



Agri Trends: Vegetable market report

Potatoes reach their highest price point at the end of September.

Cabbage

Cabbage price trends tend to see the lowest points during September, this trend was also prevalent in the last two seasons. Historical trends depict that this is mainly supported by slightly elevated volumes supplied to markets during this month, however, analysts noted a slight deviation in monthly trends, which have been disrupted by consumer demand.

Carrots

Carrot trends were consistent for the end of September as both weekly and monthly average prices trended upwards, supported by lower average volumes supplied as well as strengthening consumer demand.

Onions

After an extended period of average market prices coming under pressure due to a market oversupply, analysts expect some scope for price recoveries as October commences.

Potatoes

The aftermath of the black frost event in the Limpopo region, which has lingered well into mid-September, is further anticipated to lag into late October. Analysts anticipate consumer demand to keep prices elevated between November and December.

Tomato

Although analysts note some price recoveries at the end of September, average tomato prices will remain at higher levels due to stronger consumer demand expected, based on lower volumes expected in November and December.

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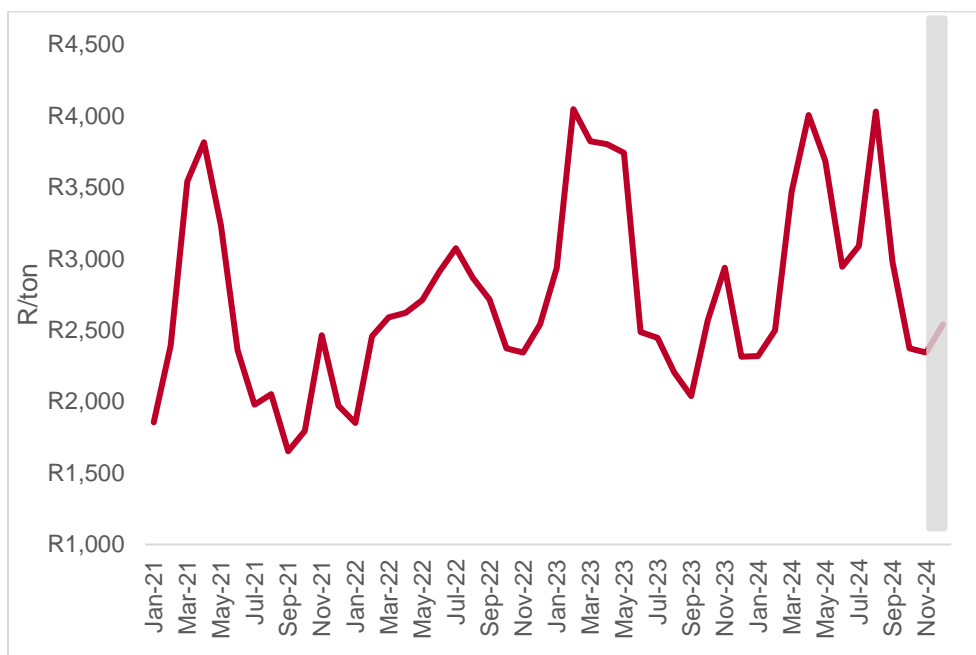
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Cabbage market trends

Typically, cabbage trends are consistent, as seen in week-on-week trends where average prices increased by 40%, due to a 24.9% decrease in average volumes supplied. Prices can be sensitive to consumer demand, displayed in month-on-month average prices and volumes moving in the same direction. For the week ending on September 26th, average month-on-month prices declined by 12.5%, despite a 29.5% decline in average volumes supplied. Analysts expect prices to trend sideways for the next two months and may see a slight increase for December as consumer demand is expected to be stronger.

Figure 1: Monthly cabbage prices and projections

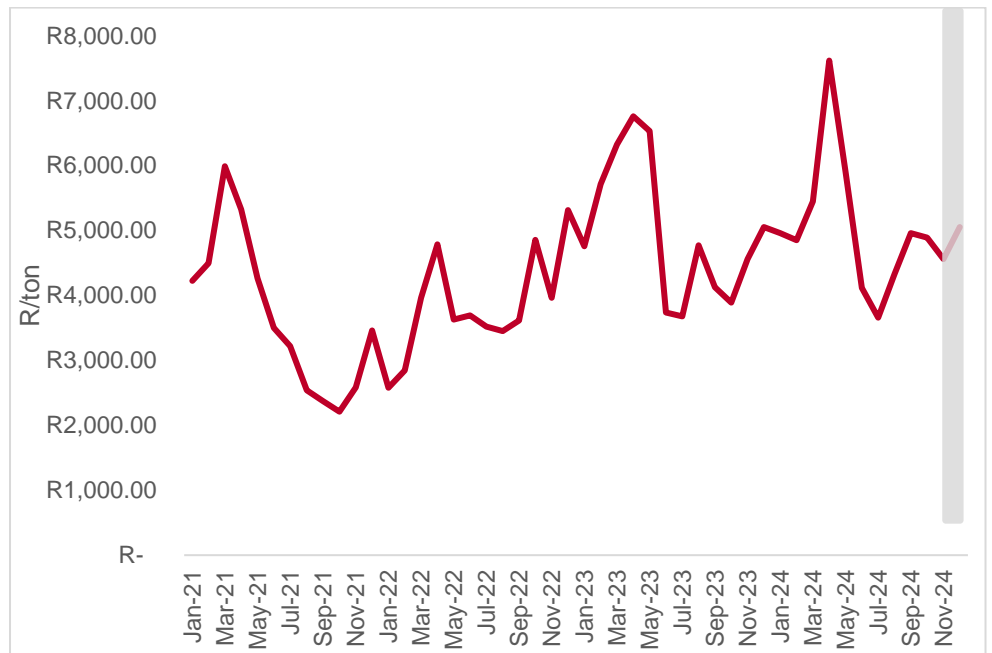


*The area in grey represents Absa AgriBusiness forecasts

Carrot market trends

Week-on-week average carrot prices increased by 8.6%, supported by a slight 2.1% decline in average weekly volumes supplied. Monthly trends also followed the same direction, as average prices increased by a significant 30.6% for the week ending on September the 26th, due to a 2.9% decline in average volumes supplied monthly. Although consumer demand was slightly subdued in August, analysts observed a slight increase in consumer demand in September, which also contributed to increases in average prices. Based on historical trends, analysts project a modest upward trend for average prices in October, driven by the anticipated stability in both volume and quality.

Figure 2: Monthly carrot prices and projections

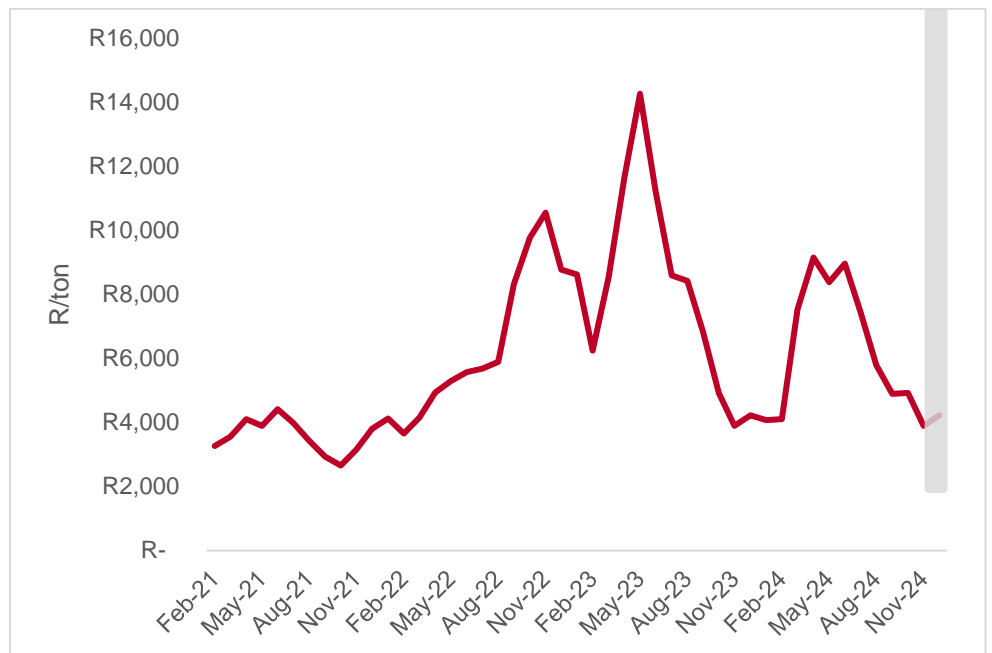


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Onion market trends

Onion prices have been trending on a downward trend since July, due to a market oversupply. This trend is now coming down as we move into October because high harvest volumes, which came mainly from the Northern regions of the country have now surpassed their peak. Analysts noted slightly elevated average volume trends week-on-week and month-on-month at 19.7% and 3.9% respectively in the last week of September. Which supported average price decreases of 8.1% week-on-week and 21.7% month-on-month, for the same period. Price recoveries are anticipated in October when the season is only being supplied by the Limpopo and Brits regions, which will see lower market volumes come into play, however, price level recoveries are expected to be modest for the next two months.

Figure 3: Monthly onion prices and projections

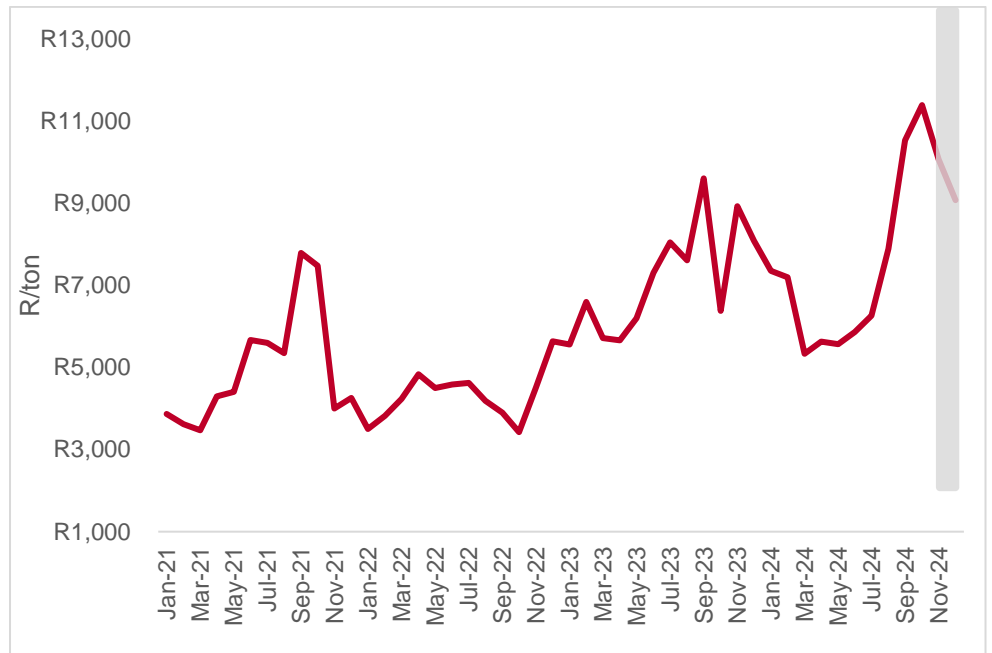


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Potato Market Trends

Historically, when a frost even occurs, price shocks are usually seen from the end of August and can linger into early November. This is noted in September as weekly and monthly average volumes have declined by 8.6% and 33.6% respectively. This has supported price surges, with average prices noted to reach R12 218 per ton for the week ending on September 26th, the highest price traded on the fresh produce market for potatoes this season. Week-on-week average prices have increased by 21.1%, along with monthly average prices also rising by 43.5%. Although there might be some price relief in November, strong consumer demand during the festive season could see prices on an upward sideways trend, until the end of the year.

Figure 4: Monthly potato prices and projections

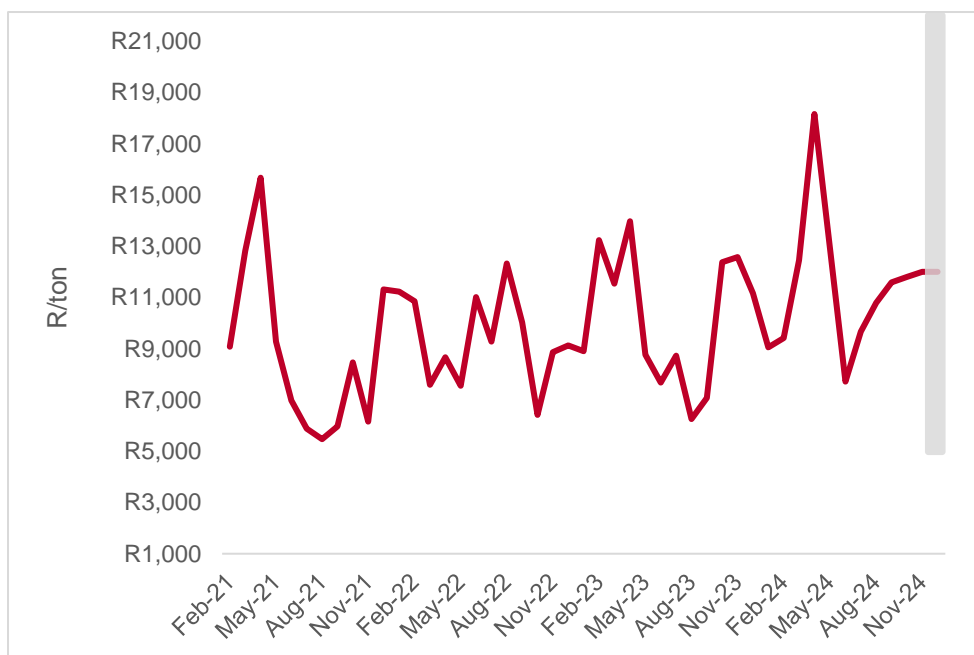


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Tomato market trends

Tomatoes were also affected by the challenging weather conditions in the Limpopo region; however, we note slight improvements in market prices as volumes have shown recoveries for the week ending on September 26th. Tomato production has been under pressure for most of this season, due to yield rate levels coming in lower than in previous years. Week-on-week and month-on-month average price trends are noted at 1.3% and 13.3% declines respectively. Which were supported by a 6.2% weekly and 12.7% monthly increase in average volumes supplied. Despite this observation, price levels are anticipated to remain elevated and are not expected to decline drastically until the conclusion of the year.

Figure 5: Monthly tomato prices and projections



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