

Agricultural Exports Volume

October 2017

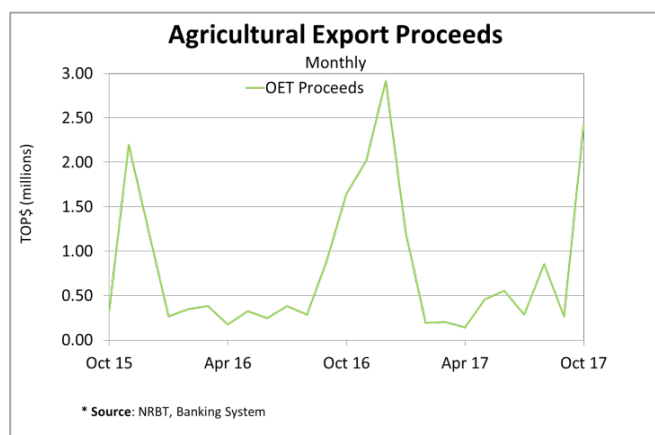
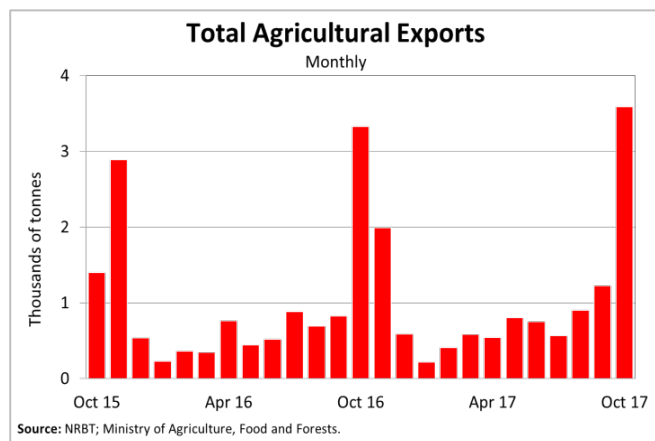
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	Oct 17	Sept 17	Aug 17	Jul 17
Total volume (tonnes)	3,586.3	1,226.2	897.3	561.9

Squash and agricultural export volumes, highest on record since 2013.

The agricultural exports volume reached a new high level in October 2017, a total of 3,586.3 tonnes mainly driven by the favourable squash harvesting season. This was an increase by 2,360.0 tonnes over the month, which almost tripled the volumes recorded last month. Total squash export was the main contributor, increasing by 2,326.6 tonnes to a total of 2,865.2 tonnes in October 2017. This was due mainly to higher export of Tongan squash with a total of 2,753.5 tonnes. In addition, exports of Butternut and Butterkin squash increased over the month. This was the highest in total squash export on record since October 2013 with 2,823.5 tonnes. Other crops which contributed to the rise included all taro categories (giant (kape), swamp, and taro tarua), watermelon, breadfruit and plaintain. However, these offset the decline in volume of exported yam, cassava, brown coconut, kava-Tonga, papaya and few other crops over the month. Although the volume of exported kava-Tonga products fell, the proceeds increased by \$0.04 million. According to liaison with kava growers, this was due to the higher price of kava-Tonga overseas.

Over the month, New Zealand remained Tonga's largest agricultural export customer at 857,746.7 tonnes, followed by Australia and the United States. The



squash was exported mainly to Korea and Japan.

Furthermore, \$2.1 million receipts from squash exports contributed to the rise in agricultural proceeds in October 2017 to a total of \$2.41 million. Additionally, approximately a \$0.2 million of proceeds were received from exported root crops, followed by the proceeds from export of vanilla and others including kava-Tonga.

Over the year, the total agricultural export volume rose by 347.3 tonnes (2.9%), supported by better harvest of root crops which included cassava and giant taro, yam and watermelon seasons. These offset the decline in the export volume of brown and green coconuts, kava-Tonga, vanilla, sweet potato and export of squash mostly the Tongan and Butternut squash over the year. The continuous support from the Government's Development Loan scheme also supported the growth in the agricultural sector. Despite the fall in loans for agricultural sector in year ended terms, loans to agriculture remained the highest share in the Government's Development Loan. The annual agricultural export receipts also rose by \$3.2 million (37.8%) to \$11.5 million. The higher export receipts were for squash and crops (root crops and traditional crops), supported by the strengthening of the Japanese Yen, US dollar and NZ dollar against the Tongan Pa'anga.

On the outlook, the squash season will end in February and contribute to a fall in the overall agricultural export volumes in the near term and this is evident in the latest actual data available from the Ministry of Agriculture, Food, Forests and Fisheries. The Reserve Bank continues to expect that the agricultural sector will continue to grow; supported by continuous support of the Government Development Loans scheme, the stable and competitive Tongan Pa'anga against the currencies of its major trading partners, and the projected favourable weather conditions and growers' confidence may contribute to increase agricultural exports. However, uncertainties of the weather pose a significant risk to the outlook on the agricultural sector.

Total Agricultural Export Volumes by Major Categories

	Tonnes						Memo: Share
	Month-ended*			Year-ended			
	Oct 17	Sep 17	Aug 17	Oct 16	Oct 17	Oct 16	
Total	3,586.3	1,226.2	897.3	3,328.5	12,141.2	11,793.9	100
Fruit products	3,108.1	689.6	242.3	2,827.6	6,438.6	7,246.5	53.0
Root vegetable products	467.4	523.0	642.4	492.5	5,586.5	4,386.0	46.0
Other vegetable products	3.7	2.5	2.4	1.7	33.2	19.8	0.3
Sandalwood	0.0	0.0	0.0	0.0	-	-	0.0
Vanilla	0.0	0.2	0.3	0.4	1.6	3.9	0.0
Other**	7.1	11.1	10.2	6.6	82.9	141.6	0.7

* Series is volatile due to seasonality of crops

** Includes kava products and coffee beans.

Source: Ministry of Agriculture, Food and Forests.