

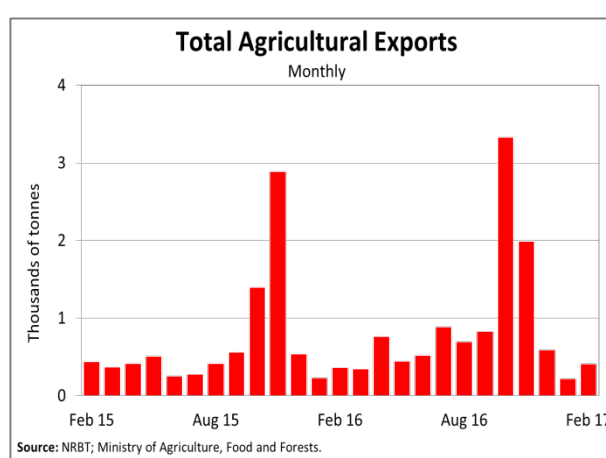
Agricultural Exports Volume February 2017

Release date: 15th June 2017

	Feb 17	Jan 17	Dec16	Nov 16
Total volume (tonnes)	407.1	218.3	585.5	1,986.3

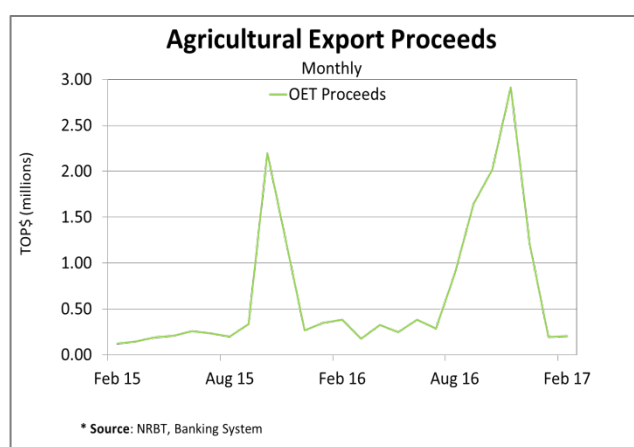
Root crops drove monthly increase

The agricultural exports bounced back in February after a very low month. Total agricultural exports rose by 188.8 tonnes (86.5%) to 407.1 tonnes driven by a 155.5 tonnes (89.8%) increase in the export of root crops. Cassava exports increased the most by 98.3 tonnes, followed by all types of taro with a 36.5 tonnes rise, and yam with a 24.0 tonnes increase. Additionally, the breadfruit season increased breadfruit exports by 16.6 tonnes.



Exported brown coconuts and watermelon also increased by 14.4 tonnes and 13.0 tonnes respectively. Consistently, New Zealand remained the leading agricultural exports destination followed by Australia and the U.S.

All root crops exports increased over the month except for sweet potato which declined by 3.3 tonnes (72.5%). Other crops that declined over the month included green coconut, plantain, pineapple, and taro tarua leaves. Additionally, export proceeds declined by \$1.0 million (83.8%) to \$0.2 million due to the completion of the receipts of squash export proceeds. The past four months had been recording substantial export proceeds which was largely attributed to squash export payments.



Over the year, the total agricultural exports volume rose by 2,781.0 tonnes (33.9%) supported by the favourable squash season and better harvest of root crops. The continuous support from the Government through the low interest rate Government

Development Loans contributed as well, reflecting a rise of \$2.9 million in loans to the agricultural sector. The annual agricultural export receipts also rose by \$4.9 million (86.2%) to \$10.7 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 the increase in the export of root crops, squash, watermelon, and breadfruit.

On the outlook, the Reserve Bank anticipates that the volume of exports will increase in 2016/17 supporting the expected growth in the agricultural sector. The expansion of the squash market to China is expected to contribute to higher growth in the export of squash. The year 2016/17 has seen better weather conditions than that of the previous year which will likely have favourable effects on the agricultural sector's growth. In addition, Tonga is scheduled to sign the Pacific Agreement on Closer Economic Relations (PACER) Plus trade agreement in June 2017 which 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 breadfruit exports is projected as well as other exported fresh fruits and vegetables.

Total Agricultural Export Volumes by Major Categories							
Tonnes							
	Month-ended*				Year-ended		Memo: Share
	Feb 17	Jan 17	Dec 16	Feb 16	Feb 17	Feb 16	
Total	407.1	218.3	585.5	361.6	10,980.7	8,199.7	100
Fruit products	73.5	40.2	95.3	120.9	5,748.1	5,602.5	52.3
Root vegetable products	328.5	173.1	482.3	231.5	5,109.2	2,387.7	46.5
Other vegetable products	1.7	1.8	2.5	0.7	24.7	15.8	0.2
Sandalwood	0.0	0.0	0.0	0.0	-	1.3	0.0
Vanilla	0.0	0.0	1.1	0.0	2.4	6.6	0.0
Other**	3.4	3.3	5.4	8.5	98.7	192.3	0.9

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