



# Agri Trends

08 June 2018

## Agri GDP declines by 24.2 quarter on quarter

South Africa's gross domestic product (GDP) growth rate declined by 2,2%, and the agriculture, forestry and fishing industry decreased by 24,2%, and contributed -0,7 of a percentage point to GDP growth. The South African rand strengthened against major currencies during the first quarter of 2018. The strong currency is negative for exports, as our products become less competitive in the world market. Maize exports were not as expected, and maize prices were very low, contributing negatively to the GDP growth. Abundant maize stocks from last year and favourable weather conditions weighed on the maize price. Drought effects of the Western Cape led to decreased production in field crops, horticultural crops and viticulture, which contributed to the GDP declines. The lower production led to reduced exports of these crops. Although livestock prices are high, the herd rebuilding process is underway which means there are fewer or reduced supplies or slaughter in the market. Domestic sugar prices are low, weighed on by lower international sugar prices. These are some of the factors that contributed to the declines in Agricultural GDP.

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## Maize market trends

### International

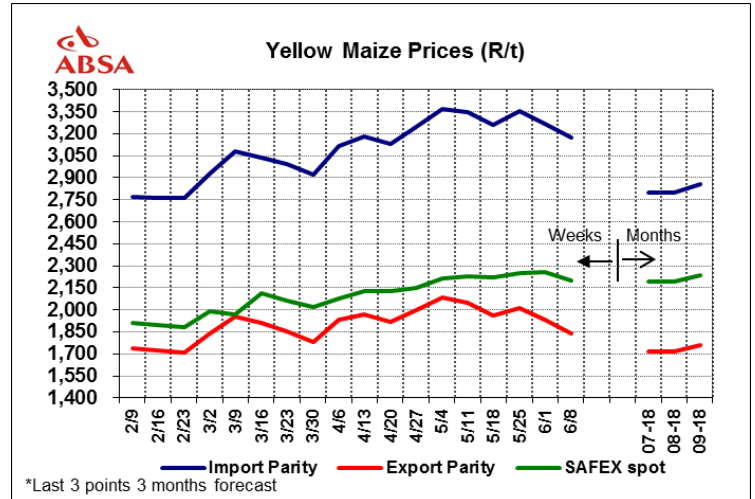
Week-on-week yellow maize No 2 gulf price decreased from US\$179.11/ton to US\$173.59/ton. Favourable weather and growing conditions in the Midwest weighed on maize prices.

#### Bullish factors (Supporting Prices)

- Lower maize prices encouraged purchases from North Africa and South Korea.

#### Bearish factors (Suppressing Prices)

- Renewed concerns about global trade tensions weighed on prices.
- Good growing conditions, supported by favourable weather in the Midwest weighed on prices. US planting is advancing at good levels.
- Brazil received rains after some multi-month dryness. Harvesting of the second safrinha crop could be delayed.



### Domestic

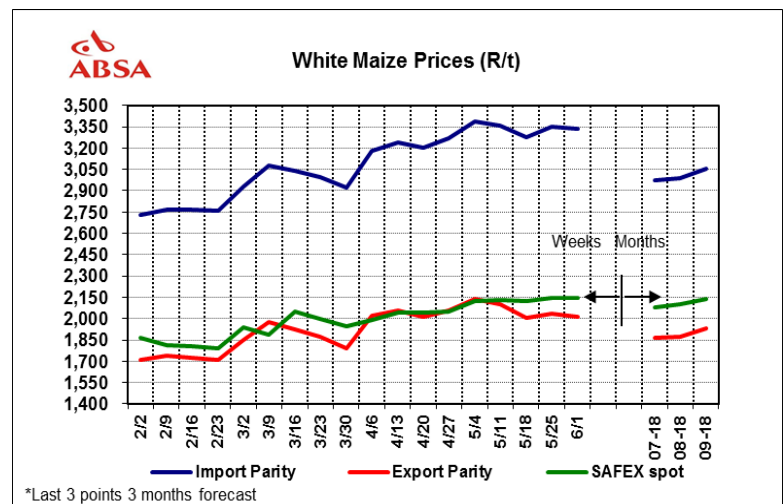
On 07 June, local maize market traded lower week on week. New season white maize prices for delivery in Jul 2018 decreased marginally from R2125/ton to R2078/ton. Week-on-week new season yellow maize prices for delivery in Jul 2018 decreased from R2232/ton to R2189/ton. Increasing deliveries weighing on prices.

#### Bullish factors (Supporting Prices)

- Weekly South African maize exports were 101 699ton, the bulk going to Italy and Taiwan.
- Relatively stronger Rand week on week.

#### Bearish factors (Suppressing Prices)

- Favourable weather and growing conditions in the Midwest weighed on the US maize prices, which placed downward pressure on the local maize pressure.
- Uncertainty about the future trade relationship between the US and China weighed on the US maize market



### Outlook

#### Local

Prices ended slightly lower week on week. Expect prices to trade sideways to lower as harvest pressure and rate of exports increase.

#### International

Weather will remain a key factor to look at in the short- medium term. The weather in the US in the coming weeks, especially during pollination in July, will be a key factor for maize yields.

Table 1: Week on week yellow maize futures and estimated option prices

Yellow Maize Futures: 07 June 2018			Jul-18			Sep-18			Dec-18			Mar-19		
CBOT (\$/t)			148.12			151.67			156.19			159.83		
SAFEX (R/t)			2189			2239			2319			2342		
SAFEX (R/t) <i>Change week on week (w/w)</i>			-43			-39			-38			-35		
Jul-18			Sep-18						Dec-18					
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,160	35	64	2,280	106	65	2,360	160	119	2,320	138	137	2,280	118	157
2,120	21	90	2,240	84	83	2,320	138	137	2,320	138	137	2,280	118	157
2,080	11	120	2,200	64	103	2,280	118	157	2,280	118	157	2,280	118	157

Table 2: Week on week white maize futures and estimated option prices

White Maize Futures 07 June 2018			Jul-18			Sep-18			Dec-18			Mar-19		
SAFEX (R/t)			2078			2138			2219			2262		
SAFEX (R/t) <i>Change w/w</i>			-47			-42			-40			-38		
Jul-18			Sep-18						Dec-18					
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
2,120	73	31	2,180	117	75	2,260	180	139	2,260	180	139	2,260	180	139
2,080	49	47	2,140	94	92	2,220	158	157	2,220	158	157	2,220	158	157
2,040	31	69	2,100	75	113	2,180	137	176	2,180	137	176	2,180	137	176

## Wheat market trends

### International

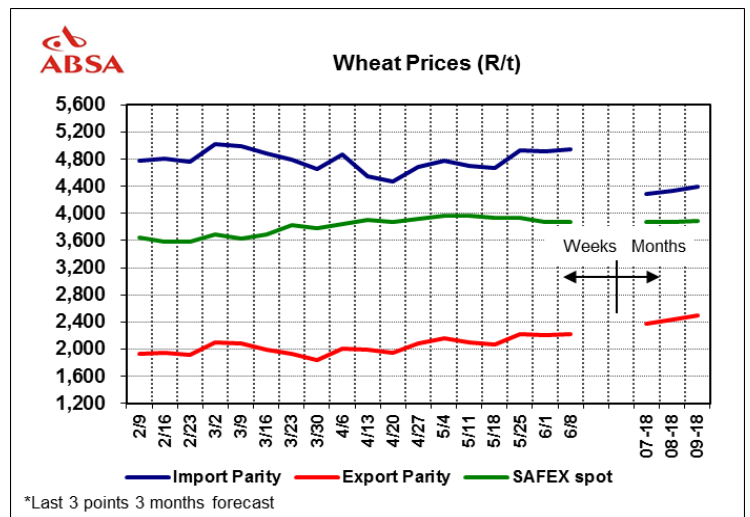
The weekly average old season HRW wheat Gulf price declined marginally from US\$254/ton to US\$253/ton week on week. Weekly average SRW wheat price decreased marginally from US\$225/ton to US\$223/ton week on week.

#### Bullish factors (Supporting Prices)

- Weather did not co-operate in some of the wheat growing areas. Delayed plantings in Ukraine and Russia are increasing the risk of lower than expected production in 2018. Rain is forecasted to be below normal in Russia for the next coming days.

#### Bearish factors (Suppressing Prices)

- Favourable weather in the North American spring wheat region weighed on prices.
- Continued uncertainty and concern about global trade relations also weighed on prices.
- EU farmers held back on selling, hoping for higher prices, linked to potential hot and dry weather conditions in Germany, Poland and Denmark. This weighed on prices.
- Ukraine field conditions remain broadly favourable. However, if dryness persists, top soil moisture could be jeopardized.



### Domestic

On 7 June 2018, wheat prices for delivery in Jul2018 increased marginally (R8/ton) from R3863/ton to R3871/ton, week on week

#### Bullish factors (Supporting Prices)

- Hectares planted under wheat expected to be lower in the Swartland area keeping in mind the 45% decline in seed sales.
- Weather outlook remains an uncertainty. We only harvest in October – still a lot to happen before then.
- The fall in US prices may eventually increase the local wheat import tariff, which is supportive for the local wheat price.
- Lower Rand provided some support to the local wheat.

#### Bearish factors (Suppressing Prices)

- Parts of the Western Cape enjoyed some rains. Probability of favorable weather in the next week should ease some concerns.

### Outlook

#### Local

Expect prices of new season wheat to trade sideways. Western Cape received some beneficial rains the past two weeks. The decline in US wheat prices, may eventually lead to an eventually increase the local wheat import tariff, which is supportive for the local wheat price.

## International

Global wheat export prices were lower this week. Favourable growing conditions for US spring wheat areas weighed on prices. Harvesting progress in the US sparked some selling interest.

Wheat Futures 07 June 2018	May-18	Jul-18	Sep-18	Dec-18
CME (\$/t)	193.35	199.98	207.69	214.40
SAFEX (R/t)	0	3871	3895	3888
SAFEX (R/t) Change w/w	0	8	25	28

Jul-18			Sep-18			Dec-18		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
3,920	82	33	3,940	140	95	3,920	182	150
3,880	58	49	3,900	118	113	3,880	160	168
3,840	39	70	3,860	98	133	3,840	141	189

## Oilseeds market trends

### International

The weekly average USA soybean price decreased week-on-week from US\$397.38/ton to US\$385.73/ton. US soya oil prices marginally declined from US\$31.27c/lb to US\$30.83c/lb and soymeal prices traded marginally lower from US\$377.38/ton to US\$364.90/ton. Prices were weighed by rains received this week in the Midwest, an improvement in fields and seeding advancement in the US eased some previous concerns.

#### Bullish factors

##### Soybean:

- Poor harvest conditions in Cordoba and other parts of Argentina further reduced soybean production prospects.
- Major weather uncertainties are ahead in the US and other major producers in the northern hemisphere.
- Logistical disruptions in Brazil due to trucker strikes, caused supply bottlenecks.
- Stronger demand from China supported prices.

##### Soymeal:

- World soymeal prices are likely to be supported by the weather developments in South America. A further reduction in Argentine soybean crop by 19-20 million ton will cause lower crushings and export supplies.

##### Canola:

- ICE canola futures traded lower week on week. Falling on weak soybean prices and beneficial rains in some of the growing areas.

##### Sunflower oil:

- Global production and exports are expected to decline in the 2<sup>nd</sup> half of 2017/18.

#### Bearish factors

##### Soybeans:

- Renewed concerns of scaling US- China trade issues.
- Stronger dollar weighed down on US soybean futures prices.
- In Argentina, farmers remain reluctant soybean sellers due to lower financial and economic standing.

#### **Domestic**

New season soybean prices (Jul2018) decreased week on week by R67/ton from R4537/ton to R4470/ton.

New season sunflower seed prices (Jul2018) decreased week on week by R14/ton from R4644/ton to R4630/ton.

#### Bullish factors

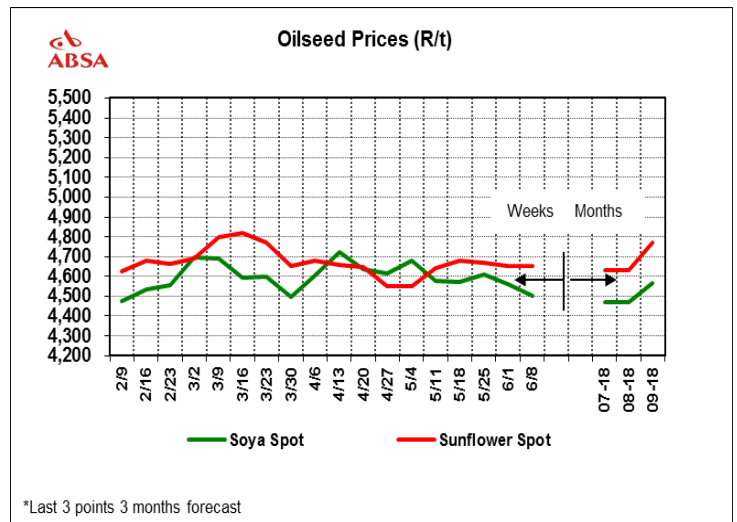
##### Soybeans

- Favourable crushing margin for soybeans compared to a more tight crushing margins for sunflower seed allowing for more soybeans to be crushed

#### Bearish factors

##### Soybeans

- Lower US soybean prices weighed down on the domestic market.
- The soybean production forecast is still set at 1.430 million tons, no change from the previous estimate. The soybean estimate is the largest soybean expected production in SA history.



### Sunflower seed

- Tight crushing margin for sunflower seed allows for less sunflower seed to be crushed
- Harvest pressure on a big sunflower seed crop may add to price pressure.

### **Outlook**

#### **Local**

Soybean prices traded lower. The lower US prices placed downward pressure on the local sunflower and soybean price. The depreciating Rand limited the downward pressure somewhat. Harvesting is underway and deliveries will likely pick up, sparking some selling interest.

#### **International**

US trade policies is generating uncertainties, affecting the agricultural markets. Weather anomalies will remain a key factor to monitor in the coming weeks.

Oilseeds Futures 07 June 2018	Jul-18	Sep-18	Dec-18	Mar-19
CBOT Soybeans (US\$/t)**	357.98	362.02	365.51	367.62
CBOT Soy oil (US c/lb)	30.60	34.82	31.36	31.90
CBOT Soymeal (US c/lb)	393.85	396.37	397.03	388.35
SAFEX Soybean seed (R/t)	4470	4568	4690	4765
<i>SAFEX Soybean seed (R/t) change w/w</i>	-67	-67	-62	-87
<i>SAFEX Sunflower seed (R/t)</i>	4630	4770	4902	4917
<i>SAFEX Sunflower seed (R/t) change w/w</i>	-14	-11	2	11

Jul-18			Sep-18			Dec-18		
Ask	Put	Call	Ask	Put	Call	Ask	Put	Call
4,680	106	56	4,820	173	123	4,940	221	183
4,640	83	73	4,780	151	141	4,900	200	202
4,600	64	94	4,740	131	161	4,860	180	222

\*Short ton

\*\* Dec 2018 = Jan 2019



## Beef market trends

### International

New Zealand steers traded sideways over the past week at 5.36NZ\$/kg and cows traded sideways at 4.17NZ\$/kg compared to a week ago. In the US, beef prices for the week were mostly higher as follows: Topside traded 6.75% lower at \$221.15/cwt. Rump was 1.39% higher at \$369.00/cwt and strip loin was 0.91% lower at \$855.46/cwt. Chuck traded 0.71% higher at \$223.36/cwt. Brisket traded 5.32% higher at \$266.46/cwt. The carcass equivalent price was 0.68% higher at \$367.77cwt.

#### Bullish factors

- The supply will stop building in New Zealand towards the end of June as the slaughter season winds up.
- Drought conditions in the US would result in an even greater increase in US beef production in 2018, leading to a shortage of supply in later years.

#### Bearish factors

- Brazil and Australian supplies are putting supply pressure on global markets.
- The arrival of surplus, cheap Australian beef in New Zealand, if their supply continues to build due to dry conditions may weigh on market prices.
- Analysts expect some liquidation of US beef cow herd. Without rain soon, the continuing drought in cattle area is expected to put a dent in beef cow numbers. The dry conditions also forced calves into feedlots earlier than usual, resulting in large supplies of fed cattle this summer.

### Domestic

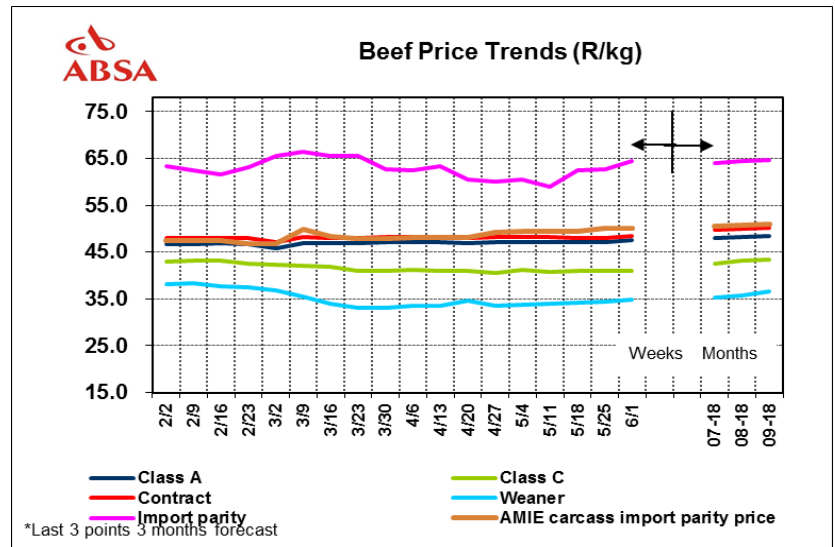
Week on week, beef prices were mostly higher across the different classes. The average Class A price was 0.9% higher this week at R47.49/kg. Class C prices were 0.15% higher at R41.02/kg. The average weaner calf prices over the past week increased by 1.0% to R34.78/kg. The average hide price this week weakened. The average hide prices traded 3.9% lower w/w at R7.43/kg green. Overall, the hide market sentiment remains bearish, in line with the international weak hide market. NB\* Hide prices are determined by the average of the RMAA (Red Meat Abattoir Association) and independent companies.

#### Bullish factors

- During April 2018, an estimated 188 888 head of cattle were slaughtered. This is 12.5% fewer head of cattle slaughtered month on month, and 6.7% less cattle slaughtered compared to the same time a year ago. Significant year on year declines in cattle slaughter is an indication of herd rebuilding process, following drought induced slaughter during 2015/16 season.
- Decline in available supplies after the weaner calf season may add a bullish tone to prices.

#### Bearish factors

- The deterioration in grazing conditions going into winter.
- Lower pork prices may weigh on the beef market.





## **Outlook**

Internationally, the US market is coming into its peak demand period, which may add support to prices.

Locally, the lower feed price together with the lack of weaner calves to rebuild the national herd in the medium term may result in carcass prices to remain elevated for a long time period to come.

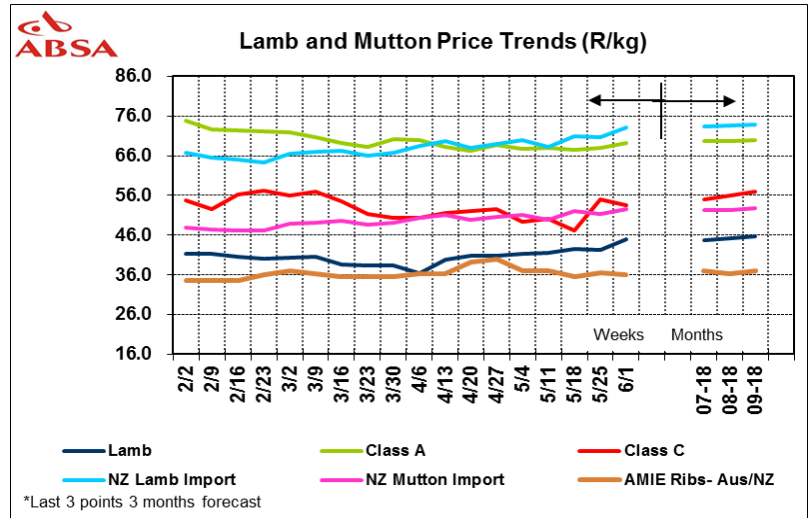
## Sheep meat market trends

### International

New Zealand lamb prices traded higher this week compared to last week. Lamb prices closed 0.7% higher at NZ\$112.9/head for 15kg lamb. Lamb prices were 0.6% higher at NZ\$158.0/head for 21kg lamb. Ewe prices traded sideways at NZ\$106.1/head for a 21kg ewe. The import parity price for lamb was 3.2% higher at R73.01/kg, while the import parity price for mutton was 2.5% higher at R52.59/kg.

#### Bullish factors

- Producer lamb prices across New Zealand are increasing steadily each week as supply softens going into the winter months.
- Strong international demand for lamb and mutton add support to prices. Chinese demand for mutton has helped keep prices high.



#### Bearish factors

Prolonged dry conditions in Australia result in increased slaughter.

### Domestic

This week, lamb and mutton prices were mixed this week when compared to the previous week. Lamb and mutton prices were as follows: The national average Class A carcass lamb prices increased by 1.9% to R69.30/kg and the average Class C carcass prices decreased by 2.8% to R53.43/kg. The average price for feeder lambs traded 6.0% higher at R44.88/kg. The average price for dorper skin is 3.1% higher at R31.67/skin and merinos were 8.7% lower at R87.50/skin.

#### Bullish factors

- During April 2018, an estimated 334 758 head of sheep were slaughtered. This is 15% fewer head of sheep slaughtered month on month, and 9% less sheep slaughtered compared to the same time a year ago. Significant year on year declines in sheep slaughter is an indication of herd rebuilding process, following drought induced slaughter during 2015/16 season.
- High meat prices and low feed costs are supporting the profitability of the sheep industry.

#### Bearish factors

- The deterioration in grazing conditions going into winter.
- Consumer resistance to high lamb and mutton prices may increase price risk. Lamb and mutton remain the most expensive meat on the market.

### Outlook

Internationally, strong international demand for lamb and mutton continue to support prices.

Locally, lamb and mutton prices may have benefited from improved spending during month end.

## Pork market trends

### International

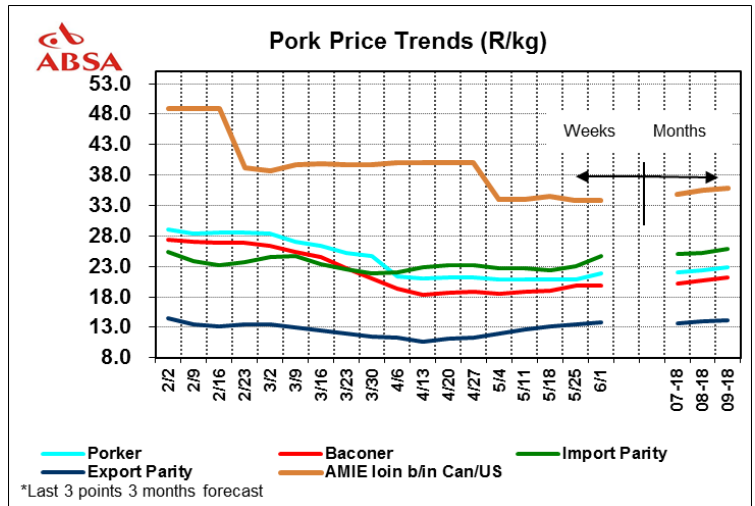
The average weekly US pork prices were mostly higher over the past week. Carcass prices were 1.4% higher at US\$75.38cwt, loin prices were sideways at US\$74.82/cwt, rib prices were 7.8% lower at US\$128.73cwt and ham was 9.6% higher at US\$55.43/cwt.

#### Bullish factors

- The barbeque season is expected to continue to add support to US prices. Pork industry prepares for the busy grilling season during the summer months.

#### Bearish factors

- Mexico is expected to levy hefty tariffs up to 20% on US pork in retaliation for the Trump administration's duties on Mexican steel and aluminum products. The latest tariffs could lead to more pork supplies staying in the US domestic market and weigh on prices for pork.
- The US pork industry has been in the expansion mode in recent years.



### Domestic

Average pork prices have shown a declining trend over the past months. Average pork prices have declined by between 30% and 40% during the second week of April 2018, compared to the second week of January 2018. In recent weeks, pork prices started to show signs of recovery.

This week, pork prices were mostly higher. The latest average pork prices are as follows: The average porker prices are 5,1% higher at R21.89/kg, while the average baconer prices are 0.4% higher at R19.88/kg. The average cutters prices were 0.4% lower at R20.30/kg and the average heavy baconer price was sideways at R19.11. The SAU price was 1.1% higher at R14.89/kg.

#### Bullish factors

- During April 2018, an estimated 242 135 head of pigs were slaughtered. This is 3.5% lower month on month.
- Improved demand during month end associated with increased uptake during the end of the month may support prices.
- The pork industry has indicated that most retail groups have reported increase in demand for fresh pork.
- Marketing and promotion campaigns by the pork industry drive increased pork sales.
- The current low prices of pork may increase consumer uptake of fresh pork cuts.

#### Bearish factors

- During April 2018, an estimated 242 135 head of pigs were slaughtered. This is 16% higher compared to the same time a year ago.
- Plentiful pork volumes in the market.
- Lower feed costs will support the intensive pork industry, improving profitability.

### Outlook

Internationally, the barbeque season is expected to continue to add support to US prices.

Locally, lower product prices are expected to continue to support sales, and therefore add support to pork prices.

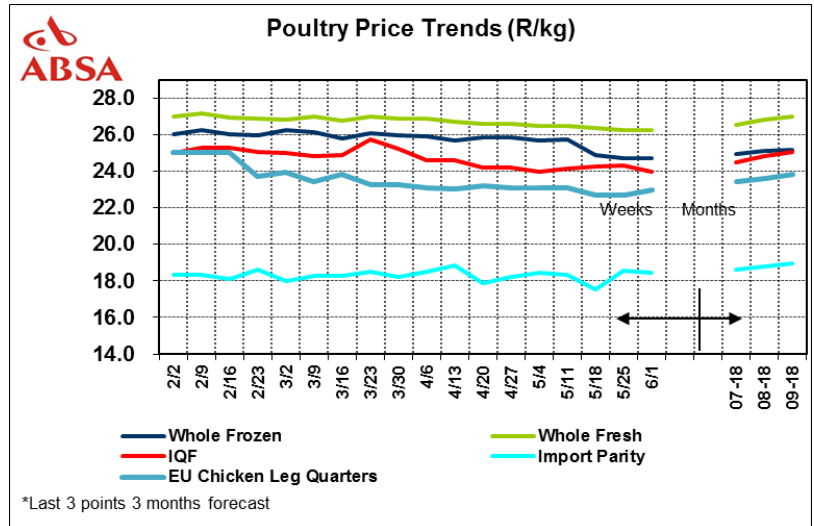
## Poultry market trends

### International

Poultry prices in the US were mixed over the past week. Whole bird prices were 0.5% higher at 120.18USc/lb. Breast traded 13.2% lower at 92.00USc/lb, while leg quarters traded 1.4% lower at 36.50USc/lb.

#### Bullish factors

- The Brazilian Association of Animal Proteins (ABPA) said on Tuesday that all plants affected by recent truckers strike resumed operations. The resumption is however expected to happen gradually. The industry expects production to recover to normal standards in 60 days, to ensure the preservation of the quality of the products that reach the consumer.
- ABPA has warned since roadblocks began that there will be a shortage of poultry, pork and egg products in supermarkets and other outlets until production and distribution are completely restored.



#### Bearish factors

- Plentiful global supplies and competition from expanding red meat supplies may weigh on poultry prices.

### Domestic

The average poultry prices over the past week were mostly lower. The average prices for frozen birds were 0.1% lower at R24.69/kg during the week. Whole fresh medium bird prices were 0.1% lower at R26.23/kg, while IQF prices were 1.3% lower at R23.99kg.

#### Bullish factors

- The possibilities of new occurrences of bird flu during winter continue to be a risk factor in the broiler industry.
- Brazil stopped the export of thousands of tons of chicken and pork meat since truckers began striking on 21 May. Brazil is one of South Africa's main poultry import destination. This may limit or delay import volumes into South Africa.

#### Bearish factors

- The Stats SA's monthly consumer egg prices show a mixed trend for April 2018. Egg prices for ½ dozen increased by 0.7%, to R16.56, prices for 1.5 dozen decreased by 2.5% to R44.37 whilst prices for 2.5 dozen decreased by 2.1% to R61.83 during April 2018 compared to March 2018. Egg prices followed an increasing trend towards the end of 2017 due to the impact of the outbreak of bird flu.
- Lower pork prices may weigh on the poultry market.
- Favourable feed price environment contribute positively to feeding margins.

### Outlook

Internationally, increasing broiler supplies and competition from expanding red meat supplies may weigh on poultry prices.

Locally, prices may gain support as poultry is the cheaper meat protein in the market.

Livestock prices (R/kg) week 08 June 2018	Beef			Mutton			Pork			Poultry		
	%	Cur- rent week	Prior week	%	Cur- rent week	Prior week	%	Cur- rent week	Prior week	%	Cur- rent week	Prior week
<b>Class A/ Porker/ Fresh birds</b>	0.89	47.49	47.08	1.9	69.30	68.00	5.1	21.89	20.83	-0.1	26.23	26.26
<b>Class C/ Baconer/ Frozen birds</b>	0.15	41.02	40.95	-2.8	53.43	54.94	0.4	19.88	19.80	-0.1	24.69	24.72
<b>Contract/Baconer/ IQF</b>	0.86	48.45	48.04	2.0	70.11	68.72	2.8	20.88	20.31	-1.3	23.99	24.31
<b>Import parity price</b>	2.54	64.34	62.75	2.5	52.59	51.30	1.2	31.4	31.1	-0.7	18.4	18.6
<b>Weaner calves/ Feeder lambs</b>	1.0	34.78	34.44	6.0	44.88	42.34		-	-			
<b>Specific imports: Beef trimmings 80vl/b/ Mutton shoulders/Loin b/in/ chicken leg 1/4</b>	0	50.00	50.00	-0.1	61.05	61.10	-0.3	33.80	33.90	1.3	22.95	22.66

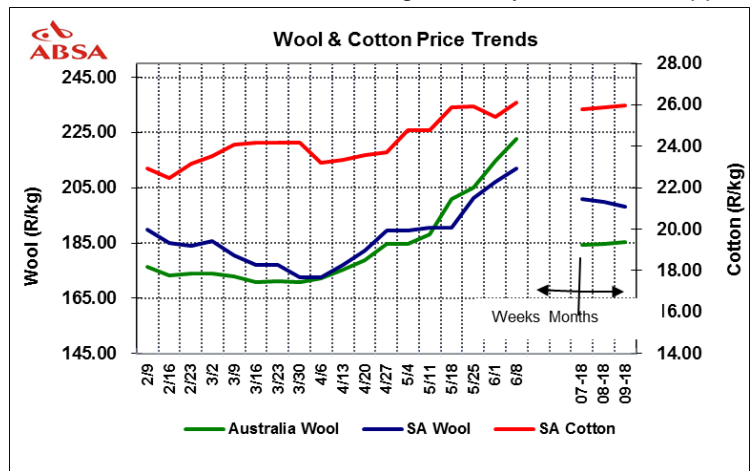
## Wool market trends

### International

The Australian wool market traded lower week on week. Prices traded at Au2011c/kg down by 0.79. Prices dipped from the previous week's record highs. Merino 19 micron and broader merino wool prices were lower this week.

#### Bullish factors (Supporting Prices)

- Limited availability of supplies/ locks encouraged competitive bidding in Australia, which pushed prices higher.
- Growing consumer demand, underpinned by economic growth in the EU and China keeps supporting wool prices globally.
- In Australia, the following factors are contributing to the lower supply and higher prices: high lamb and mutton prices, few Merino ewe stock, and limited land suitable for Merino wool production, unfavourable seasons and increased predation.



#### Bearish factors (Suppressing Prices)

- Buyers held back after recent record prices.
- Stronger Australian dollar contributed to the decline in prices.

### Domestic

The last auction was on 06 June 2018. Domestic wool market prices increased from R207.23 c/kg (clean) to R211.99 c/kg (clean) at the sale. Wool prices traded at record prices this season, driven by very strong demand, limited supply and very fierce competition between buyers.

#### Bullish factors (Supporting Prices)

- Excellent demand for quality long and fine wool at the recent auction.
- Final wool delivered to broker stores was lower than the previous season deliveries.
- A weaker Rand assisted producers on the returns.
- Competition between the buyers was spirited and encouraged even higher prices.

#### Bearish factors (Suppressing Factors)

- Analysts do caution that some degree of a downward correction is to be expected.

### Outlook

Internationally, new price records were hit for all the Merino and fine crossbred wools. Limited availability of supplies/ locks keeps encouraging prices. A stronger Australian dollar this week caused a dip in wool prices.

Locally, lower supply, fierce competition amongst buyers for South African wool, coupled with lower seasonal delivering are all added to the bullish tone to the wool market.

The wool market ended the season on an all-time record high on 6 June 2018. The next auction will be on 15 August 2018.

## Cotton market trends

### International

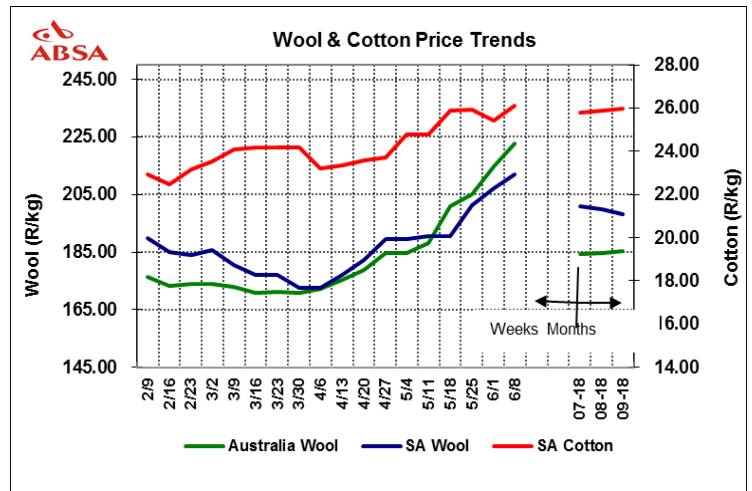
Cotton prices traded 5.10% higher over the past week and closed at US87.17c/lb up from US82.94c/lb.

#### Bullish factors (Supporting Prices)

- Cotton prices traded very high in the past two weeks. Dry weather conditions in China and West Texas did not support production
- ICAC projects that India (the largest producer) will decrease its cotton production due to bollworm infestation.
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#### Bearish factors (Suppressing Prices)

- Higher prices expected to impact planting decisions to expand area under cotton for the 2018/19 season.



### Domestic

The derived SA cotton prices traded 5.91% higher to close at R27.66/kg.

The 5<sup>th</sup> estimate for the 2017/18 local production shows an increased cotton crop of 143%, more than the previous season. SA expected to produce 188 247 bales.

### Outlook

Internationally, Cotton prices remain firm as demand picks up and season nears the end. Cotton prices have averaged at 86 US c/lb from August 2017 till May 2018, above the 70 US c/lb long term average.

Locally, the world market and exchange rate movement may continue to affect the domestic market prices. Lower grains profit margins has supported cotton planting in South Africa.



Fibres market trends  
Week ended 08 June 2018

Wool prices	%	SA prices (c/kg)	%	Australian prices (SA c/kg)	%	Australian future July 2018 (AU\$/kg)	%	Australian future Sep 2018 (AU\$/kg)
Wool market indicator	2.30	21199	2.31	19929		-		-
19µ micron	2.30	22506	4.03	22570	0.00	21.90	0.00	20.50
21µ micron	1.86	21607	3.60	22437	0.00	21.50	0.00	20.00
Cotton prices 01 June 2018		SA derived cotton (R/kg)		New York A Index (US\$/kg)		New York future Jul 2018 (US\$/kg)		New York future Sep 2018 (US\$/kg)
Cotton prices	5.91	27.66	582	2.20	6.5	2.05	8.2	2.06

## Vegetables market trends

### Tomatoes

Volumes were lower this week at the FPMs. South Africa not yet experiencing a cold winter therefore plenty tomato crop ripe and available to be marketed. Prices declined from R10/kg average the previous week reaching on average R9/kg this week. Month-end demand also supporting prices. Prices expected to trade sideways for the next 2 weeks.

Weekly prices declined week-on-week but prices are still at a good price.

### Onions

North West and Limpopo onion producers are currently marketing their produce at the markets. Supply is sufficient. Good quality crop receiving premiums. Prices traded 3% higher month-on-month, supported by increased month end demand. Prices have been trading sideways for the month and anticipated to remain at this level for the next 2 weeks.

### Potatoes

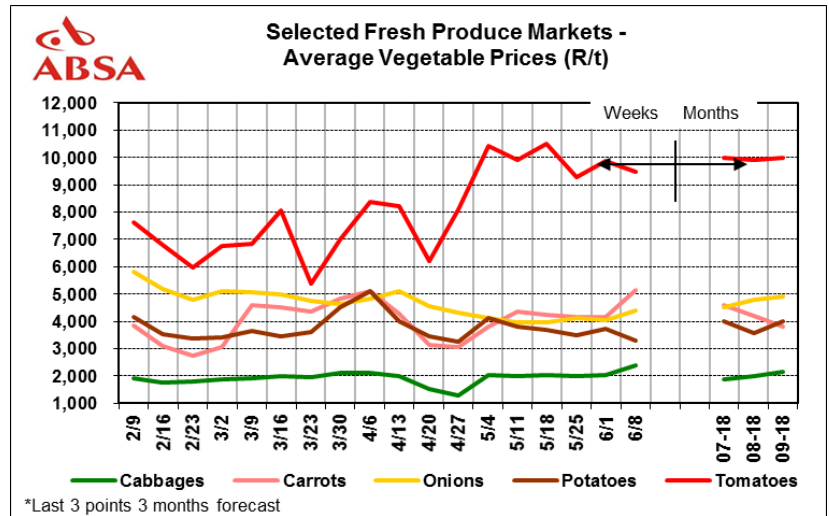
Ample supply contributed to lower prices. Weekly prices declined by 2% week on week. Demand was not as high as expected during the month-end period.

### Peppers

Pepper prices were down week-on-week by 15% at an average of R7/kg. Volumes were significantly lower, but quality not as much. Demand for peppers was poor.

### Cabbage & Carrots

Cabbage volumes dropped by 9% at the Top 5 FPMs. Prices however still declined by 2%. Prices averaging around R2/kg. Carrots prices up by 4% week on week as volumes declined by almost 20% due to lower deliveries. The higher week-on-week demand for carrot during the last week of the month supported prices.



Vegetable Prices: Fresh Produce Market (Averages for the Pretoria, Bloemfontein, Johannesburg, Cape Town and Durban markets)						
Week ending 07 June 2018	Difference in weekly prices	This week's Average Price (R/t)	Previous week's Average Price (R/t)	Difference in weekly volumes	This week's Total Volumes (t)	Previous week's Total Volumes (t)
Cabbages	-2%	2372	2410	-9%	1613	1780
Carrots	4%	5156	4960	-19%	2235	2761
Onions	3%	4398	4288	-11%	6891	7766
Potatoes	-2%	3280	3364	-12%	17472	19769
Tomatoes	-4%	9482	9908	-15%	3519	4147
Peppers	-15%	7830	9196	-11%	1107	1243

**Disclaimer:** Although everything has been done to ensure the accuracy of the information, Absa Bank takes no responsibility for actions or losses that might occur due to the use of this information.