over the past month, helping to even out average prices. We anticipate a price recovery in September, supported by an expected increase in market volumes.

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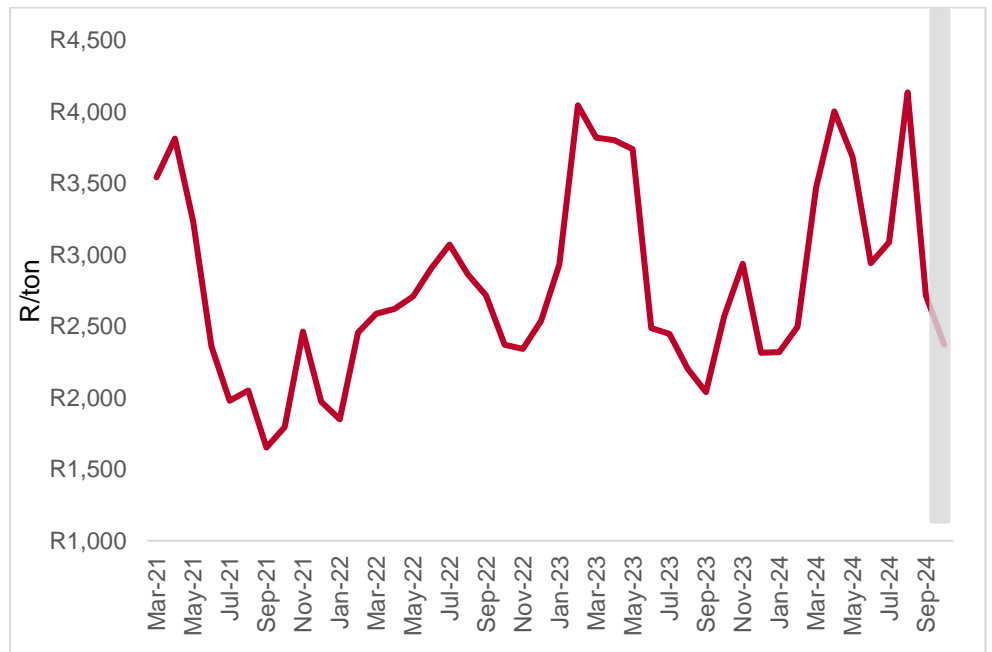
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Cabbage market trends

Cabbage market trends depict stability in terms of volumes and pricing and have not shown drastic shocks for both because planting and harvesting periods are shorter compared to other vegetable commodities. We have noted however that consumer demand contributes to the sensitivity of prices in fresh produce markets. Demand has remained subdued since the end of July; however, we are now noting recoveries as month-on-month average prices showed notable increases. For the week ending on the 23rd of August, average monthly prices increased by 52.7%, supported by a 6.5% decline in average volumes supplied in the same period. Weekly trends however show that cabbage volumes were up by 11%, which saw average weekly prices fall by a slight 5.4%. Analysts expect some uptick in supplies which will keep prices on a sideways trend into September.

Figure 1: Monthly cabbage prices and projections

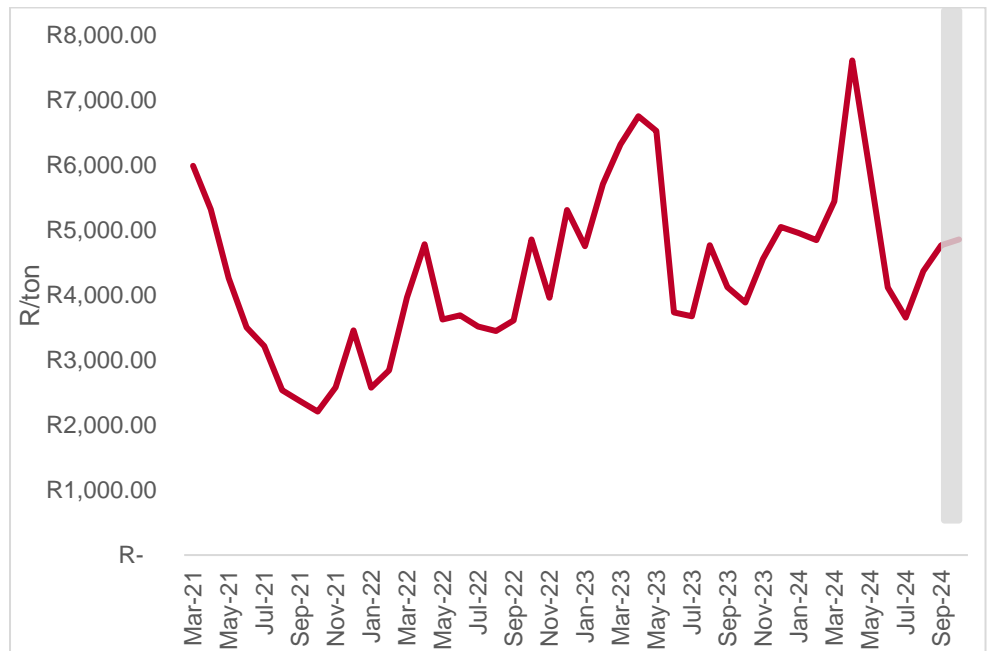


*The area in grey represents Absa AgriBusiness forecasts

Carrot market trends

Weekly trends were more consistent compared to monthly trends, which depicted both a decreasing trend for average carrot prices and volumes supplied. Average carrot prices declined by 13.5% week-on-week, supported by a 22.3% increase in weekly average volumes supplied. Month-on-month average prices and volumes declined by 21.8% and 5.4% respectively, for the week ending on the 23rd of August. Although consumer demand remains subdued, analysts expect carrot demand to rise as we move into the warmer months, with price support anticipated to start showing during mid-September. Carrot volumes may increase after September, putting slight pressure on average prices.

Figure 2: Monthly carrot prices and projections

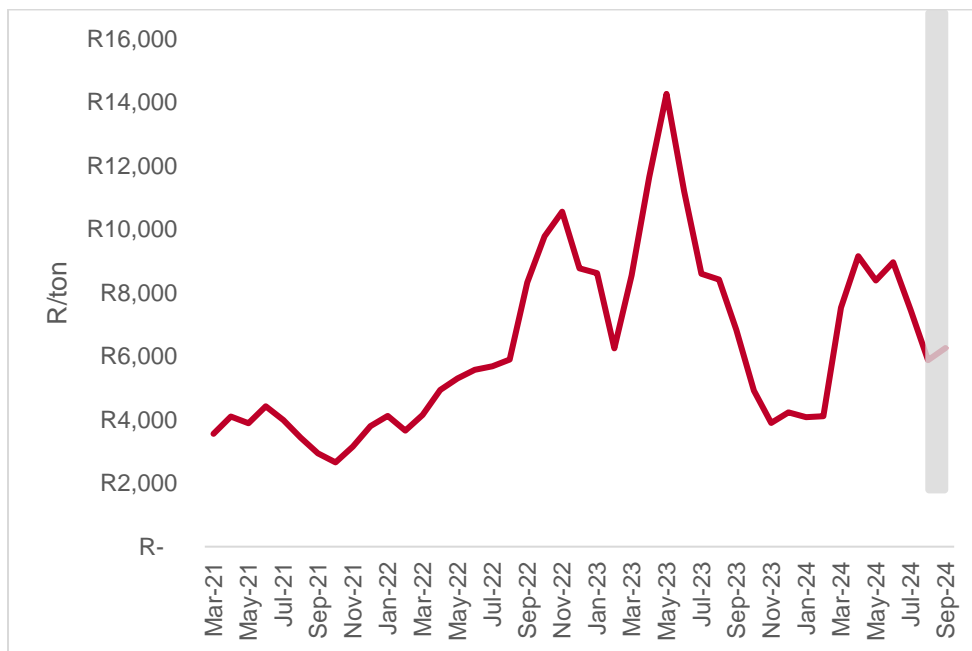


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Onion market trends

The onion market is still experiencing notable volumes supplied, with both weekly and monthly average prices increasing for the week ending on August 23rd. This supply is coming from the Northern parts of the country, rising by 25.0% week-on-week and 18.2% month-on-month. As a result, average weekly prices declined by 5.6% and by 24.5% monthly. With consistent consumer demand, prices will remain on a sideways trend for September. Price recoveries are only expected 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

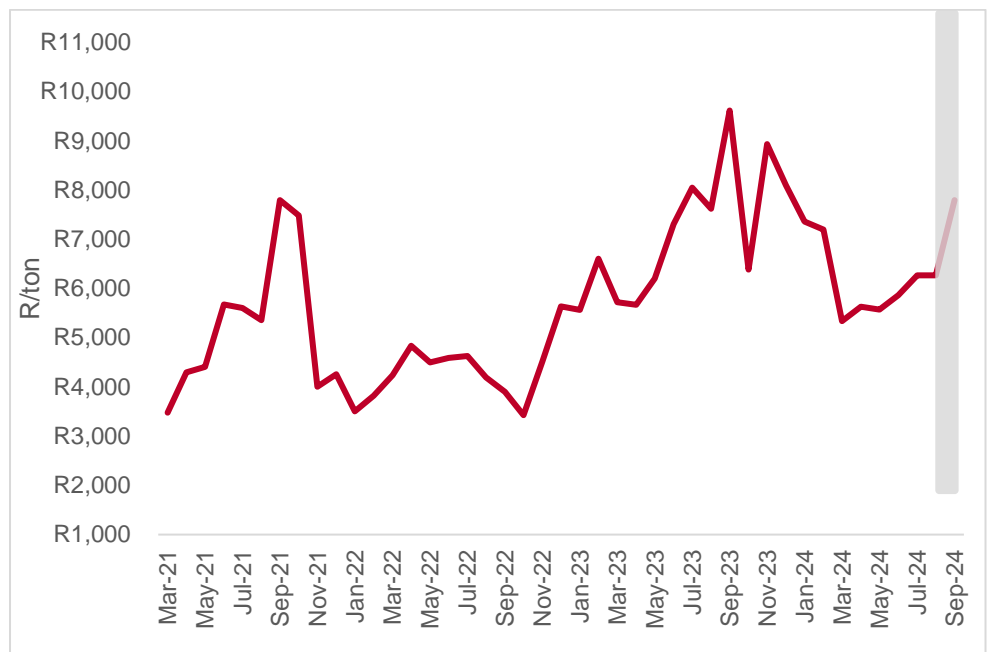


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Potato Market Trends

A month after the black frost weather event in the Limpopo region, average volumes supplied to fresh produce markets saw an increase due to some producers harvesting sooner than they would. Average weekly potato prices declined by 4.7%, supported by a 22.3% increase in average volumes supplied. In contrast, monthly prices were up by 28.2% despite a 15.5% increase in average volumes to markets. This comes after uncertainties about when the market will experience significant shortages as an aftermath of the frost event. Historically, when a frost event occurs, most of the production in Limpopo is moved out for peak volumes to come in between November and December. This usually results in a two-week shortage of volumes supplied and a surge in prices, in mid-September.

Figure 4: Monthly potato prices and projections

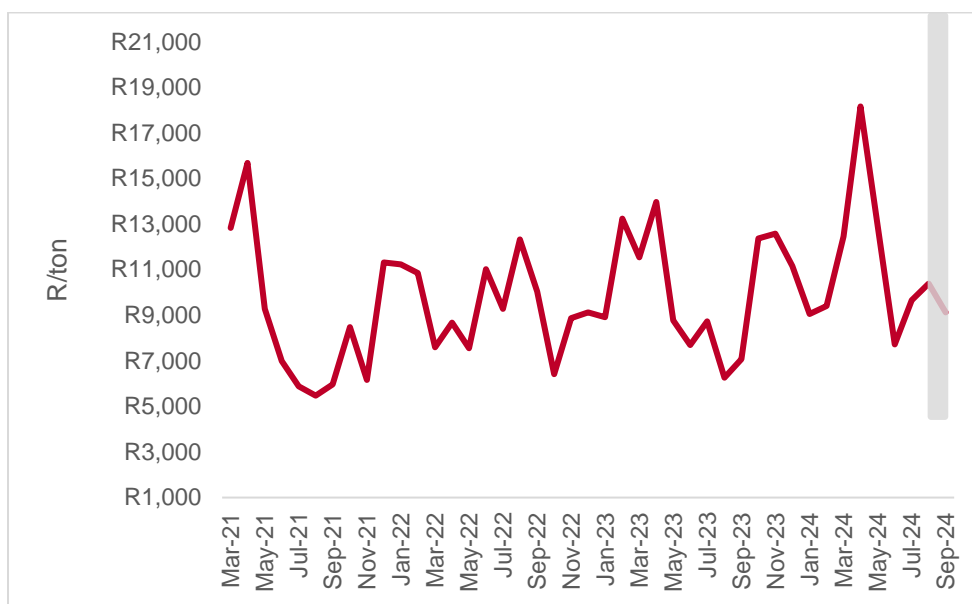


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Tomato market trends

Tomato market trends depicted increasing price trends week-on-week for both average prices and volumes supplied. Average prices rose by 7.4%, despite a 22.3% increase in average volumes supplied. Monthly trends were more consistent with average prices declining by 8.4%, supported by a 15.5% increase in monthly average volumes. Analysts anticipate prices to ease into September, as volumes are expected to increase slightly into the Spring season.

Figure 5: Monthly tomato prices and projections



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