

Commodities Weekly

For the week ending Friday 24th August

Kiwifruit sector humming

Export receipts could crack \$2 billion for the first time this season

The kiwifruit sector continues to hum. July was another excellent month for kiwifruit export values, with \$261m worth of kiwifruit exported. In the export season to date, exports have hit \$1.39bn, up 19% on the \$1.17bn for the same period last season.

Kiwifruit export prices were particularly strong over July. Gold export prices averaged \$5.19/kg over the month and were up 24% on July 2017 prices. Green export prices were also firm, exceeding July 2017 prices by 17%. **Meanwhile, export volumes are continuing at a pace.** In total, volumes are up 6% for the export season to date, with both green and gold volumes recording similar growth.

All up, these numbers are consistent with ongoing strength in kiwifruit export returns. 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.

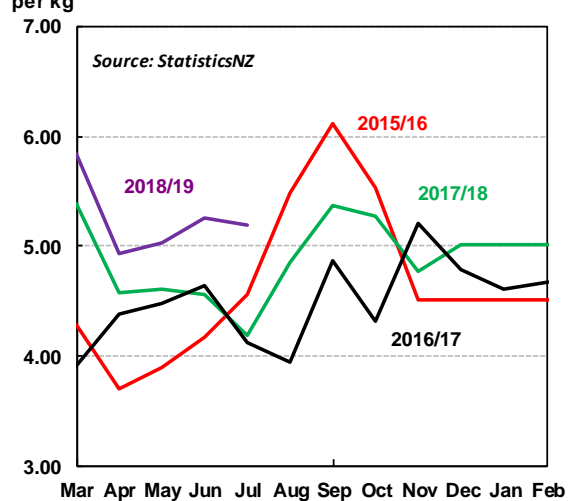
Week ending 24 August

Falling dairy prices led the ASB Commodity Price Index down in the week ending 24th August. Over the week, dairy prices fell 3.6% in USD terms, effectively accounting for all of the 0.5% Index fall.

Within dairy, butter prices slid nearly 11%. Other dairy prices fell between 1% and 4.2%, although casein prices were unchanged. **The other Index components fared better.** In particular, sheep/beef prices were firm, with lamb prices rising 2% in USD terms.

Meanwhile, the NZD/USD continued to regain ground last week as better US-China trade headlines lifted currencies like the NZD further. This week the NZD has fallen on soft business confidence data. **As at the time of writing, NZD was trading at US\$0.6440.**

\$NZ per kg GOLD KIWIFRUIT EXPORT PRICES



ASB New Zealand Commodity Price Indices As at Friday 24th August 2018

	Index*	Week %	Year %**
Total NZD	113.3	-1.3%	6.2%
Total SDR	99.1	-1.2%	-2.1%
Total USD	91.1	-0.5%	-2.8%
Dairy USD	83.3	-3.6%	-10.2%
Sheep/beef USD	98.3	1.7%	3.9%
Forestry USD	98.9	0.8%	-3.7%
Fruit USD	95.7	0.8%	1.2%
NZD/USD	0.6692	0.8%	-8.5%

* For all indices 2014 average = 100

** Percentage change since same week last year

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