

Commodities Weekly

For the week ending Friday 27th September

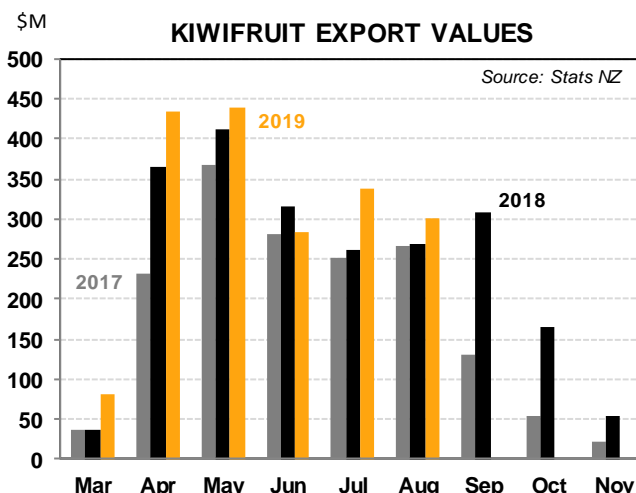
Kiwifruit export values continue hot pace

Another record export season is on the cards

Kiwifruit export values have continued their hot pace over August. Export values for the month were \$300m, up \$32.2m or 12.0% from August 2018.

Notably, **export volumes continued to post healthy growth.** Total (green and gold) August volumes jumped 9.8% compared to August 2018 levels. That said, over coming months export volume growth will moderate as the relatively small green crop makes up a larger share of total kiwifruit exports.

Meanwhile, **export prices remained robust.** Gold prices were up 2.3% on August 2018, while green prices were just 0.6% behind the same month a year ago.



All up, **another record kiwifruit season is on the cards.** Using the reported crop estimates (gold volumes up 12%; green volumes down 15%) and assuming that the overall lift in export prices to date holds over the remainder of the season, **we anticipate total export values are likely to reach about \$2.222bn by season end.** This would represent a circa \$37m or up to 2% lift on last season.

Week ending 27 September

The ASB Commodity Price Index dipped modestly last week. In NZD terms, the Index fell 0.7%, while in USD terms, the Index posted a more modest 0.1% decline.

By component, the Index was more mixed. Dairy prices accounted for most of the price fall, dipping 1.2% in USD terms over the week. Sheep/beef prices bucked the trend, with both lamb and beef prices lifting over 1%.

Meanwhile, **the NZD strengthened last week.** However, this week, the NZD/USD has slipped to levels similar to that seen back in June 2009. **As at the time of writing, the NZD was trading close to US\$0.6270.**

ASB New Zealand Commodity Price Indices As at Friday 27th September 2019

	Index*	Week%	Year%**
Total NZD	108.5	-0.7%	4.5%
Total SDR	98.5	0.3%	1.3%
Total USD	96.9	-0.1%	-1.5%
Dairy USD	97.1	-1.2%	7.2%
Sheep/beef USD	105.3	1.3%	-4.3%
Forestry USD	85.2	0.6%	-12.4%
Fruit USD	93.5	0.6%	-8.8%
NZD/USD	0.6297	0.6%	-5.8%

* For all indices 2017 average = 100

** Percentage change since same week last year

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