SMALLHOLDER MARKET ACCESS ESTIMATES

AUGUST 2021

National Agricultural Marketing Council

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1. BACKGROUND

This report provides an ideal performance of smallholder farmers in Fresh Produce Market System in South Africa in August 2021. This performance is measured by a recommendation of the NAMC's Section 7 committee report on fresh produce markets, which states that "30% of the volume traded in fresh produce markets should be through black commission market agents, starting from the year 2014.The report covers 18 fresh produce markets spread across eight provinces and is limited to the top significant commodities traded in the system. These include Potatoes, Onions, Tomatoes, and Bananas. Monthly data for these commodities were obtained from the South African Union of Food Markets (SAUFM).

2. OVERVIEW OF THE MONTH – AUG: 21

In August 2021 the total mass traded from the fresh produce market system was 269 017 metric tons (MT), generating a total revenue of R1.49 billion (see table 1). This indicates 19% (42 416 MT) and 3% (R44 million) growth compared to the same month during the previous year. The growth of revenue and mass was expected given the country's rising population on yearly-basis. On the other hand, this is indicative of the increasing role of fresh produce market system on food security.

Table 1: Summary of fresh produce market statistics, August 2021

Commodity	Revenue	Mass
Total	1 49 520 125	269 017
Potatoes	442 569 233	81 867
Onions	114 276 044	33 266
Tomatoes	148 895 993	27 520
Bananas	130 728 283	18 892
Other vegetables	327 767 884	59 460
Other fruits	331 282 689	48 012

Source: South African Union of Food Markets (2021).

Potatoes had a total mass of 81 867 MT indicating a growth of 12% compared to the same month in the previous year. Their revenue grew by 7% (R30 million) during the same period. The total mass for onions grew by 17% but the revenue declined by 13%. Tomatoes had a total mass of 27 520 MT matched by total revenue of R148 million, indicating 32% and 1% increase in mass and 1% revenue, respectively. Bananas showed a growth of 29% and 19% for both mass and revenue, respectively. Other vegetables traded in the system recorded an increase of 22%% and 0.63% for both mass and revenue, respectively. Other fruits recorded an increase of 16% in total mass and increase of 3% in total revenue.

3. ESTIMATED SHARE OF SMALLHOLDER FARMERS

The estimates are based on recommendations of the NAMC Section 7 committee report published in 2006. Of specific interest to this report is the recommendation which states that "30% of the volume traded in fresh produce markets should be through black commission market agents, starting from the year 2014". This volume is assumed to be obtained or representing the share of smallholder farmers in the national fresh produce markets system.

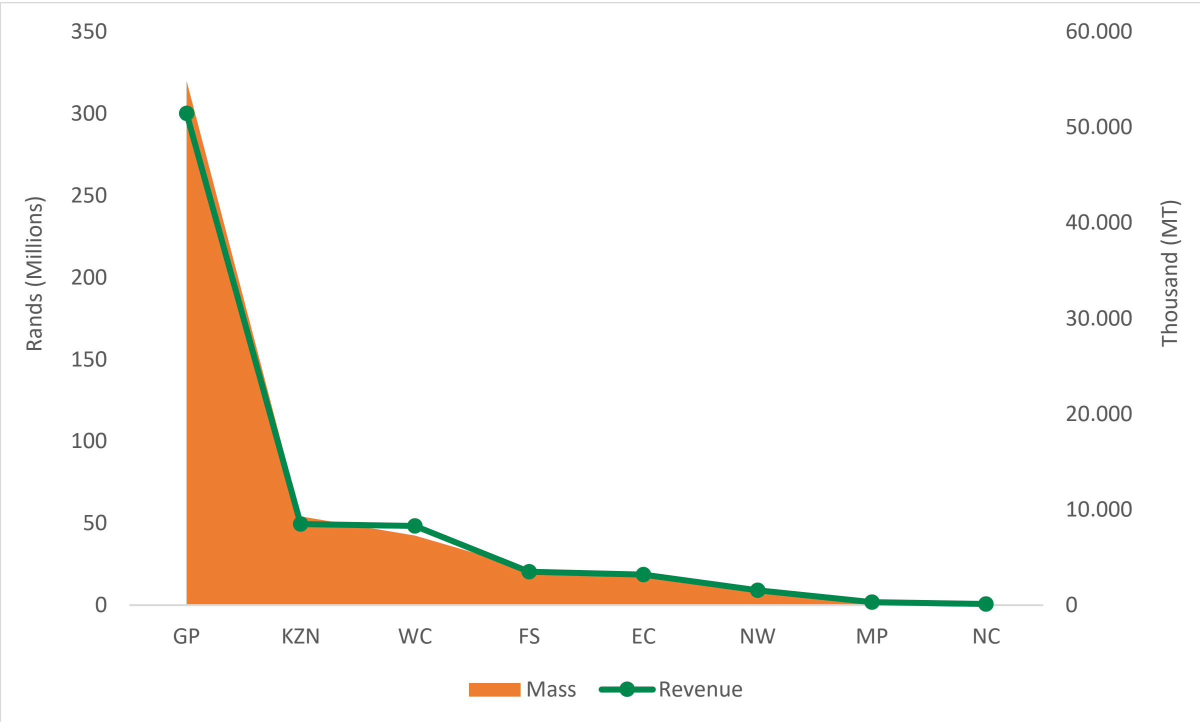

Figure 1: Summary of estimated share of smallholder farmers in different provinces by revenue and mass.

For the entire month, the ideal smallholder farmer 30% market share was estimated at 80 705 MT and R448 million, respectively. This implies that at provincial level Gauteng province was leading at 54 856 MT matched by a revenue of R300 million (See figure 1). This was followed KZN at 9 273 MT (R49 million), WC at 7 283 MT (R48 million), Free State at 3 790 (R18 million) and Eastern Cape at 3 141 MT (R18 million). The Northern Cape province had the lowest share of smallholder farmers over the period under review.

3.1 POTATOES

Potatoes remain the largest traded agricultural product in the fresh produce market system in South Africa. The highest market share of smallholder farmers in potatoes was observed in Gauteng province at R85 million matched by total mass of 16 194 MT (see table 2). This was followed by KZN (R15 million, 2 816 MT), WC (R13 million, 2 145 MT), Free state (R6.7 million, 1 257 MT) and EC (R6.9 million, 1 167 MT). The least contributing provinces to the share of smallholder farmers were NW at R3 million (714 MT), Mpumalanga at R1.3 million (255 MT) and NC at R66 178 (12 MT), respectively. The overall share in potatoes was R132 million (24 560 MT).

Table 2: Summary of estimated share of smallholder farmers in potatoes at provincial level, August 2021

Province	Revenue	Mass
GP	R85 412 401	16 194
KZN	R15 111 246	2 816
WC	R13 246 112	2 145
FS	R6 984 844	1 257
EC	R6 784 358	1 167
NW	R3 817 732	714
MP	R1 347 899	255
NC	R66 178	12

Source: South African Union of Food Markets (2021).

Figure 2 shows the potatoes estimated share of smallholder farmers in the top 10 markets. Johannesburg led at 10 056 MT (41%), followed by Tshwane (4 580 MT), Durban (2 105 MT), Cape town (2 079 MT), and Springs (1 332 MT), respectively. Other markets in the top ten included East London, Klerksdorp, Pietermaritzburg, Bloemfontein and Welkom. Markets commanding the least share in potatoes were Kimberley (12 MT) and Umtata (6 MT), respectively.

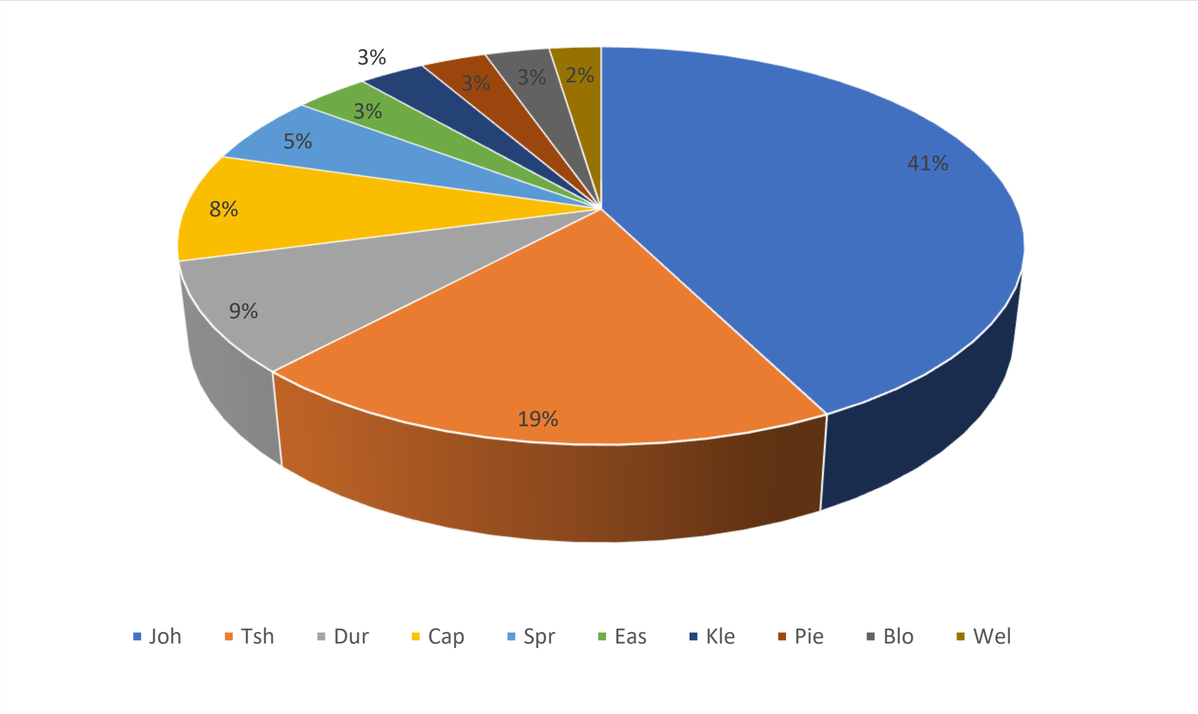

Figure 2: Estimated share in markets by potatoes (mass).

Source: South African Union of Food Markets (2021).

The estimated share by revenue in potatoes for top 10 markets is presented in figure 3. Similar to figure 1, the Johannesburg led at R53 million (40%), followed by Tshwane (R24 million), Cape town (R12 million), Durban (R11 million) and Springs (R6 million), respectively. Other markets in the top ten included East London (4%), Bloemfontein (3%), Klerksdorp (3%), Pietermaritzburg (3%) and Welkom (2%). Markets commanding the least share in potatoes were Kimberley (R66 178) and Umtata (R29 020), respectively.

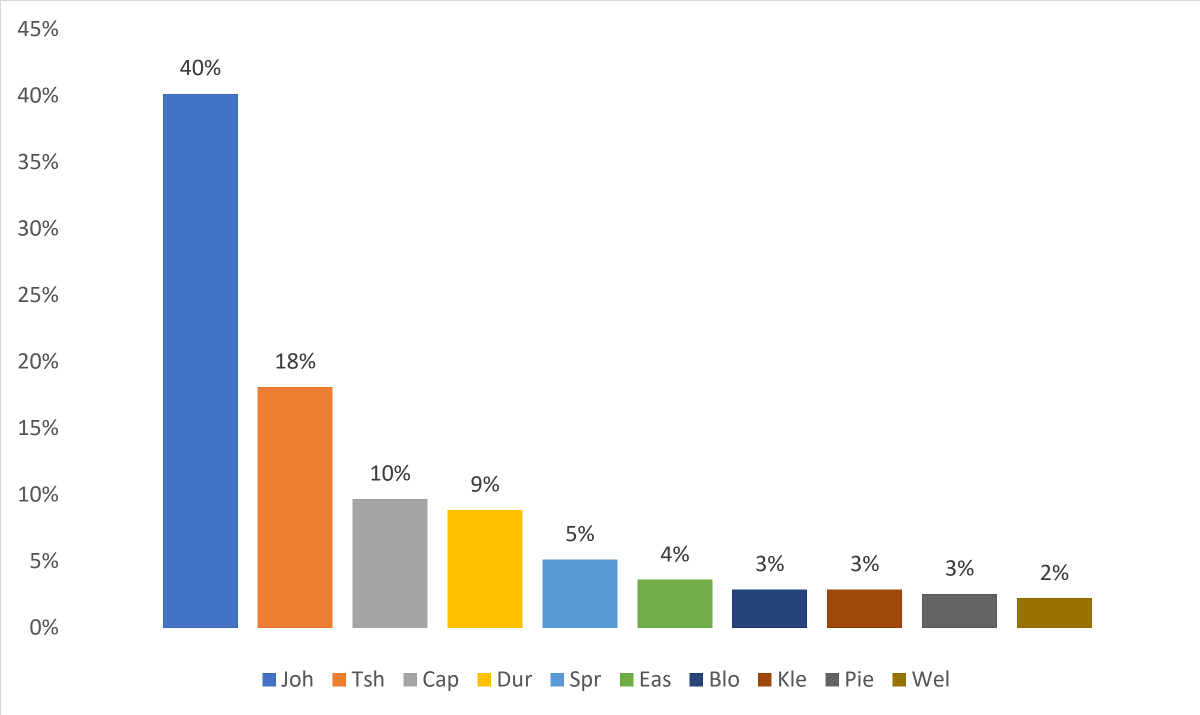

Figure 3: **Estimated share in markets by potatoes (revenue).**

Source: South African Union of Food Markets (2021).

3.2 ONIONS

Table 3 presents onions estimated share of smallholder farmers in eight provinces. Gauteng was the leading province with revenue of 65% matched by mass of 71%, followed by Kwa-Zulu Natal at 13% (revenue) and 12% (mass), Western Cape at 10% (8%), Eastern Cape at 6% (4%) and Free State at 4% (3%).

Mpumalanga (R136 680) and Northern Cape (R73 475) had the lowest share respectively. The overall, share was R34 million and 9 980 MT.

Table 3: Summary of estimated share of smallholder farmers in onions at provincial level, August 2021

Province	Revenue	Mass
GP	R22 252 533	7 036
KZN	R4 549 320	1 181
WC	R3 488 780	828
EC	R2 036 245	426
FS	R1 284 189	315
NW	R461 592	129
MP	R136 680	44
NC	R73 475	20

Source: South African Union of Food Markets (2021).

Onions were the second largest traded commodity in fresh produce market in August 2021. The Johannesburg market commanded the largest share of smallholder farmers at 5 128 MT (see figure 4).

Followed by Tshwane at 1 605 MT), Durban 1 034 MT), Cape town (827 MT), Springs (269 MT) and East London (251 MT). Markets with the least share include Nelspruit (100 MT) and George (6 MT), respectively.

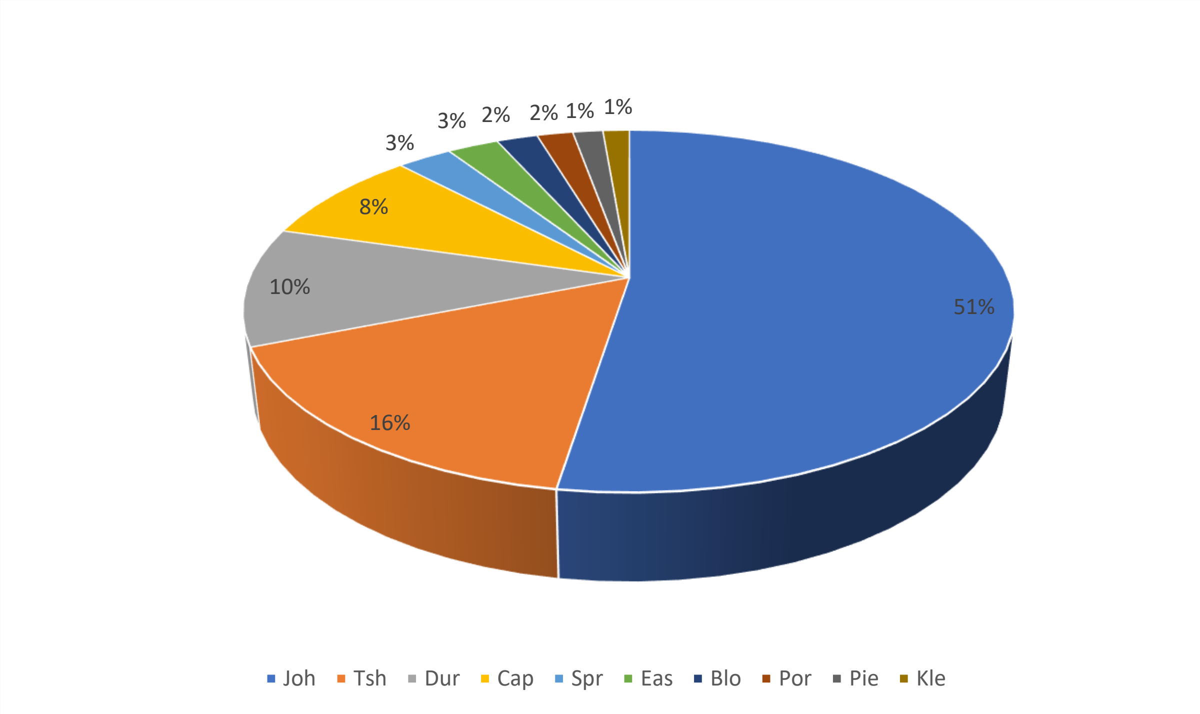

Figure 4: Estimated share in markets by onions (mass).

Source: South African Union of Food Markets (2021).

The estimated share of smallholder farmers by revenue in onions in top 10 markets, measured in percentages is presented in figure 5. Leading the list of the top10 markets was Johannesburg at 43% (R16 million) followed by Tshwane at 16% (R5 million), Durban at 12% (R4 million), Cape town at 10% (R3 million and East London at 4% (R1 million).

Other markets (Springs, Port Elizabeth, Bloemfontein and Pietermaritzburg) had the same share at 2%. Welkom had the lowest share at 1% (R472 904) among the top ten markets.

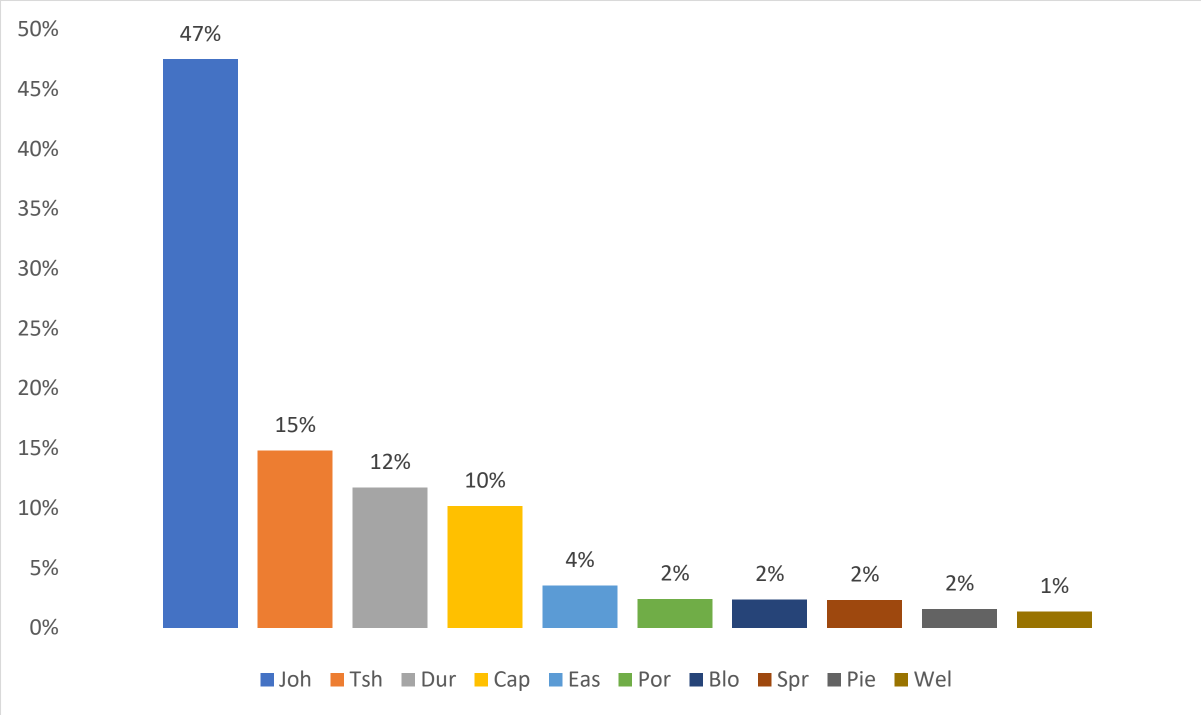

Figure 5: Estimated share in markets by onions (revenue).

Source: South African Union of Food Markets (2021).

3.3 TOMATOES

Table 4 presents tomatoes estimated share of smallholder farmers in eight provinces of South Africa. Gauteng was the leading province with revenue of 65% matched by mass of 66%, followed by Kwa-Zulu Natal at 10% revenue and 11% mass, Free State at 5% (4%), Eastern Cape at 4% (3%) and North West at 2% (revenue and mass).

Mpumalanga (R114 252) and Northern Cape (R252 127) had the lowest share. The overall, share was R44 million and 8 256 MT.

Table 4: Summary of estimated share of smallholder farmers in tomatoes at provincial level, August 2021

Province	Revenue	Mass
GP	R29 255 473	5 452
WC	R6 097 386	1 115
KZN	R4 307 673	876
FS	R2 376 514	368
EC	R1 353 574	213
NW	R911 799	166
NC	R252 127	43
MP	R114 252	24

Source: South African Union of Food Markets (2021).

Tomatoes were the third largest traded commodity in fresh produce market in August 2021. The Johannesburg market commanded the largest share of smallholder farmers at R19 million matched by 3 617 MT (see figure 6).

Followed by Tshwane at R7 million (1 480 MT), Cape town at R6 million (1 115 MT), Durban at R3 million (794 MT), Springs at R1 million (335 MT) and Bloemfontein at R734 865 million (227 MT). Markets with the least share include George and Kimberley respectively. No trading data was reported for Nelspruit, Umtata and Mpumalanga during the month under review.

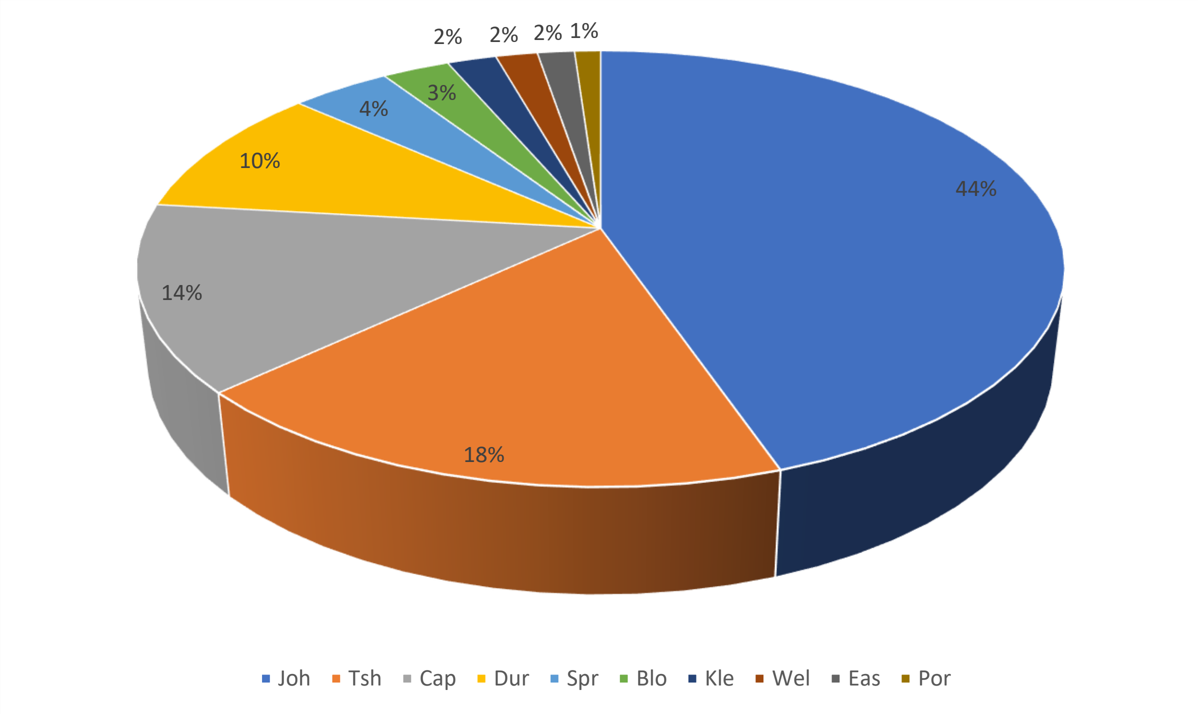

Figure 6: Estimated share in markets by tomatoes (mass).

Source: South African Union of Food Markets (2021).

The estimated share of smallholder farmers by revenue in tomatoes for top 10 markets, measured in percentages is presented in figure 7. Leading the list of the top10 markets was Johannesburg at 45% (R19 million, Tshwane at 17% (R7 million), Cape town at 14% (R6 million), Durban at 9% (R3 million) and Springs at 4% (R1 million. Other markets (Klerksdorp, Welkom and East London) had the same share at 2%. Port Elizabeth fresh produce market had the lost share among the top ten at 1% (R618 708).

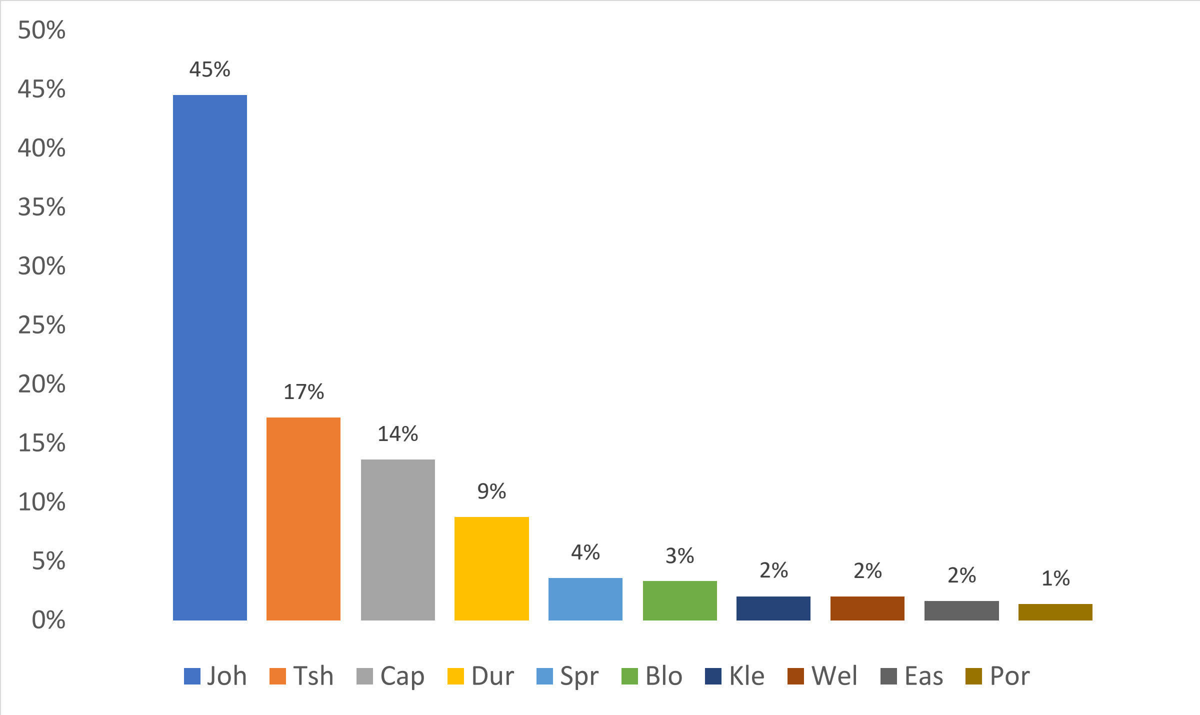

Figure 7: Estimated share in markets by tomatoes (revenue).

Source: South African Union of Food Markets (2021).

3.4 BANANAS

Table 5 presents bananas estimated share of smallholder farmers in eight provinces of South Africa. Gauteng was the leading province with revenue of 54% matched by mass of 56%, followed by Kwa-Zulu Natal at 16% revenue and 17% mass, Western Cape at 13% (12%), Eastern Cape at 9% (8%) and Free State at 2% (revenue and mass). Mpumalanga (R81 473) had the lowest share. The overall, share was R39 million and 5 668 MT.

Table 5: Summary of estimated share of smallholder farmers in bananas at provincial level, August 2021

Province	Revenue	Mass
GP	R21 363 599	3 196
KZN	R6 169 760	945
WC	R5 291 768	683
EC	R3 468 512	426
FS	R2 040 501	279
NW	R802 872	127
MP	R81 473	12

Source: South African Union of Food Markets (2021).

Bananas were the largest agricultural product traded in fresh produce market system in august 2021. The Johannesburg market commanded the largest share of smallholder farmers at 30% (1 686 MT) (see figure 8).

Followed by Tshwane at 22% (1 258 MT), Durban at 13% (726 MT), Cape town at 12% (683 MT) and East London at 5% (277 MT). Other markets (Springs, Pietermaritzburg and Bloemfontein) had the same share at 4%. Among the top ten markets, Klerksdorp fresh produce market commanded the least share of smallholder farmers at 2% (127 MT).

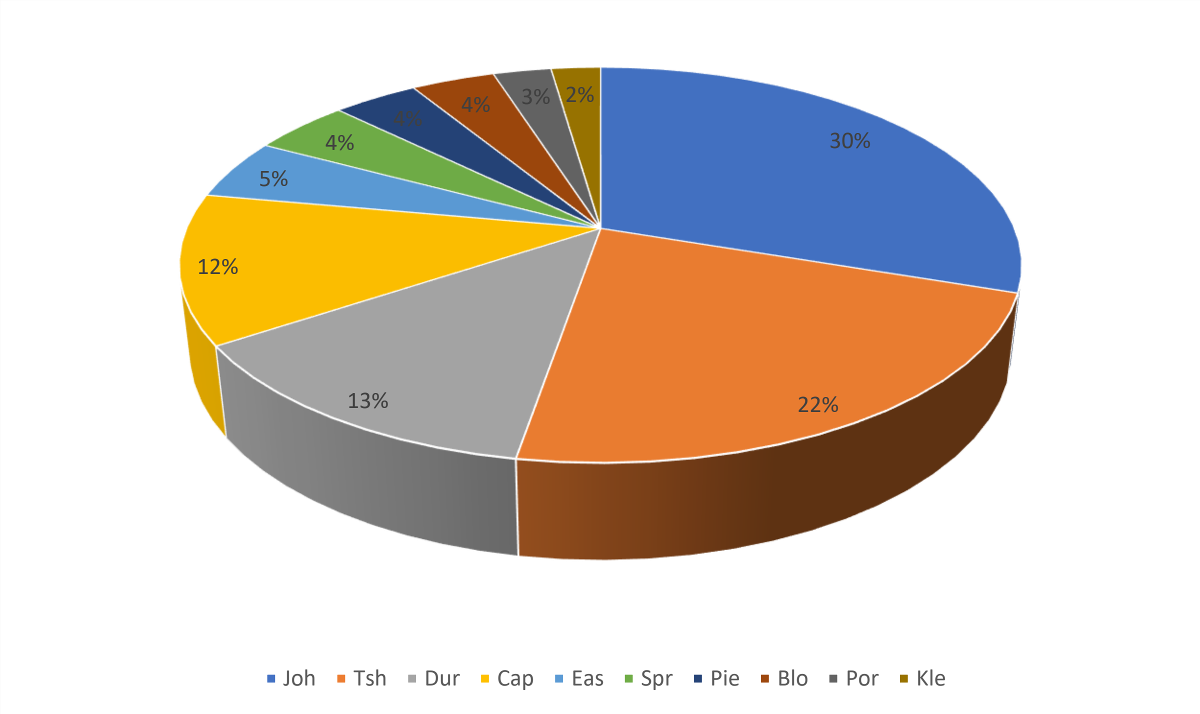

Figure 8: Estimated share in markets by banana (mass).

Source: South African Union of Food Markets (2021).

The estimated share of smallholder farmers by revenue in bananas for top 10 markets, measured in percentages is presented in figure 9. Leading the list of the top10 markets was Johannesburg at 29% (R11 million), Tshwane at 22% (R8 million), Cape town at 13% (R5 million), Durban at 12% (R4 million) and East London at 5% (R2 million). Other markets (Springs and Bloemfontein were at 4% whereas Port Elizabeth and Pietermaritzburg were at 3%. Among the top ten Klerksdorp fresh produce market had the least share at 2% (R802 872)

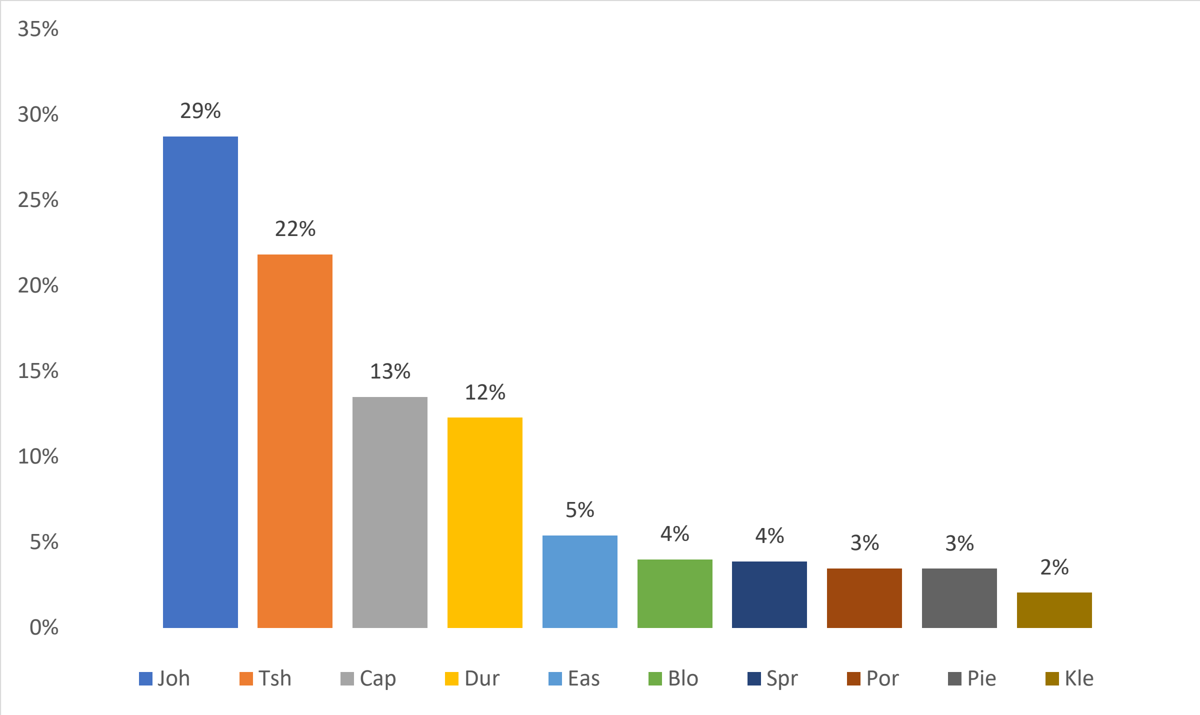

Figure 9: Estimated share in markets by tomatoes (revenue).

Source: South African Union of Food Markets (2021).

3.5 OTHER VEGETABLES

Table 6 presents the other vegetables estimated share of smallholder farmers in eight provinces in South Africa. Gauteng was the leading province with revenue of 72% matched by mass of 74%, followed by Western cape at 13% revenue and 9% mass, Kwa-Zulu Natal at 6% revenue and 7% mass, Free State at 3% (5%), Eastern Cape at 3% for both revenue and mass, and North West at 1% (2%).

Northern Cape (R162 384; 47 MT) and Mpumalanga (R146 722; 45 MT) had the lowest share, respectively. But the overall, share of smallholder farmers in other vegetables in august 2021 was R98 million and 17 838 MT.

Table 6: Summary of estimated share of smallholder farmers in other vegetables at provincial level, August 2021

Province	Revenue	Mass
GP	71 155 777	13 154
WC	12 973 235	1 556
KZN	6 230 008	1 222
FS	3 328 004	825
EC	2 901 408	601
NW	1 432 827	387
NC	162 384	47
MP	146 722	45

Source: South African Union of Food Markets (2021).

A significant number of other vegetables were traded in various fresh produce markets in August 2021. The Johannesburg market commanded the largest share at 48% (8 611 MT) (see figure 10). Followed by Tshwane at 22% (3 988 MT), Cape town at 9% (1 546 MT), Durban at 6% (1 070 MT), Bloemfontein and Springs at 3% (565 MT, 500 MT). Klerksdorp and East London had the same share at 2%. Port Elizabeth and Welkom commanded the lowest share of smallholder farmers among the top ten markets.

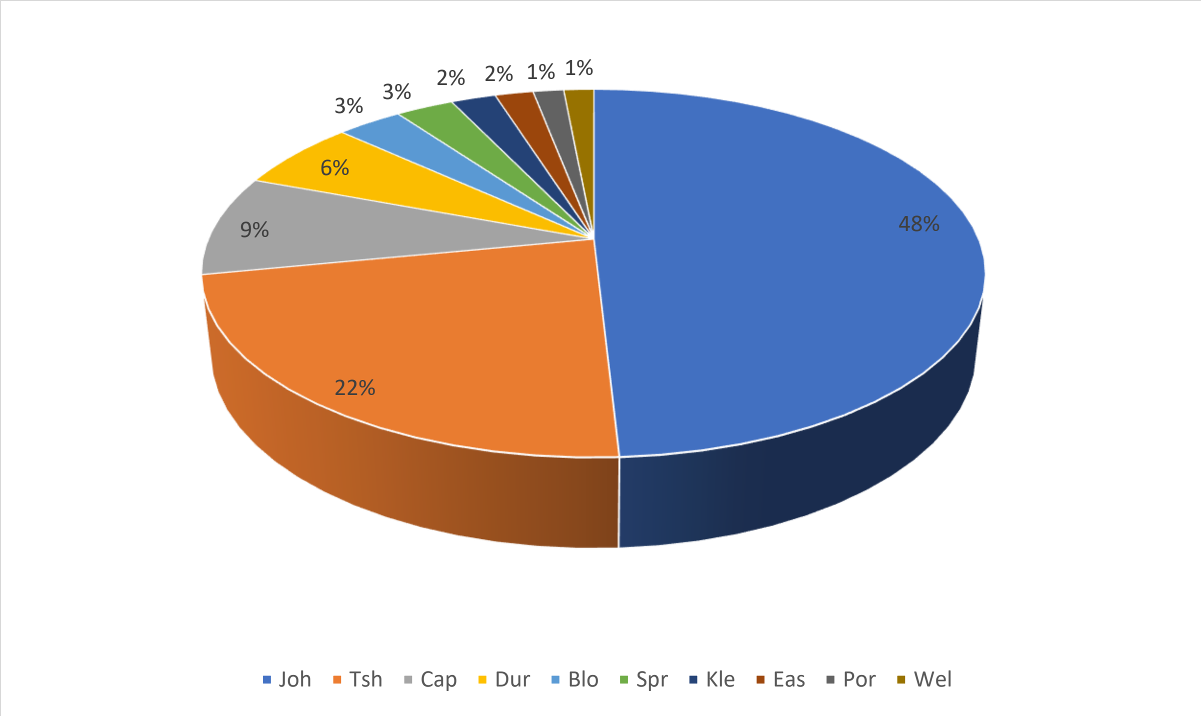

Figure 10: Estimated share in markets by other vegetables (mass).

Source: South African Union of Food Markets (2021).

The estimated share of smallholder farmers by revenue in other vegetables for top 10 markets, measured in per-centages is presented in figure 11. Leading the list of the top10 markets was Johannesburg at 52% (R50 million), Tshwane at 19% (R18 million), Cape town 13% (R12 million), Durban at 6% (R5 million) and East London at 2% (R1.7 million), Other markets (Bloemfontein and Springs) had the same share at 2%. Markets commanding the least share of smallholder farmers among the top ten were Port Elizabeth, Pietermaritzburg and Klerksdorp, respectively.

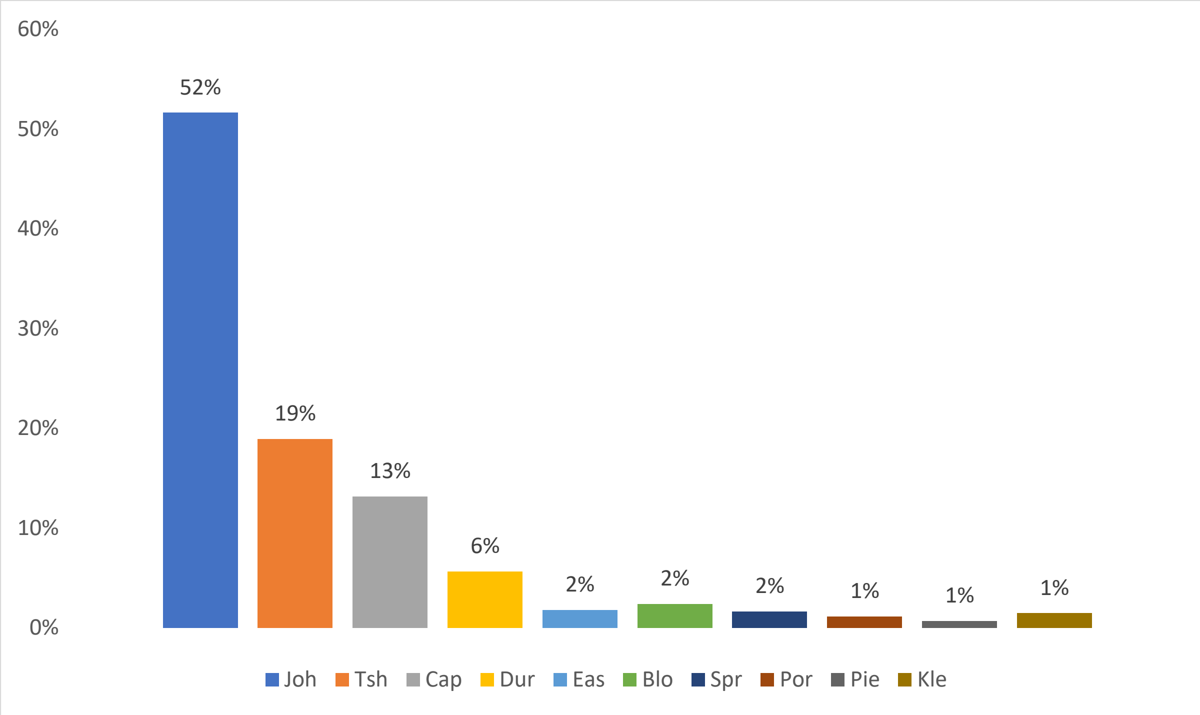

Figure 11: Estimated share in markets by other vegetables (revenue. Source: South African Union of Food Markets (2021).

3.6 OTHER FRUITS

Table 7 presents the other fruits estimated share of smallholder farmers in eight provinces in South Africa. Gauteng province was leading with a revenue of 71% and 68% mass, followed by Kwa-Zulu Natal at 13% and 15%, Western Cape at 7% (revenue and mass), Free State at 5% for both revenue and mass; Eastern Cape also at 2% for both revenue and mass, and similarly to the North West at 2%.

Northern Cape (R129 134) and Mpumalanga (R85 025) had the lowest share matched by 20 MT and 16 MT, respectively.

Table 7: Summary of estimated share of smallholder farmers in other fruits at provincial level, August 2021

Province	Revenue	Mass
GP	70 634 613	9 828
KZN	13 119 502	2 232
WC	7 259 386	954
FS	4 564 829	746
EC	1 913 313	308
NW	1 679 004	299
NC	129 134	20
MP	85 025	16

Source: South African Union of Food Markets (2021).

A substantial number of other fruits were traded in various fresh produce markets in August 2021. The Johannesburg market commanded the largest share of smallholder farmers at 46% (6 691 MT) (see figure 12). Followed by Tshwane at 18% (2 579 MT), Durban at 13% (1 814 MT), Cape town at 7% (954 MT) and Springs at 4% (523 MT). Bloemfontein was at 3% (472 MT). Markets commanding the least share of smallholder farmers among the top ten fresh produce markets were Klerksdorp, Welkom and East London at 2%

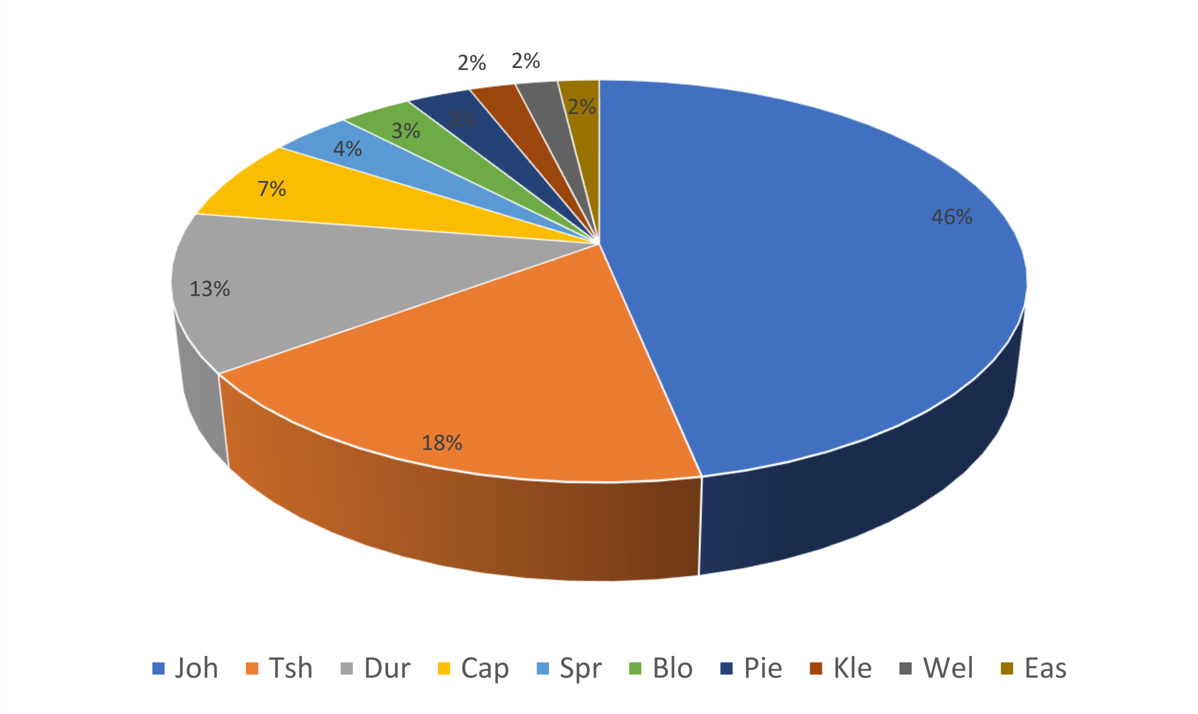

Figure 12: Estimated share in markets by other fruits (mass).

Source: South African Union of Food Markets (2021).

The estimated share by revenue in other vegetables for top 10 markets, measured in percentages is presented in figure 13. Leading the list of the top 10 markets was Johannesburg at 49% (R48 million), Tshwane at 19% (R18 million), Durban at 11% (R10 million) (9%), Cape town at 7% (R7 million), Springs and Bloemfontein at 3% translated as R3.22 million and R3.20 million, respectively. Pietermaritzburg, Klerksdorp and East London had the same share at 2%. Welkom had the lowest share (R1.67 million) of smallholder farmers among the top ten fresh produce markets.

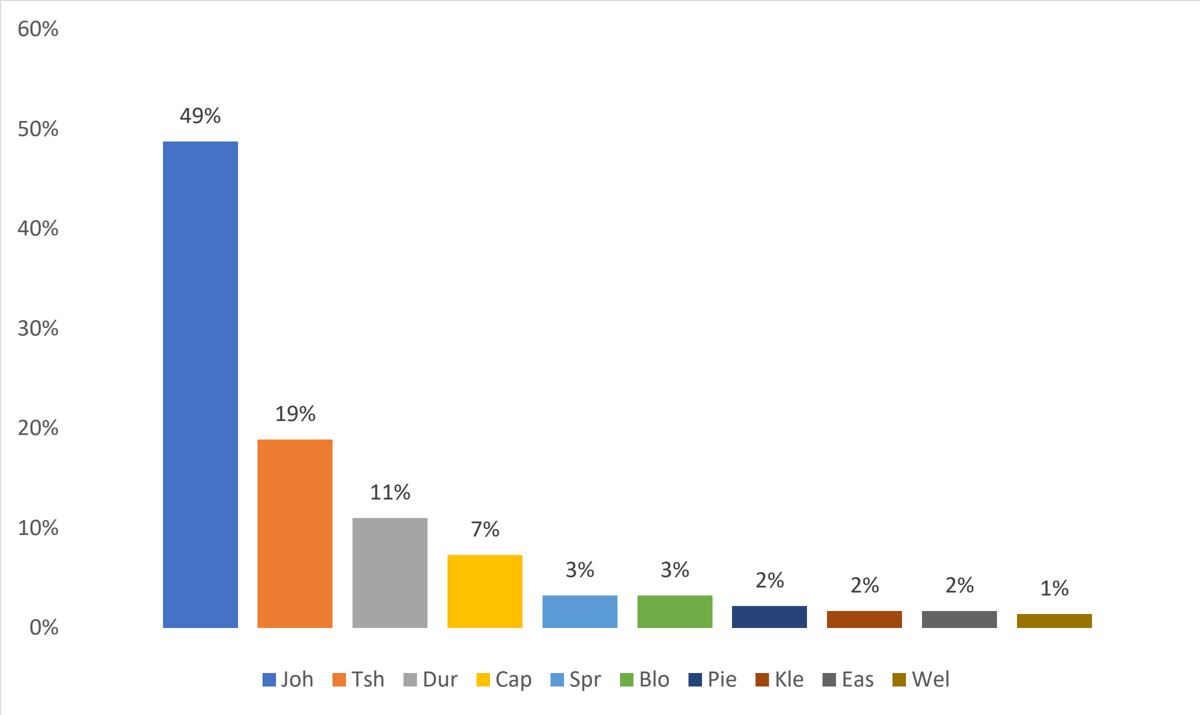

Figure 13: Estimated share in markets by other fruits (revenue).

Source: South African Union of Food Markets (2021).

3.7 PRICE

Figure 14 presents the cumulative prices for top four agricultural commodities traded in fresh produce markets in August 2021. It is clear from the figure that bananas had the highest average price per ton, especially in Bloemfontein, Springs and Cape town. Tomatoes had higher price per ton in aforesaid markets including Klerksdorp and Port Elizabeth. Onions had the lowest prices per tons over the month under review.

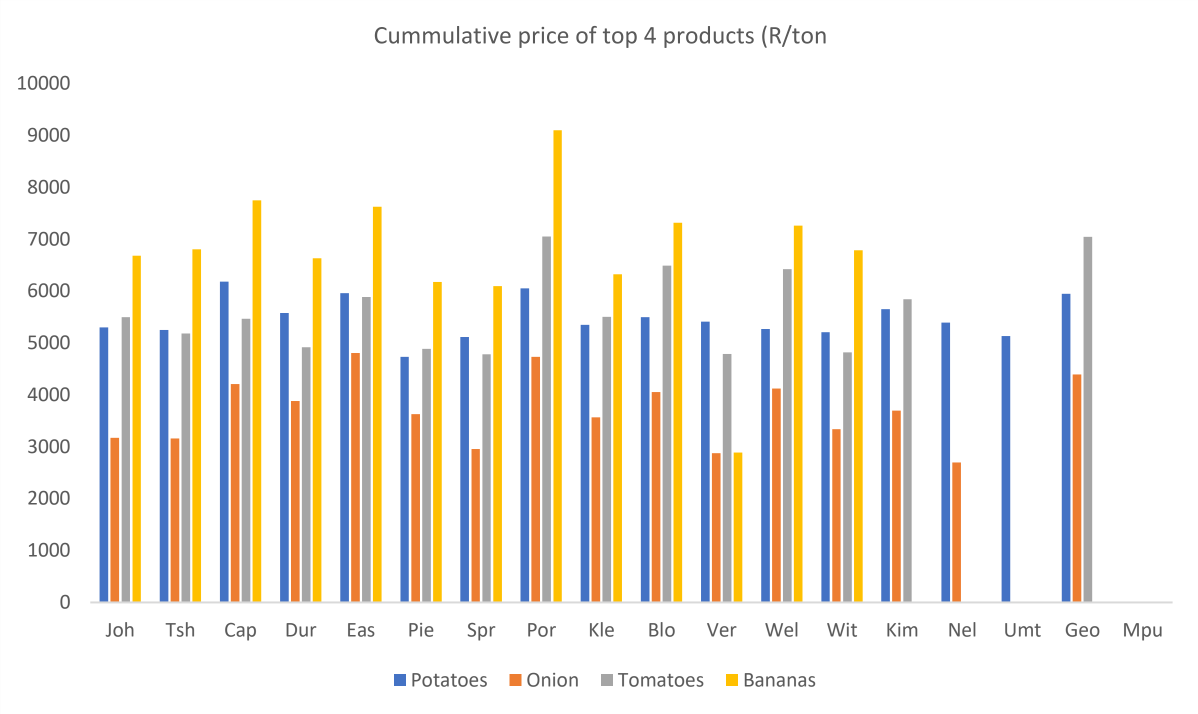

Figure 14: Price trends for top 4 commodities

Source: South African Union of Food Markets (2021).

4. CONCLUSION

The fresh produce market system remains an important platform to facilitate access to market for smallholder farmers in South Africa. This participation can be realised by trading different agricultural products in large volumes. But the most profitable products include potatoes, onions, tomatoes and bananas. This market system has remained resilient despite the shocks such as Covid-19 and unrests that affected Gauteng and Kwa-Zulu Natal provinces.

The results of the estimated share of smallholder farmers in fresh produce markets suggest great potential for smallholder farmers to contribute to food security, employment creation and alleviation of poverty. It also implies greater scope for further establishment of black-market agents.

Therefore, the report recommends for close collaboration among different role players in fresh produce market value chain to increase market access for all participants especially for black smallholder farmers. The Comprehensive Agricultural Support Programme (CASP) and

Agri-Bee Funding should be extended to fresh produce market system for establishment of black-market agents whose sole purpose would include linking smallholder farmers to fresh produce markets in South Africa.

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