

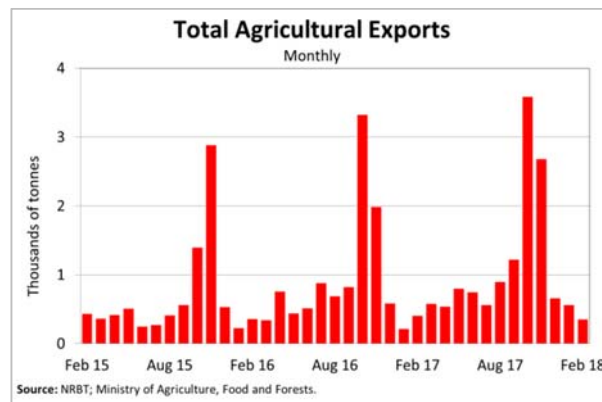
Agricultural Exports Volume February 2018

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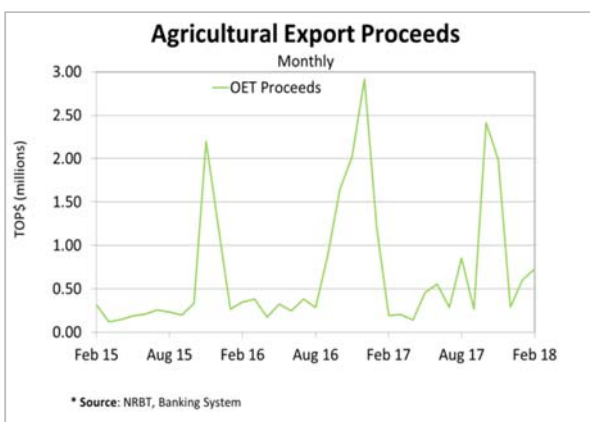
| | Feb 18 | Jan 18 | Dec 17 | Nov 17 |
|-----------------------|--------|--------|--------|---------|
| Total volume (tonnes) | 353.8 | 565.2 | 662.2 | 2,684.9 |

Downward trend continued due to Tropical Cyclone Gita

The damage caused by Tropical Cyclone (TC) Gita to the agricultural sector was estimated at \$129.3 million as reported by the Ministry of Agriculture, Food, and Forestry (MAFF). These damages and the disruptions in economic activities during the month contributed to lower exports in February, which declined by 211.3 tonnes (37.4%). In previous years, agricultural exports would reflect a slight rebound following a slow month of January. However, TC Gita largely contributed to the lower exports for February 2018 to record a lower monthly average compared to February of the past five years. TC Gita also caused disruptions to the schedule of shipping vessels and other facilities necessary for exporting. This includes damages to packing houses and power outage.



The overall decline in agricultural exports during the month was driven by a fall in major exported crops such as root crops, plantain and coconuts. The export of cassava fell by 115.3 tonnes (53.0%), giant taro (kape) declined by 49.0 tonnes (48.2%), and plantain and coconuts decreased by 37.0 tonnes (69.1%) and 11.0 tonnes (13.9%) respectively. These outweighed a rise in the exported volume of yam, taro and breadfruit over the month. These crops had their harvesting season during the month.



Despite the lower agricultural exports volume in February, the total agricultural proceeds increased by 20.5% to \$0.7 million over the month. This reflected the lagged effects on the receipt of proceeds of agricultural exports as \$0.3 million was received for squash exports. Additionally, \$0.3 million were receipts for exported root crops and coconuts while the export of kava-Tonga and nonu fruits each received \$0.06 million and \$0.04 million respectively.

Over the year, the total agricultural export volumes rose by 2,229.41 tonnes (20.3%), supported by better harvest of root crops which included all taro categories (giant (kape), swamp, and taro tarua), yam, the exports of coconuts, pele leaves, breadfruit, plantain, mulberry juice, papaya, pineapple, chestnut, squash products and watermelon. These offset the decline in the export volumes of cassava, sweet potato and kava-Tonga (powder) over the year. The continuous support from the Government's Development Loan scheme also supported the yearly growth in the agricultural sector. The annual agricultural export receipts however fell by \$1.9 million (17.7%) 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 sent crops to families abroad may have also contributed to the decline in receipts of export proceeds.

On the outlook, the devastation and damages from TC Gita on plantations is expected to impact the agricultural export volumes, with an expected decline in the short term. Nevertheless the agricultural sector will reflect a growth 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 2017/18. Yet, the harvesting of root crops particularly yams and taro will take place in the coming months. The rainfall projections by the Tonga Meteorology Office (February 2018) had indicated an average to above average rainfall up to July 2018. This supported the replantation efforts by growers of fast growing crops after the cyclone; more harvesting is expected before the end of June 2018. Initiatives by MAFF to help growers is also encouraging to the agricultural sector. Weather uncertainties still remain a risk to the outlook.

| Total Agricultural Export Volumes by Major Categories | | | | | | | |
|---|--------------|--------|--------|--------|------------|----------|----------------|
| Tonnes | | | | | | | |
| | Month-ended* | | | | Year-ended | | Memo: Share |
| | Feb 18 | Jan 18 | Dec 17 | Feb 17 | Feb 18 | Feb 17 | |
| Total | 353.8 | 565.2 | 662.2 | 407.1 | 13,210.1 | 10,980.7 | 100 |
| Fruit products | 87.3 | 138.0 | 305.3 | 73.5 | 7,538.8 | 5,748.1 | 57.1 |
| Root vegetable products | 258.9 | 404.3 | 347.1 | 328.5 | 5,534.6 | 5,109.2 | 41.9 |
| Other vegetable products | 3.9 | 3.9 | 5.5 | 1.7 | 41.3 | 24.7 | 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** | 3.7 | 18.9 | 4.3 | 3.4 | 95.4 | 98.7 | 0.7 |

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