

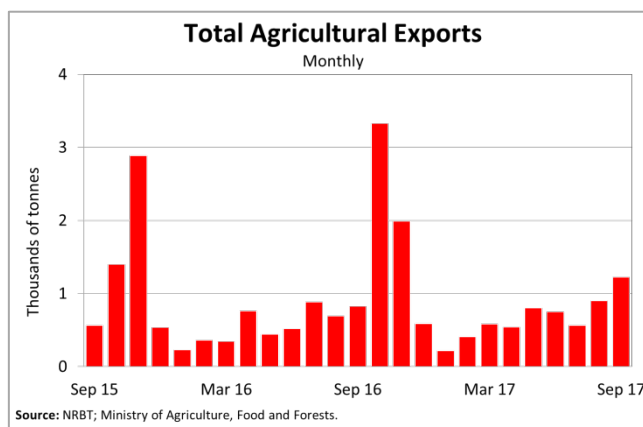
Agricultural Exports Volume September 2017

Release date: 27 December 2017

	Sep 17	Aug 17	Jul 17	Jun 17
Total volume (tonnes)	1,226.2	897.3	561.9	751.3

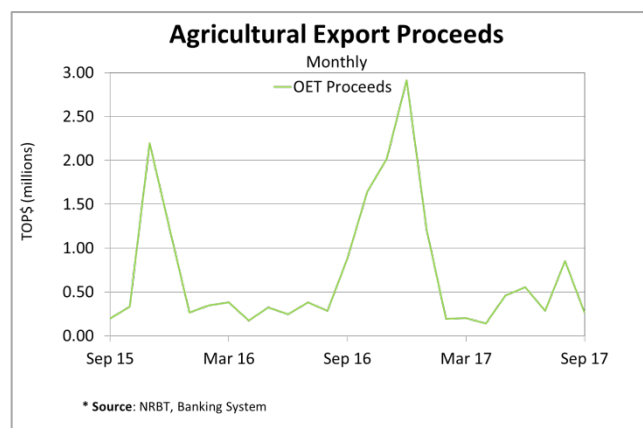
Early squash season continued to drive agricultural exports higher

The total agricultural exports rose by 329.0 tonnes (36.7%) to a total of 1,226.2 tonnes largely due to the squash season which started last month. Total squash exports over the month increased by 409.9 tonnes to a total of 538.6 tonnes. Other crops which contributed to the rise included giant taro (kape), brown coconut, watermelon, breadfruit and kava-Tonga. The favourable weather supported the increase in the volume of these crops. According to liaison with kava growers, kava-Tonga supply has not increased but people prefer to export kava as prices overseas are much higher compared to the local prices here in Tonga. Additionally, any increases in the volume of kava exports could be due to a few kava-Tonga plantation harvest during the month. However, the volume of exported squash was sufficient to offset the decline in the export of yam (excluding sweet yam), cassava, green coconut, Indian mulberry juice, swamp taro and a few other crops.



New Zealand remained the highest agricultural export destination. This was followed by Australia, United States and China. The squash was exported to China, Korea, New Zealand and Japan.

However, the agricultural export proceeds received declined by \$0.6 million (68.6%) to \$0.3 million. This largely reflected the lagged effects of the receipt of squash export proceeds from the time of export. There was



no export proceed for squash during the month, \$0.2 million were export proceeds for root crops and other various agricultural produce such as coconuts, and the proceeds for the export of kava amounted to \$0.1 million.

Over the year, the total agricultural export volume rose by 2,021.1 tonnes (20.5%), supported by better harvest of root crops, the favourable squash, watermelon, breadfruit and plantain seasons. These offset the decline in the export of coconuts, kava-Tonga, vanilla, and sandalwood over the year. The Government’s Development Loan scheme also supported the growth in the agricultural sector, with a rise of \$1.9 million (18.3%) in loans to the agricultural sector. The annual agricultural export receipts also rose by \$3.7 million (52.4%) 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, US dollar and NZ dollar against the Tongan Pa’anga.

On the outlook, the Reserve Bank continues to expect that the volume of exports and consequently the agricultural sector will continue to grow in the near term. This projection is supported by the latest actual data available which indicates a better harvest period for squash and other root crops. However, the uncertainty of the weather poses a significant risk for the outlook for the agricultural sector.

Total Agricultural Export Volumes by Major Categories							
Tonnes							
	Month-ended*			Sep 16	Year-ended		Memo: Share
	Sep 17	Aug 17	Jul 17		Sep 17	Sep 16	
Total	1,226.2	897.3	561.9	823.7	11,883.4	9,862.3	100
Fruit products	689.6	242.3	55.1	194.6	6,158.1	5,575.2	51.8
Root vegetable products	523.0	642.4	498.1	615.6	5,611.7	4,116.0	47.2
Other vegetable products	2.5	2.4	2.0	2.2	31.3	21.4	0.3
Sandalwood	0.0	0.0	0.0	0.0	-	-	0.0
Vanilla	0.2	0.3	0.0	0.5	1.9	5.3	0.0
Other**	11.1	10.2	6.7	11.4	82.4	149.6	0.7

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