

FUGALEI MARKET SURVEY REPORT

NOVEMBER 2008

Monthly Report No. 11/08*

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CENTRAL BANK OF SAMOA

FUGALEI MARKET SURVEY

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This report provides a monthly review of selected agricultural produce available at the Fugalei Market, based on the Central Bank's survey and price data sourced from the Samoa Bureau of Statistic (formerly Statistical Services Division of the Ministry of Finance).

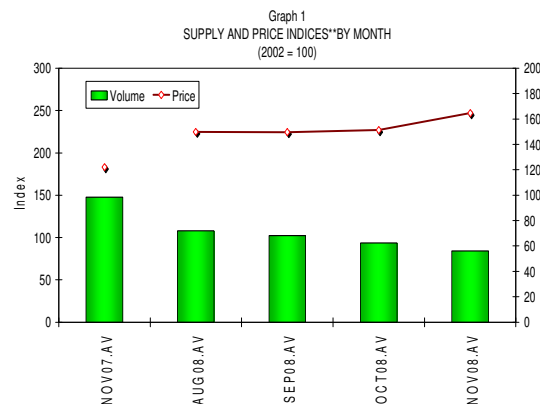
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OVERVIEW

The seasonal downturn in agricultural production continued for the third consecutive month in November 2008, with another 10 percent decrease in the overall volume of produce available at the Fugalei Market. This current volume of agricultural produce, which was 43 percent lower than that of a year ago, reflected decreased supplies of taro, taamu, coconut, yam, head cabbage, tomatoes and Chinese cabbage. Apart from the seasonal component, the other main factors behind this month's lower food supplies was controlled provision by individual sellers based on their financial need from time to time as well as the high cost of transportation that held back some farmers from delivering their goods to the market.

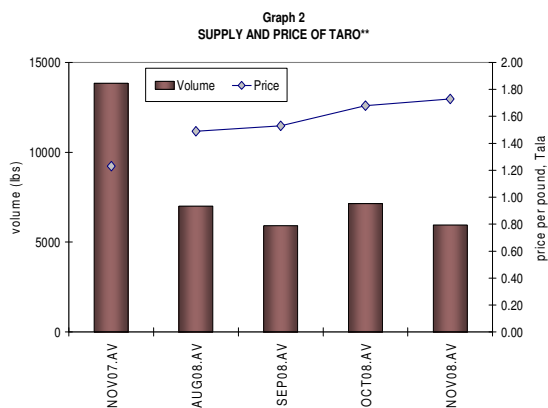
Consequent to this month's drop in food supplies was a 9 percent expansion in the overall price index at the Market, which reflected increased prices for most staple food crops, coconuts, Chinese cabbage and pumpkin. This current price level was also 35 percent higher than that of November 2007. (See Graph 1 and Table 4 & 5.)



Reflecting the three consecutive months of declining supplies in the first five months of 2008/2009, the overall average availability of produce to the Market fell 38 percent from the SPG impacted period of 2007/2008. In the event, the price index jumped 29 percent in the five months ending November 2008.

TARO

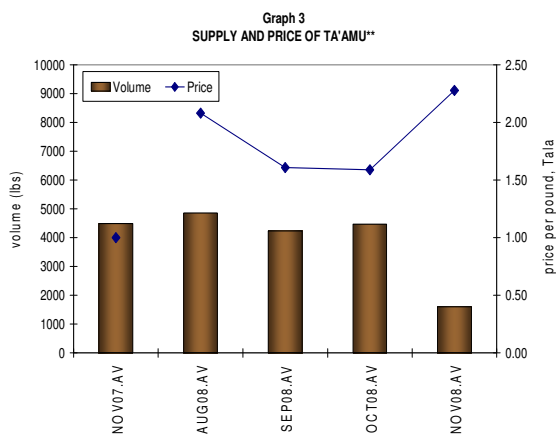
The availability of taro at the Fugalei Market continued its seesaw trend, with a 17 percent decrease to 5,951 pounds in the month under review following a 21 percent jump in October 2008. Consequent to this month's lower volume, the average price of taro rose 3 percent to \$1.73 per pound. The current volume of taro was 57 percent lower than the level in November 2007, partially reflecting the fewer quantity of matured taro available for consumption in November 2008, which drove prices up 41 percent from a year ago. (See Graph 2 and Tables 1 and 2.)



This month's lower volume contributed to a 41 percent decrease in the average availability of taro (to 6,301 pounds) in the first five months of 2008/09 compared to the same period of 2007/08. Consequently, its average price rose 33 percent over the same period.

TA'AMU

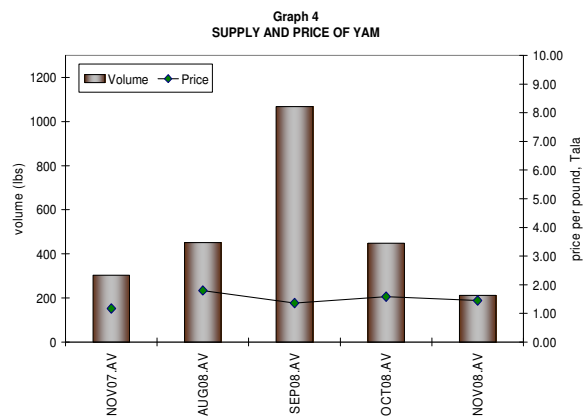
After improving in the previous month, the supply of taamu at the Market decreased 64 percent to 1,607 pounds in November 2008, pushing its price up 43 percent to \$2.28 per pound. The prolonged dry weather conditions contributed significantly to this month's volume, which was the lowest monthly level in over fifteen years. And, when compared to November 2007, the current volume of taamu was 64 percent lower, which raised its price by more than two-fold over the year. (See Graph 3 and Table 1 and 2.)



Consequent to this month's reduction, the average availability of taamu in the first five months of 2008/09 was 45 percent lower at 3,663 pounds per month compared to 6,611 pounds per month in the same period of 2007/08. This exerted upward pressure on taamu prices which was 58 percent higher in the comparable period.

YAM

The supply of yam declined 53 percent from the previous month, and was 30 percent lower than its level last year. Reflecting a shift in demand to banana, breadfruit and taro palagi (its close substitutes), yam prices was 8 percent lower at \$1.45 per pound in November 2008, a level that was nevertheless 24 percent higher than in November 2007. (See Graph 4 and Tables 1 and 2.)

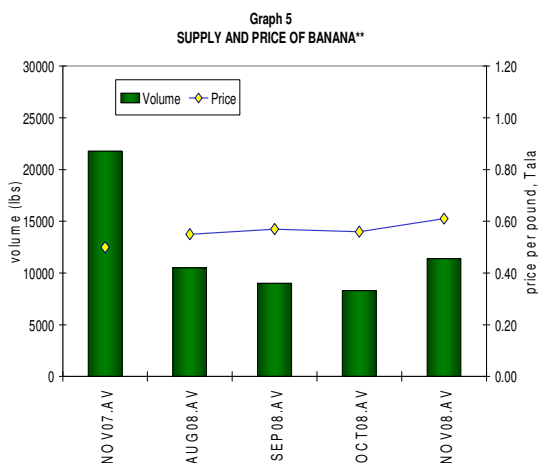


Despite the lower volume of yam supplies in November 2008, the average availability of this food crop at the Market was significantly higher in the first five months of 2008/09 (at 665 pounds per month) compared to 259 pounds per month in the corresponding period of 2007/08. Strong demand, however, pushed its price up 23 percent.

BANANA

Reflecting the reduced availability of its close substitutes (taro, taamu and yam); the average volume of banana supplied to the Fugalei Market increased 37 percent to 11,371 pounds in November 2008. And, as demand shifted to

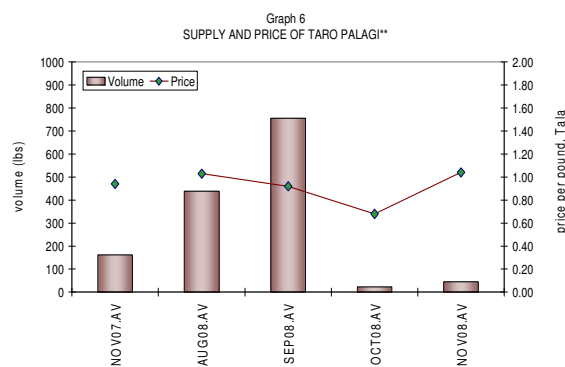
this staple food, the average price of banana rose 9 percent to \$0.61 per pound. When compared to November 2007, however, the current volume of banana supplied to the Market was 48 percent lower, which pushed its price up by 22 percent over the year. (See Graph 5 and Tables 1 and 2.)



Regardless of this month's higher supply of banana, the average volume in the five months ending November 2008 was 47 percent lower at 9,858 pounds per month from 18,612 pounds per month in the five months ending November 2007. As a result, its average price was 29 percent higher than the corresponding period in 2007.

TARO PALAGI

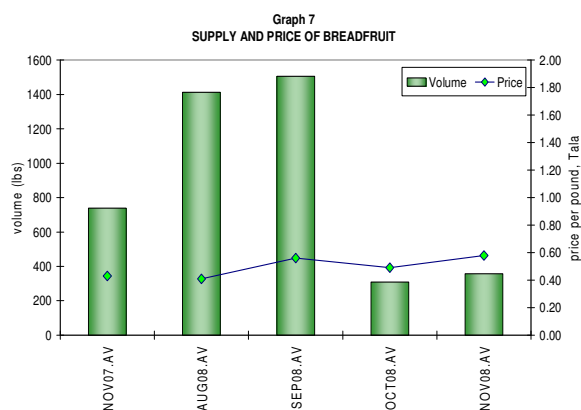
Despite recovering slightly in November 2008, the volume of taro palagi available at the Fugalei Market remained significantly below normal levels, indicating a continued switch of supplies to local manufacturers of taro chips instead of the market. Compared to 22 pounds in the previous month, there was 45 pounds of taro palagi supplied in the month under review, which was significantly lower than the level in November 2007. Increased demand for this staple food crop, however, saw its price leap 53 percent to \$1.04 per pound, a level that was 11 percent higher than that of a year ago. (See Graph 6 and Table 1 and 2.)



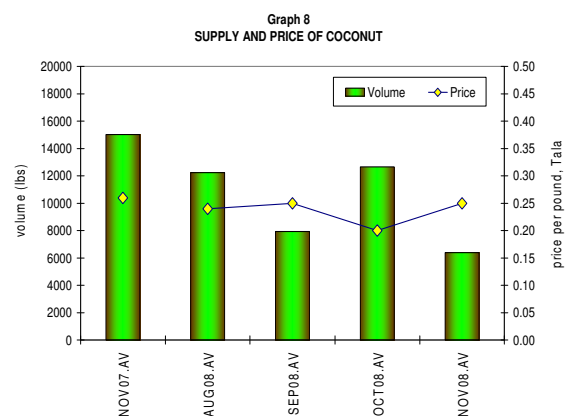
Despite the currently low volumes of taro palagi supplied to the Market, the monthly average availability of this staple crop in the first five months of 2008/09 was 25 percent higher (at 361 pounds per month) than the corresponding period of 2007/08. This was compliments of huge volumes recorded in the first three months of the current fiscal year prior to the diversion of supplies away from the Market since October 2008. Due to strong demand for this staple produce, however, its average price in the five months ending November 2008 was 12 percent higher than in the same period of 2007.

BREADFRUIT

The onset of the breadfruit season started slowly in November 2008 with a 15 percent rebound to 357 pounds in the overall volume of this crop available at the Fugalei Market. And, with demand shifting from taro, taamu and yam – its close substitutes – the average price of breadfruit jumped 18 percent to \$0.58 per pound. When compared to November 2007, however, the current level of breadfruit supplies to the Market was 52 percent lower, underpinning the 35 percent rise in its price over the year. (See Graph 7 and Tables 1 and 2.)



This month's improved supply contributed to a 41 percent expansion to 999 pounds per month in the average availability of breadfruit in the first five months of 2008/09. Likewise, its' price was 35 percent higher than the first five months of 2007/08 reflecting strong demand for this staple produce in the period under review.



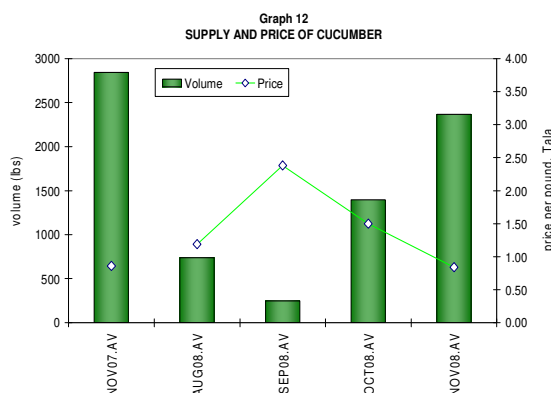
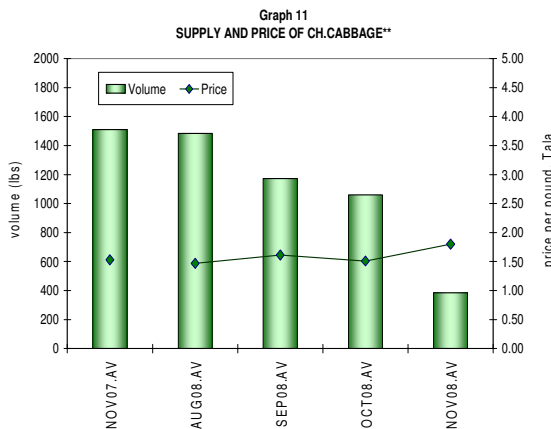
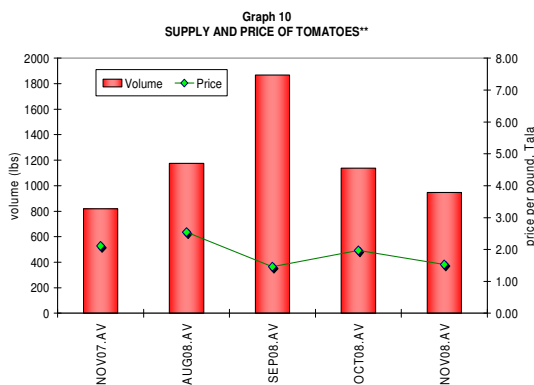
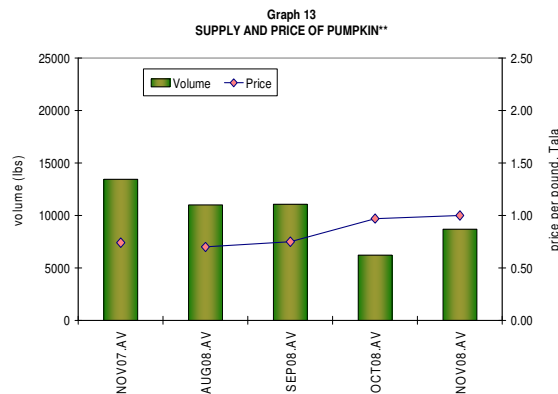
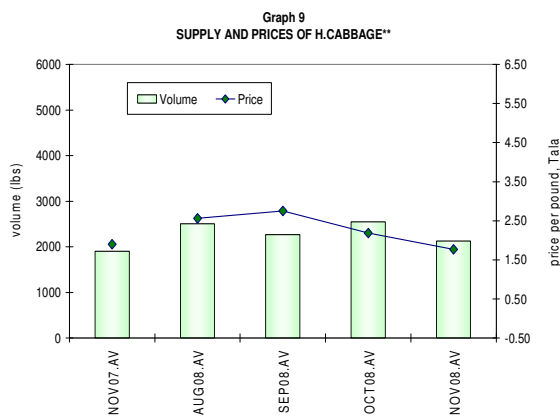
This month's lower supply of coconut to the Market added to the 10,212 pounds per month in the five months ending November 2008, which was 45 percent lower than the same period in 2007. As a result, coconut prices were 15 percent higher than the five months ending November 2007.

COCONUT

After increasing in October 2008, the volume of coconut at the Fugalei Market decreased 49 percent to 6,396 pounds in November 2008, increasing its price 25 percent to \$0.25 per pound. The current volume of coconut supplied to the Market was the lowest level recorded since the start of the *Fugalei Market Survey* with many suppliers stating the high cost of transportation as being the main reason for their reluctance to deliver coconuts to the Market. Some coconut sellers have also diverted their supplies to WSTEC at Vaitele. When compared with the same month last year, coconut supplies were 57 percent lower in November 2008 and its current price was 4 percent cheaper. (See Graph 8 and Tables 1 and 2).

VEGETABLE PRODUCE

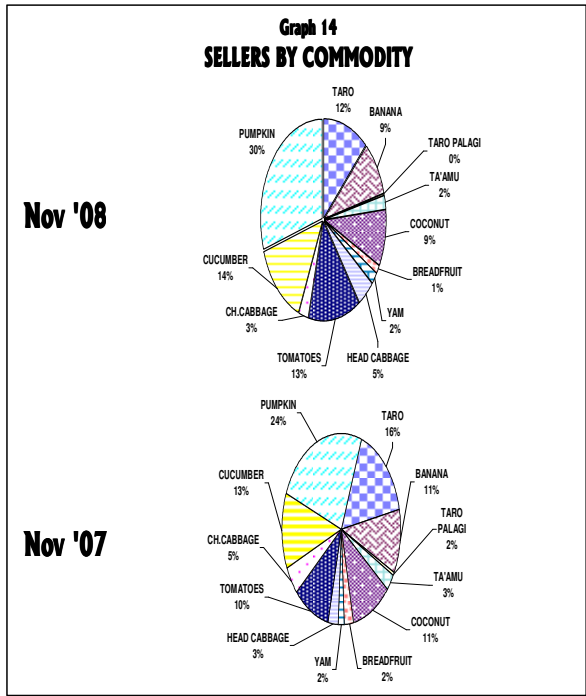
The ongoing sunny weather conditions continued to adversely affect the availability of most vegetable produce in November 2008. Mainly affected was Chinese cabbage, which recorded the largest decrease of 64 percent in the month under review, followed by 17 percent decreases each in head cabbage and tomatoes. Consequent to its short supply, the price of Chinese cabbage jumped 19 percent while weaker demand for head cabbage and tomato saw their prices tumble 19 percent and 22 percent respectively. On the other hand, the volume of cucumber supplied to the Market increased 70 percent while those of pumpkin improved 40 percent. As a consequence, cucumber prices decreased 44 percent while higher demand for pumpkin pushed its price up by 3 percent. (See Graphs 9 to 13 and Tables 1 and 2.)



SELLERS

The number of sellers on the days surveyed in November 2008 decreased 15 percent to 253, which was 21 percent lower than that in November 2007. With the exception of those supplying cucumber and banana, there was decreased number of sellers for all other selected agricultural produce available at the Fugalei Market.

Despite the reduction in the number of pumpkin sellers in the month under review, they remained the largest group of suppliers at the Market with a 30 percent share that was similar to October 2008. Further behind with a 14 percent share were those supplying cucumber, which shot up from its 3 percent share in the previous month. Those selling tomatoes and taro followed, with shares of 13 percent and 12 percent respectively in November 2008. Accounting for 9 percent each of the total number of sellers in the month under review were suppliers of banana and coconut. Sellers of head cabbage and Chinese cabbage represented 5 percent and 3 percent respectively of the total number of sellers in the month under review while suppliers of yam and taamu corresponded to 2 percent each. Suppliers of breadfruit accounted for 1 percent of the total number of sellers while a marginal (0.1 percent) share was represented by the sole seller of taro palagi in the month under review. (See Graph 14 and Table 6.)

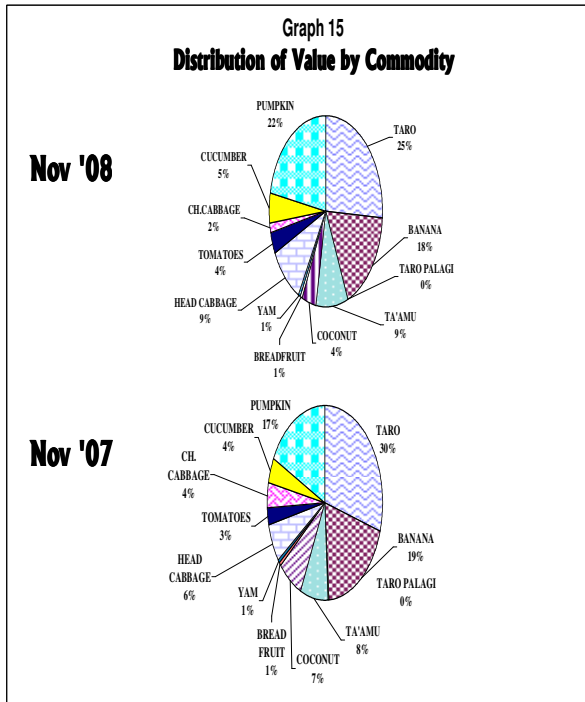


VALUE OF SUPPLIES

Underpinned by the lower volume in November 2008, the average value of selected produce supplied to the Market decreased 11 percent to \$39,700; 31 percent lower than the level in November 2007.

Contributing the most to the total value of produce surveyed in November 2008 was taro, which recorded a 26 percent share compared to its shares in October 2008 (27 percent) and November last year (30 percent). Following closely behind with a 22 percent share was pumpkin, which was higher than its contributions of 13 percent and 17 percent respectively in October 2008 and November 2007 in that order. Banana contributed 18 percent to the total value of supplies, higher than its' 10 percent share in the previous month but lower than its 19 percent share last year. Taamu and head cabbage represented 9 percent each, which was lower than their shares of 16 percent and 12 percent respectively in October 2008 and higher than their shares of a year ago (8 percent and 6 percent in that order). Cucumbers accounted for 5 percent of the total value of supplies in November 2008, similar to the previous month and higher than its 4 percent share in November

last year. Coconut and tomatoes brought in 4 percent shares each, compared to their shares of 6 percent and 5 percent respectively in October 2008 and 7 percent and 3 percent in that order a year ago. Corresponding to its huge drop in volume in the month under review was a 2 percent share for Chinese cabbage, which were half its shares in the previous month and November 2007. Breadfruit and yam accounted for 1 percent each of the total value of supplies in November 2008, similar to those of a year ago. And, reflecting its significantly lower volume in the month under review was a modest share contributed by taro palagi. (See Graph 15 and Table 3.)



@ 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 produces are: taro, banana, ta'amu, taro palagi, coconut, head cabbage, tomatoes, Chinese cabbage, cucumber and pumpkin. Breadfruit and yam were recently 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.

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