

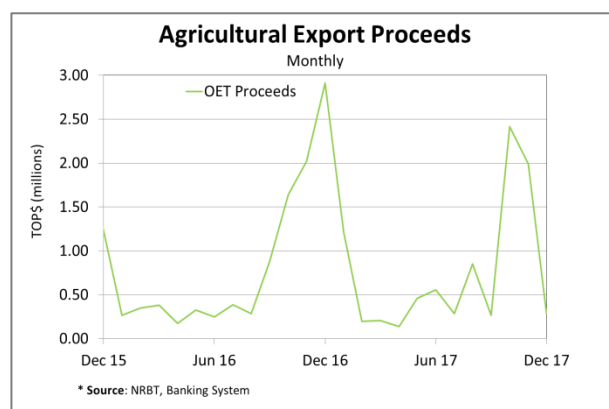
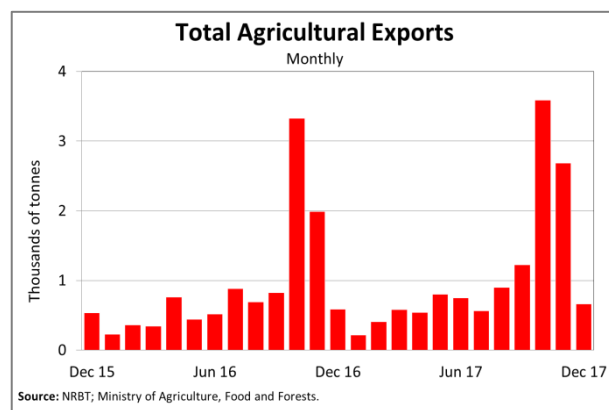
Agricultural Exports Volume December 2017

Release date: 17th April 2018

	Dec 17	Nov 17	Oct 17	Sept 17
Total volume (tonnes)	662.2	2,684.9	3,586.3	1,226.2

Decline in squash and giant taro lowered total agricultural exports

The total volume of agricultural exports significantly fell by 2,022.7 tonnes (75.3%) to a total of 662.2 tonnes in December 2017. This reflects the usual trend for the agricultural exports in December of every year, yet recorded above average agricultural exports of 500 tonnes in comparison to December of the last five years. The overall decline was mostly driven by the fall in squash exports which reflected the end of squash season and the decline in exports of giant taro, among others. Over the month, squash exports decreased by 2,076.5 tonnes (98.2 %) to a total of 37.7 tonnes, of which Tongan squash decreased the most by 1,984.9 tonnes (99.6 %) followed by a fall in Butternut and Butterkin squash by 86.7 tonnes (75.7 %) and 4.8 tonnes (66.8%), respectively. Additionally, the exports of taro products also fell by 53.4 tonnes (38.1%), mainly the giant (kape) taro by 54.5 tonnes (53.3%), followed by a 1.3 tonnes (6.3%) fall in the export of swamp taro. This outweighed a 2.4 tonne (13.0%) rise in exports of taro tarua during the month. In addition, other agricultural products contributed to the overall decline in agricultural export volumes included watermelon, breadfruit, sweet yam, plaintain, mulberry juice, pineapple, chestnut and Kava-Tonga (powder). The seasonality of these commodities contributed to its fall and the December festive season whereby vendors prefer to sell domestically to meet the local



demand from the many feasts during the months for church occasions, family reunion and other events such as weddings and birthday celebrations. This is reflected in the domestic market agricultural report, crops such as taro, yam, watermelon and pineapple increased over the month.

On the other hand, the exports of coconut increased by 139.1 tonnes, mostly export of brown coconut with a 136.6 tonne increase, followed by a 2.5 tonne (12.6 %) rise in the export of green coconut. The exports of cassava increased as well by 38.7 tonnes and yam export rose by 31.7 tonnes. The rise in exports of yam supported by the commencing of its harvesting season. Additionally, the exports of vanilla, sweet potato and Pele leaves also increased in December 2017.

New Zealand remained Tonga's largest agricultural export customer at 444.6 tonnes, followed by Australia and the United States. The exports of squash during the month were mainly to New Zealand.

The total agricultural proceeds in December 2017 continued to decline further by \$1.7 million (85.6%) to \$0.3 million from a total of \$2.0 million recorded last month. The decline in quantity of squash exports drove this fall, reflected on the squash receipts of only \$0.008 over the month. Among others, the proceeds from exporting of root crops were \$0.06 million; vanilla was \$0.05 million and \$0.05 million from exporting of Nonu fruits.

Over the year, the total agricultural export volumes rose by 1,973.8 tonnes (18.0%), supported by better harvest of root crops which included all taro categories (giant (kape), swamp, and taro tarua), yam, the exports of Pele leaves, breadfruit, plaintain, mulberry juice, papaya, pineapple, chestnut, squash products (included Butterkin, Butternut and Tongan squash) and watermelon. These offset the decline in the export volumes of cassava, brown and green coconuts, and kava-Tonga (powder) over the year. The continuous support from the Government's Development Loan scheme also supported the yearly growth in the agricultural sector. The annual agricultural export receipts however fell by \$1.0 million (10.2 %) mainly due to the end of squash season.

On the outlook, the agricultural export volumes are projected to fall in the near term as the squash season ends and many agricultural commodities are not ready for harvest seasons. This is also evident in the latest actual data available from the Ministry of Agriculture, Food and Forests. However, the Reserve Bank continues to expect that the agricultural sector will continue to grow; supported by the Government Development Loans scheme, the stable and competitive Tongan Pa'anga against the currencies of its major trading partners, as well as growers' confidence. However, weather uncertainties pose a significant risk to the outlook on the agricultural sector as Tonga's cyclone season commenced in November.

Total Agricultural Export Volumes by Major Categories

Tonnes

	Month-ended*			Dec 16	Year-ended		Memo: Share
	Dec 17	Nov 17	Oct 17		Dec 17	Dec 16	
Total	662.2	2,684.9	3,586.3	585.5	12,916.6	10,942.8	100
Fruit products	305.3	2,350.0	3,108.1	95.3	7,427.1	5,851.5	57.5
Root vegetable products	347.1	325.7	467.4	482.3	5,373.0	4,959.3	41.6
Other vegetable products	5.5	4.0	3.7	2.5	36.9	23.0	0.3
Sandalwood	0.0	0.0	0.0	0.0	-	-	0.0
Vanilla	0.0	0.0	0.0	1.1	0.5	4.9	0.0
Other**	4.3	5.2	7.1	5.4	79.5	108.9	0.6

* Series is volatile due to seasonality of crops

** Includes kava products and coffee beans.

Source: Ministry of Agriculture, Food and Forests.