



# SMALLHOLDER MARKET ACCESS TRACKER:

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*Smallholder  
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# HIGHLIGHTS OF OCT - DEC 2020



The purpose of this quarterly publication is to provide estimates of smallholder farmers' participation in National Fresh Produce Markets (NFPMs). These estimates are based on the recommendations of NAMC Section 7 committee report published in 2006. Of specific interest to this report is the recommendation stating that "30% of the volume should be traded through black commission market agents, starting from year 2014". This volume is assumed to be obtained or representing smallholder farmers interaction with the national fresh produce markets system across the country. Data for 17 NFPMs were obtained from South African Union of Food Markets – an official and most reliable source and it covers a period of three month (Oct-Dec, 2020). Over the period, the total volume traded in national fresh produce market was 751 903 metric tons (MT). If the aforesaid target of 30% is applied to this volume, the results show an estimated smallholder farmers' total volume of 219 thousand MT traded in the system, matched by a total turnover of 1.4 billion – which is 37% in Oct, Nov (30%) and Dec (33%). The top 5 NFPMs contributing to total turnover include Johannesburg at R703 million (50%), Tshwane at R304 million (22%), Durban at R143 million (10%), Springs at R48 million (3%) and Bloemfontein at R44 million (3%). This finding implies that Gauteng province had the largest contribution of 75% followed by Kwa-Zulu Natal (12%) and Free State (5%), respectively. Potatoes had the largest contribution at R435 million followed by Tomatoes at R145 million, Bananas at R111 million and Onion at R98 million.

## BACKGROUND



In the context of South Africa, smallholder farmers are described as farmers who consciously undertake farming at different levels of operation for the purpose of household consumption and markets, implying that farming is a source of food security and income. These farmers are usually new entrants aspiring to produce for market at a profit with a maximum annual turnover of up to R5 million.

Smallholder farmers are broadly involved in the production of various commodities such as livestock, field crops and horticulture. The horticultural products – that is fruits and vegetables are collectively known as Fresh produce. The market value chain for fresh produce consists of retail outlets, wholesalers, processors, retailers and National Fresh Produce Markets (NFPMs).

In the NFPMs, there are black commission market agents whose presence is attributed to the NAMC Section 7 committee report published in 2006, and their primary goal is to assist smallholder farmers with market access. However, the lack of data on the specific operations of black commissioned market agents remains a huge challenge towards measuring smallholder market access in NFPMs with precise accuracy. But the South African Union of Food Markets provides an important monthly data on mass, revenue and top trading commodities in 17 NFPMs across the country. This data does permits for the projections of the smallholder market access in these markets, based on the 30% of the total traded volume. This thirty percent volume reflects the national picture of what ought to be smallholder farmers' participation in NFPMs.

Therefore, the report presents the findings of smallholder market participation in South Africa's NFPMs over the period Oct to Dec 2020, using data obtained from South African Union of Food Markets.





# QUARTERLY OVERVIEW



Month	Potatoes	Onion	Tomatoes	Bananas_
Oct	R171 058 247 (23 388)	R33 611 331 (8 060)	R58 739 454 (5 794)	R39 350 874 (4 140)
Nov	R131 857 124 (28 621)	R28 765 496 (19 700)	R41 224 533 (32 523)	R35 038 416 (31 662)
Dec	R132 262 637 (26 743)	R35 917 819 (9 620)	R45 094 941 (6 403)	R36 667 702 (4 617)
<b>Total</b>	<b>R435 178 007 (78 752)</b>	<b>R98 294 645 (37 380)</b>	<b>R145 058 929 (44 720)</b>	<b>R111 056 993 (40 419)</b>

Note. inside parentheses is volume measured in metric tons. Total revenue = R.14 billion. Total volume =219 244 MT.

A total volume of 219 thousand MT was traded in the system, matched by a total turnover of 1.4 billion – which is 37% in Oct, Nov (30%) and Dec (33%).

NFPM	Potatoes	Onion_	Tomatoes	Bananas
BLOEMFONTEIN	R13 859 850,98 (3 271)	R1 847 113,95 (1 542)	R5 297 735,26 (2 995)	R4 731 237,21 (2 747)
DURBAN	R40 231 246,31 (6 434)	R14 679 657,96 (3 710)	R14 487 725,40 (3 425)	R15 114 350,70 (3 491)
EAST LONDEN	R13 997 829,41 (3 369)	R3 007 002,33 (1 813)	R1 882 156,86 (2 196)	R7 269 357,00 (3 159)
GEORGE	R1 867 347,90 (1 906)	R186 522,00 (1 442)	R16 054,50 (3 729)	R0,00 (0.00)
JOHANNESBURG	R194 074 816,20 (25 250)	R51 006 955,50 (10 498)	R80 267 931,30 (8 972)	R38 502 969,30 (5 330)
KIMBERLEY	R766 848,60 (2 163)	R174 469,50 (1 247)	R1 296 339,60 (2 370)	R14 071,50 (2 987)
KLERKSDORP	R15 177 406,35 (3 442)	R1 239 937,32 (1 402)	R3 907 465,05 (2 894)	R3 025 289,85 (2 501)
MPUMULANGA	R3 986 349,90 (2 355)	R472 206,00 (1 171)	R122 839,50 (895)	R9 537,00 (-)
NELSPRUIT	R1 417 967,40 (2 252)	R204 657,90 (884)	R0,00 (0.00)	R0,00 (0.00)
PIETERMARITZBURG	R10 066 270,86 (2 907)	R1 793 111,16 (1 470)	R1 192 663,20 (2 402)	R4 014 846,90 (2 779)
PORT ELIZABETH	R8 909 480,09 (2 899)	R2 144 166,41 (1 607)	R2 516 080,20 (2 527)	R4 634 708,40 (3 393)
SPRINGS	R22 918 147,56 (4 195)	R2 386 580,87 (1 507)	R5 155 877,02 (2 237)	R4 390 603,32 (2 387)
TSHWANE	R91 639 881,17 (12 214)	R17 456 485,93 (4 343)	R25 333 935,39 (4 196)	R27 851 946,37(4 477)

NFPM	Potatoes	Onion_	Tomatoes	Bananas
UMTATA	R73 205,40 (20)	R170 821,20 (1 270)	R4 202,40 (1)	R0,00 (0.00)
VEREENIGING	R2 905 313,10 (1 997)	R238 221,60 (1 063)	R131 199,00 (1 297)	R281 182,20 (2 299)
WELKOM	R10 446 136,30 (2 987)	R1 019 662,50 (1 393)	R3 323 389,32 (2 942)	R1 114 077,90 (2 631)
WITBANK	R2 839 909,80 (2 093)	R267 073,26 (1 021)	R123 334,71 (1 640))	R102 814,95 (2 239)

Note. inside parentheses is volume measured in metric tons.

The top 5 NFPMs contributing to total turnover include Johannesburg at R703 million (50%), Tshwane at R304 million (22%), Durban at R143 million (10%), Springs at R48 million (3%) and Bloemfontein at R44 million (3%). This finding implies that Gauteng province had to largest contribution of 75% followed by Kwa-Zulu Natal (12%) and Free State (5%), respectively (see table 2)

## MONTH TO MONTH ANALYSIS



For the month of October, the estimated total volume traded by smallholder farmers was 69 thousand MT which realised a turnover of R519 million. Potatoes led the top list of traded agricultural commodities with a total volume of 23 thousand MT and revenue at R171 million followed by tomatoes at R58 million (5 794 MT), Bananas at R39 million (4 140 MT) and Onion at R33 million (8 060 MT).

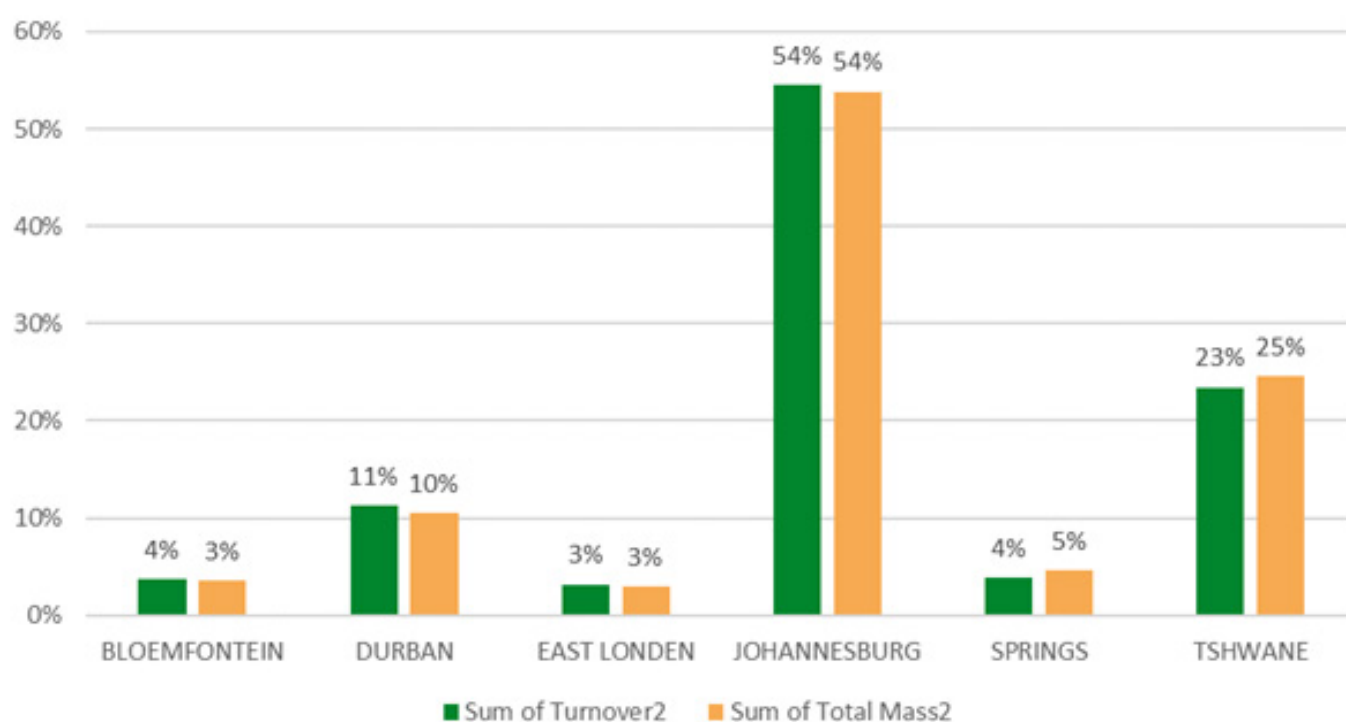
Gauteng province had the largest contribution to the total turnover estimated at R402 myillion (78%), due to high number of active NFPMs, followed by Kwa-Zulu Natal at R55 million (11%) – accounting for Durban and Pietermaritzburg NFPMs, Free State (R22 million)-represented by Bloemfontein NFPM, Eastern Cape at R20 million (4%) – a joint contribution of East London, Port Elizabeth and Umtata NFPMs, and North West (R12 million), respectively (see figure 1). The rest of the contribution came from Mpumalanga, Northern Cape and Western Cape.

Province	Turnover	Mass	% Turnover	%Mass
EC	R20 384 321	2 553	4%	4%
FS	R22 439 151	2 936	4%	4%
GP	R402 754 826	53 549	78%	77%
KZN	R55 686 927	7 753	11%	11%
MP	R3 437 667	516	1%	1%
NC	R1 046 227	145	0%	0%
NW	R12 694 773	1 804	2%	3%
WC	R745 252	102	0%	0%
<b>Total</b>	<b>R519 189 143</b>	<b>69 356</b>	<b>100%</b>	<b>100%</b>



In November, total traded volume increased by 317 MT compared to the previous month, while the total revenue declined to R426 million. Potatoes commanded the top list of traded agricultural commodities with a total volume of 28 thousand MT and revenue at R131 million followed by tomatoes at R41 million (32 523 MT), Bananas at R35 million (31 662 MT) and Onion at R28 million (19 700 MT).

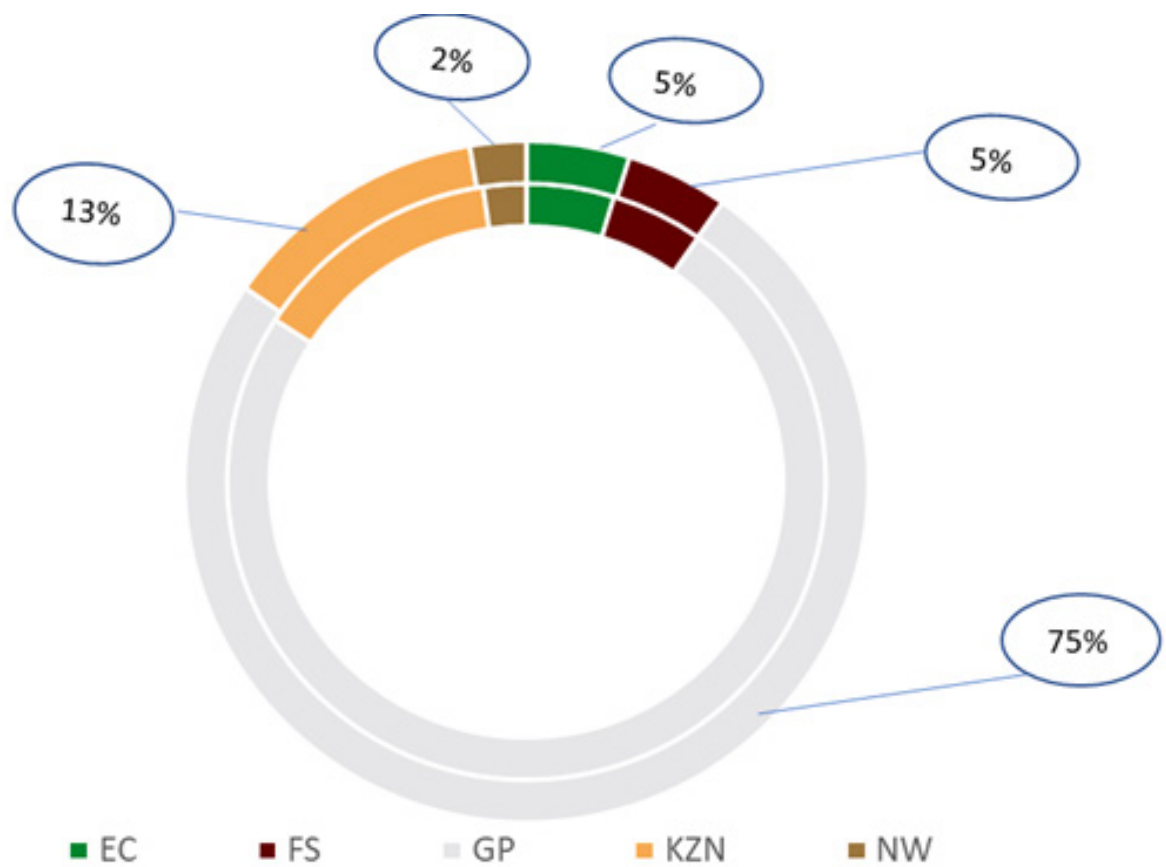
Gauteng province had the largest contribution to the total turnover estimated at R318 million (75%), due to high number of active NFPMs, followed by Kwa-Zulu Natal at R51 million (12%) – accounting for Durban and Pietermaritzburg NFPMs, Free State (R21 million)-represented by Bloemfontein NFPM, Eastern Cape at R19 million (5%) – a joint contribution of East London, Port Elizabeth and Umtata NFPMs, and North West (R10 million), respectively (see figure 2). The rest of the contribution came from Mpumalanga, Northern Cape and Western Cape.



**Figure 1: Estimated total revenue and volume for smallholder farmers by NFPM in Nov**

The month of Dec show significant improvement in both total volume traded and revenue by 10 542 MT and R37 million. This was expected given that the month falls within the festive season where the demand for food turns to be high. Topping the list of traded agricultural commodities were potatoes with a total volume of 26 thousand MT and revenue at R132 million followed by tomatoes at R45 million (6 403 MT), Bananas at R36 million (4 617 MT) and Onion at R35 million (9 620 MT). One important observation is that volume declined compared to the previous month, owing to the country being placed under level 3 lockdown regulations of Covid-19, thereby constraining the delivery of fresh produce to various NFPMs.

Gauteng province had the largest contribution to the total turnover estimated at R340 million (73%), due to high number of active NFPMs, followed by Kwa-Zulu Natal at R61 million (13%) – accounting for Durban and Pietermaritzburg NFPMs, Free State at R22 million (5%)-represented by Bloemfontein NFPM, Eastern Cape at R21 million (5%) – a joint contribution of East London, Port Elizabeth and Umtata NFPMs, and North-West at R10 million (3%), respectively (see figure 3). The rest of the contribution came from Mpumalanga, Northern Cape and Western Cape.



**Figure 2:** Estimated total revenue and volume for smallholder farmers by province in Nov



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