

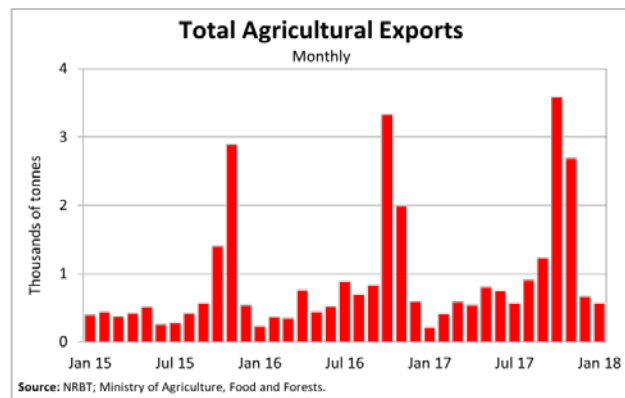
Agricultural Exports Volume January 2018

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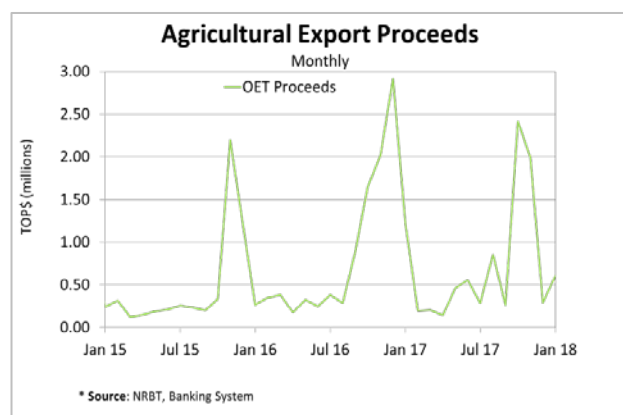
	Jan 18	Dec 17	Nov 17	Oct 17
Total volume (tonnes)	565.2	662.2	2,684.9	3,586.3

Exports declined yet higher than the monthly average of the past five years

Total volume of agricultural exports continued to fall over the month of January 2018 by 97.1 tonnes (14.7%) to a total of 565.2 tonnes. This is a similar trend to previous years where agricultural exports starts slow in the year and could also be attributed to seasonality. However, the total agricultural exports in January 2018 is above the monthly average of 298.2 tonnes for the same period of the past five years. The overall decline was mostly driven by a fall in the volume of exported coconuts, yam and squash. The exports of coconut fell by 166.7 tonnes (67.9%), driven by a 178.3 tonnes (80.0%) decline in brown coconuts due to its seasonality.



This outweighed an 11.6 tonnes (51.9%) rise in exports of green coconuts during the month. There was no squash exported during the month which reflected the end of season. The exports of yam declined over the month by 29.2 tonnes which was also due to its seasonality and may also be supported by some growers shifting from planting early and the late yams to long term planted yams ('Ufi ta'u lahi) which is usually harvested commencing in March of every year. According to liaison with the growers, the decline in exporting of yams usually depends on demand of Tongan people abroad. In addition, the exports of watermelon, breadfruit and sweet potato also declined over the month by 8.6, 3.7 and 1.8 tonnes respectively, which contributed to the decline in total volume of agricultural exports in January.



On the other hand, other agricultural produce rose during the month which included all taro categories, of which giant taro increased the most by 53.9 tonnes followed by a 9.1 and 4.8 tonnes

increase in exported swamp and taro tarua respectively. The exports of cassava, Kava-Tonga (powder), pele leaves, plantain and pineapple also increased over the month. Higher prices overseas compared to local prices and the events such as prayer week in the Tongan communities abroad held in January resulted in more exported Kava-Tonga.

Over the month, New Zealand remained as Tonga's largest agricultural export trading partner at 506.8 tonnes, followed by Australia and the United States, among others.

Despite the lower agricultural exports volume in January, the total agricultural proceeds increased by \$0.3 million to \$0.6 million over the month. This reflected the lagged effects on the receipts of agricultural export proceeds. The receipts on agricultural exports received during the month were \$0.2 million from squash, \$0.1 million from cassava, \$0.07 million from other root crops, \$0.03 from coconuts and \$0.03 million from exporting of Nonu fruits.

Over the year, the total agricultural export volume rose by 2,328.2 tonnes (21.3%), supported by better harvest of root crops which included all taro categories (giant (kape), swamp, and taro tarua) and yam. Fruit and vegetable produce which rose over the year included exported pele leaves, breadfruit, plantain, mulberry juice, papaya, pineapple, chestnut, squash products (included Butterkin, Butternut and Tongan squash) and watermelon. These offset the decline in the exported volumes of cassava, brown and green coconuts, sweet potato and kava-Tonga (powder) over the year. The continuous support from the Government's Development Loan scheme also contributed to the yearly growth in the agricultural sector. The annual agricultural export receipts however fell by \$2.6 million (23.7%) which may have derived by the weakening of the Japanese Yen and Australian dollar against the Tongan Pa'anga and other factors. This could 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 also contribute.

On the outlook, the Reserve Bank anticipates that the volume of exports will increase in 2017/18 in line with the expected growth in the agricultural sector. This is supported by the Government Development Loans scheme, the stable and competitive Tongan Pa'anga against the currencies of its major trading partners, as well as growers' confidence. Nonetheless, weather uncertainties pose a significant risk to the outlook on the agricultural sector as Tonga's cyclone season commenced in November.

Agricultural Export Volumes							
Tonnes							
	Month Ended*				Year-ended		Memo: Share**
	Jan 18	Dec 17	Nov 17	Jan 17	Jan 18	Jan 17	
Total	565.2	662.2	2,684.9	218.3	13,263.4	10,935.2	100
Squash	-	37.6	2,114.1	0.0	5,684.1	4,108.5	43
Coconut	78.8	245.5	106.4	24.2	1,078.4	1,158.6	8
Cassava	217.7	197.3	158.6	121.9	404.5	366.6	22
Yam	27.5	56.7	25.0	18.1	1,811.8	1,463.3	14
Taro	154.7	86.9	140.3	28.5	819.8	417.3	6
Other	83.2	26.3	54.7	25.6	510.5	796.4	4
Vanilla	0.0	-	0.0	0.0	0.5	2.4	0

* Series is volatile due to seasonality of crops
** Based on the most recent 12 months data
Source: Ministry of Agriculture, Food and Forests.