

Agricultural Exports Volume

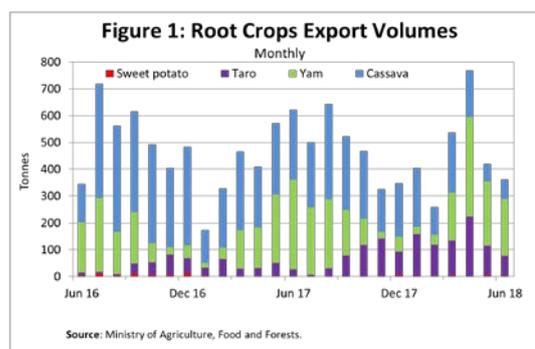
June 2018

Release date: 5 October 2018

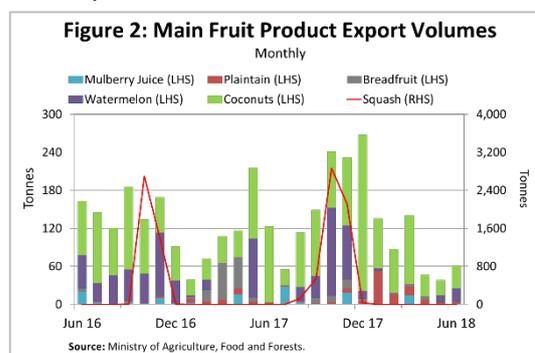
	Jun 18	May 18	Apr 18	Mar 18
Total volume (tonnes)	432.0	471.4	825.1	689.3

Root crops and vegetables drove the monthly decline

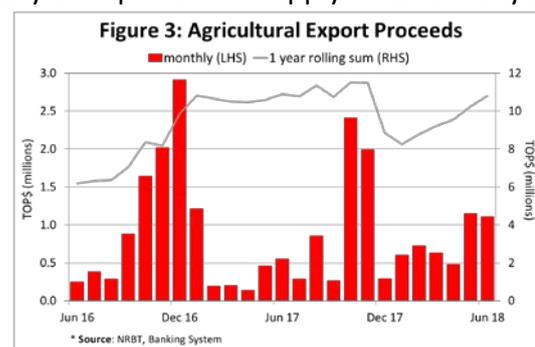
The total volume of agricultural exports declined over the month by 39.3 tonnes (8.3%) due to the seasonality of local produce and the damages of cyclone Gita on root crops in February 2018. This was led by a 58.0 tonnes (13.8%) fall in exported root crops due to lower exports of a different variety of taro and yam over the month (Figure 1). The vegetable group also declined particularly the leafy vegetables such as pele and taro leaves by 3.1 tonnes (58.1%). This outweighed an increase in the exports of watermelon, coconuts and breadfruit over the year (Figure 2).



According to the domestic market survey report by the Ministry of Food, Forestry and Agriculture, the volume of domestically sold crops increased over the month of June by 31.3 tonnes (14.2%). Crops which declined over the month included late yam, taro tarua, cucumber and plantain. This indicates that there was adequate local food supply available in the domestic food market. Liaison suggests that a contributing factor to the decline in agricultural exports is the sustainability of exporters to supply a certain buyer regularly.

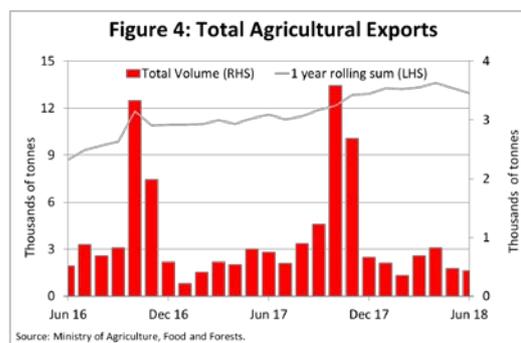


Moreover, the total agricultural proceeds slightly declined by 3.7% to a total of \$1.1 million (Figure 3). This may be due to the lagged effects on the receipt of proceeds for agricultural exports.



Over the year to June 2018, the total agricultural export volume rose by 1,362.9 tonnes (11.8%)

(Figure 4), supported by better harvest of root crops which included taro and yam, the exports of squash products, coconuts, plantain, pele and taro leaves, mulberry juice, papaya, and kava-Tonga products. These offset the decline in the export volume of cassava, sweet potato, watermelon and breadfruit over the year. The continuous funding from the Government's Development Loan scheme also supported the yearly growth in the agricultural sector. The annual agricultural export receipts however fell by \$0.1 million (0.9%) which may be due to proceeds left abroad as well as the time lag effect of receiving it. The increase in non-commercial agricultural exports where individuals send crops to families abroad may have also contributed to the decline in the receipts of export proceeds.



On the outlook, the Reserve Bank anticipates that the volume of agricultural exports will decline in the short term due to the devastation and damages from TC Gita on the plantations. However, the Reserve Bank anticipates a positive growth in the agricultural sector in 2017/18 as TC Gita struck mid-way through the 2017/18 financial year hence losses are anticipated to be felt towards the latter part of the year. This is supported by the various initiatives from the Government to help growers, and the positive attitude reflected by growers through the Reserve Bank's liaison program towards recovery and replanting of crops following the cyclone. According to the Climate Update¹ from the Tonga Meteorological Service, rainfall is forecasted to remain around average for Tonga in the near term which remains favourable for the local food supply. Nonetheless, the weather uncertainties still remain a risk to the outlook.

Total Agricultural Export Volumes by Major Categories							
Tonnes							
	Month-ended*			Jun 17	Year-ended		Memo: Share
	Jun 18	May 18	Apr 18		Jun 18	Jun 17	
Total	432.0	471.4	825.1	751.3	12,955.6	11,592.7	100
Fruit products	61.0	38.3	46.2	122.7	7,261.8	5,632.1	56.1
Root vegetable products	361.5	419.6	768.4	621.3	5,553.5	5,842.9	42.9
Other vegetable products	2.2	5.4	3.8	1.9	43.8	30.6	0.3
Sandalwood	0.0	0.0	0.0	0.0	-	-	0.0
Vanilla	0.0	0.0	0.0	0.0	0.5	2.4	0.0
Other**	7.2	8.2	6.7	5.5	96.5	87.1	0.7

* Series is volatile due to seasonality of crops
 ** Includes kava products and coffee beans.
 Source: Ministry of Agriculture, Food and Forests.

¹ Released on 13th July 2018