

Commodities Weekly

For the week ending Friday 25th May

Kiwifruit export season off to a flying start

Kiwifruit exports for April hit a record monthly high

The kiwifruit export season has gotten off to a flying start.

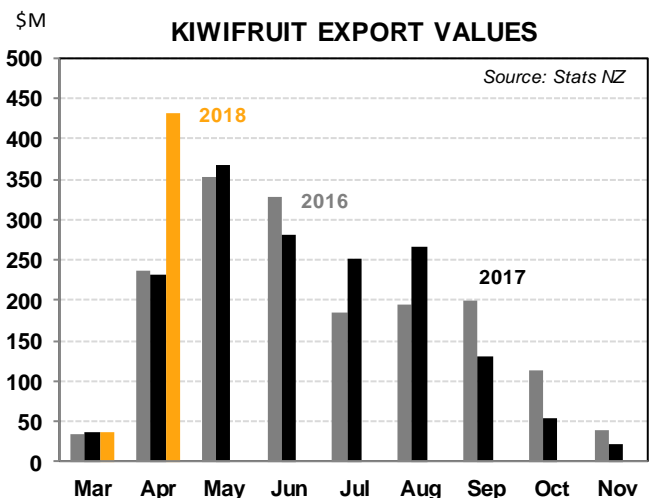
April was a record month for kiwifruit export values, with \$438m worth of kiwifruit exported. This was up a whopping \$197m (82%) on April 2017.

Both export volumes and prices have started the season strongly. Volumes in particular are off to a flying start, with green and gold volumes up 66% and 54%, respectively, so far this export season. Meanwhile, kiwifruit export prices have also started well. Both green and gold export prices are around 10% higher than at the same stage last export season.

The strong start bodes well for the rest of the season.

Firstly, the strong export volumes so far reflect a good growing season. Industry estimates suggest that the gold crop is likely to be up roughly by a quarter on last season, while the green crop is likely to be up 18%. Also based on the prices achieved so far, we expect price resistance to be limited.

With the above in mind, we anticipate a new record high for kiwifruit export values. Indeed, **kiwifruit export values are likely to crack \$2 billion for the first time this export season.** If export values do reach that level, then the sector is likely to leapfrog the wine sector in terms of export earnings.



Week ending 25 May

The ASB Commodity Price Index was largely flat last week. By product, NZ commodity prices were mixed over the week. Sheep/beef prices were firm in USD terms, with wool prices jumping 2.5%. Lamb and beef prices also lifted by around 1%. Dairy prices, on the other hand, fell a touch (down 0.5%), while forestry and fruit prices were largely unchanged.

Meanwhile, the NZD/USD was largely unchanged last week. However, **a political crisis in Italy has seen the euro tumble.** As a result, the NZD has gained over a cent against the euro. As at the time of writing, the NZD/EUR was trading at 0.5990.

ASB New Zealand Commodity Price Indices As at Friday 25th May 2018

	Index*	Week %	Year %**
Total NZD	114.8	-0.1%	4.6%
Total SDR	102.5	0.3%	2.0%
Total USD	95.4	0.0%	4.5%
Dairy USD	93.5	-0.5%	-0.5%
Sheep/beef USD	93.4	1.1%	7.8%
Forestry USD	101.9	0.1%	4.7%
Fruit USD	96.6	0.1%	5.7%
NZD/USD	0.6918	0.1%	-0.1%

* For all indices 2014 average = 100

** Percentage change since same week last year

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