

# Commodities Weekly

For the week ending Friday 1<sup>st</sup> May



## Horticulture land use jumps; dairy and sheep down

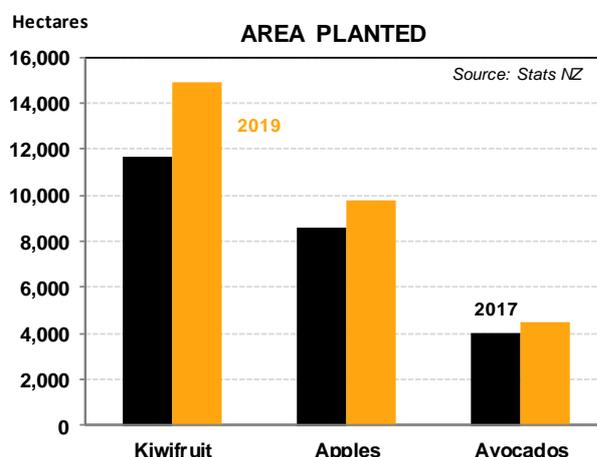
### Kiwifruit, apples and avocados all record significant jump in area planted

The strong growth in the horticultural sector has been reflected in a jump in horticultural land use. As at June 2019, the area planted in kiwifruit, apples and avocados jumped nearly 5,000 hectares (20%) from June 2017. The largest increase has been in kiwifruit plantings, which jumped over 3,000 hectares (28%).

Indeed, fruit exports have become NZ's fourth goods export engine, behind dairy, meat and forestry. Kiwifruit export values cracked \$2 billion in 2018 for the first time, the same time total fruit export values cracked \$3 billion. In 2019, kiwifruit and fruit export values set fresh record highs.

Meanwhile, sheep numbers have continued their decline. As at June 2019, the nationwide sheep flock stood at 26.8 million, down from over 30 million in 2013 and over 40 million in 2006. Dairy cow numbers have also declined, slipping 2.0% from 2018 and now down 6.5% from peak numbers in 2014.

Bucking the trend was the beef herd. With beef prices at record highs, the beef herd jumped 4.5% to 3.9 million as at June 2019, compared to 3.7 million back in June 2018.



### Week ending 1 May

The ASB Commodity Price Index was mixed last week. The Index posted a modest gain of 0.4% in USD terms, however a stronger NZD/USD meant the Index fell 0.8% in NZD terms.

Sheep/beef, forestry and fruit prices all posted 1.3% gains in USD terms. Dairy prices went against the grain, falling 0.3% in USD terms.

The NZD strengthened last week, ending the week up 1.3% against the USD. This week the NZD has consolidated these gains. As at the time of writing, NZD was trading at US\$0.6120.

### ASB New Zealand Commodity Price Indices As at Friday 1<sup>st</sup> May 2020

	Index*	Week%	Year%**
Total NZD	102.3	-0.8%	-5.7%
Total SDR	89.3	-0.3%	-12.8%
Total USD	88.1	0.4%	-13.9%
Dairy USD	92.9	-0.3%	-12.4%
Sheep/beef USD	77.8	1.3%	-18.8%
Forestry USD	79.6	1.3%	-20.6%
Fruit USD	105.8	1.3%	3.0%
NZD/USD	0.6073	1.3%	-8.6%

\* For all indices 2017 average = 100

\*\* Percentage change since same week last year

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