

Agricultural Exports Volume

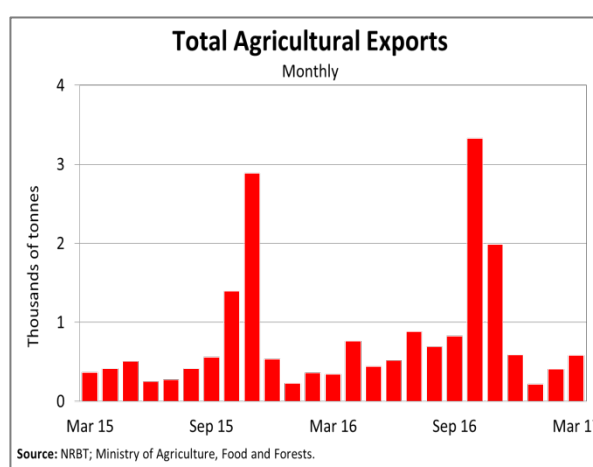
March 2017

Release date: 16th June 2017

	Mar 17	Feb 17	Jan 17	Dec16
Total volume (tonnes)	583.1	407.1	218.3	585.5

Yam and breadfruit drove agricultural exports volume

The total agricultural exports volume continued to increase over the month of March by 176.0 tonnes (43.2%). This was largely driven by the increase in the export of crops that are in season. During the month, exported yam increased the most by 101.8 tonnes (242.1%), followed by an increase in the export of cassava and breadfruit of 71.6 tonnes (32.5%) and 38.9 tonnes (204.2%) respectively. This reflected the harvesting season for yam



and breadfruit. Other agricultural exported produce which also increased included brown coconut, kava powder, frozen plantain, taro tarua leaves, and pele leaves.

The export of crops such as giant taro, swamp taro, taro tarua, watermelon, and green coconut declined over the month. This can also be attributed to seasonality because it was the months of low watermelon produce in Tonga.

The agricultural export proceeds received during the month were \$0.2 million (4.2%) same as last month, despite the rise in the agricultural exports. This can be attributed to individuals exporting crops to families where no payments are expected in return.

Over the year, the total agricultural export volume rose by 3,047.3 tonnes (37.3%) supported by the favourable squash season and better harvest of root crops. The continuous support from the Government's low interest rate loans contributed as well, reflecting a rise of \$3.0 million (46.8%) in business loans to the agricultural sector.

The annual agricultural export receipts also rose by \$4.5 million (75.3%) to \$10.5 million. The higher export receipts were for squash and crops (root crops and traditional crops) supported by the strengthening of the Japanese Yen and US dollar against the Tongan Pa'anga. On the other hand, the export of kava-Tonga, coconuts, sandalwood, vanilla, onion,

and pele leaves declined over the year but were offset by an increase in the export of root crops, squash, watermelon, and breadfruit.

On the outlook, Reserve Bank anticipates that the volume of exports will increase in 2016/17 supporting the expected growth in the agricultural sector. The year 2016/17 has seen better weather conditions than that of the previous years which will likely have favourable effects on the agricultural sector's growth. In addition, the signing of the Pacific Agreement on Closer Economic Relations (PACER) Plus trade agreement scheduled for June 2017 may contribute to growth in the sector. On the downside, the export of Kava Tonga will continue to decline due to its low supply as a result of the drought in 2015 which also affected the kava rootstock. Moreover, with the uncertain negotiations regarding the High Temperature Forced Air facility, low fresh breadfruit exports is projected for the breadfruit season as well as other exported fresh fruits and vegetables.

Total Agricultural Export Volumes by Major Categories							
Tonnes							
	Month-ended*			Mar 16	Year-ended		Memo: Share
	Mar 17	Feb 17	Jan 17		Mar 17	Mar 16	
Total	583.1	407.1	218.3	342.4	11,221.4	8,174.1	100
Fruit products	107.5	73.5	40.2	144.3	5,711.4	5,556.1	50.9
Root vegetable products	465.0	328.5	173.1	186.6	5,387.6	2,410.7	48.0
Other vegetable products	3.3	1.7	1.8	1.3	26.7	15.8	0.2
Sandalwood	0.0	0.0	0.0	0.0	-	1.1	0.0
Vanilla	0.0	0.0	0.0	0.0	2.4	6.6	0.0
Other**	7.2	3.4	3.3	10.2	95.7	190.4	0.9

* Series is volatile due to seasonality of crops
 ** Includes kava products and coffee beans.
 Source: Ministry of Agriculture, Food and Forests.