

Agricultural Exports Volume January 2015

Release date: 3 March 2015

| | Jan 15 | Dec 14 | Nov 14 | Oct 14 |
|--------------------------|--------|--------|--------|---------|
| Total volume (tonnes) | 374.2 | 536.6 | 979.8 | 2,339.8 |

Fall in exports continue

Agricultural exports volume declined by 30.3% over the month of January. This is mainly due to a decrease in exports of all major products except yam and cassava. According to local farmers and growers, the El Niño weather mostly contributed to this fall in agricultural production. However, rainfall data indicates increased rainfall over December and January which may explain the rise in agricultural yields for some export products such as Pele leaves.

Over the year, agricultural exports fell by 6.9% largely due to a decrease in fruit products. Squash, having the biggest share of total agricultural exports, fell by 42.1% as a result of dry weather conditions. In addition, brown coconuts dropped by 6.0% over the year due to loss of market share to Samoa. Agricultural proceeds data received through the banking system show a 34.2% drop. In contrast, root vegetable products such as taro and cassava increased over the year, however this was insufficient to offset the drop in squash exports.

NRBT's revised projection for the agricultural sector indicates a decline in growth for the 2014/15 financial year. Drought warnings which are now in force for the whole of Tonga is expected to affect the agricultural sector. Liaisons indicate growers have considered irrigation, however this option poses many difficulties which include issues with land ownership, water supply and maintenance costs. Established support mechanisms in place such as the Agricultural Marketing Funds and the introduction of new packaging facilities and upcoming training programs should assist in keeping the agricultural sector

active. Liaison meetings with exporters have indicated that the outlook for agricultural exports will continue to experience subdued growth with a possibility of further decline in the near term. The developments on this release have exerted very limited pressure on the foreign reserves.

Agricultural Export Volumes

Tonnes

| | Month Ended* | | | Jan 14 | Year-ended | | Memo: Share** |
|---------|--------------|--------|--------|--------|------------|---------|---------------|
| | Jan 15 | Dec 14 | Nov 14 | | Jan 15 | Jan 14 | |
| Total | 374.2 | 536.6 | 979.8 | 360.3 | 9,236.0 | 9,924.6 | 100 |
| Squash | 13.7 | 23.0 | 413.1 | 2.3 | 2,204.7 | 3,807.9 | 24 |
| Taro | 45.7 | 104.5 | 163.9 | 70.1 | 1,901.8 | 1,462.6 | 21 |
| Coconut | 92.9 | 211.5 | 178.9 | 173.8 | 1,720.9 | 1,715.6 | 19 |
| Yam | 34.5 | 23.2 | 42.8 | 36.5 | 1,396.6 | 1,376.0 | 15 |
| Cassava | 143.5 | 81.4 | 136.6 | 57.8 | 333.9 | 253.5 | 14 |
| Vanilla | 0.0 | 0.0 | 0.2 | 0.0 | 2.9 | 4.5 | 0 |
| Other | 43.8 | 89.4 | 42.0 | 19.8 | 709.8 | 723.8 | 8 |

* Series is volatile due seasonality of crops

** Based on the most recent 12 months data

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

