

FUGALEI MARKET SURVEY REPORT
MAY 2007

Monthly Report No. 5/07*

Prepared by: Research and Statistics Department
Central Bank of Samoa
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OVERVIEW

This report marks the inclusion of yam and breadfruit in the Fugalei Market indices. This reflects the regular and continuing availability of yam and breadfruit at the Market. In doing this, the survey results for the Fugalei Market Survey will now align closely with the local food component of the CPI.

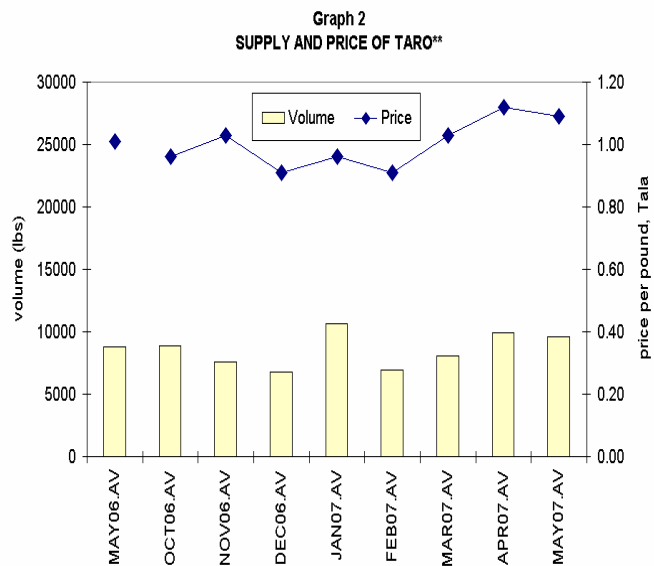
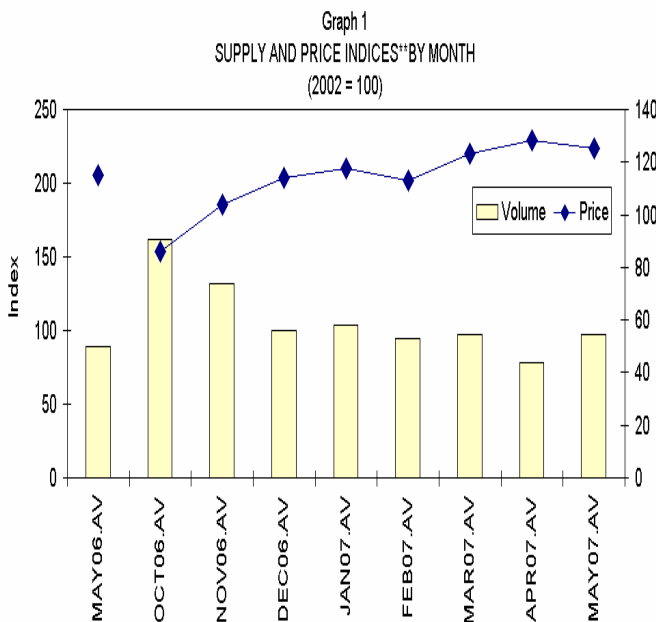
The Central Bank’s survey of the Fugalei Market recorded a 23 percent expansion in the overall volume of selected produce* supplied to the Market in May 2007, a level also 9 percent higher than that in the same month of 2006. The rise in the overall level of supply reflected the increases in the availability of most agricultural produce with the exception of taro and breadfruit.

As a result of the expansion in the overall availability of agricultural produce, the overall price index at the Fugalei Market decreased 2 percent in May 2007, to a level nevertheless 9 percent higher than in May 2006. (See Graph 1 and Tables 4 & 5.)

of the 2006/2007 fiscal year declined 7 percent but the average price level slipped 1 percent when compared with the corresponding period of 2005/2006.

TARO

Despite a decrease in its supply (down 3 percent to 9,604 pounds), the average price of taro at \$1.09 per pound was 3 percent lower as demand shifted to banana, taamu and taro palagi. However, when compared to May 2006, the supply of taro rose 9 percent but its price increased 8 percent due to stronger demand. This is a welcomed breather after registering lower volumes in the past several months when compared with the corresponding months of 2006 as taro has a significant weight in the local food component of the CPI and hence domestic inflation. (See Graph 2 and Table 1 and 2.)



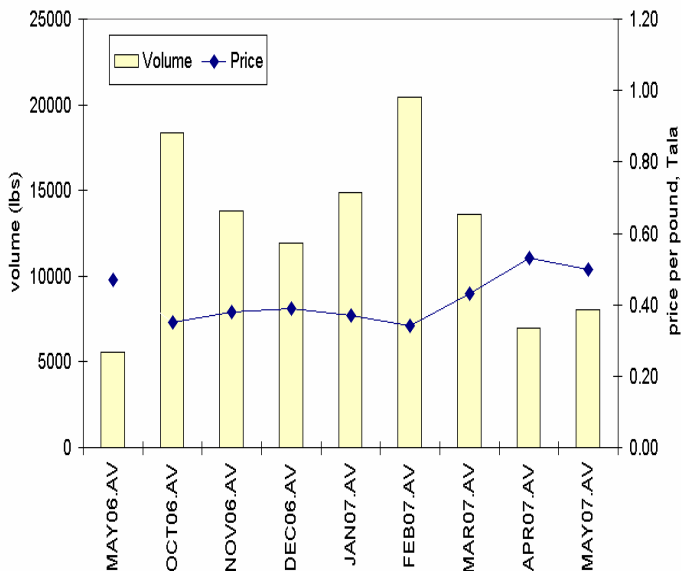
This worrying trend is reflected by the 3 percent increase in the average price level of taro in the first eleven months to end May 2007 when compared with the corresponding period of 2006 as a result of a 30 percent fall in its average supply.

BANANA

However, the supply of agricultural produce at the Fugalei Market during the first eleven months

The average supply of banana rebounded 16 percent in May 2007 to 8,044 pounds and its price dropped 6 percent to \$0.50 per pound as a result. When compared with the same month of 2006, the availability of banana was 45 percent higher nevertheless its price expanded 6 percent due to strong demand as substitute products (taro, taro palagi & taamu) became relatively more expensive. (See Graph 3 and Table 1 and 2.)

Graph 3
SUPPLY AND PRICE OF BANANA**

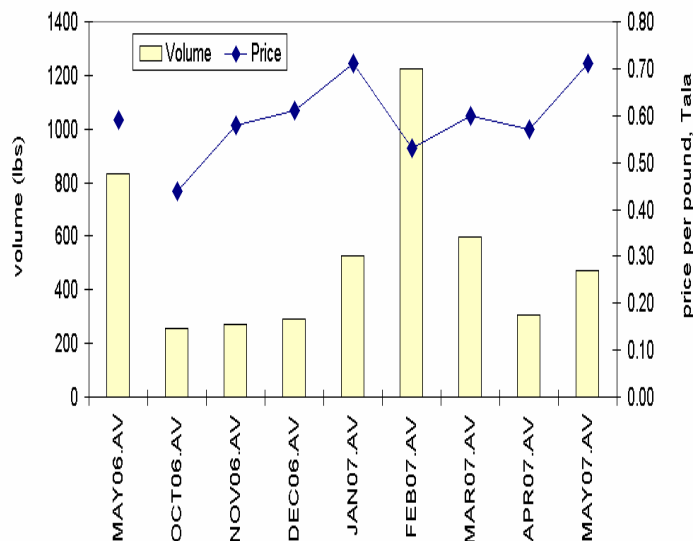


Despite the hike in the month under review, the average availability of banana, at 14,187 pounds per month, in the first eleven months of 2006/2007 contracted 15 percent when compared with the same period of 2005/2006 and its price increased 5 percent to \$0.42 per pound as a result.

TARO PALAGI

Taro palagi availability (at 473 pounds) in May 2007 also jumped by 54 percent but its price surged 25 percent due to stronger demand especially from small, home-based taro chips manufacturers, the main buyers. However, its average supply was 43 percent below the level in the same month last year and its average price level jumped 20 percent as a result. (See Graph 4 and Tables 1 and 2.)

Graph 4
SUPPLY AND PRICE OF TARO PALAGI**

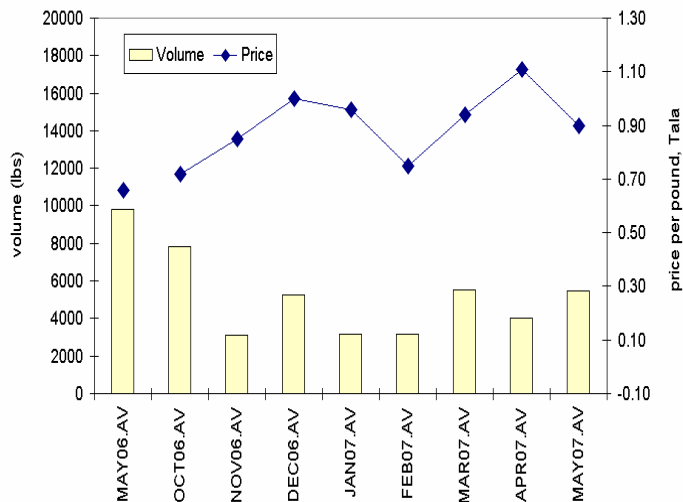


Similarly, the average availability of taro palagi in the first eleven months of 2006/2007 (at 599 pounds) was 30 percent lower than the level in the same period of 2005/2006 but its price contracted 14 percent due to weaker demand.

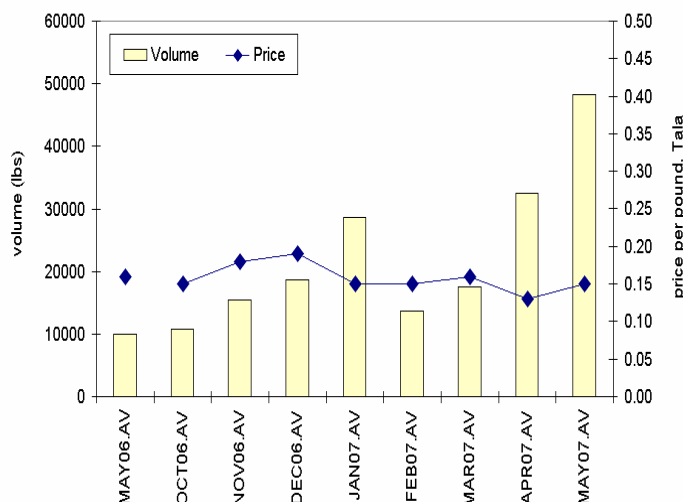
TAAMU

Taamu availability (at 5,482 pounds) jumped 37 percent in the month under review and its price fell 19 percent to \$0.90 per pound as a result. However, when compared with May 2006, the supply of taamu tumbled 44 percent and its price surged 36 percent as a result. (See Graph 5 and Table 1 and 2.)

Graph 5
SUPPLY AND PRICE OF TA'AMU**



Graph 6
SUPPLY AND PRICE OF COCONUT



Despite the improvement in May 2007, the monthly average availability of taamu to the Market in the eleven months to end May 2007 dropped 20 percent when compared to the period to end May 2006 and its price was 9 percent higher as a result.

COCONUT

The availability of coconut at the Market jumped 48 percent to 48,268 pounds but its price increased 15 percent to \$0.15 per pound due to stronger demand associated with two major annual church conferences during the month under review. And, when compared with the same month last year, coconut supply was more than fourfold higher and its price consequently declined 6 percent. (See Graph 6 and Table 1 and 2.)

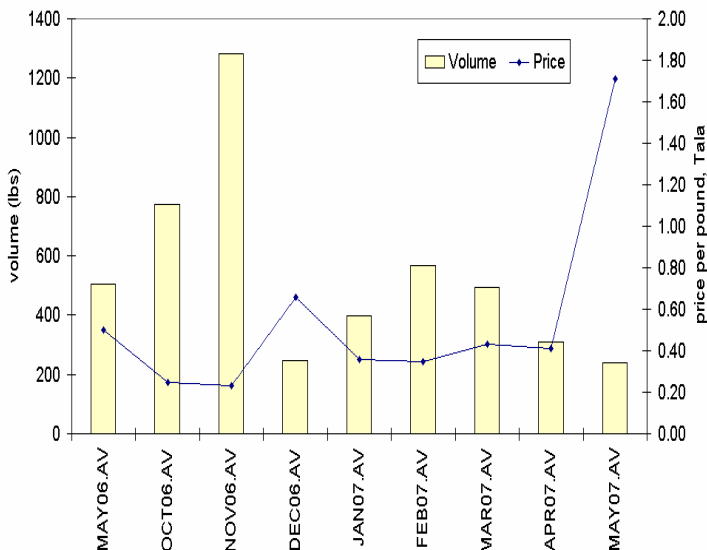
The average availability of coconut in the first eleven months of 2006/2007 at 20,791 pounds per month was 66 percent higher when compared with the same period of 2005/2006 but its price remained stable due to higher demand, particularly for exports. The surge in coconut supply to the Market is largely a result of the closure of the desiccated coconut factory at Vaitele resulting in a higher level of excess coconut supply in the country.

BREADFRUIT

The supply of breadfruit during the month under review was 23 percent and 53 percent below the level last month and the same month last year respectively as the breadfruit season wound down. Consequently, its price level was threefold and twofold higher than last month and May 2006 in that order. (See Graph 7 and Table 1 and 2.)

The average availability of breadfruit in the eleven months to end May 2007 at 572 pounds per month was 19 percent lower when compared with the same period to May 2006 but its price was 30 percent lower.

Graph 7
SUPPLY AND PRICE OF BREADFRUIT

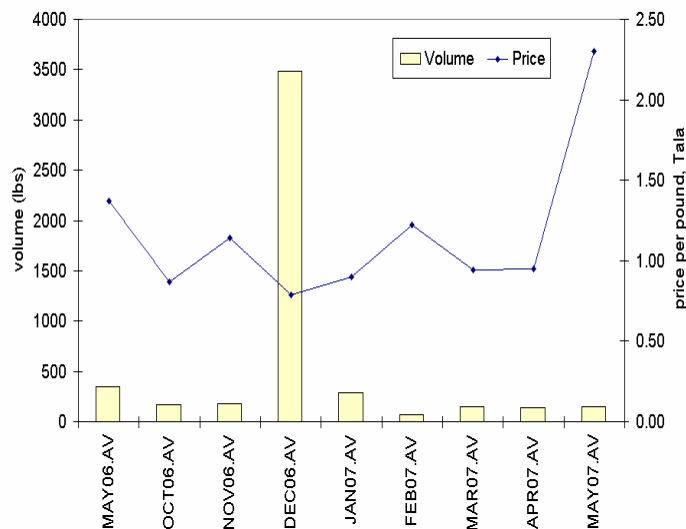


YAM

The supply of yam increased 5 percent from the level last month but was 57 percent lower than the level in the same month last year. Its price doubled due to the surge in demand associated with the two major annual church conferences in the country during the month under review. It was also 68 percent higher than the level in May 2006. (See Graph 8 and Table 1 and 2.)

The average availability of yam in the eleven months to end May 2007, at 559 pounds per month, more than double when compared with the same period to May 2006 and its price was 37 percent lower as a result.

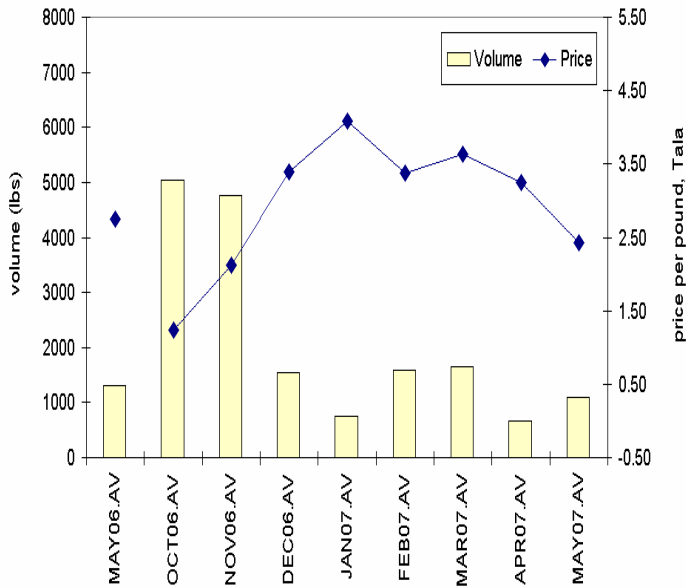
Graph 8
SUPPLY AND PRICE OF YAM



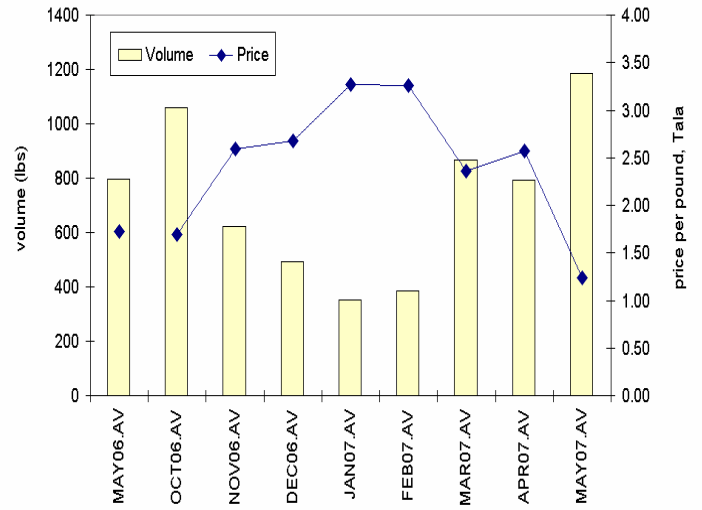
VEGETABLE PRODUCE

The supplies of vegetable produce recovered in May 2007 following the decline associated with adverse wet weather conditions in April 2007, as suppliers geared up for demand coming from the two above mentioned church conferences. The average supplies of cucumber, head cabbage, Chinese cabbage and tomatoes went up by more than twofold, 65 percent, 50 percent and 1 percent respectively. Consequently, their prices fell by 2 percent, 25 percent, 52 percent and 32 percent in that order. The supply of pumpkin also rose 42 percent but its price increased 18 percent due to stronger local demand. (See Graphs 9 to 13 and Tables 1 and 2.)

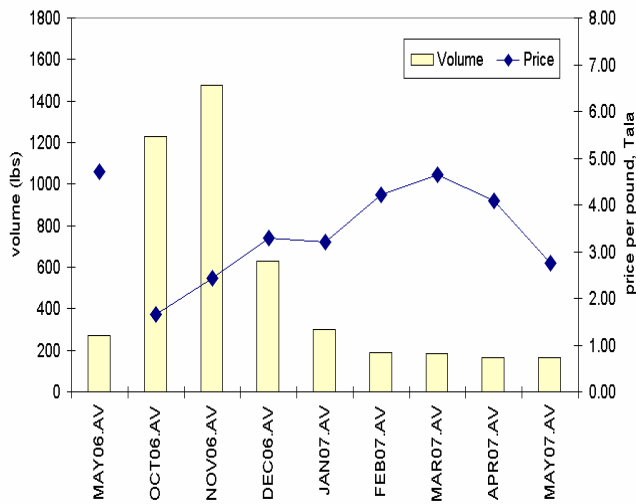
**Graph 9
SUPPLY AND PRICES OF H.CABBAGE****



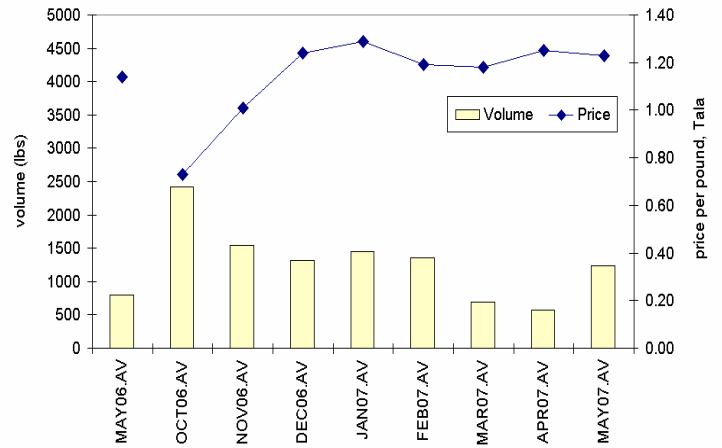
**Graph 11
SUPPLY AND PRICE OF CH.CABBAGE****



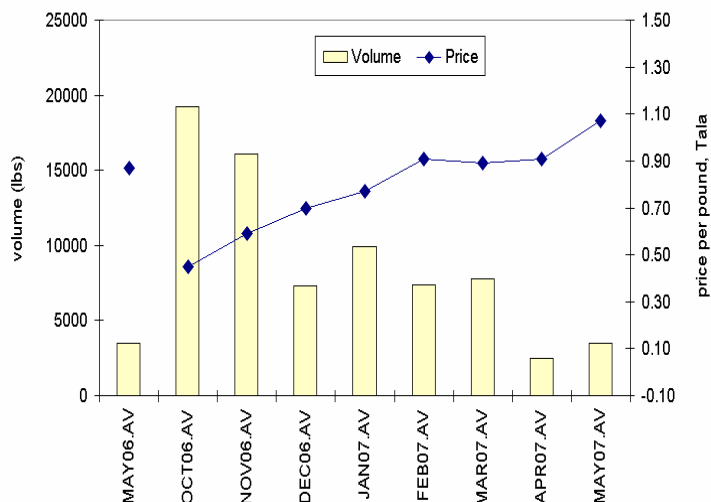
**Graph 10
SUPPLY AND PRICE OF TOMATOES****



**Graph 12
SUPPLY AND PRICE OF CUCUMBER**



Graph 13
SUPPLY AND PRICE OF PUMPKIN**



decreased to 21 from 24 and 26 in the previous month and the same month last year in that order. On the other hand, banana and cucumber sellers increased to 20 and 19 respectively from 15 and 13 in the previous month and 12 and 14 in that order in May 2006.

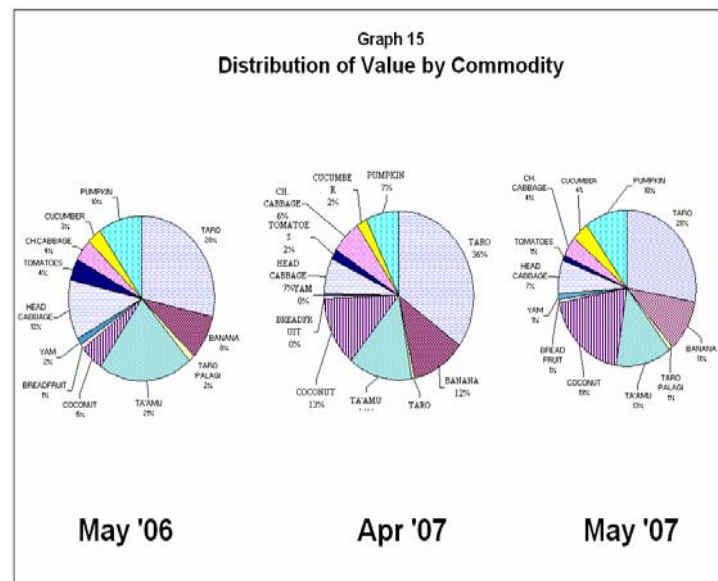
VALUE OF SUPPLIES

Reflecting the overall increase in the volume of supplies, the average value of selected produce supplied to the Market (at \$37,600) increased 18 percent to a level 21 percent above that in the same month of 2006. (See Graph 15 and Table 3.)

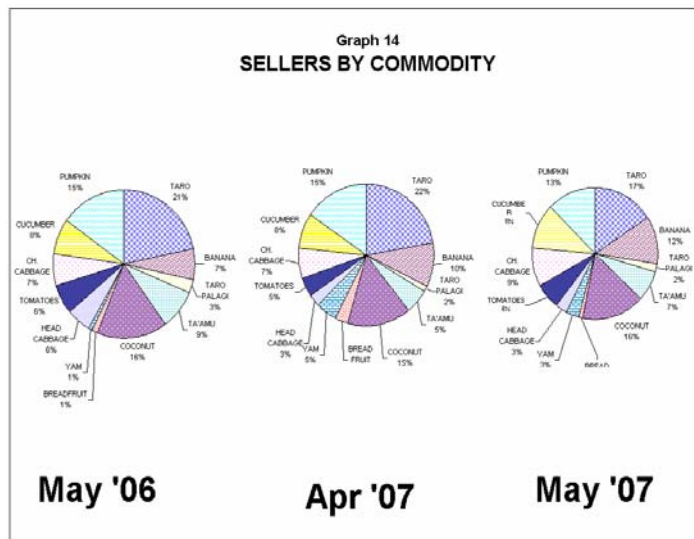
SELLERS

Reflecting the expansion in supplies, the number of sellers (167) on the days surveyed in May 2007 increased 8 percent from the level last month but was 5 percent lower than the level in the same month last year. (See Graph 14 and Table 6.)

Graph 15
Distribution of Value by Commodity



Graph 14
SELLERS BY COMMODITY



Coconut sellers were the largest group with its total increasing to 27 from 24 in April 2007 but lower than 29 in May 2006. Taro followed with a total of 26, down from 35 and 38 in April 2007 and May 2006 respectively. Pumpkin sellers also

Taro contributed the largest share (of 28 percent) of the total value of produce supplied to the Market in May 2007, down from 35 percent in April 2007 and 29 percent in May 2006. Coconut accounted for 19 percent, up from 13 percent in April 2007 and 5 percent in May 2006. Taamu followed with 13 percent, down from 14 percent and 21 percent in the previous month and May 2006 respectively. Banana registered 11 percent, slightly down from 12 percent in April 2007 but was higher than 8 percent in May 2006.

Pumpkin and head cabbage contributed 10 percent and 7 percent respectively, compared

to their shares of 7 percent each in the previous month and 10 percent and 12 percent in that order in May 2006. Chinese cabbage and cucumber contributed 4 percent each compared to their shares of 6 percent and 2 percent respectively in April 2007, and 5 percent and 3 percent in that order in May 2006. The least shares were recorded for taro palagi, yam and tomatoes, the latter being a result of seasonal trends.

@ Weights for the selected produce have been revised using 2002 as the base period and have been incorporated starting from January 2003 report.

** The selected produce are: taro, banana, ta'amu, coconut, head cabbage, tomatoes, chinese cabbage, cucumber and pumpkin. Breadfruit, Taro Palagi and the Yam were all surveyed but not included in the composition of the overall Indices.*

*** Data shown reflects the average availability and prices of the selected produce at the Fugalei Market on each Friday (Thursday where Friday is a public holiday) in the months under reference.*

**** In addition to the 10 commodities mentioned above which are included in the composite indices to measure the overall levels of supply and price at the Fugalei Market, two other important produce, breadfruit and yam which are very close substitutes for taro, taro palagi, taamu and banana, are also surveyed by the Central Bank. Data for these two items are not included in the composite indices because their supplies are irregular and subject to seasonality. Whilst the breadfruit season comes about twice a year, yam takes several years to harvest.*

CENTRAL BANK OF SAMOA

4 July 2007