

Commodities Weekly

For the week ending Friday 23rd November

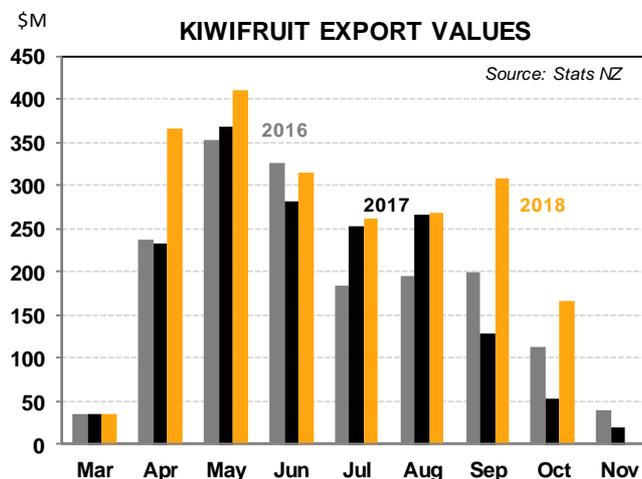


Kiwifruit: rollin', rollin', rollin', rawhide

Export volumes surge over September and October, adding to price strength

Kiwifruit export values continue to roll on. After cracking \$2 billion in annual values for the first time last month, export values have pushed on to reach circa \$2.2 billion in the 12 months to October.

In particular, export volumes have surged over September and October. In total, volumes are up 17% for the export season to date, with both green and gold volumes recording 14% and 21% growth, respectively. **Meanwhile, October was another good month for kiwifruit prices.** Gold export prices averaged \$5.91/kg over the month and were up 12% on October 2017 prices. While green export prices didn't fare as well over October, prices for the season to date remain 10% higher than for the same period last season.



The sector's ability to maintain healthy prices while growing export volumes has been key to this remarkable story. This success owes to the opening up of new markets such as China alongside the ongoing popularity and volume growth of the premium-fetching gold variety. This year the weaker NZ dollar has also contributed to the higher export earnings.

Week ending 23 November

Falling dairy prices led the ASB Commodity Price Index down in the week ending 23 November. The 3.9% fall in dairy prices in USD terms mirrored the fall at last week's dairy auction, with record NZ dairy production weighing on prices.

Other commodity prices were also soft last week. Sheep/beef and fruit prices fell 1.4% and 1.2% in USD terms, respectively. Only forestry prices escaped with a small rise.

Last week, the NZD/USD tracked lower as the USD strengthened. However this week, the USD gave back these gains after cautious comments from the US Federal Reserve. As at the time of writing, **the NZD/USD was trading at 0.6870.**

ASB New Zealand Commodity Price Indices As at Friday 23rd November 2018

	Index*	Week %	Year %**
Total NZD	106.6	-0.8%	-4.3%
Total SDR	95.5	-2.0%	-2.9%
Total USD	86.8	-2.2%	-4.8%
Dairy USD	75.0	-3.9%	-15.1%
Sheep/beef USD	94.5	-1.2%	1.6%
Forestry USD	102.0	0.2%	5.2%
Fruit USD	99.5	-1.4%	1.1%
NZD/USD	0.6781	-1.4%	-0.5%

* For all indices 2014 average = 100

** Percentage change since same week last year

ASB Economics & Research

Chief Economist
Senior Rural Economist
Senior Economist
Senior Economist
Senior Economist, Wealth
Economist
Data & Publication Manager

Nick Tuffley
Nathan Penny
Jane Turner
Mark Smith
Chris Tennent-Brown
Kim Mundy
Judith Pinto

nick.tuffley@asb.co.nz
nathan.penny@asb.co.nz
jane.turner@asb.co.nz
mark.smith4@asb.co.nz
chris.tennent-brown@asb.co.nz
kim.mundy@asb.co.nz
judith.pinto@asb.co.nz

Phone

(649) 301 5659
(649) 448 8778
(649) 301 5853
(649) 301 5657
(649) 301 5915
(649) 301 5661
(649) 301 5660

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