

Agricultural Exports Volume November 2014

Release date: 13 January 2015

	Nov 14	Oct 14	Sep 14	Nov 13
Total volume (tonnes)	979.8	2339.8	803.9	1554.8

Harsh weather conditions affect exports

Agricultural exports in November were much lower than expected; 56.1% lower than October and 37.0% lower than November 2013. The monthly decrease in agricultural exports was due to falls in exports of all major categories except for coconuts. The decline in exports is attributed to low agricultural yields brought on by the recent drought and unfavorable weather conditions.

Squash exports, which has the biggest share of total exports, declined by 43.0% over the year to November. The decline was offset, though not completely, by lifts in root crops and coconut exports. On balance, total volumes fell by 7.9% in year-ended terms. Agricultural export proceeds, as recorded in the banks' OET data also declined by 35.6% over the year.

Activity in the agricultural sector was expected to grow modestly in the 2014/15 financial year. Tonga's real exchange rate (REER) has been declining in the last couple of years promoting the competitiveness of Tongan produce overseas. If trend continues, it will endorse local produce further in foreign markets in the near future. The establishment of supporting mechanisms for the sector such as the Agricultural Marketing Funds, training facilities for farmers and produce packing facilities; and market expansion are also all enlivening the sector. However, recent drought and the continuing El Niño warning for the best part of the 2014/15 financial year are dampening the outlook for the sector.

Though the sector is expected to struggle in the near future and can use some more stimuli, the NRBT's monetary policy stance is already at its expansionary limits. The foreign reserves are still at a comfortable level, and the developments on this release have exerted very limited pressure on it.

Agricultural Export Volumes

Tonnes

	Month Ended*				Year-ended		Memo: Share**
	Nov 14	Oct 14	Sep 14	Nov 13	Nov 14	Nov 13	
Total	979.8	2,339.8	803.9	1,554.8	9,096.1	9,876.5	100
Squash	413.1	1,653.7	68.5	900.1	2,170.3	3,805.7	24
Taro	163.9	227.3	224.2	196.2	1,911.0	1,627.9	21
Coconut	178.9	158.2	141.6	210.5	1,787.1	1,502.0	20
Yam	42.8	98.1	167.6	39.6	1,399.9	1,360.2	15
Cassava	136.6	158.4	128.4	86.3	281.7	245.8	13
Vanilla	0.2	1.7	0.9	0.0	2.9	4.5	0
Other	42.0	44.1	73.6	121.3	646.2	712.9	7

* Series is volatile due seasonality of crops

** Based on the most recent 12 months data

Source: Ministry of Agriculture, Forestry, Food, and Fisheries

