SMALLHOLDER MARKET ACCESS ESTIMATES

JULY 2021

National Agricultural Marketing Council

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

SMALLHOLDER MARKET ACCESS ESTIMATES

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1. BACKGROUND

This report depicts a picture of the performance of the share of market access for smallholder farmers in the national fresh produce market system across South Africa during July 2021. 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, On-ions, Tomatoes, and Bananas. Monthly data for these commodities were obtained from the South African Union of Food Markets (SAUFM).

2. OVERVIEW OF THE MONTH – JULY 2021

In July 2021 the total mass traded from the fresh produce market system was 269 514 metric tons (MT), generating a total revenue of R1.53 billion (see table 1). This indicates 8% (20 341 MT) and 2% (R26 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 significant role of fresh produce market system on food security.

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

Commodity	Revenue	Mass
Total	1 534 098 119	269 514
Potatoes	472 541 241	84 598
Onions	157 127 854	35 831
Tomatoes	148 204 671	24 783
Bananas	114 858 200	15 847
Other vegetables	326 539 718	62 228
Other fruits	314 826 435	46 226

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

Potatoes had a total mass of 84 598 MT indicating a growth of 4% compared to the same month in the previous year. Their revenue grew by 32% during the same period. The total mass for onions grew by 4% but the revenue declined by 6%. Tomatoes had a total mass of 24 783 MT matched by total revenue of R148 million, indicating 8% increase in mass and 9% decline in the revenue. Bananas showed a growth of 13% and 10% for both mass and revenue, respectively. Certain categories of fruits recorded a decline of 9% and 3% for both mass and revenue, respectively. Certain categories of vegetables recorded a decline of 13% in total mass and increase of 19% 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.

3.1 POTATOES

According to table 1, the total mass and revenue for potatoes in July 2021 were 84 598 MT and R472 million. Ideally, smallholder farmer 30% market share should be 25 380 MT and R141 million, respectively. This implies that at provincial level the estimated share of smallholder farmers in Gauteng province was 16 464 MT matched by a revenue of R90 million (See table 2). This was followed KZN at 2 848 MT (R16 million), WC at 2 344 MT (R13 million) and Eastern Cape at 1 446 MT (R8 million). The Northern Cape province the lowest share of smallholder farmers over the period under review.

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

Province	Revenue	Mass
GP	R90 334 454	16 464
KZN	R16 189 628	2 848
WC	R13 761 217	2 344
EC	R8 585 063	1 446
FS	R6 132 711	1 073
NW	R4 216 861	787
MP	R2 448 568	400
NC	R93 871	18

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

Figure 1 shows the potatoes estimated share of smallholder farmers in the top 10 markets. Johannesburg led at 10 141 MT (39%), followed by Tshwane (4 868 MT), Cape town (2 248 MT), Durban

(2 224 MT) and Springs (1 191 MT), respectively. Markets commanding the least share in potatoes were Nelspruit (110 MT), George (97 MT), Umtata (19 MT) and Kimberley (18 MT).

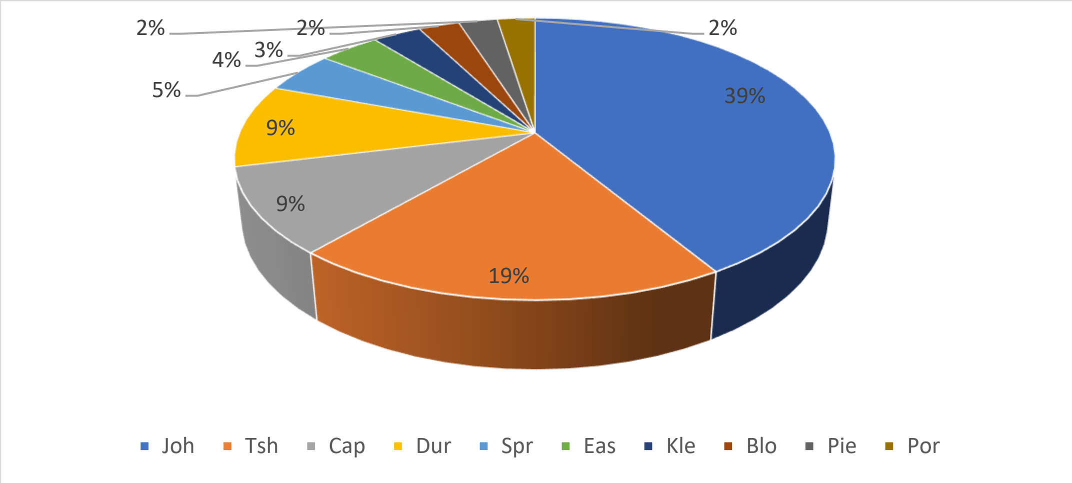

Figure 1: Estimated share in markets by potatoes (mass).
Source: South African Union of Food Markets (2021).

The estimated share by revenue in potatoes for top 10 markets is presented in figure 2. Similar to figure 1, the Johannesburg led at R55 million (40%), followed by Tshwane (R26 million), Cape town (R13 million), Durban (R12 million) and Springs (R6 million), respectively. Markets commanding the least share in potatoes were Nelspruit (R667 430), George (R500 425), Kimberley (R93 871) and Umtata (87 971).

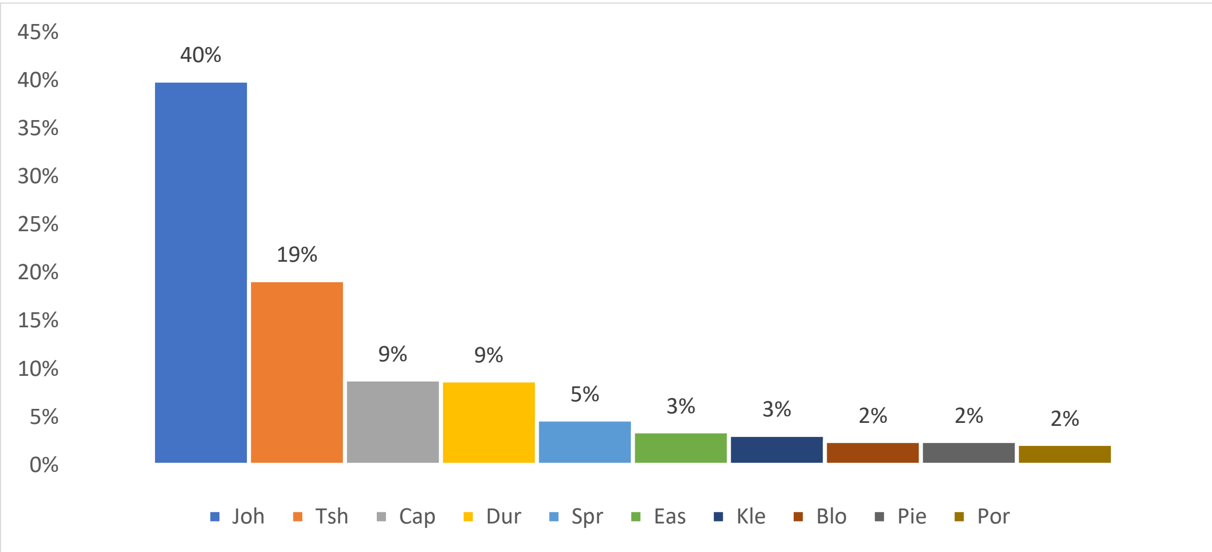

Figure 2: Estimated share in markets by potatoes (revenue).
Source: South African Union of Food Markets (2021).

3.2 ONIONS

Table 3 presents onions estimated share of smallholder farmers in eight provinces. Gauteng was the leading province with revenue of 60% matched by mass of 71%, followed by Kwa-Zulu Natal at 13% (both revenue and mass), North West at 11% (8%), Western Cape at 8% (4%) and Eastern Cape at 4% (3%).

Mpumalanga (R251 278) and Northern Cape (R40 653) had the lowest share respectively. The overall, share was R47 million and 10 749 MT.

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

Province	Revenue	Mass
GP	R28 076 526	7 586
KZN	R6 339 956	1 361
NW	R5 232 857	140
WC	R3 892 086	872
EC	R2 096 267	433
FS	R1 208 733	283
MP	R251 278	64
NC	R40 653	11

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

Onions were the second largest traded commodity in fresh produce market in July 2021. The Johannesburg market commanded the largest share of smallholder farmers at 50% (5 408 MT) (see figure 3).

Followed by Tshwane at 17% (1 877 MT), Cape town at 11% (871 MT), Durban at 8% (1 170 MT), Springs at R944 965 (278 MT) and East London at R1.2 million (245 MT). Markets with the least share include Nelspruit, Vereeniging, Mpumalanga, Kimberley and George, respectively.

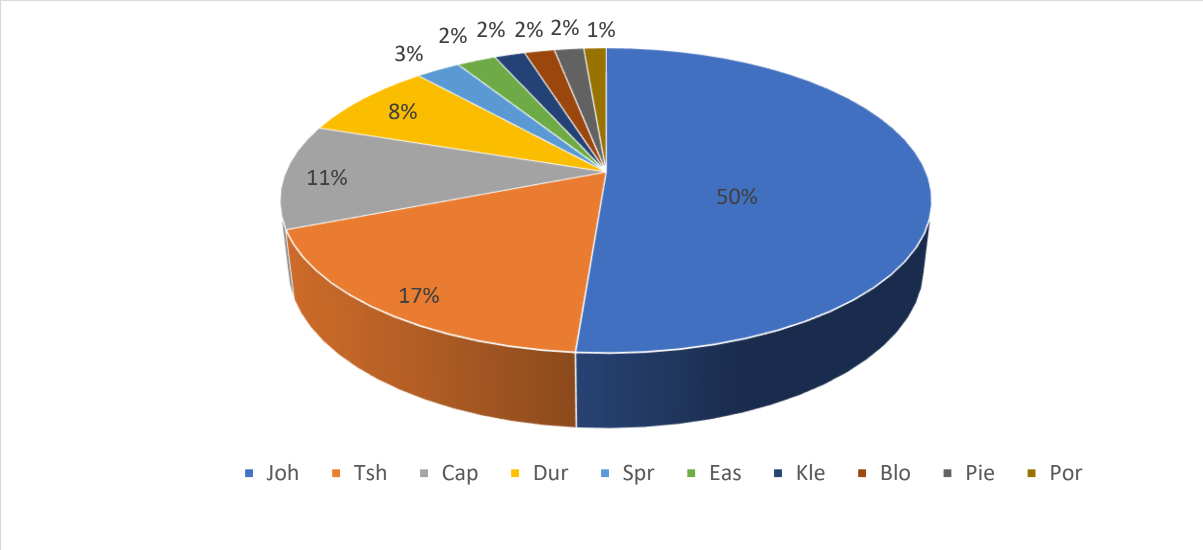

Figure 3: Estimated share in markets by onions (mass).
Source: South African Union of Food Markets (2021).

The estimated share by revenue in onions for top 10 markets, measured in percentages is presented in figure 4. Leading the list of the top10 markets was Johannesburg (43%), Tshwane (15%), Durban (12%), Klerksdorp (11%) and Cape town (2%). Other markets (Springs, Port Elizabeth, Bloemfontein and Pietermaritzburg) had the same share at 2%.

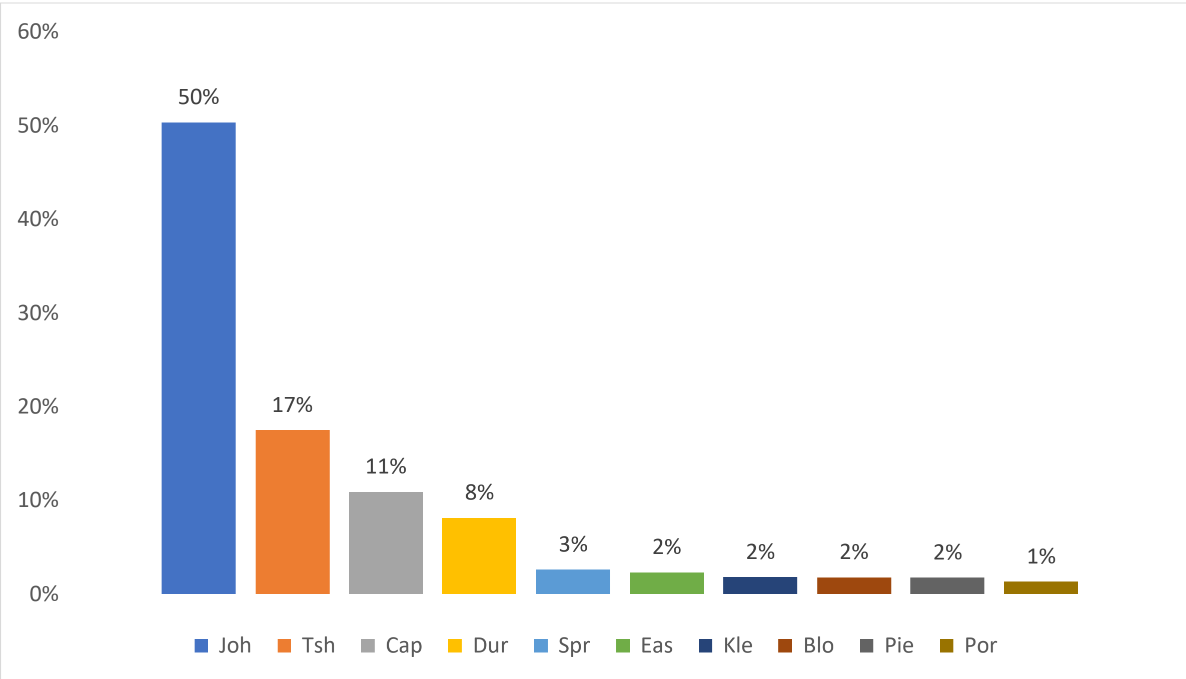

Figure 4: Estimated share in markets by onions (revenue).
Source: South African Union of Food Markets (2021).

3.3 TOMATOES

Table 4 presents the estimated share of smallholder farmers in tomatoes in eight provinces. Gauteng led with a revenue of 66% matched by mass of 69%, followed by Western Cape at 14% and 12%, respectively; Kwa-Zulu Natal at 9% revenue and 8% mass, Free State at 5% (both revenue and mass) and Eastern Cape at 3% (both revenue and mass).

North West (R1 million), Northern Cape (R294 937) and Mpumalanga (R146 303) had the lowest share, respectively. Unfortunately, data for Limpopo province was missing for July 2021.The overall, share of smallholder farmers in tomatoes was R44 million and 7 435 MT.

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

Province	Revenue	Mass
GP	R29 348 640	5 131
WC	R6 037 652	881
KZN	R3 830 465	623
FS	R2 382 136	368
EC	R1 387 052	199
NW	R1 034 218	156
NC	R294 937	47
MP	R146 303	32

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

Tomatoes were the third largest traded commodity in fresh produce market in July 2021. The Johannesburg market commanded the largest share of smallholder farmers at R20 million matched by 3 581 MT (see figure 5).

Followed by Tshwane at R6.9 million (1 192 MT), Durban at R5 million (1 170 MT), Cape town at R6 million (880 MT), Durban at R3 million (578 MT), Springs at R1.29 million (335 MT) and Bloemfontein at R1.21 million (184 MT). Markets with the least share include Witbank, Mpumalanga, George, Umtata and Nelspruit, respectively.

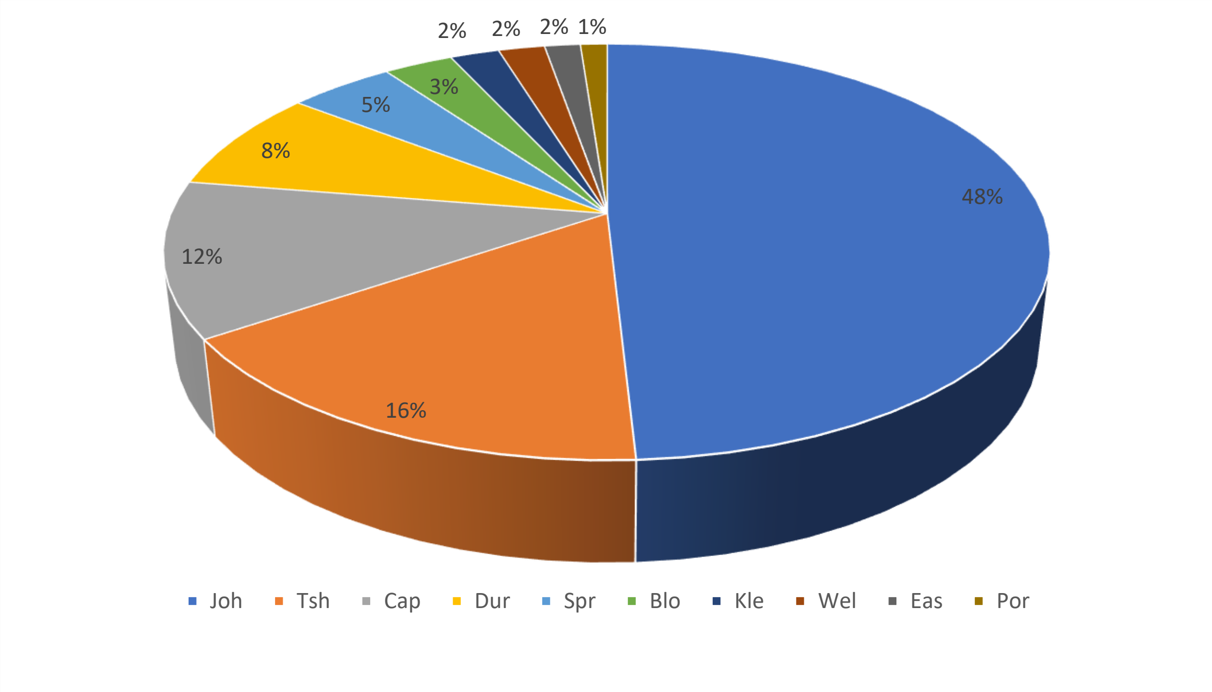

Figure 5: Estimated share in markets by tomatoes (mass).
Source: South African Union of Food Markets (2021).

The estimated share by revenue in tomatoes for top 10 markets, measured in percentages is presented in figure 4. Leading the list of the top10 markets was Johannesburg (47%), Tshwane (16%), Cape town (14%), Durban (8%), Springs (4%) and East London (3%). Other markets (Klerksdorp, Bloemfontein and Pietermaritzburg) had the same share at 2%.

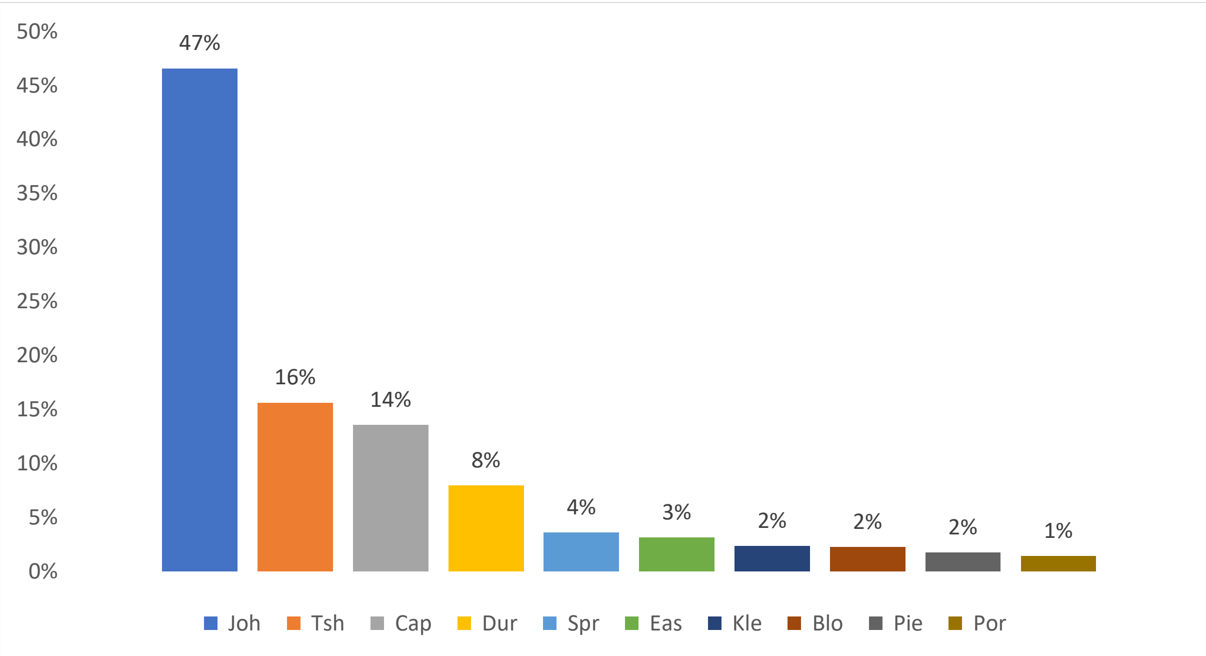

Figure 6: Estimated share in markets by tomatoes (revenue).
Source: South African Union of Food Markets (2021).

3.4 BANANAS

Table 5 presents the bananas estimated share of smallholder farmers in eight provinces. Gauteng led with a revenue of 57% matched by mass of 60%, followed by Kwa-Zulu Natal at 14% revenue and 15% mass, Western Cape at 12% and 10%, Eastern Cape at 10% and 8% and Free State at 5% and 4%.

North West (R789 591) and Mpumalanga (R81 908) had the lowest share, respectively. Unfortunately, data for Limpopo province was missing for July 2021.The same applies to the Northern Cape. The overall, share of small-holder farmers in tomatoes was R34 million and 4 754 MT.

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

Province	Revenue	Mass
GP	R19 667 829	2 836
KZN	R4 957 829	712
WC	R3 981 018	478
EC	R3 398 162	386
FS	R1 581 122	209
NW	R789 591	123
MP	R81 908	11

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

Bananas were the largest fruit traded in fresh produce market system in July 2021. The Johannesburg market commanded the largest share of smallholder farmers at R10 million matched by 1473 MT (see figure 6).

Followed by Tshwane at R8 million (1 153 MT), Cape town at R3.98 million (478 MT), Durban at R3.93 million (542 MT), East London at R2 million (256 MT), Springs at R1.29 million (199 MT), Port Elizabeth at R1.26 (130 MT) and Bloemfontein at R1.21 million (159 MT). Markets with the least share include Welkom, Witbank, Vereeniging and Mpumalanga. Data was missing for Kimberley, Umtata, George and Nelspruit, respectively.

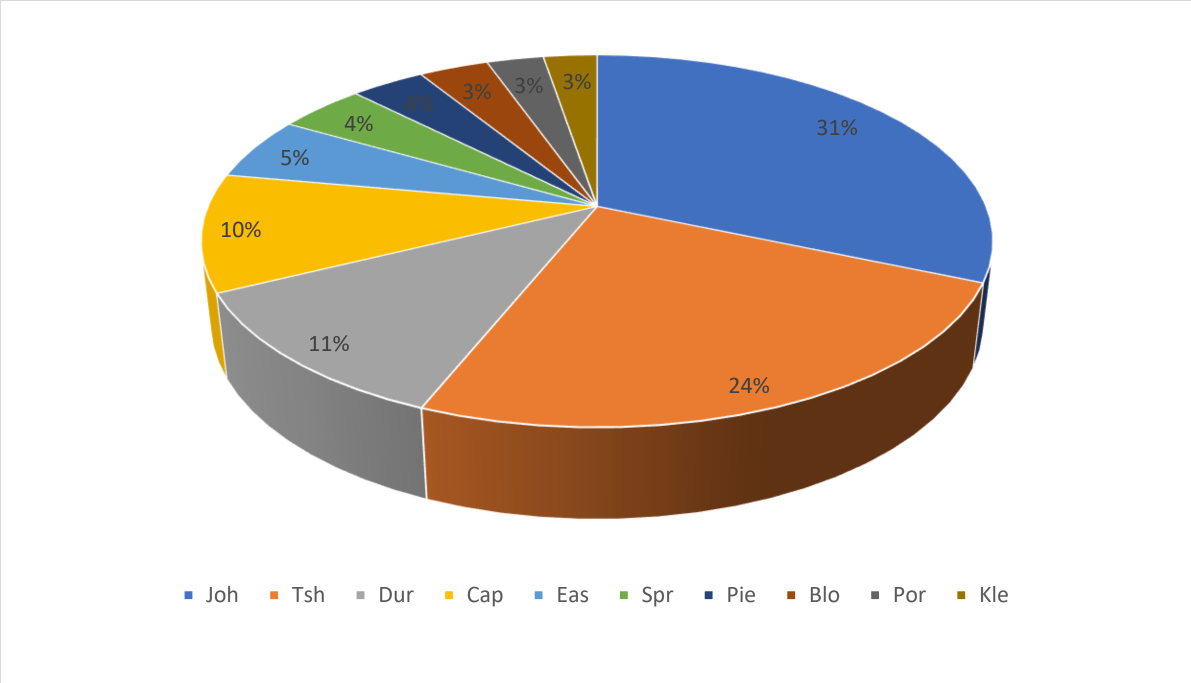

Figure 7: Estimated share in markets by banana (mass).
Source: South African Union of Food Markets (2021).

The estimated share by revenue in bananas for top 10 markets, measured in percentages is presented in figure 7. Leading the list of the top10 markets was Johannesburg (30%), Tshwane (23%), Cape town (12%), Durban (11%) and East London (6%). Other markets (Springs, Port Elizabeth and Bloemfontein) had the same share at 2%.

Pietermaritzburg and Klerksdorp had the least share at 3% and 2%, respectively.

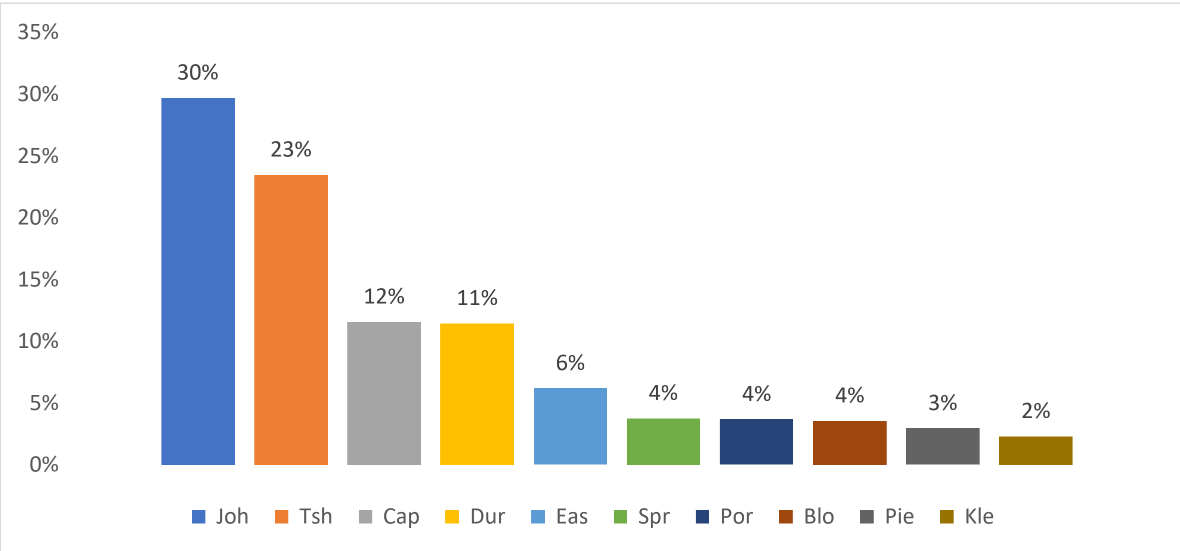

Figure 8: Estimated share in markets by tomatoes (revenue).
Source: South African Union of Food Markets (2021).

3.5 OTHER VEGETABLES

Table 6 presents the other vegetables estimated share of smallholder farmers in eight provinces. Gauteng led with a revenue of 74% in both revenue and mass, followed by Western Cape at 12% revenue and 9% mass, Kwa-Zulu Natal at 7% (in both revenue and mass), Free State at 3% and 4% and Eastern Cape at 3% and 3%.

Mpumalanga (R166 728) and Northern Cape (R152 023) had the lowest share, respectively. Unfortunately, data for Limpopo province was missing for July 2021. The overall, share of smallholder farmers in other vegetables was R97 million and 18 668 MT.

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

Province	Revenue	Mass
GP	72 051 235	13 869
WC	11 311 227	1 676
KZN	6 518 150	1 259
FS	3 202 544	798
EC	3 116 510	586
NW	1 443 498	390
MP	166 728	41
NC	152 023	50

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

A significant number of other vegetables were traded in various fresh produce markets in July 2021. The Johannesburg market commanded the largest share of smallholder farmers at R51 million matched by 9 224 MT (see figure 8).

Followed by Tshwane at R19 million (4 133 MT), Cape town at R11 million (1 672 MT), Durban at R5 million (1 136 MT), Bloemfontein at R2 million (545 MT), East London at R1.9 million (333 MT), Springs at R1.5 million (463 MT) and Klerksdorp at R1.4 million (390 MT). Although not among the top ten, the markets with the least share include Vereeniging, Mpumalanga, George and Umtata, respectively. Data was missing for Nelspruit.

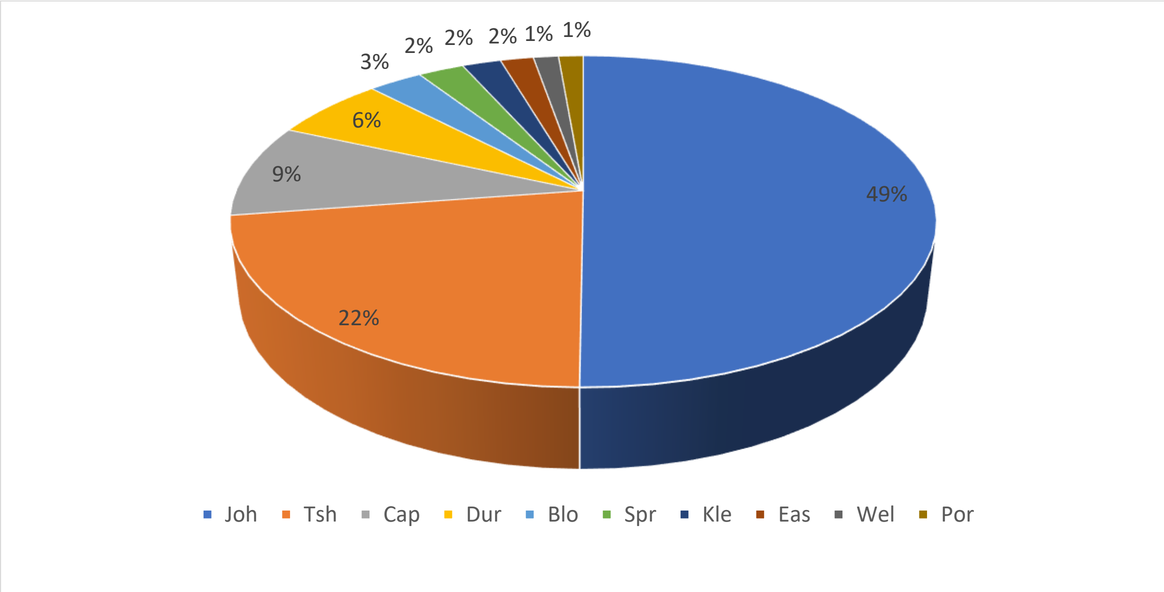

Figure 9: Estimated share in markets by other veges (mass).

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 9. Leading the list of the top10 markets was Johannesburg (52%), Tshwane (20%), Cape town (12%) and Durban (6%), Other markets (Springs, East London and Klerksdorp) had the same share at 2%.

Bloemfontein, Pietermaritzburg and Port Elizabeth had same share of 1%.

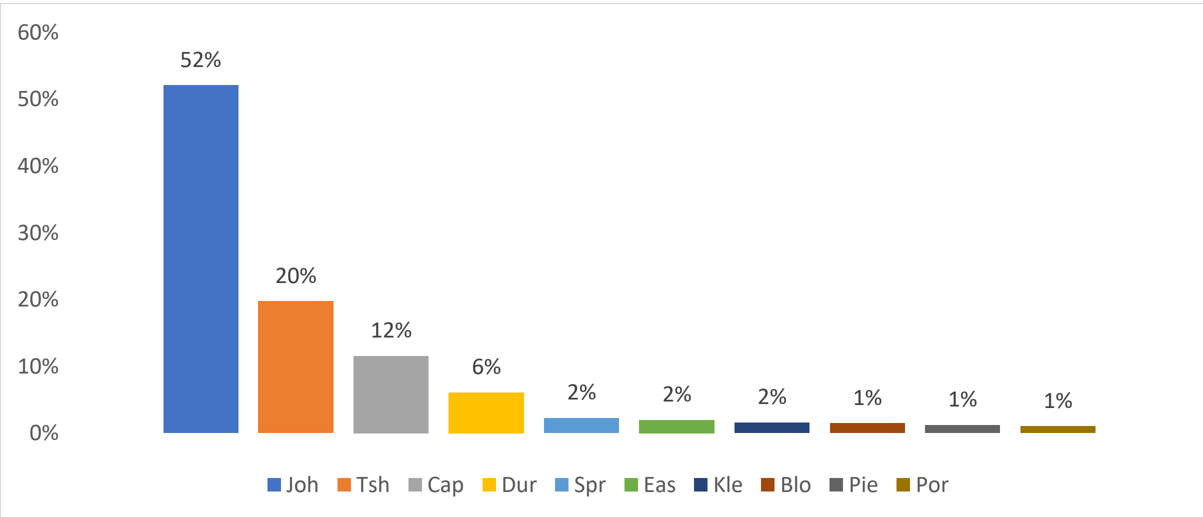

Figure 10: Estimated share in markets by other veges (revenue).

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. Gauteng led with a revenue of 74% and 70% mass, followed by Kwa-Zulu Natal at 10% and 12%, Western Cape at 7% (revenue and mass), Free State at 5% and 6%; Eastern Cape and North West at 2%.

Northern Cape (R159 843) and Mpumalanga (R77 353) had the lowest share, respectively. Unfortunately, data for Limpopo province was missing for July 2021. The overall, share of smallholder farmers in other vegetables was R94 million and 13 868 MT.

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

Province	Revenue	Mass
GP	69 803 486	9 691
KZN	9 806 965	1 718
WC	6 585 310	923
FS	4 529 334	847
EC	1 810 435	344
NW	1 675 205	300
NC	159 843	30
MP	77 353	15

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

A substantial number of other fruits were traded in various fresh produce markets in July 2021. The Johannesburg market commanded the largest share of smallholder farmers at R47 million matched by 6 275 MT (see figure 10). Followed by Tshwane at R19 million (2 875 MT), Durban at R8 million (1 364 MT), Cape town at R6 million (923 MT), Bloemfontein at R3 million (554 MT), Springs at R2 million (500 MT), Pietermaritzburg at R1.7 million (354 MT) and Klerksdorp at R1.6 million (311 MT).

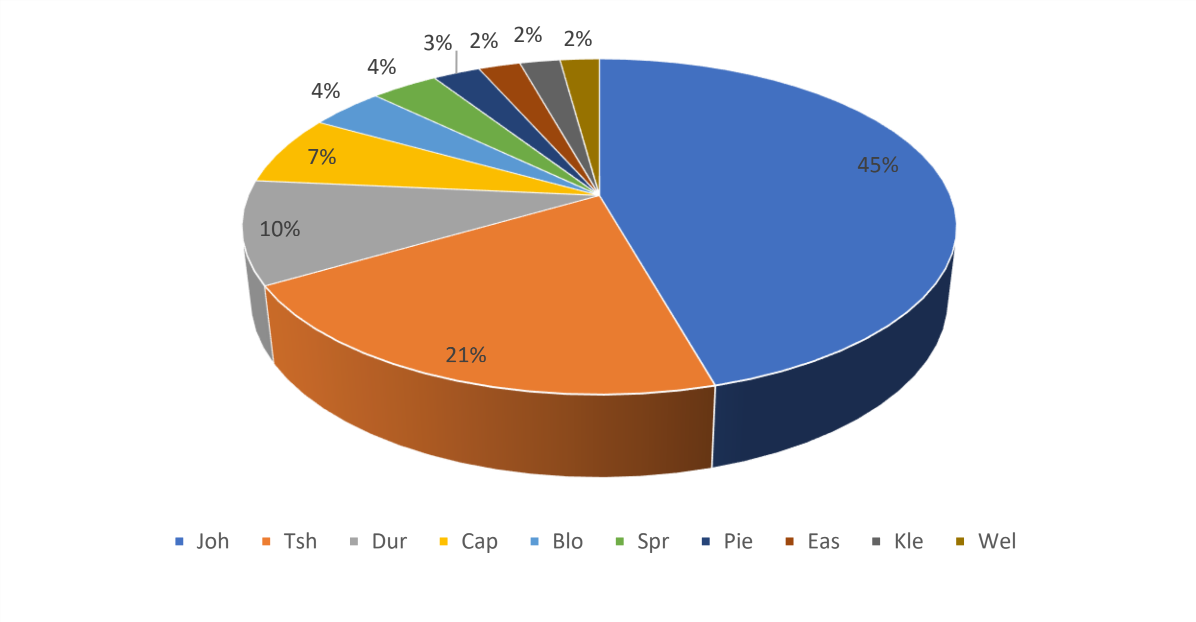

Figure 11: **Estimated share in markets by other fruits (mass).**
Source: South African Union of Food Markets (2021).

The estimated share by revenue in other vegetables for top 10 markets, measured in percentages is presented in figure 9. Leading the list of the top10 markets was Johannesburg (50%), Tshwane (20%), Durban (9%) and Cape town (7%). Bloemfontein and Springs) had the same share at 3%. Other markets commanding the same share at 2% included Pietermaritzburg, Klerksdorp, East London and Welkom. Although not presented in figure 9, Vereeniging, Kimberley, Port Elizabeth, Witbank and Umtata had the least share, respectively.

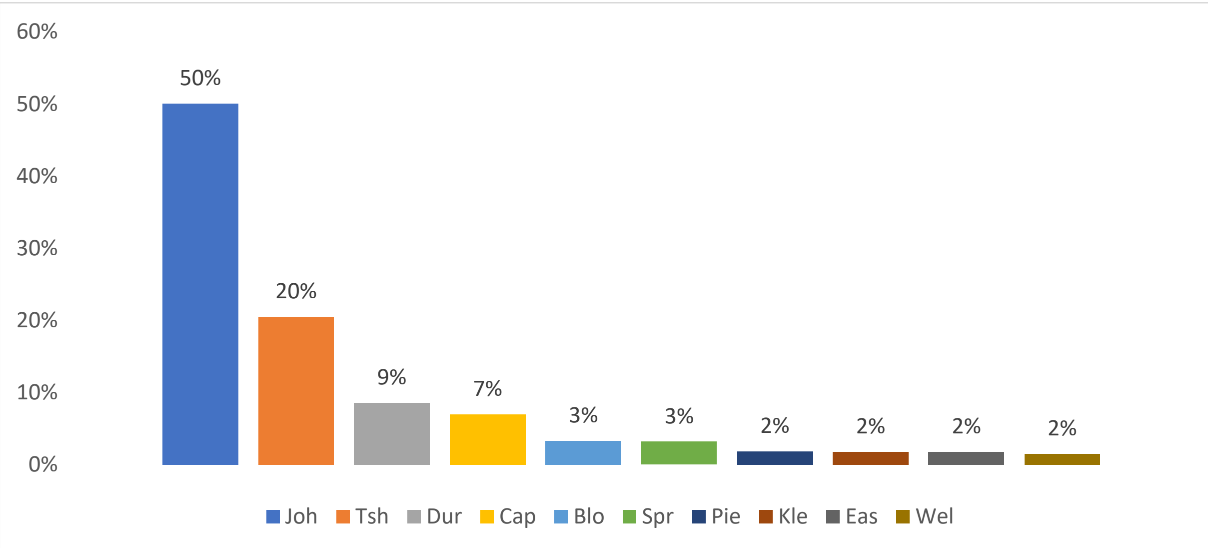

Figure 12: **Estimated share in markets by other fruits (revenue). Source: South African Union of Food Markets (2021).**
Source: South African Union of Food Markets (2021).

3.7 PRICE

Figure 12 presents the cumulative prices for top four agricultural commodities traded in fresh produce markets in July 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 of July 2021.

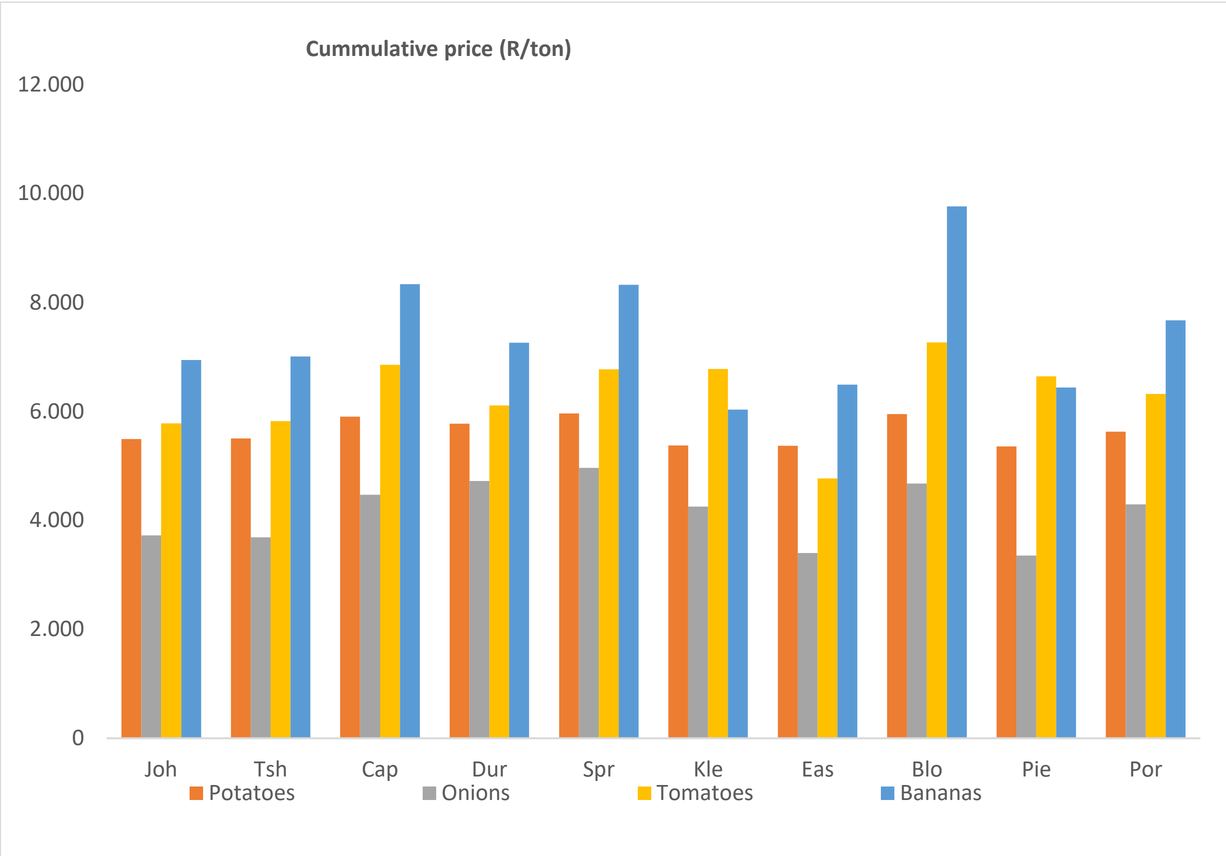

Figure 13: Price trends for top 4 commodities
Source: South African Union of Food Markets (2021).

4. CONCLUSION

The report was designed to paint the ideal performance of smallholder farmers in fresh produce market system in South Africa. This was derived by using the recommendation of the NAMC's Section 7 Committee report on fresh produce markets, stating that "30% of the volume traded in fresh produce markets should be through black com-mission market agents, starting from the year 2014". The overall results suggest that fresh produce market system is one of the most reliable market platforms where smallholder can sell their commodities in large volumes. Access by these farmers to fresh produce markets remains an important endeavour

However, increasing market access for all participants in fresh produce markets remains a challenge despite the results of their desired market performance. More effort is still required in the areas of establishing black-market agents and training smallholder farmers about access to fresh produce markets. Furthermore, to match this ideal share with actual share so as to establish the real progress made towards increasing market access for these farmers in fresh produce markets.

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