

FUGALEI MARKET SURVEY REPORT

SEPTEMBER 2008

Monthly Report No. 9/08*

Prepared by: Research and Statistics Department
Central Bank of Samoa
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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).

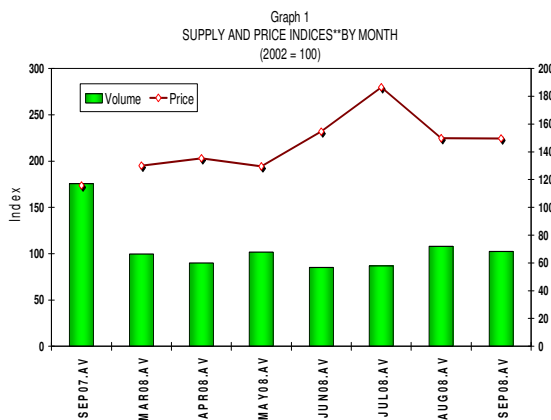
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OVERVIEW

In September 2008, agricultural food supplies fell 5 percent to a level 42 percent lower than that in September 2007. The reduction in the overall volume in the month under review was due to decreased supplies of taro, banana, ta'amu, coconut, head cabbage, Chinese cabbage and cucumber. From general observations and responses by some farmers, the volume of vegetable supplied to the Fugalei Market was based on seasonal production. For staple produce, like taro and banana, farmers tend to deliberately increase or lower their supplies based on their financial needs which peak in occasions such as the beginning of the last school terms of the year. Timing and transportation costs were other important factors that influenced the supply levels for many selected produce in the month under review.

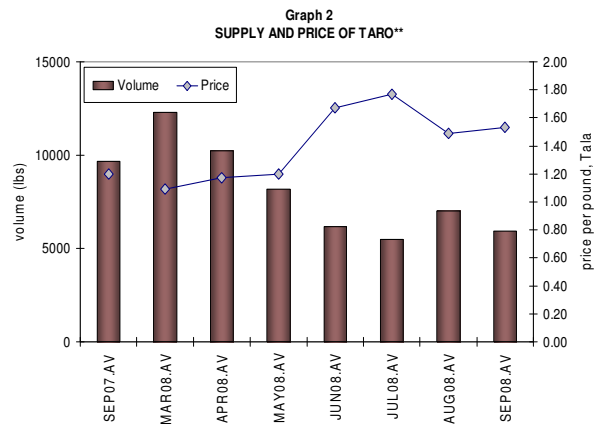
While the overall volume of agricultural produce fell in September 2008, the average price level at the Market remained unchanged from the previous month due mainly to a reduction in demand. However, when compared to September 2007, the current price level was 29 percent higher consequent to the lower supply of agricultural produce over the year. (See Graph 1 and Tables 4 and 5.)



With the lower volume recorded in the month under review, the overall average availability of produce in the first three months of 2008/2009 was 29 percent lower compared to the corresponding period of 2007/08. In the event, the average price level increased 26 percent in the three months ending September 2008 from the same period ending September 2007.

TARO

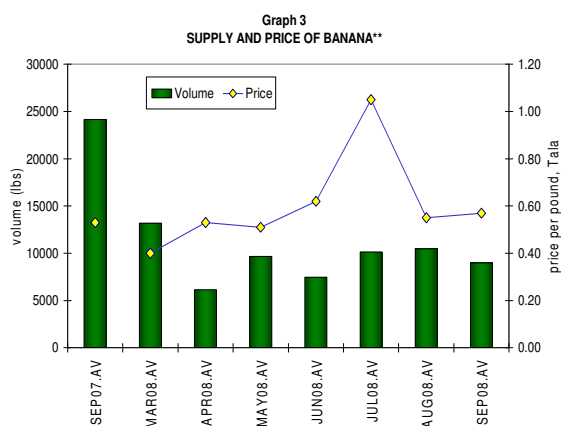
The supply of taro (at 5,918 pounds) shrank 15 percent in the month under review, driving its price up by 3 percent to \$1.53 per pound. In addition, when compared to September 2007, the current volume of taro was 39 percent lower, pushing its price up 28 percent over the year. (See Graph 2 and Tables 1 and 2.)



And, with this month's lower volume, the average supply of taro (at 6,136 pounds) was 33 percent lower in the first three months of 2008/09 than in the same period of 2007/08. Consequently, its average price rose 25 percent over the same period.

BANANA

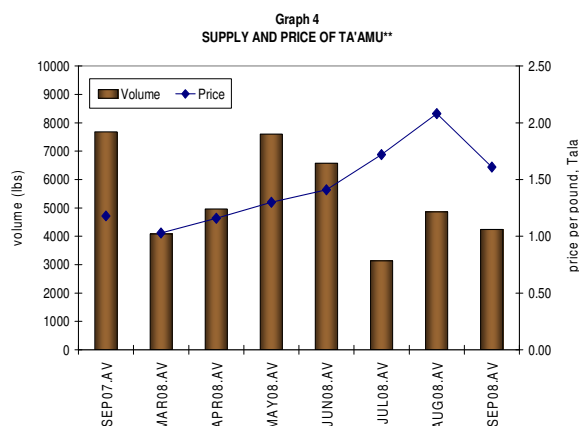
The average supply of banana, at 8,996 pounds, in the month under review dropped 14 percent from its volume in August 2008 and was significantly lower by 63 percent than in September 2007. As a consequence, its price jumped 4 percent from the previous month and was up by 8 percent from its level last year. (See Graph 3 and Tables 1 and 2.)



The lower supply of banana in the month under review contributed to a 36 percent tumble in the average volume of banana in the three months ending September 2008 compared to the same period last year. As a result, its average price was 36 percent higher than in the corresponding period of 2007/08.

TA'AMU

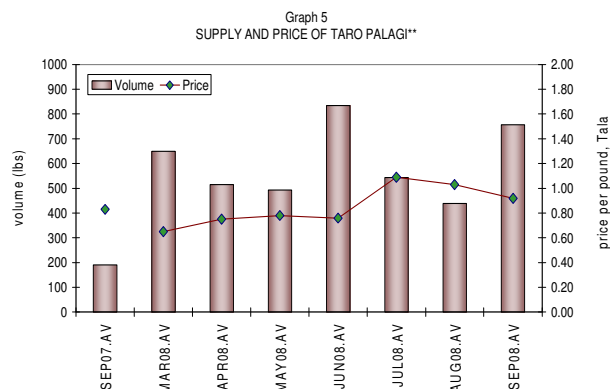
At 4,242 pounds, the volume of taamu in September 2008 was 13 percent lower than the previous month while its price fell 23 percent consequent of decreased demand for this staple crop. However, at its current level, the average availability of taamu was 45 percent lower than the level in the same month last year, which pushed its average price level up 36 percent. (See Graph 4 and Tables 1 and 2.)



In the first three months of 2008/09, the average availability of taamu (4,080 pounds per month) was 44 percent lower than in the same period of 2007/08, exerting upward pressure on its price, which rose 49 percent in the month under review.

TARO PALAGI

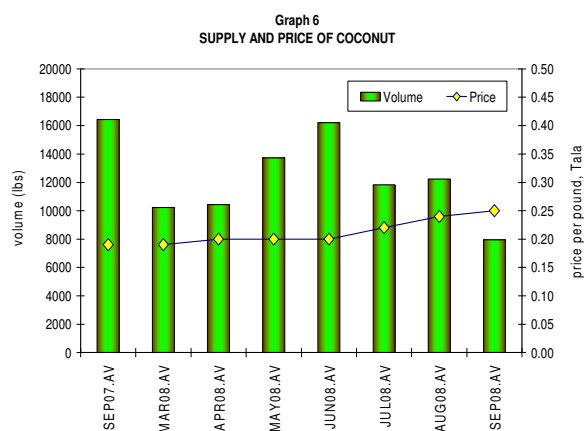
After a 19 percent drop in the previous month, the volume of taro palagi rebounded 72 percent (to 756 pounds) in September 2008, in response to a shortage in other staple crops, particularly taro, banana and taamu. As a consequence, its average price dropped 11 percent to \$0.92 per pound. And, when compared to September 2007, the current supply of taro palagi was nearly doubled last year's level while a greater demand for this staple food in the month under review boosted its price level up by 11 percent over the year. (See Graph 5 and Tables 1 and 2.)



And, with its huge recovery in September 2008, the average availability of taro palagi (at 759 pounds per month) in the first three months of fiscal year 2008/09 was 123 percent higher compared to the same period of 2007/08. Strong demand, however, pushed up its price by 20 percent in the comparative period.

COCONUT

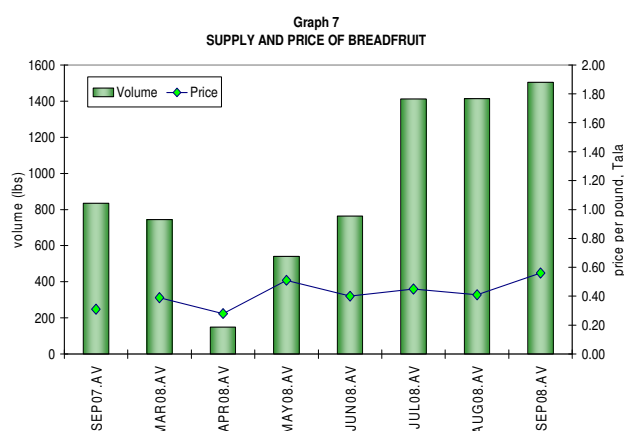
The volume of coconut at the Market declined 35 percent to 7,951 pounds in the month under review, pushing its price up by 4 percent to \$0.25 per pound. And, when compared with the same month last year, coconut supply in September 2008 was 52 percent lower with its price consequently higher by 32 percent. (See Graph 6 and Tables 1 and 2.)



The average availability of coconut in the first three months of 2008/09 (at 10,671 pounds per month) was 45 percent lower when compared with the same period of 2007/08 and its price was 33 percent higher as a result.

BREADFRUIT

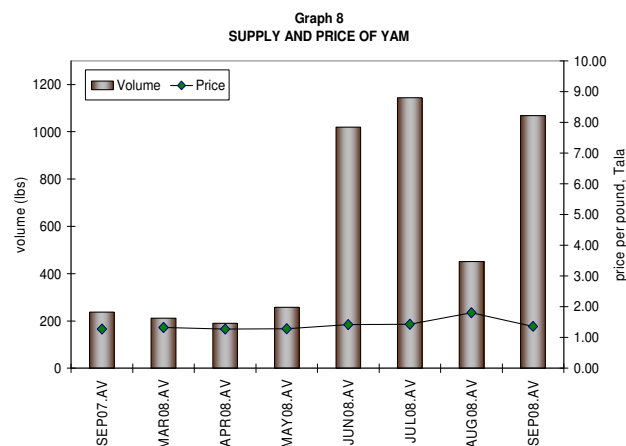
The volume of breadfruit available at the Market expanded in the month under review with a 6 percent jump to 1,505 pounds. Its price increased 37 percent from its level in August 2008, reflecting higher demand by consumers in response to a reduction in the supply of its closest substitutes. At its current level, the supply of breadfruit was 80 percent higher than in September last year with strong demand elevating its price up by 81 percent. (See Graph 7 and Tables 1 and 2.)



And, with its higher supply in September 2008, the average availability of breadfruit (at 1,443 pounds per month) in the first three months of fiscal year 2008/09 was 67 percent higher than the same period of 2007/08, and its average price was up by 47 percent.

YAM

The supply of yam in September 2008 rebounded significantly, increasing more than two-fold from the level in August 2008. As a result, its price went down 24 percent from the previous month, but was 7 percent higher than in September 2007. (See Graph 8 and Tables 1 and 2.)



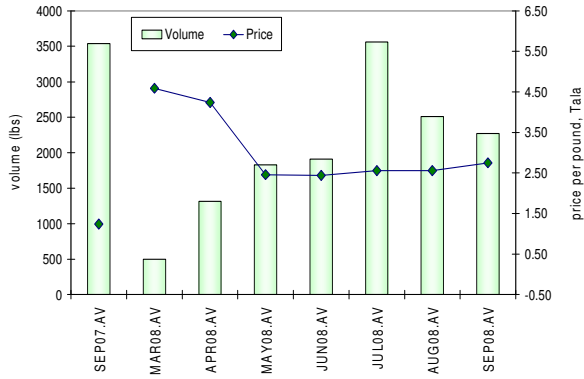
Following this month's improved volume, the monthly average availability of yam at the Market in the first three months of 2008/09 (at 888 pounds per month) was more than tripled the level of the same period of 2007/08. Its price increased 16 percent in the comparative period following increased demand.

VEGETABLE PRODUCE

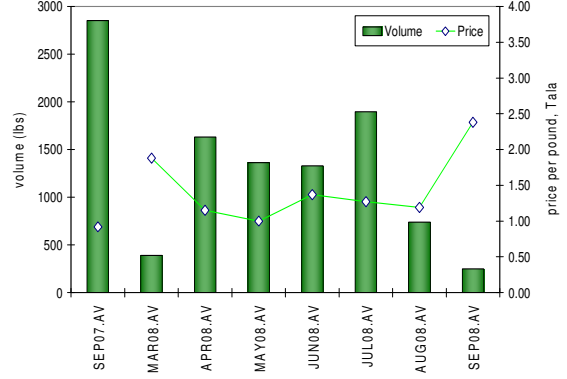
The supplies of most perishable vegetables to the Fugalei Market were adversely affected due to the sunny weather conditions in September 2008. In particular, the availability of cucumber and Chinese cabbage contracted 66 percent and 21 percent respectively exerting upward pressures on their prices, which increased 100 percent and 10 percent in that order. Similarly, the supply of head cabbage declined 9 percent, which pushed its price up by 7 percent.

On the upside, the supplies of tomatoes grew 59 percent, which consequently drove its price down by 43 percent. Similarly, the volume of pumpkin rose 1 percent with increased demand for this produce boosting its price by 7 percent in September 2008. (See Graphs 9 to 13 and Tables 1 and 2.)

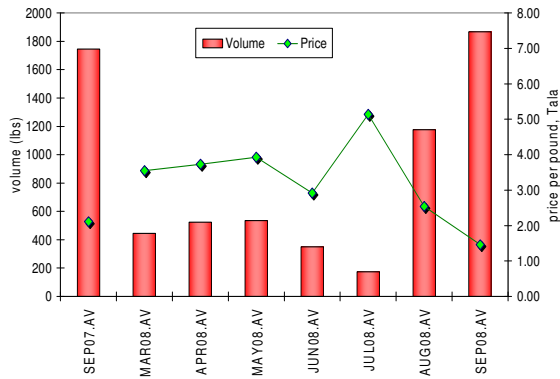
Graph 9
SUPPLY AND PRICES OF H.CABBAGE**



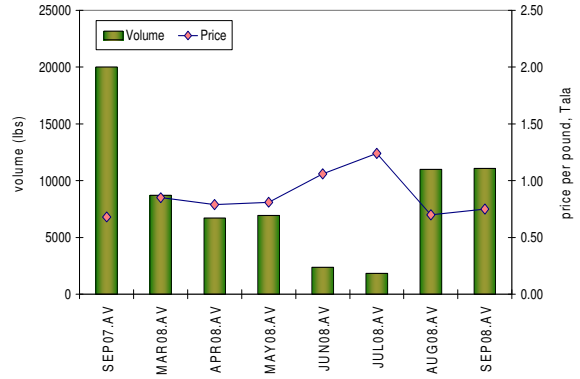
Graph 12
SUPPLY AND PRICE OF CUCUMBER



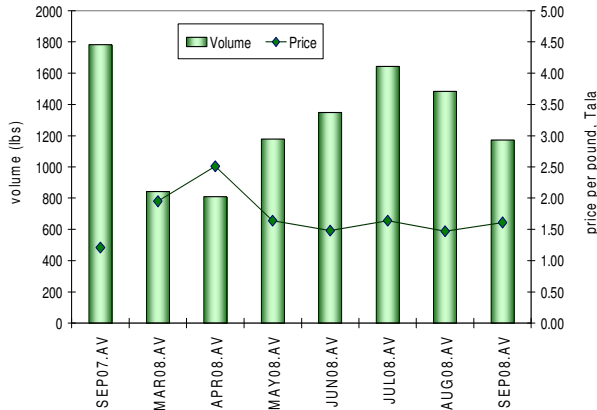
Graph 10
SUPPLY AND PRICE OF TOMATOES**



Graph 13
SUPPLY AND PRICE OF PUMPKIN**

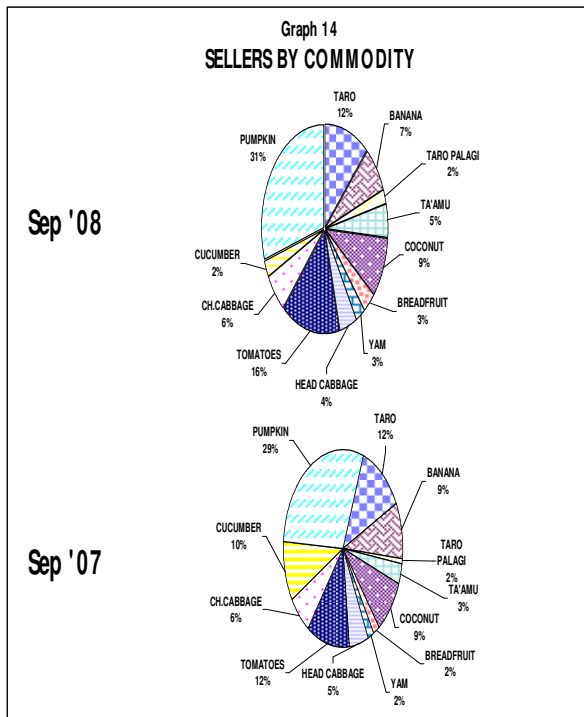


Graph 11
SUPPLY AND PRICE OF CH.CABBAGE**



SELLERS

Corresponding to the drop in overall supply of agricultural produce to the Fugalei Market in September 2008, the number of sellers (at 274) on the days surveyed in the month under review was 13 percent lower than in August 2008. And, when compared to September 2007, the current number of sellers was 22 percent lower reflecting fewer suppliers of most staple crops and vegetable over the year. (See Graph 14 and Table 6)



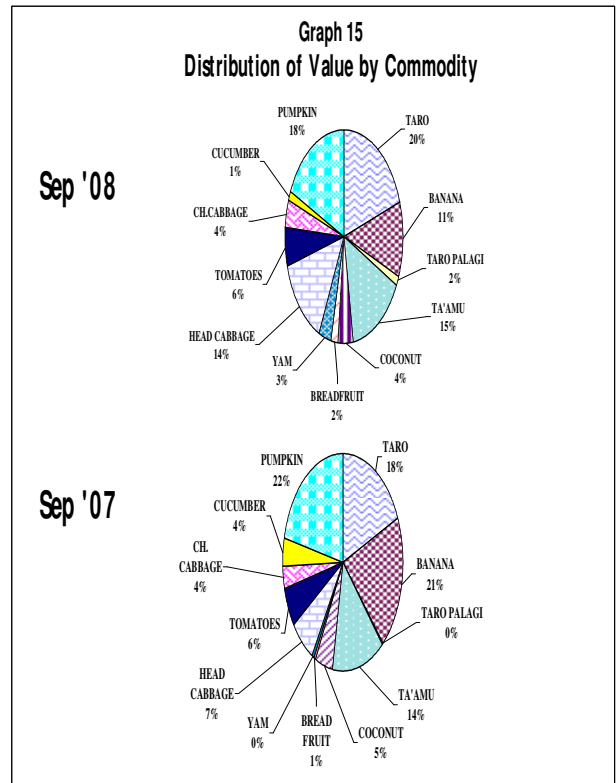
Pumpkin sellers were the largest group with its total decreasing to 82, from 87 in August 2008 and 102 in September 2007. Taro sellers followed with a total of 32, down from 40 in August 2008 and 41 in September 2007. Coconut sellers were third with a total of 26, down from 34 in August 2008 and 31 over a year ago. Banana and Chinese cabbage sellers followed at 20 and 17 suppliers respectively, down from 24 and 21 in August 2008, and 33 and 22 in that order in September 2007. Suppliers of taamu, head cabbage and breadfruit declined to 15, 12 and 9 respectively from 18, 15 and 10 in the previous month and 12, 18 and 6 in that order in September last year. Yam and cucumber sellers edged down to 7 each from 9 and 16 in the previous month and 6 and 34 suppliers in September 2007. On the other hand, tomatoes and taro palagi sellers increased to 42 and 6 from 37 and 5 respectively in the previous month.

VALUE OF SUPPLIES

Reflecting the lower volume in September 2008, the average value of selected produce supplied to the Market decreased 11 percent to \$45,800; a level that was 28 percent lower than the same month last year.

Taro contributed the most to the total value of produce surveyed, with a share of 20 percent, similar to its share of the previous month but higher than 18 percent in September 2007. Pumpkin followed with an 18 percent share that was higher than its contribution in the previous month (15 percent) and lower than a year ago (21 percent). Taamu and head cabbage accounted for 15

percent and 14 percent in the month under review with banana and tomatoes contributing 11 percent and 6 percent respectively. Chinese cabbage and coconut recorded shares of 4 percent each while yam accounted for 3 percent of the total value of supplies in September 2008. Breadfruit and taro palagi contributed 2 percent each while that of cucumber accounted for the remaining 1 percent. (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.

**CENTRAL BANK OF SAMOA
5th November 2008**
