SMALLHOLDER MARKET ACCESS ESTIMATES

SEPTEMBER 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 September 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 17 fresh produce markets spread across eight provinces. Mpumalanga fresh produce market has officially closed for trading. The analysis 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 – SEPT: 21

In September 2021 the total mass traded from the fresh produce market system was 245 832 metric tons (MT), generating a total revenue of R1.64 billion (see table 1). This indicates 14% (30 980 MT) and 8% (R119 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 in-creasing role of fresh produce market system on food security.

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

Commodity	Revenue	Mass
Total	1 641 329 035	254 832
Potatoes	551 171 016	67 574
Onions	96 920 617	33 965
Tomatoes	161 711 633	23 469
Bananas	140 140 461	19 352
Other vegetables	334 309 931	62 251
Other fruits	357 075 378	48 222

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

Potatoes had a total mass of 67 574 MT indicating a growth of 13% compared to the same month in the previous year. Their revenue grew by 13% (R62 mil-lion) during the same period. The total mass for onions grew by 17% but the revenue declined by 13%. Toma-toes had a total mass of 23 469 MT matched by total revenue of R161 million, indicating 22% and 4% in-crease in mass and revenue, respectively. Bananas showed a growth of 34% and 17% for both mass and revenue, respectively. Other vegetables traded in the system recorded an increase of 27%% and 5% for both mass and revenue, respectively. Other fruits recorded an increase of 29% in total mass and increase of 14% 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.

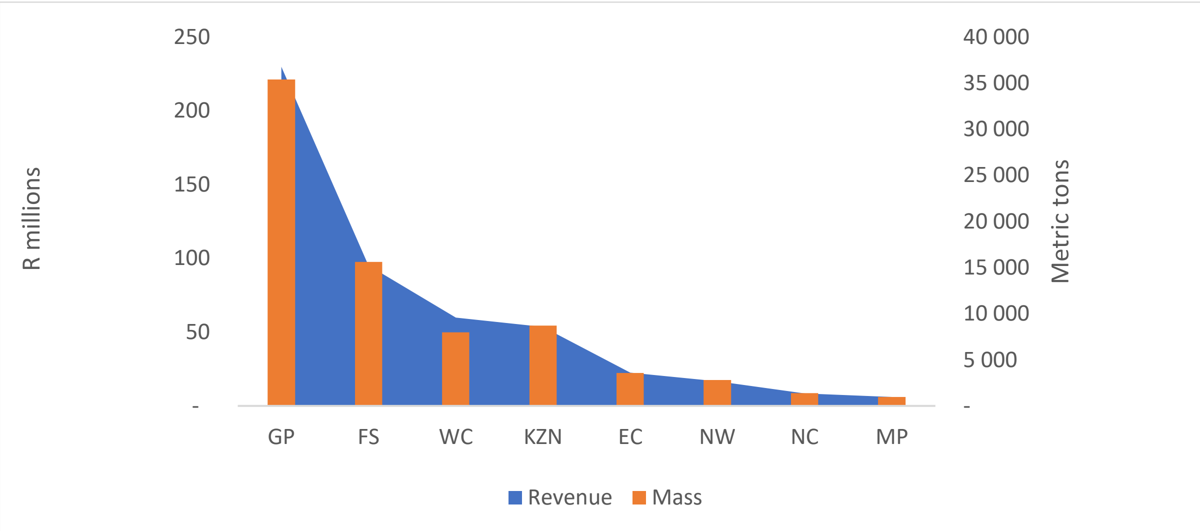

Figure 1: Summary of estimated share of smallholder farmers in different provinces by revenue and mass. Source: SAUFM (2021)

For the entire month, the ideal smallholder farmer 30% market share was estimated at 76 450 MT and R492 million, respectively. This implies that at provincial level Gauteng province was leading at 35 388 MT matched by a revenue of R229 million (See figure 1). This was followed Free State (FS) at 15 615 MT (R95 million), Western Cape (WC) AT 7 966 MT (R59 million), Kwa-Zulu Natal (KZN) at 8 721 MT (R453 million) and East-ern Cape at (EC) 3 587 MT (R22 million). The Mpumalanga (MP) Northern Cape (NC) provinces 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 R112 million matched by total mass of 13 864 MT (see table 2). This was followed by KZN (R17 million, 2 294 MT), WC (R13 million, 1 632 MT), Free state (R7.78 million, 930 MT) and EC (R7.05 million, 805 MT). The least contributing provinces to the share of smallholder farmers were NW at R4 million (563 MT), Mpumalanga at R1.4 million (172 MT) and NC at R100 904 (12 MT), respectively. The overall share in potatoes was R165 million (20 272 MT).

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

Province	Revenue	Mass
GP	R112 572 794	13 864
KZN	R17 984 779	2 294
WC	R13 736 466	1 632
FS	R7 787 623	930
EC	R7 054 472	805
NW	R4 679 135	563
MP	R100 904	172
NC	R1 435 131	12

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

Figure 2 shows the potatoes estimated share of small-holder farmers in the top 10 markets. Johannesburg led at 8 858 MT (44%), followed by Tshwane (3 773 MT), Durban (1 774 MT), Cape town (1 605 MT), and Springs (1 028 MT), respectively. Other markets in the top ten included Klerksdorp, East London, Bloemfontein and, Pietermaritzburg. Had the least share in potatoes among the top ten markets at 2% (400 MT).

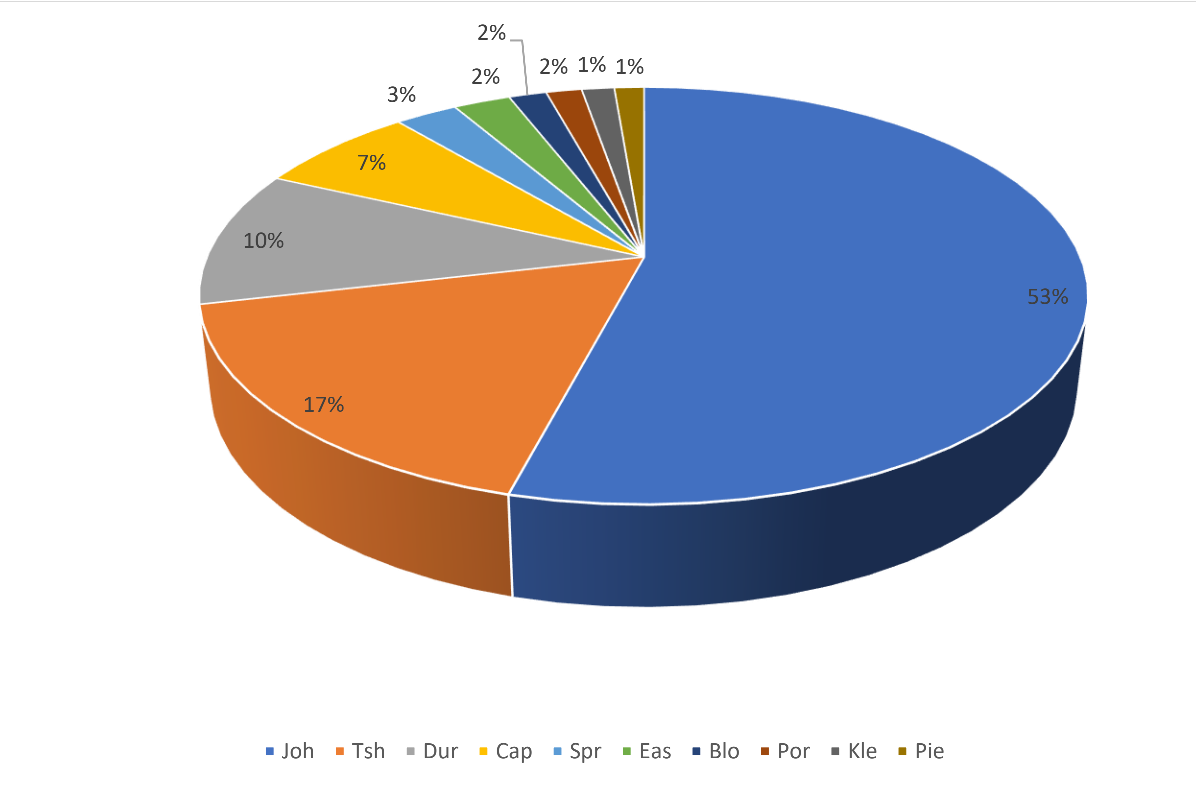

Figure 2: Estimated share in markets by potatoes (mass).

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 R71 million (43%) followed by Tshwane (R31 million), Durban (R14 million), Cape town (R32 million), and Springs (R8 million), respectively. Other markets in the top ten included Bloemfontein (5%), East London and Klerksdorp at 3%. Markets commanding the least share in potatoes among the top ten were Pietermaritzburg (R3.8 million) and Welkom (R3.2million), respectively.

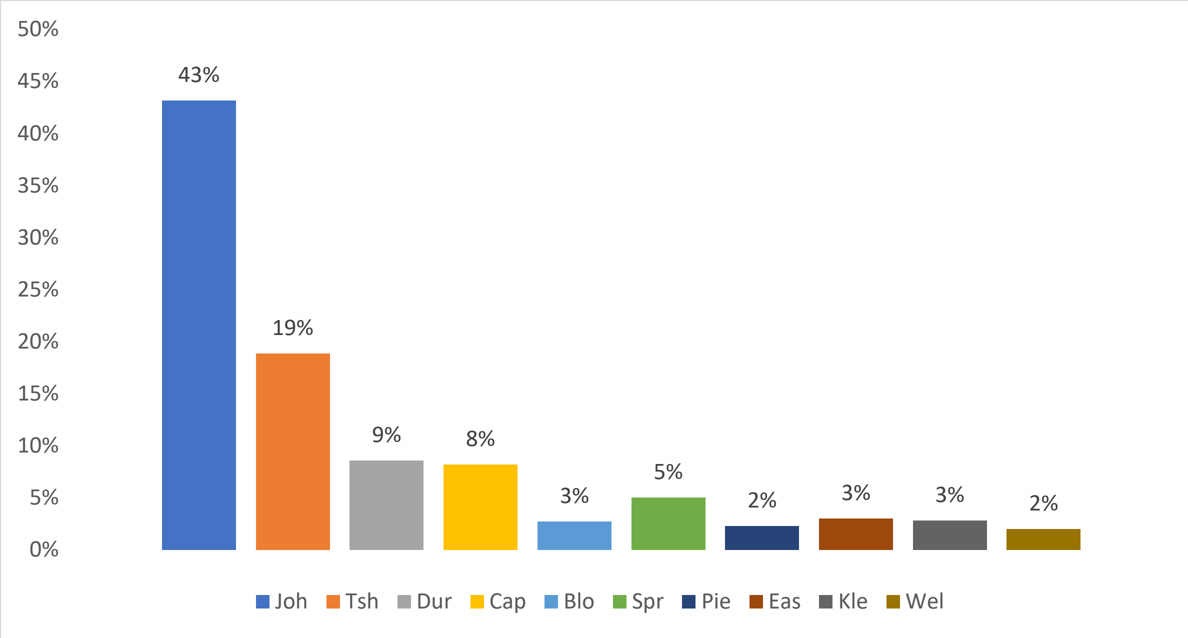

Figure 3: Estimated share in markets by potatoes (revenue).

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 67% matched by mass of 73%, followed by Kwa-Zulu Natal at 14% (revenue) and 12% (mass), Western Cape at 9% (7%), Eastern Cape at 5% (4%) and Free State at 3% for both mass and revenue.

Mpumalanga (R179 525) and Northern Cape (R78 767) had the lowest share respectively. The overall, share was R29 million and 10 190 MT.

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

Province	Revenue	Mass
GP	R19 452 433	7 416
KZN	R4 017 925	1 182
WC	R2 592 891	698
EC	R1 529 164	402
FS	R858 439	259
NW	R367 041	141
MP	R179 525	65
NC	R78 767	26

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

Onions were the second largest traded commodity in fresh produce market in September 2021. The Johannesburg market commanded the largest share of smallholder farmers at 5 402 MT (53%) (see figure 4).

Followed by Tshwane at 1 726 MT (17%), Durban at 1 053 MT (10%), Cape town at 967 MT (7%), Springs (272 MT), East London (248 MT), Bloemfontein (164 MT) and Port Elizabeth (155 MT). Markets with the least share among the top ten were Welkom (95 MT) and Nelspruit (39 MT), respectively.

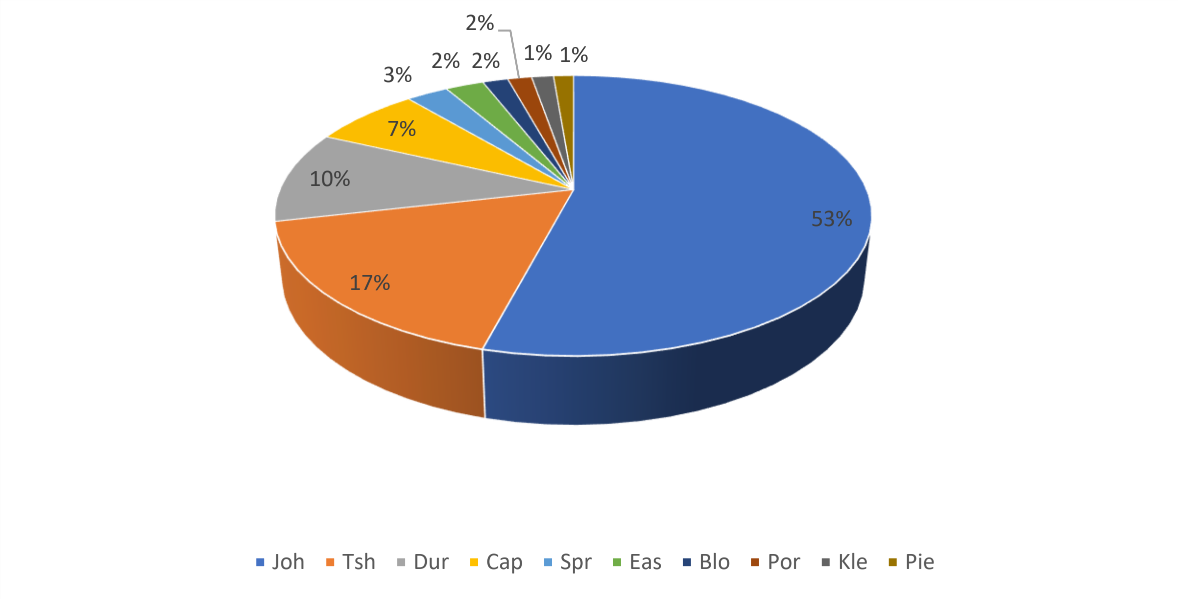

Figure 4: Estimated share in markets by onions (mass).

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 49% (R14 million) followed by Tshwane at 18% (R4 million), Durban at 12% (R3 million), Cape town at 9% (R2 million and East London at 3% (R947 473).

Other markets (Springs, Bloemfontein and Pietermaritzburg) had the same share at 2%. Klerksdorp (R367 041) and Welkom (R314 414) had the lowest share at 1% among the top ten markets.

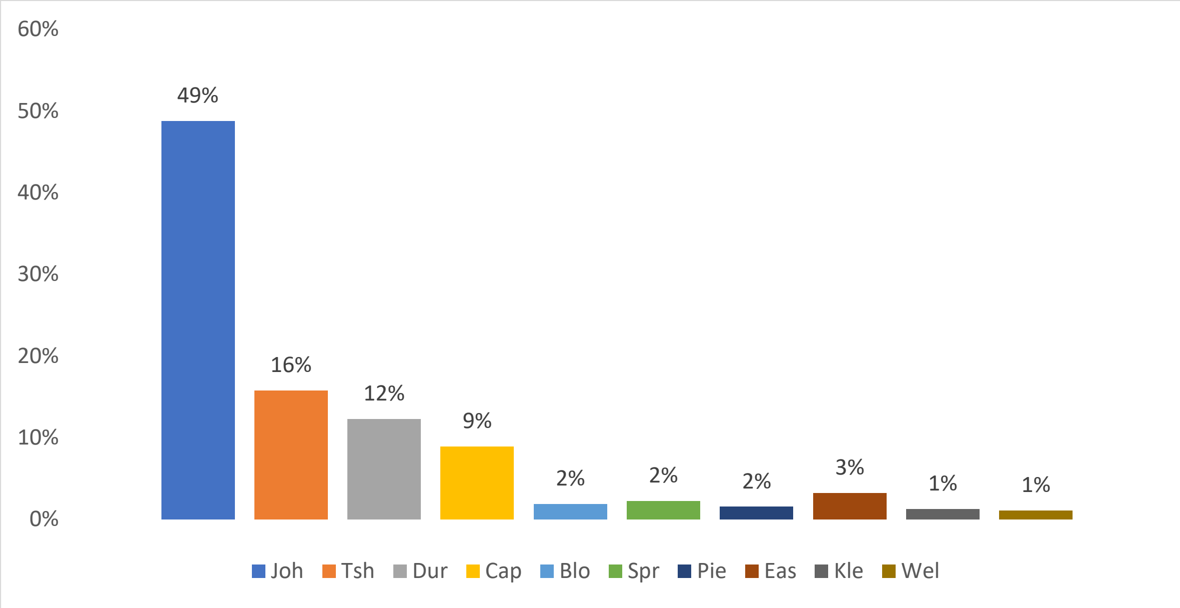

Figure 5: Estimated share in markets by onions (revenue).

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

3.3 TOMATOES

Table 4 presents tomatoes estimated share of small-holder farmers in eight provinces of South Africa. Gauteng was the leading province with revenue of 68% in both mass and revenue, followed by Western Cape at 13% revenue and 12%, Kwa-Zulu Natal at 9% (both revenue and mass), Free State at 5%, Eastern Cape at 3% and North West at 2% (revenue and mass).

Mpumalanga (R291 483) and Northern Cape (R97 490) had the lowest share. The overall, share was R48 mil-lion and 7 041 MT.

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

Province	Revenue	Mass
GP	R33 084 362	4 761
WC	R6 113 603	874
KZN	R4 212 789	666
FS	R2 464 387	352
EC	R1 343 444	179
NW	R905 931	148
NC	R291 483	44
MP	R97 490	17

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

Tomatoes were the third largest traded commodity in fresh produce market in September 2021. The Johannesburg market commanded the largest share of smallholder farmers at 45% translated as 3 145 MT (see figure 6).

Followed by Tshwane at1 301 MT (18%), Cape town at 873 MT (12%), Durban at 611(9%), Springs at 297 MT (4%) and Bloemfontein at 217 MT (3%). Markets with the least share among the top ten included East London and Port Elizabeth.

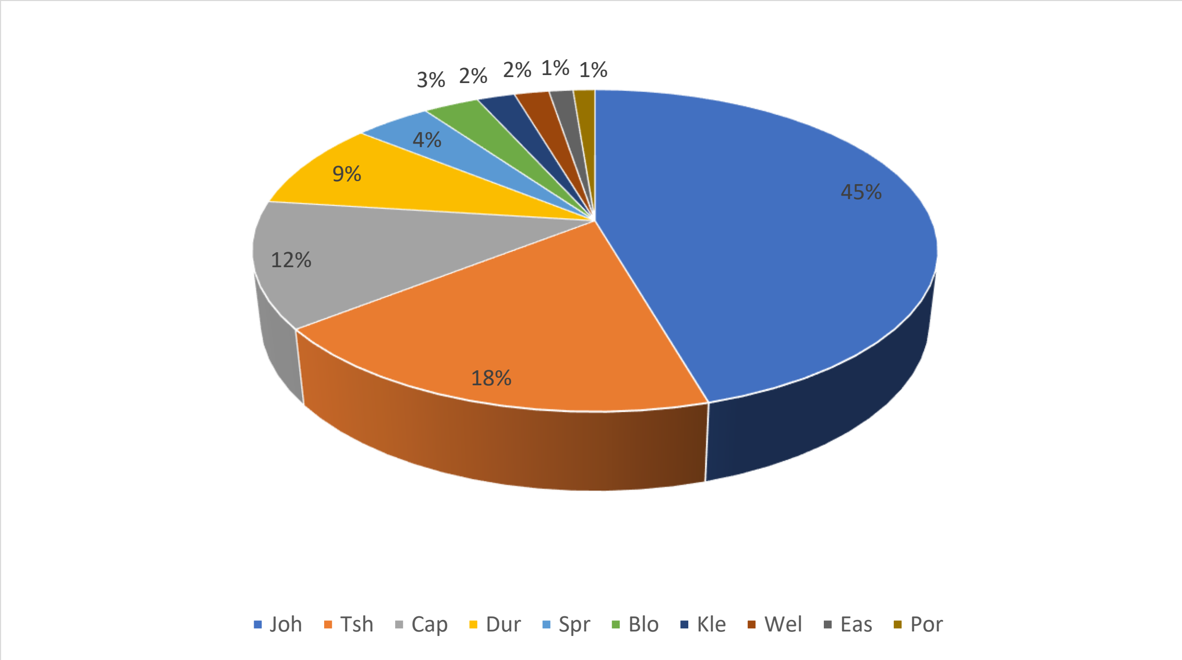

Figure 6: Estimated share in markets by tomatoes (mass).

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

The estimated share of smallholder farmers by revenue in tomatoes for top 10 markets, measured in percent-ages is presented in figure 7. Leading the list of the top10 markets was Johannesburg at 46% (R22 million, Tshwane at 19% (R9 million), Cape town at 13% (R6 million), Durban at 8% (R3 million), Springs at 3% (R1.64 million) and Bloemfontein at 3% (1.49 million). Other markets (Klerksdorp and Welkom at 2%). East London (R680 504) and Port Elizabeth (R662 939) fresh produce markets had the lowest share among the top ten at 1%.

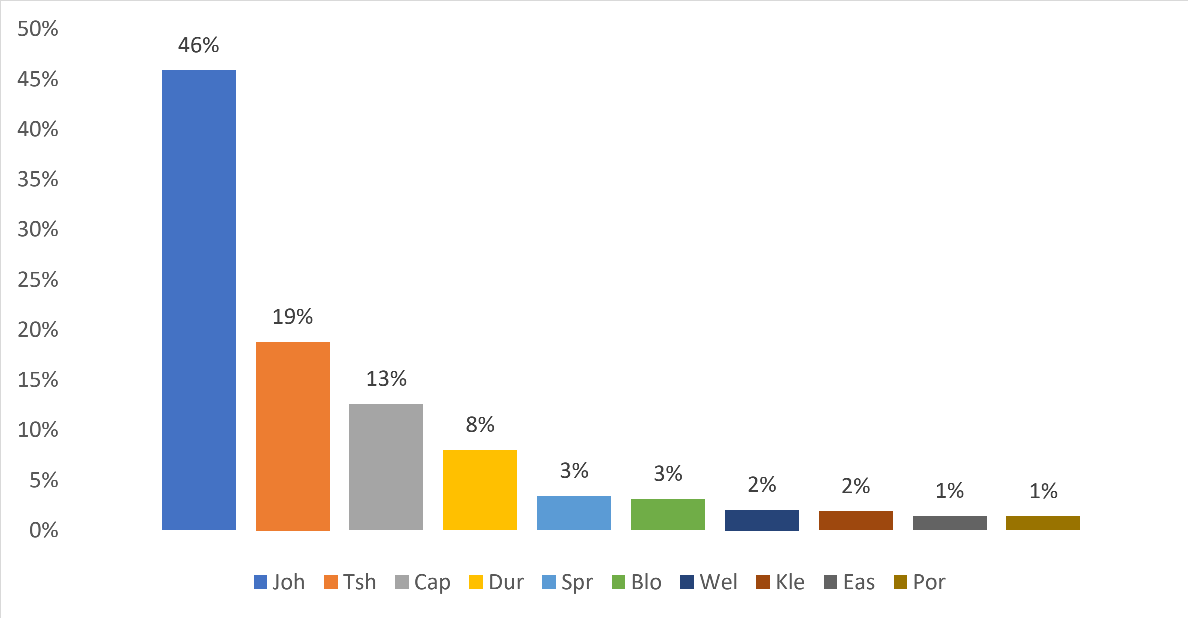

Figure 7: Estimated share in markets by tomatoes (revenue).

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

3.4 BANANAS

Table 5 presents bananas estimated share of small-holder farmers in eight provinces of South Africa. Gauteng was the leading province with revenue of 56% matched by mass of 59%, followed by Kwa-Zulu Natal at 15% (both revenue and mass), Western Cape at 13% (11%), Eastern Cape at 9% (8%) and Free State at 5% (revenue and mass). Mpumalanga (R60 104) had the lowest share. The overall, share was R42 mil-lion and 5 806 MT.

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

Province	Revenue	Mass
GP	R23 651 713	3 409
KZN	R6 300 163	882
WC	R5 327 060	649
EC	R3 680 933	446
FS	R2 223 511	282

NW	R798 653	129
MP	R60 104	8

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 33% (1 912 MT) (see figure 8).

Followed by Tshwane at 22% (1 275 MT), Durban at 12% (688 MT), Cape town at 11% (649 MT) and East London at 5% (293 MT). Other markets were Springs, Bloemfontein and with a share of 4% (222 MT), 3% (200 MT) and 3% (195 MT), respectively. Among the top ten markets, Welkom (82 MT) and Witbank (8 MT) fresh produce markets commanded the least share of smallholder farmers at 1%.

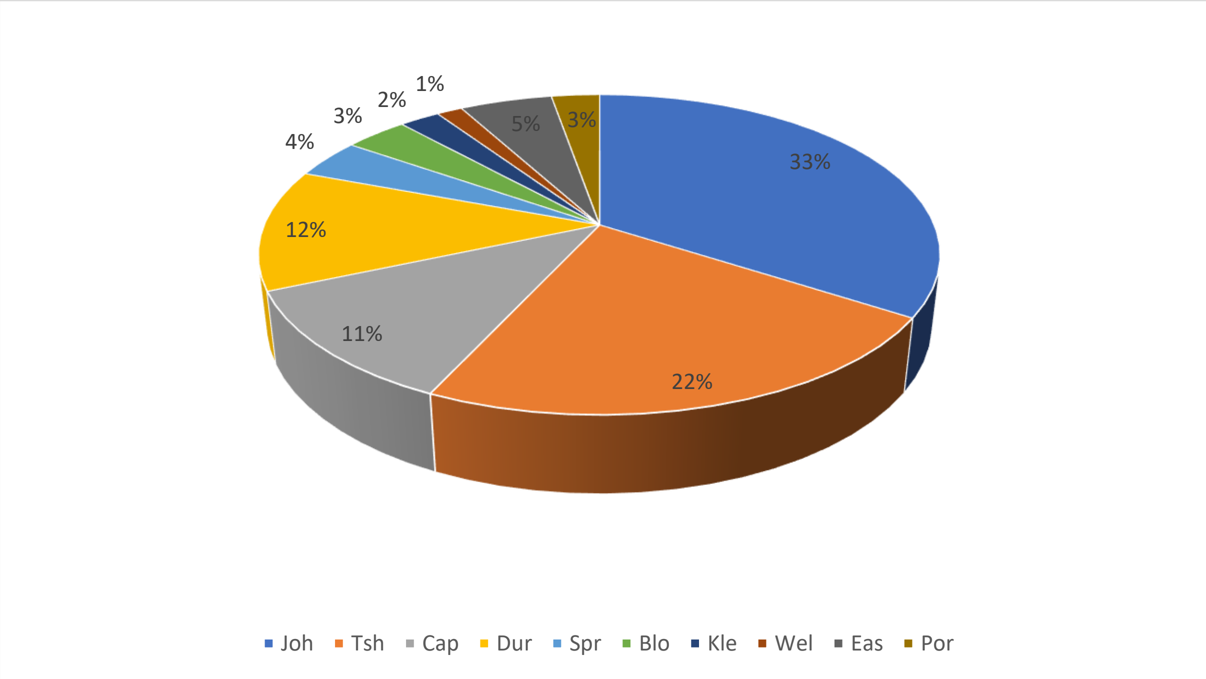

Figure 8: Estimated share in markets by banana (mass).

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

The estimated share of smallholder farmers by revenue in bananas for top 10 markets, measured in percent-ages is presented in figure 9. Leading the list of the top10 markets was

Johannesburg at 31% (R12 million), Tshwane at 22% (R9 million), Cape town at13% (R5 million), Durban at 12% (R4 million), East London at 5% (R2 million) and Bloemfontein at 4% (R1.64 million). Other markets (Springs, Port Elizabeth and Pietermaritzburg) were at 3%. Among the top ten Klerksdorp fresh produce market had the least share at 2% (R798 653).

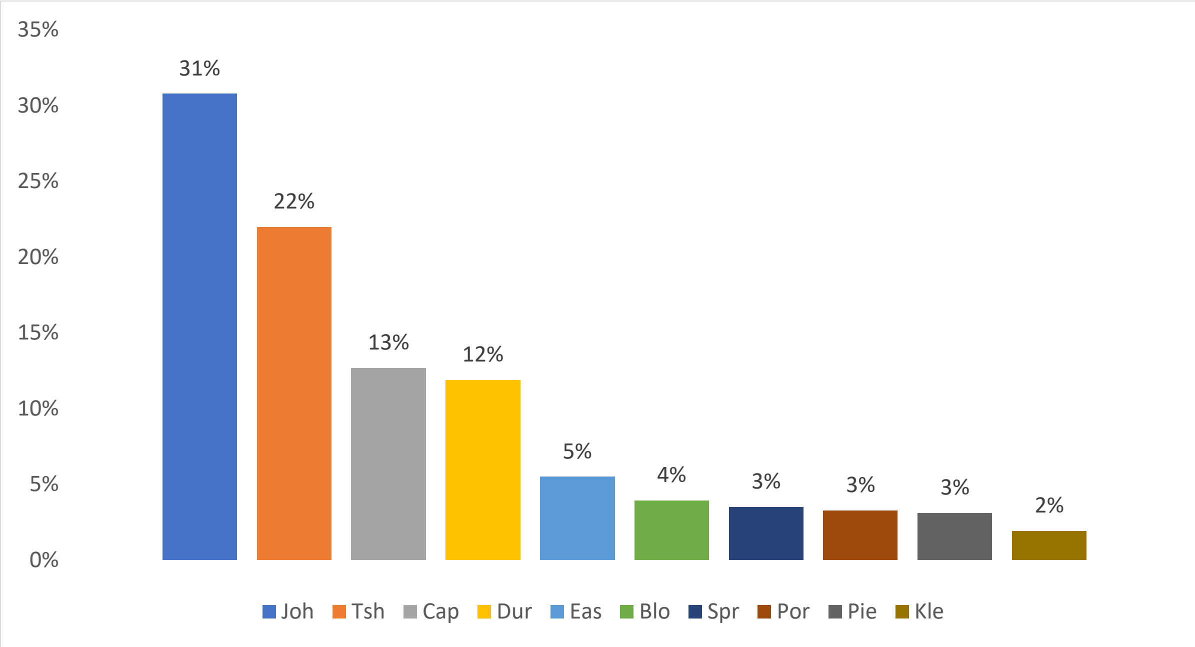

Figure 9: Estimated share in markets by tomatoes (revenue).

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 73% matched by mass of 75%, followed by Western cape at 12% revenue and 8% mass, Kwa-Zulu Natal at 7% both revenue and mass, Free State at 3% (5%), Eastern Cape at 3% (revenue and mass), and North West at 2% (1%).

Mpumalanga (R165 109; 49 MT and Northern Cape (R140 023; 45 MT) had the lowest share, respectively. But the overall, share of smallholder farmers in other vegetables in September 2021 was R100 million and 18 675 MT.

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

Province	Revenue	Mass
GP	73 352 545	14 011
WC	12 483 780	1 504
KZN	6 663 649	1 285
FS	3 412 909	848
EC	2 818 593	582
NW	1 256 371	351
MP	165 109	49
NC	140 023	45

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

A significant number of other vegetables were traded in various fresh produce markets in September 2021. The Johannesburg market commanded the largest share at 49% (9155 MT) (see figure 10). Followed by Tshwane at 23% (4 289 MT), Cape town at 8% (1 495 MT), Durban at 6% (1 146 MT), Bloemfontein and Springs at 3% (607 MT, 520 MT). Klerksdorp and East London had the same share at 2% (351 MT and 306 MT). Port Elizabeth and Welkom (245 MT and 241 MT) commanded the lowest share of smallholder farmers among the top ten markets.

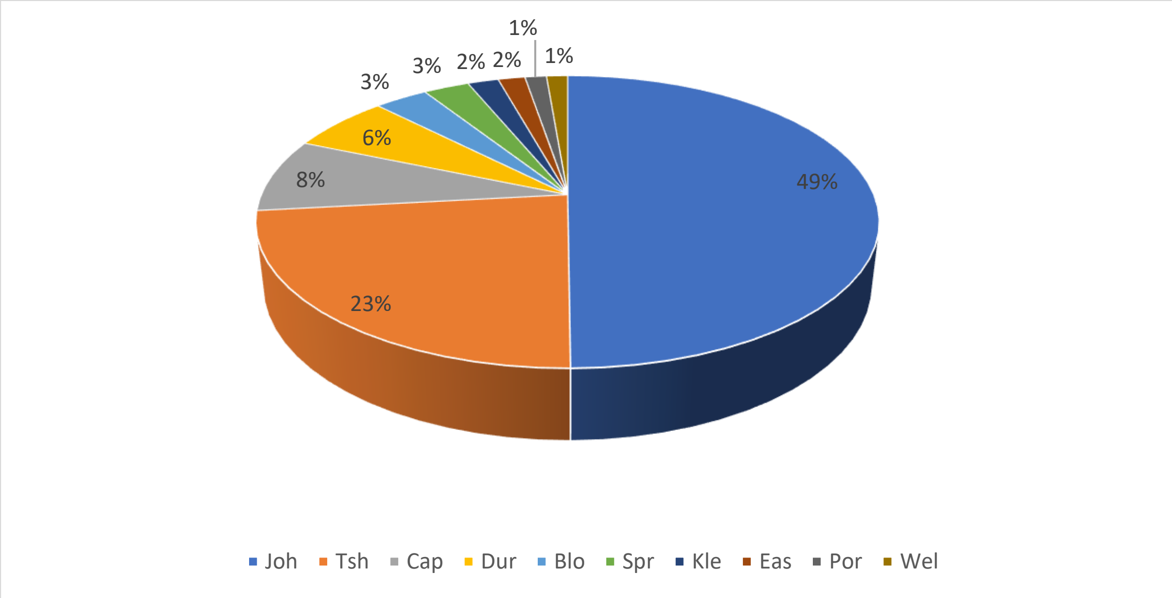

Figure 10: Estimated share in markets by other vegetables (mass).

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 percentages is presented in figure 11. Leading the list of the top10 markets was Johannesburg at 52% (R52 million), Tshwane at 19% (R19 million), Cape town 13% (R12 million), Durban at 6% (R6 million) and Bloemfontein at 2% (R1.63 million), Other markets with a share of 2% were East London and Springs (R1.63 million and R1.57 million). Markets commanding the least share of smallholder farmers among the top ten were Port Elizabeth, Pietermaritzburg and Klerksdorp, respectively at 1% (R1.25 million, R1.08 million and R948 659).

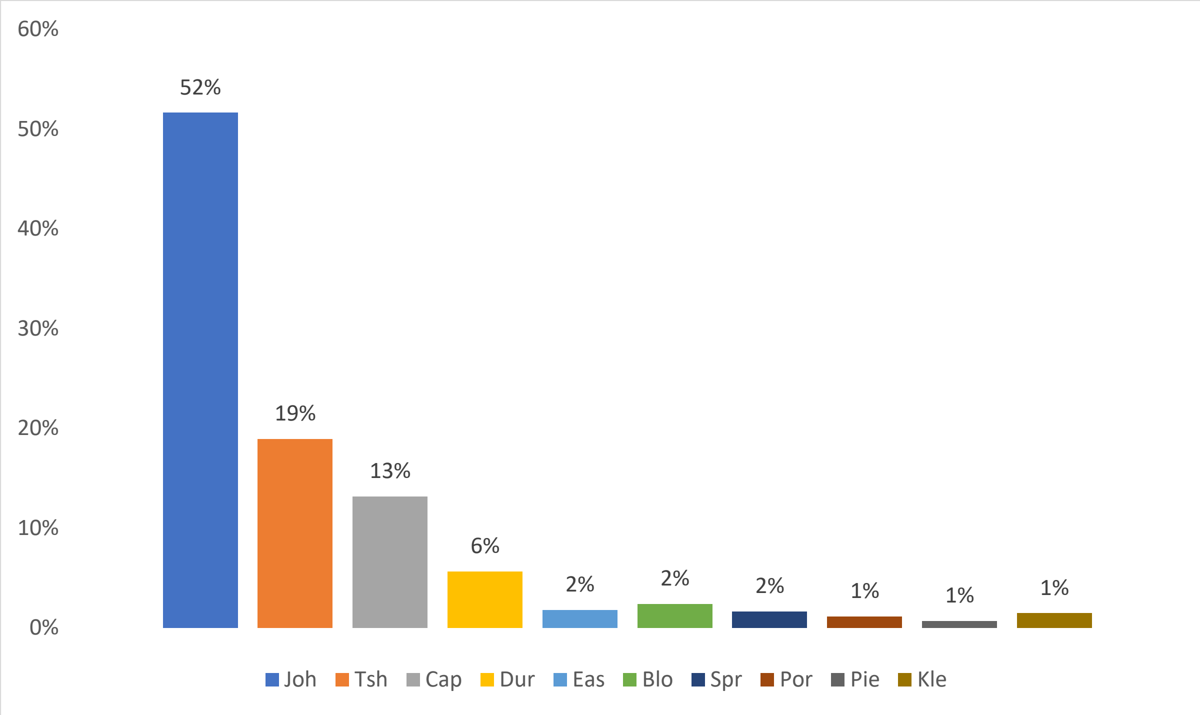

Figure 11: Estimated share in markets by other vegetables (revenue. Source: South African Union of Food Markets (2021).

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 73% and 70% mass, followed by Kwa-Zulu Natal at 12% and 15%, Western Cape at 7% revenue and 6% mass, Free State at 4% for revenue and 5% mass; Eastern Cape also at 2% for both revenue and mass, and similarly to the North West at 1% revenue and 2% mass.

Northern Cape (R166 596) and Mpumalanga (R86 875) had the lowest share matched by 31 MT and 17 MT, respectively

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

Province	Revenue	Mass
GP	77 968 100	10 067
KZN	13 279 342	2 189
WC	7 512 802	878
FS	4 452 775	691
EC	2 121 952	318
NW	1 534 171	276
NC	166 596	31
MP	86 875	17

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 44% (6 391 MT) (see figure 12). Followed by Tshwane at 22% (3 146 MT), Durban at 13% (1 842 MT), Cape town at 6% (878 MT), Springs and Bloemfontein at 3% (484 MT and 445 MT). Pietermaritzburg, East London and Klerksdorp also had the same share at 2% (347 MT, 276 MT and 276 MT). Bloemfontein was at 3% (472 MT). Welkom fresh produce market commanded the least share of smallholder farmers (246 MT) among the top ten fresh produce markets.

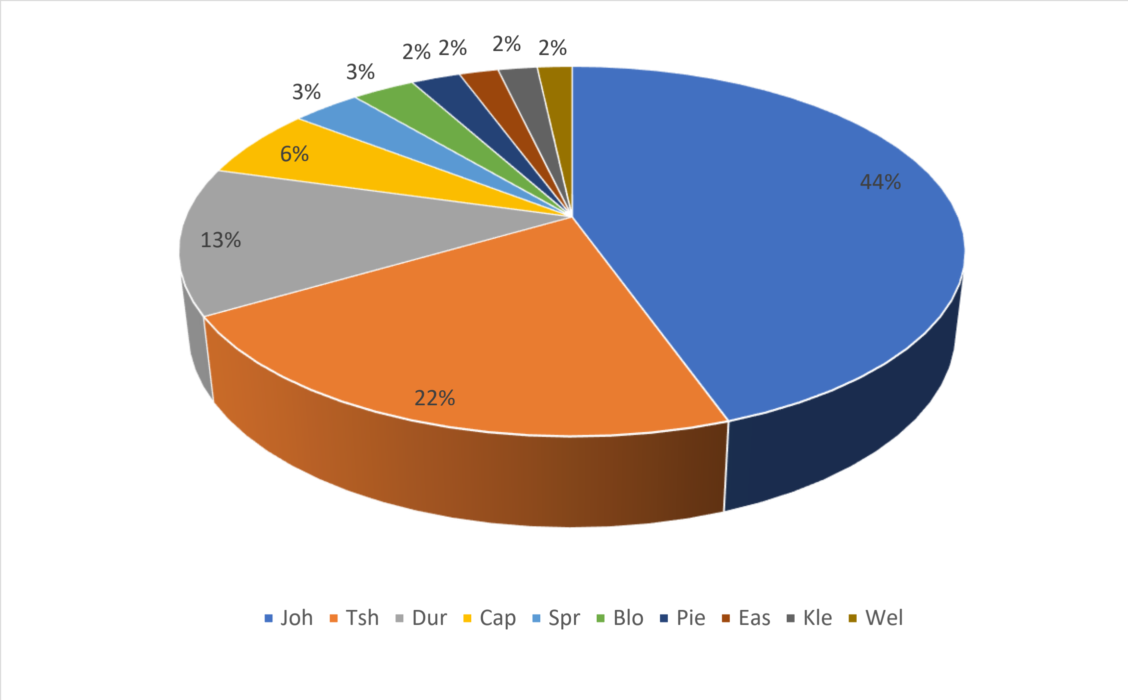

Figure 12: Estimated share in markets by other fruits (mass).

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 top10 markets was Johannesburg at 50% (R53 million), Tshwane at 20% (R21 million), Durban at 11% (R11 million), Cape town at 7% (R7 million), Springs and Bloemfontein at 3% translated as R3.16 million and R2.99 million, respectively. Pietermaritzburg, East London and Klerksdorp had the same share at 2% (R1.06 million, R1.87 million and R1.53 million). Welkom had the lowest share (R1.28 million) of smallholder farmers among the top ten fresh produce markets.

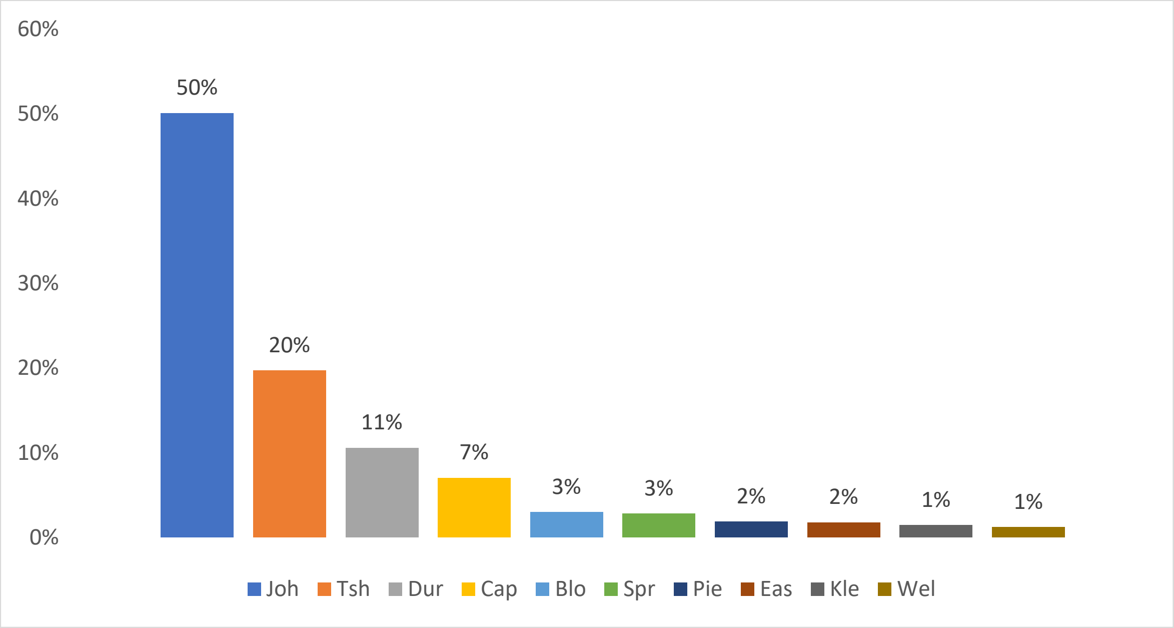

Figure 13: Estimated share in markets by other fruits (revenue).

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

3.7 PRICE

Figure 14 presents the prices and market share measure in rand per ton and percentages, respectively. For the month of September 2021, the Johannesburg, Bloemfontein, Cape town and Durban command the largest market share of fresh produce traded in this market system. On the other hand, the prices were ranging from R3 035 to R7 665 per ton.

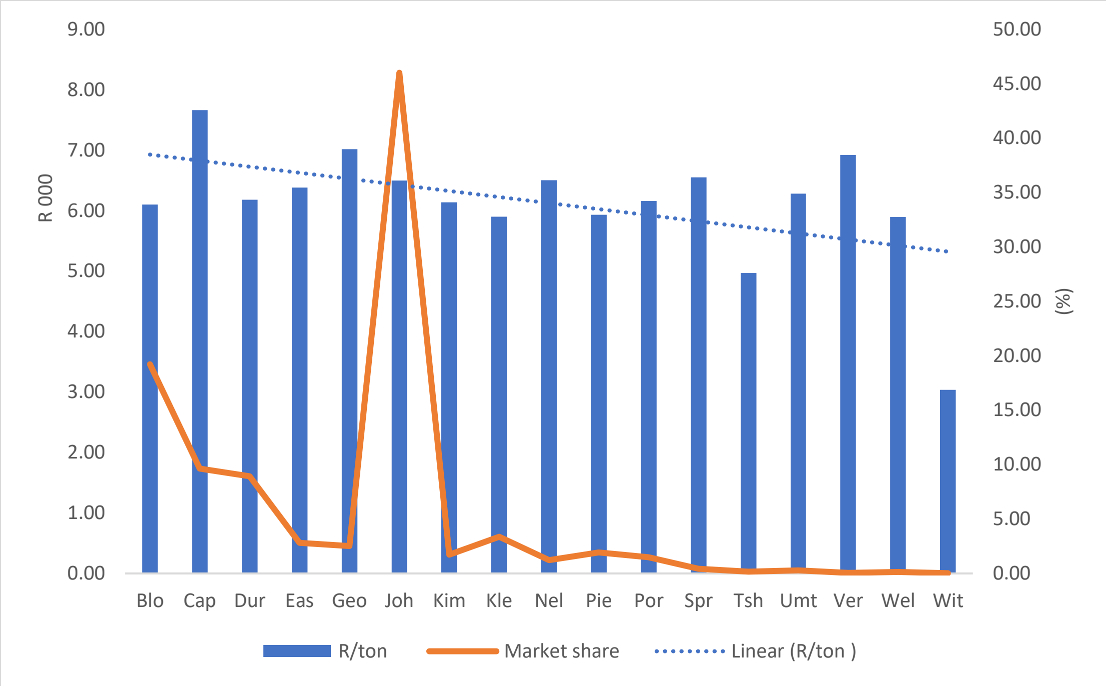

Figure 14: Price trends for top 4 commodities

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

4. CONCLUSION

The report was designed show the ideal performance of smallholder farmers in fresh produce markets in sept 2021. Results suggest a 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.

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Sandra Wolfaardt is acknowledged for assistance provided to the NAMC in terms of NFPM data.

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