

# Commodities Weekly

For the week ending Friday 25<sup>th</sup> June

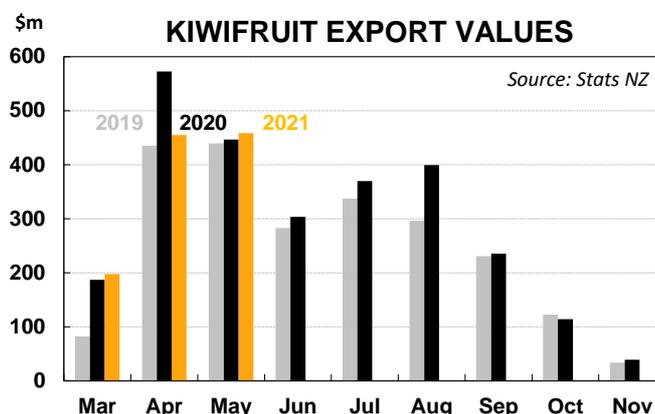


## Kiwifruit season off to another solid start

**Kiwifruit exports are enjoying a strong start to the new season but can't quite match last year's frothy heights.** Year-to-date export values are running at around \$1.1bn. That's down about 8% on the same period last year, but another strong result historically.

**Export volumes are performing strongly, overcoming a few hurdles.** Despite continuous reports of constrained shipping capacity, export volumes are hitting new record highs – up 6% year-on-year so far. Reports from [Zespri](#) suggests the co-op has managed to partially overcome that roadblock by chartering a number of larger, refrigerated vessels to established markets. What's more, despite the challenges with the ongoing seasonal worker shortage, Zespri expects the season's harvest to exceed last season's record.

**Slightly softer underlying prices are behind the lower export values.** In contrast to other commodities, which have been on the up, kiwifruit prices have ticked down over the first half of 2021. That's largely a reflection of prices coming off their highs after enjoying a surge last year as the pandemic shone a spotlight on healthy eating and boosted grocery demand at the expense of the hospitality sector. **Still, with prices still running ahead of long-run averages, we expect export returns to remain solid over the remainder of the season.**



## ASB Commodities Index

**The ASB Commodities Index edged down a smidgen from its record high last week.** Underlying USD prices posted a modest 1% gain, with the ongoing recovery in sheep and beef prices (+3.9%) offsetting a bit of easing in the dairy index (-1.1%). With the NZD/USD also lifting by 2.2% over the course of the week, our NZD index underwent a modest 1.1% fall.

**Beyond the week-to-week fluctuations, the key theme remains the ongoing resilience in commodity prices.**

Historically-high NZD prices have been a theme for a period of months now – our NZD commodities index has averaged 115.9 through the month of June, its highest ever monthly level.

## ASB New Zealand Commodity Price Indices As at Friday 25<sup>th</sup> June 2021

	Index*	Week %	Year %**
Total NZD	116.3	-1.1%	14.8%
Total SDR	113.3	0.3%	22.4%
Total USD	116.6	1.0%	26.9%
Dairy USD	124.8	-1.1%	34.5%
Sheep/beef USD	109.9	3.9%	24.1%
Forestry USD	111.8	2.2%	24.3%
Fruit USD	102.3	2.2%	8.4%
NZD/USD	0.7081	2.2%	10.5%

\* For all indices 2017 average = 100

\*\* Percentage change since same week last

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