

Agricultural Exports Volume

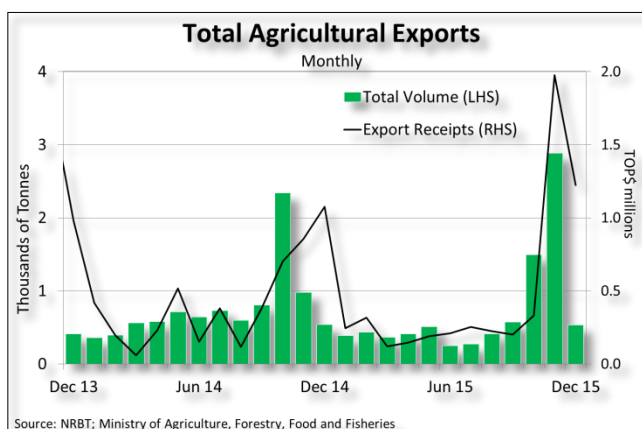
December 2015

Release date: 25 February 2016

	Dec 15	Nov 15	Oct 15	Sep 15
Total volume (tonnes)	533.0	2,885.8	1,496.5	570.6

Squash season ends causing decline in exports

Total agricultural exports volume declined sharply over the month by 81.5% from 2,885.8 to 533.0 tonnes. Evidently, the closing of the squash season contributed largely to this decrease with volumes dropping by 91.9% from 2,484.0 to 202.0 tonnes. Other agricultural exports also declined over the month such as cassava, taro tarua leaves, watermelon and breadfruit which fell by 73.7%, 66.7%, 50.0% and 42.3% respectively. On the other hand,



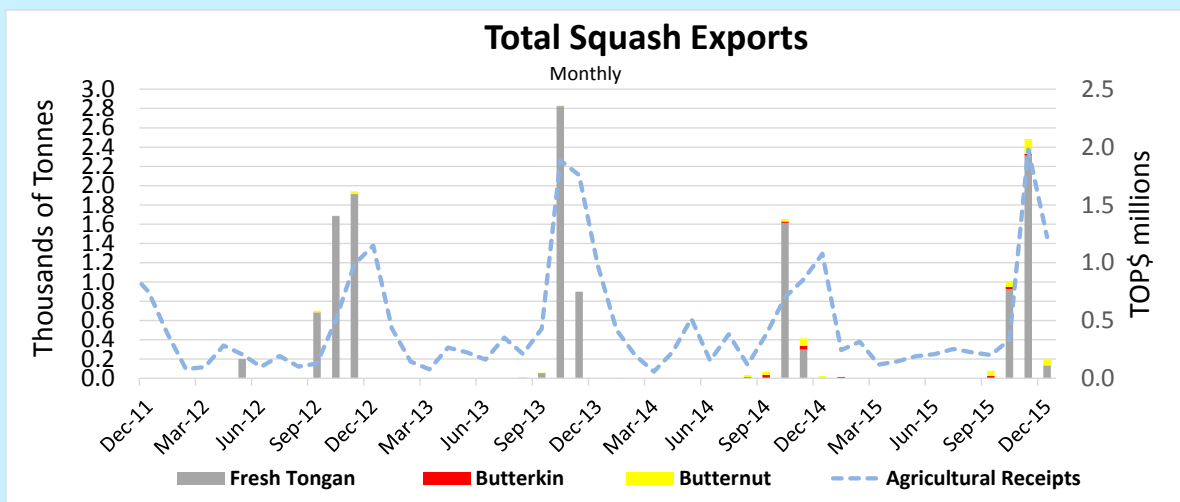
coconuts, taro, yam and kava powder exports rose over the month. The dry weather conditions in the December quarter compared to the September quarter could have affected agricultural production. The agricultural export receipts¹ declined by 38.4% to \$1.22 million in December 2015, driven by a 76.3% fall in U.S. dollar receipts reflecting the end of the squash season. The majority of receipts were from Japan, New Zealand and the United States of America which amounted to \$0.42 million, \$0.41 million and \$0.22 million respectively.

Total agricultural exports volume were 7.7% lower than the previous year despite a 72.7% increase in squash exports.

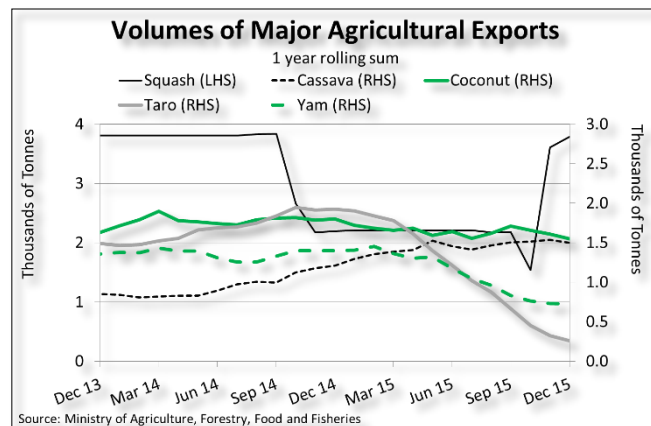
¹ This is based on the Overseas Exchange Transactions data compiled by the NRBT

Growth of Squash Exports in the last 4 years

Total volume for squash exports increased from 2,193.3 tonnes in 2014 to 3,787.1 tonnes in 2015. This was due to higher exports of butternut by 88.0% and fresh Tongan squash by 76.3% in which November 2015 export the highest volume of squash with 2,484.0 tonnes compared to other months. The export of butternut started in November 2011 whereas the export of Butterkin commenced in January 2014. The year 2012 recorded the highest squash exports with 4,529.08 tonnes.



The yearly decline of agricultural exports to 8,526.7 tonnes by 7.7% is owed to lower root vegetable exports which fell by 45.4% to 2,520.4 tonnes, specifically taro by 86.6%, sweet potato by 48.6% and yam by 48.3%. Additionally, other vegetable products exports declined by 61.0% to 23.3 tonnes, particularly taro tarua and pele leaves. The adverse weather conditions had significantly affected agricultural output during the year. However, total agricultural export receipts rose by 5.9% from \$5.1 million in 2014 to \$5.4 million in 2015 particularly receipts from squash, kava powder and fruit exports. The strengthening of the U.S. dollar,



Japanese Yen, and Australian Dollar against the Tongan Pa'anga supports the higher export receipts.

Contrastingly, the kava product exports rose by 74.5% to 316.2 tonnes and also fruit product exports increased by 29.6% to 5,665.4 tonnes over the year. Exports of kava powder, mulberry juice, papaya, squash and breadfruit were the main contributors to this increase.

As 2015/16 has seen better weather conditions than that of the previous year, the NRBT maintains its forecast of a rebound in the agricultural sector for 2015/16 financial year. The higher squash exports during the squash season supports this projection. Additionally, the possibility of a new market for Tonga squash exports to China may boost total agricultural exports volumes. However, the latest revised media release by the Meteorology Division remains unchanged, advising of stronger El Niño conditions (drier than normal) for the upcoming three to six months. This poses a significant risk for the outlook of the agricultural sector.

Total Agricultural Export Volumes by Major Categories

Tonnes

	Month-ended*			Dec 14	Year-ended		Memo: Share
	Dec 15	Nov 15	Oct 15		Dec 15	Dec 14	
Total	533.0	2,885.8	1,496.5	536.8	8,526.7	9,239.6	100
Fruit products	391.5	2,666.3	1,156.0	300.5	5,665.4	4,372.6	66.4
Root vegetable products	106.8	206.2	222.6	216.4	2,520.4	4,616.5	29.6
Other vegetable products	1.2	1.5	5.1	2.9	23.3	59.7	0.3
Sandalwood	0.0	0.0	0.0	3.6	1.3	9.5	0.0
Vanilla	0.0	0.0	1.7	0.0	4.1	2.9	0.0
Other**	33.5	11.9	112.8	13.5	316.2	181.3	3.7

* Series is volatile due to seasonality of crops

** Includes kava products and coffee beans.

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