



Agri Trends: Vegetable market report

Year-end pricing patterns prevail, as the holidays approach.

Cabbage

The cabbage market prices exhibited a consistent upward trend during the week ending November 10th, at the back of declining volumes as well as heightened consumer demand. Prices are anticipated to exhibit a stable trajectory, remaining relatively unchanged for the remainder of November.

Carrots

The price trend for carrots in the five fresh produce markets exhibited a consistent upward trajectory on both a weekly and monthly basis. The rise in prices was supported by a shortage in the market; however, it is anticipated that supply levels will stabilise for the remainder of November. During the Christmas season, analysts anticipate a surge in consumer demand, which is expected to have a significant impact on the trajectory of the price trend in December.

Onions

The prices of onions exhibited a downward trajectory throughout the middle of November, which may be attributed to a notable surge in onion supply. The production commencement of the Northern Cape region early this month contributed to the increase in volumes and is expected to peak between late November and December. The price trends of onions demonstrate historical patterns, as seen in the year 2022.

Potatoes

Due to lower market supply, potato prices rose month-over-month during the week ending November 10. The Limpopo and KZN regions are the current suppliers for potatoes in the market, with small volumes from the Swartwater region. The price trend for November and December will be affected by Limpopo and KZN supply schedules.

Tomato

Monthly price trends depicted a decline at the back of increased volumes. The markets currently receive supply from Limpopo and East London region. During the initial two weeks of November, there were marginal fluctuations seen in both price and supplied volume patterns, resembling the trends observed in October. It is expected that consumer demand will intensify towards the end of November and early December, which may lead to a rise in prices as the year ends.

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

www.absa.co.za

<https://www.absa.co.za/business/sector-solutions/agribusiness/agri-smart-insights/>

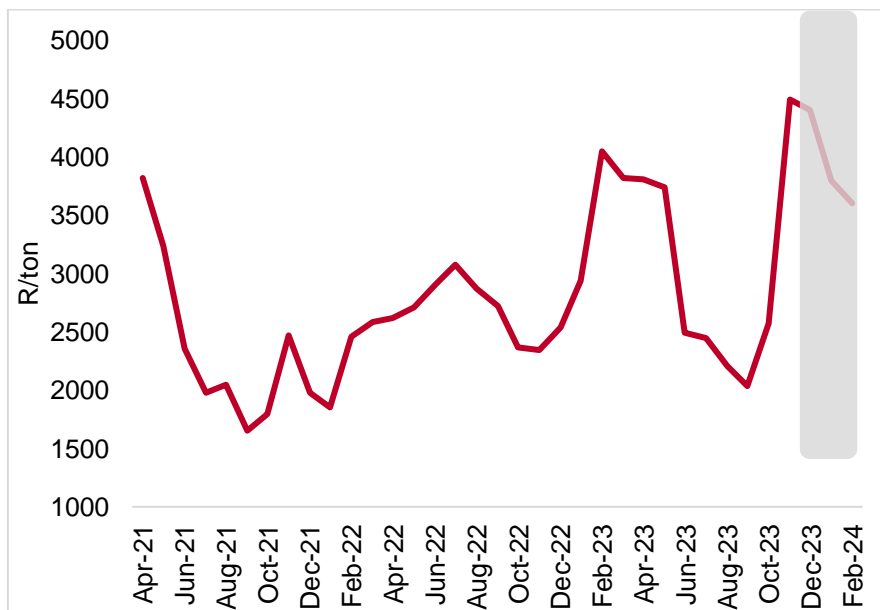
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Cabbage market trends

Cabbage prices saw a week-on-week rise of 8.5%, which may be attributed to a corresponding reduction in weekly supply of 11.9%. The monthly price trends had a favourable trajectory, increasing by 158%. Specifically, the prices saw a surge from R1 807 per ton in mid-October to R 4 673 per ton in mid-November. This is shown by a reduction of 21.3% in the quantities supplied. The markets become flexible, towards the end of the month, as they tend to adjust their pricing strategy to be more elastic in response to the unpredictable nature of consumer demand.

The consensus suggests that price spikes were supply related during the first week of November. The market was mostly dominated by class 1 grade cabbage, resulting in superior and consistent quality, with just a limited proportion of class 2 cabbage being prominent. In the next weeks, it is expected that prices will exhibit a stable trajectory, remaining relatively unchanged for the remainder of November. However, there is a slight expectation of modest increases in prices throughout the month of December. According to market agents, it is anticipated that price fluctuations would exhibit a sideways trend leading up to the beginning of January 2024.

Figure 1: Monthly cabbage prices and projections

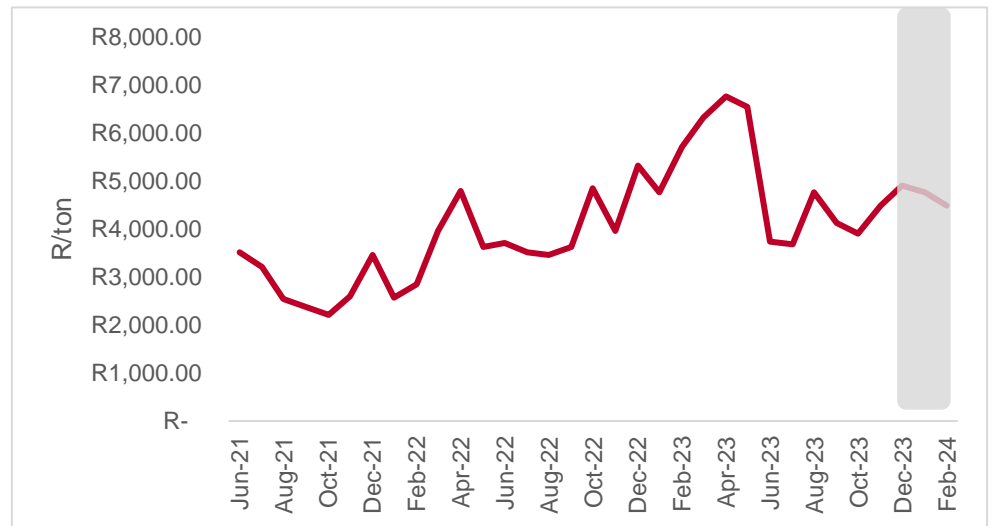


*Area in grey represents Absa AgriBusiness forecasts

Carrot market trends

The price trend observed for the week ending November 10 indicated a rise of 8.5%. Furthermore, there was a subsequent month-on-month increase of 15.2%, with prices rising from R4 057 per ton in mid-October to R4 673 per ton. The observed price increases were shown to be correlated with a decrease in supply, with a decline of 19.8% on a week-on-week basis and 5.6% monthly. Analysts note that carrots may be classified as having price inelastic demand, indicating that changes in pricing are mostly impacted by the availability of quantities. Market agents advised that market volumes will remain relatively stable for the remainder of November, with the potential for a slight increase in demand over the upcoming Christmas season. This increase in demand might have a slight effect on prices in December. It is anticipated that prices will return to the levels seen in November throughout the period spanning from January to early February.

Figure 2: Monthly carrot prices and projections

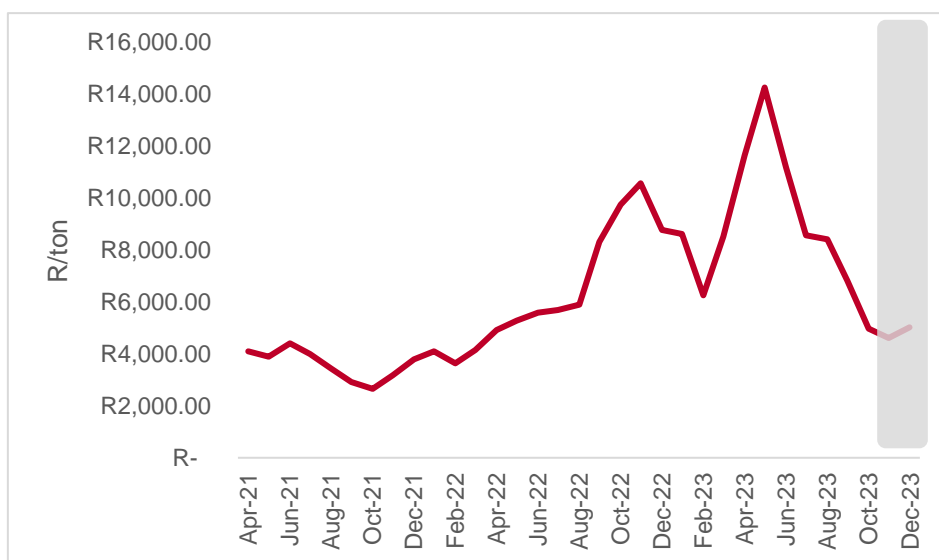


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Onion market trends

Onions prices exhibited a declining trend around mid-November, with a decrease of 1.4% on a weekly basis and a substantial decline of 24.5% over the course of a month. The prices saw a decrease from R5,130 per ton during the same week in October to R3,876 per ton. The decline in prices was aided by an excess supply of onions, which coincided with the start of the Northern Cape region's production/marketing season. The volume of produce had a significant increase, climbing from 5470 tons to 7234 tons. This shift indicates a weekly growth rate of 0.5% and a monthly change of 32.3%. The historical pricing trends during the mid-November period exhibit resemblances to the patterns seen. The Swartwater area is projected to reach its conclusion by the end of November, whereas the Northern Cape is forecasted to provide supplies until the end of February in 2024. It is anticipated that market pricing trends will see a rise owing to the projected peak quantities from the Northern Cape region, spanning from November to December.

Figure 3: Monthly onion prices and projections



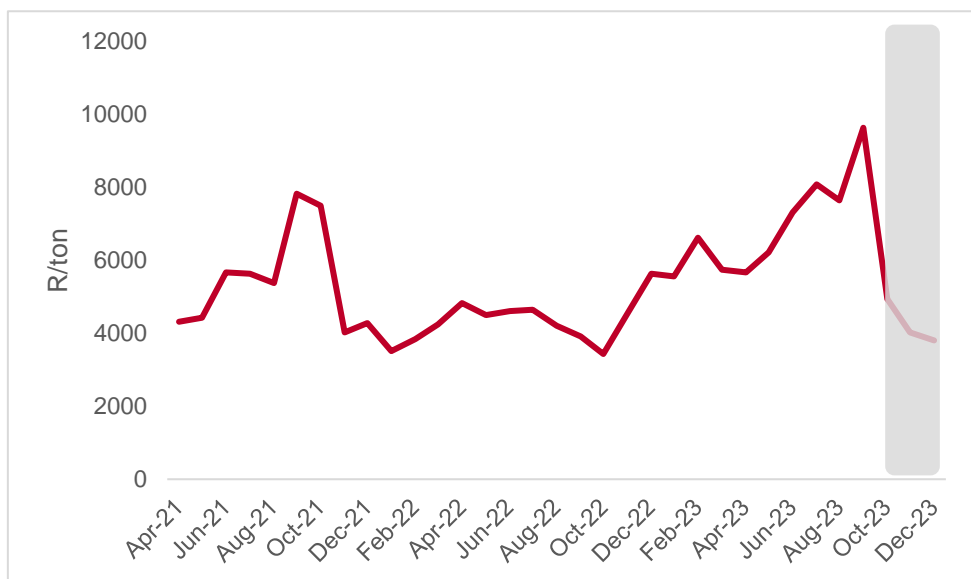
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Potato Market Trends

During the week ending on November 10th, there was a significant month-on-month rise of 85.50% in potato prices. The observed prices saw a significant increase from R5,097 per ton in mid-October to a record-breaking R9,456 per ton on a month-on-month basis. The rise in prices is attributed to an under supply in the market, which resulted in a decrease in monthly volume by 2.1%. Additionally, when considering the annual pricing trends, there was a notable 78.15% increase seen for mid-November. Over the last three years, average prices have fluctuated between R3,800 per ton and R6,000 per ton. Analysts note, there has been a decrease in the quantity of purchases from the Sandveld production due to the rise in delivery expenses to the market. Consequently, the primary source of supply has shifted to the Limpopo region. Additionally, it is anticipated that the KZN region will gradually begin delivering quantities as November advances.

In terms of future projections, it is anticipated that there may be an upward trajectory in the pricing of potatoes for the remaining duration of November, depending on the timely completion of the harvest in Western Limpopo. The average market volume is expected to decrease, accompanied by an increase in consumer demand and price. During the holiday season, historical patterns indicate a significant increase in consumer demand, leading to a corresponding rise in prices.

Figure 4: Monthly potato prices and projections

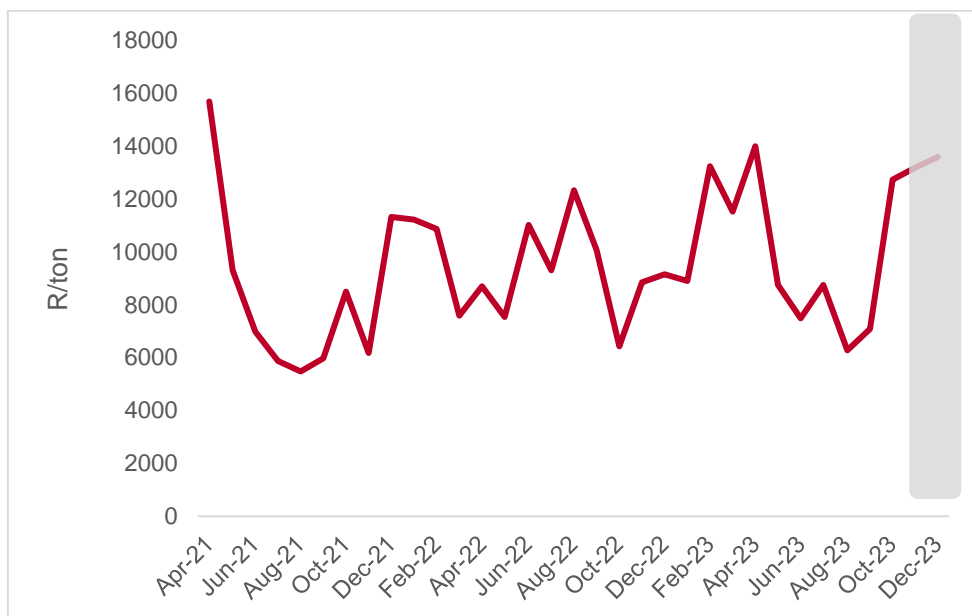


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Tomato market trends

The prices of tomatoes exhibited a declining trend, with a decrease of 0.35% on a weekly basis and a decrease of 10.12% monthly. The prices moved from R 15 513 per ton to R13 942 per ton, accompanied by a slight increase in the amount of supply by 0.2%. The surplus originated from the Limpopo area, catering to both inland markets and the East London region, which in turn served the coastal markets. The quality of the product remains consistently high and forward looking, the holiday season will coincide with a significant rise in consumer demand, influenced by an increase in disposable income. Analysts anticipate increased prices throughout the month of December. However, this upward trend is expected to subside only after the Christmas week, extending into early January, as the purchasing patterns associated with the holiday season begin to diminish.

Figure 5: Monthly tomato prices and projections



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