

Agricultural Exports Volume

May 2018

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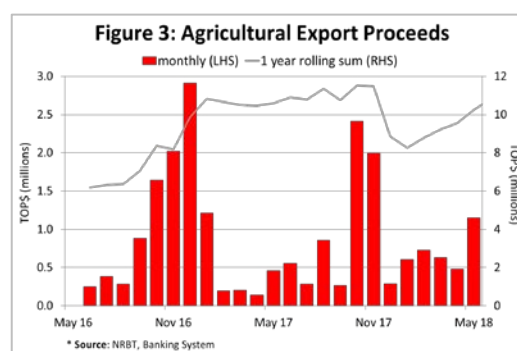
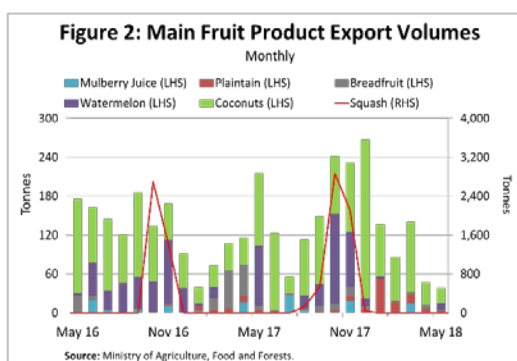
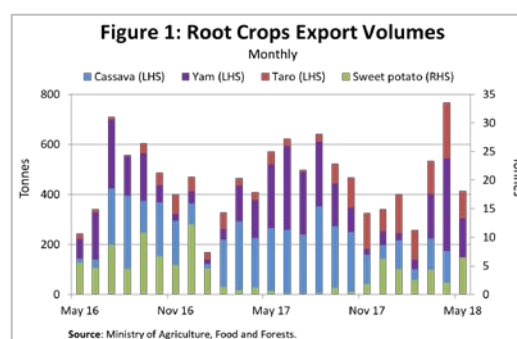
	May 18	Apr 18	Mar 18	Feb 18
Total volume (tonnes)	471.4	825.1	689.3	353.8

Volume of root crops push agricultural exports lower

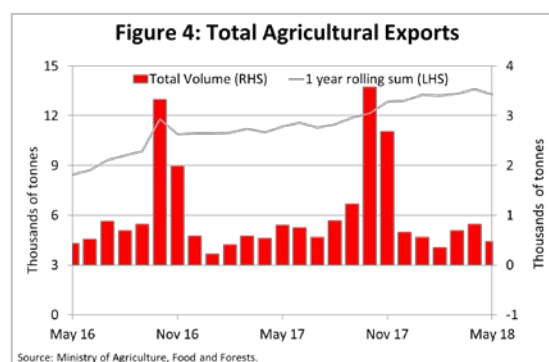
May 2018 was not a favorable month for exported agricultural commodities as the total agricultural exports decreased over the month by 353.7 tonnes (42.9%). The volume of exported root crops declined significantly by 348.8 tonnes (45.4%). In this category, yam declined the most by 131.9 tonnes (35.6%) followed by a decline of 112.4 tonnes (50.7%) and 108.9 tonnes (62.7%) in taro and cassava exports respectively (Figure 1). Other exported agricultural crops which also declined over the month included breadfruit, plantain, brown coconuts and taro leaves. These outweighed a rise in the export of other crops such as sweet potato, watermelon, kava powder and green coconuts (Figure 1 & 2). The decline in the export of these crops was due to seasonality. Additionally, the export of cassava was expected

to decline due to the impact of the damages caused by Tropical Cyclone (TC) Gita on the cassava plantations. The Consumer Price Index report released by the Statistics Department also suggested low supply of root crops as the prices of yam, cassava, and swamp taro increased over the month of May 2018.

However, the total agricultural proceeds increased by \$0.7 million over the month to a total of \$1.2 million (Figure 3). This may be due to lagged effects on the receipt of proceeds for agricultural exports.



In year ended terms, the total agricultural export volume rose by 1,918.1 tonnes (16.9%) (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 \$0.3 million (3.2%) 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 be average to above average for Tonga in the near term which remains favourable for the local food supply. The weather uncertainties still remain a risk to the outlook.

Total Agricultural Export Volumes by Major Categories							
Tonnes							
	Month-ended*				Year-ended		Memo: Share
	May 18	Apr 18	Mar 18	May 17	May 18	May 17	
Total	471.4	825.1	689.3	800.4	13,274.9	11,356.8	100
Fruit products	38.3	46.2	140.5	215.5	7,323.4	5,672.3	55.2
Root vegetable products	419.6	768.4	537.3	571.7	5,813.3	5,566.5	43.8
Other vegetable products	5.4	3.8	4.4	3.6	43.4	30.3	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**	8.2	6.7	7.2	9.6	94.7	87.7	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 11th May 2018