

Commodities Weekly

For the week ending Friday 24th May



Kiwifruit export season off to another fast start

Kiwifruit exports for April hit a fresh record monthly high

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

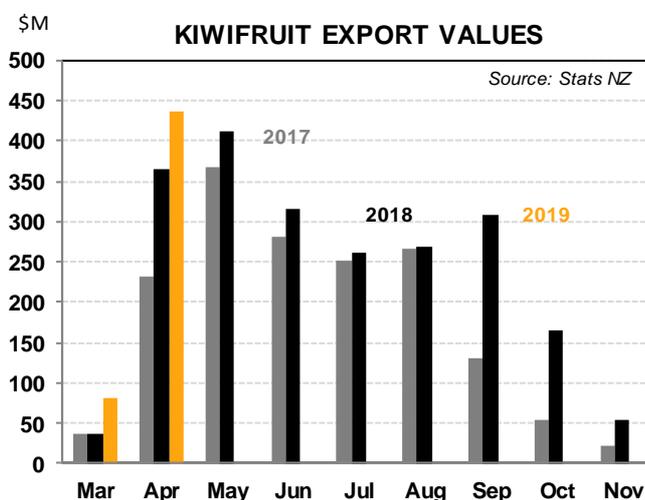
April was a record month for kiwifruit export values, with \$436m worth of kiwifruit exported. This was up a healthy \$70m (19%) on April 2018.

Export volumes in particular are off to a flying start, with gold and green volumes up 28% and 19%, respectively, so far this export season (compared to the same stage of the previous season). Meanwhile, green and gold kiwi fruit export prices are around 4% and 2% 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 15% on last season, although the green crop is likely to be down 8%. Also based on the prices achieved so far and the weak NZD, we expect prices to remain firm over the export season.

With the above in mind, we anticipate a new record high for kiwifruit export values. Indeed, having cracked \$2 billion for the first time last export season, **we anticipate that export values are on track to hit \$2.5bn or more this season.**



Week ending 24 May

The ASB Commodity Price Index dipped 0.4% in NZD terms last week as the NZD strengthened against the USD. In USD terms, the Index was largely unchanged.

By component the Index was mixed in USD terms. Dairy prices fell 0.5% as butter and whole milk powder prices fell over the week. In contrast, the other major components rose offsetting the dairy price fall. In particular, firming lamb prices helped Sheep/beef prices 1.2% higher over the week.

The NZD/USD traded around its recent lows last week. This week, the NZD/USD has dropped to the bottom of its recent range, **trading at around US\$0.6500 as at the time of writing.**

ASB New Zealand Commodity Price Indices As at Friday 24th May 2019

	Index*	Week %	Year %**
Total NZD	108.8	-0.4%	2.9%
Total SDR	101.6	-0.1%	0.4%
Total USD	101.1	0.1%	-2.4%
Dairy USD	105.2	-0.5%	1.4%
Sheep/beef USD	96.3	1.2%	-6.2%
Forestry USD	98.8	0.4%	-3.1%
Fruit USD	96.4	0.5%	-5.5%
NZD/USD	0.6553	0.5%	-5.2%

* For all indices 2014 average = 100

** Percentage change since same week last year

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