NAMC

Promoting market access for South African agriculture

SMALLHOLDER MARKET ACCESS ESTIMATES

November 2021

National Agricultural Marketing Council

www.namc.co.za

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1. BACKGROUND

This report provides an ideal performance of smallholder farmers in Fresh Produce Market System (FPMS) in South Africa in November 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. The analysis is largely limited to potatoes, onions, tomatoes, bananas and vegetables and fruits traded in the system. Monthly data for these commodities were obtained from the South African Union of Food Markets (SAUFM).

2. OVERVIEW OF THE MONTH – NOV: 21

In November 2021 the total mass traded from the FPMS was 289 190 metric tons (MT), generating a total revenue of R1.59 billion (see table 1). This indicates 25% (56 947 MT) and 25% (R166million) 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 and food inflation. On the other hand, this is indicative of the ever-increasing role of fresh produce market system on the country's food security.

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

Commodity	Revenue	Mass
Total	R1 587 252 016	289 190
Potatoes	382 929 310	95 835
Onions	96 737 564	31 265
Tomatoes	159 988 478	25 396
Bananas	165 788 252	18 397
Other vegetables	310 067 665	63 347
Other fruits	470 740 747	54 950

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

Potatoes had a total mass of 95 835 MT indicating a slight growth of 0.45% compared to the same month in the previous year. Their revenue substantially declined by 12% (R56 million) during the same period. The total mass for onions also declined greatly by 52% (34 401 MT) but the revenue grew by 0.89% to R96 737 564. Tomatoes had a total mass of 25 396 MT indicating massive decline by 76% (translated as 83 014 MT), ascribed to the general decline of market share of NFPMs due to proliferation of supermarkets offering fresh produce since the deregulation of South Africa's agriculture sector in 1997. However, this traded mass was matched by total revenue of R159 million, indicating 16% increase. Bananas showed a decline of 82% (87 143 MT) in mass but 42% growth in revenue. Other vegetables traded in the system recorded an increase of 23% and 12% decline in mass and revenue, respectively. Other fruits recorded an increase of 23% in total revenue and decrease of 47% in total revenue.

3. ESTIMATED SHARE OF SMALLHOLDER FARMERS

Basically, this section provides descriptive analysis of the selected commodities and ideal estimated share of the smallholder farmers (top performing commodities) against the recommendation of the NAMC Section 7. This volume is assumed to be obtained or representing the share of smallholder farmers in the national fresh produce markets system.

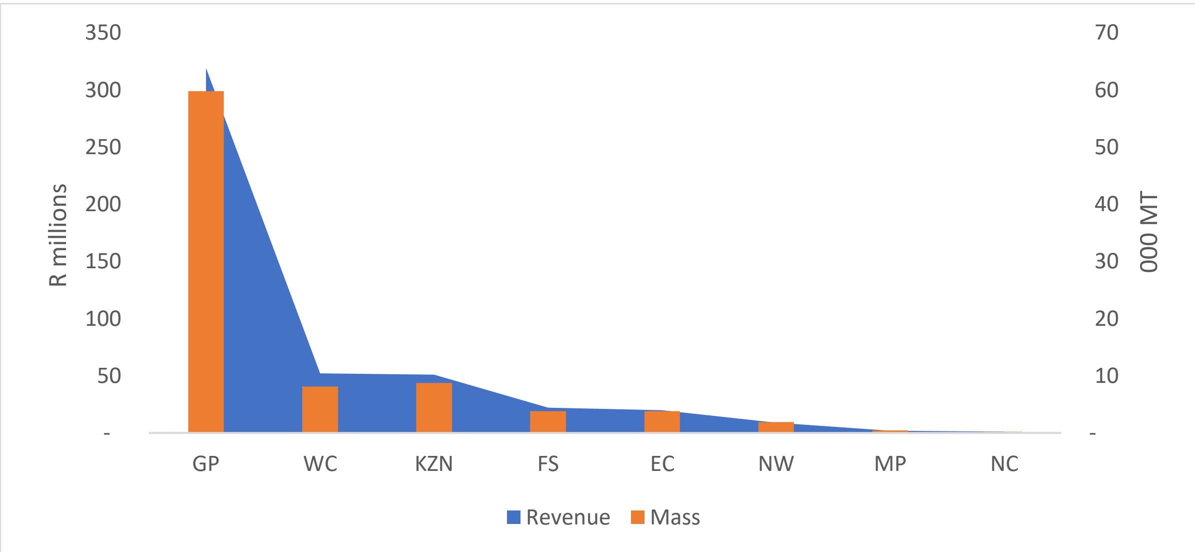

Figure 1: Summary of estimated share of smallholder farmers in different provinces by revenue and mass. Source: SAUFM (2021)

For the entire month of November 2021, the ideal smallholder farmer 30% market share was estimated at 86 757 MT and R476 million, respectively. This implies that at the provincial level

Gauteng province was leading at 59 765 MT matched by a revenue of R319 million (See figure 1). This was followed Kwa-Zulu Natal (KZN) at 8 741 MT (R50 million), Western Cape (WC) at 8 124 MT (R52 million), Free State (FS) at 3 782 MT (R22 million), Eastern Cape at (EC) 3 808 MT (R19 million) and Mpumalanga (MP) province was at 443 MT (R2.09 million). The Northern Cape (NC) provinces had the lowest share (216 MT, R987 760) 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 R73 million matched by total mass of 19 086 MT (see table 2). This was followed by KZN (R13 million, 3 076 MT), WC (R10 million, 2 834 MT), Free state (R6 million, 1 399 MT) and EC (R5 million, 1 164 MT). The least contributing provinces to the share of smallholder farmers were NW at R3 million (868 MT), Mpumalanga at R1.12 million (251 MT) and NC at R317 638 (72 MT), respectively. The overall share in potatoes was R114 million (28 751 MT).

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

Province	Revenue	Mass
GP	R73 816 146	19 086
KZN	R13 697 529	3 076
WC	R10 224 053	2 834
FS	R6 680 102	1 399
EC	R5 617 990	1 164
NW	R3 399 857	868
MP	R1 125 478	251
NC	R317 638	72

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 12 085 MT (42%), followed by Tshwane at 17% (4 953 MT), Cape town at 10% (2 762 MT), Durban at 8% (2 333 MT), and Springs at 6% (1 734 MT), respectively. Other markets in the top ten included Klerksdorp, East London, Pietermaritzburg and Bloemfontein at 3%. Welkom had the least share in potatoes among the top ten markets at 2% (662 MT).

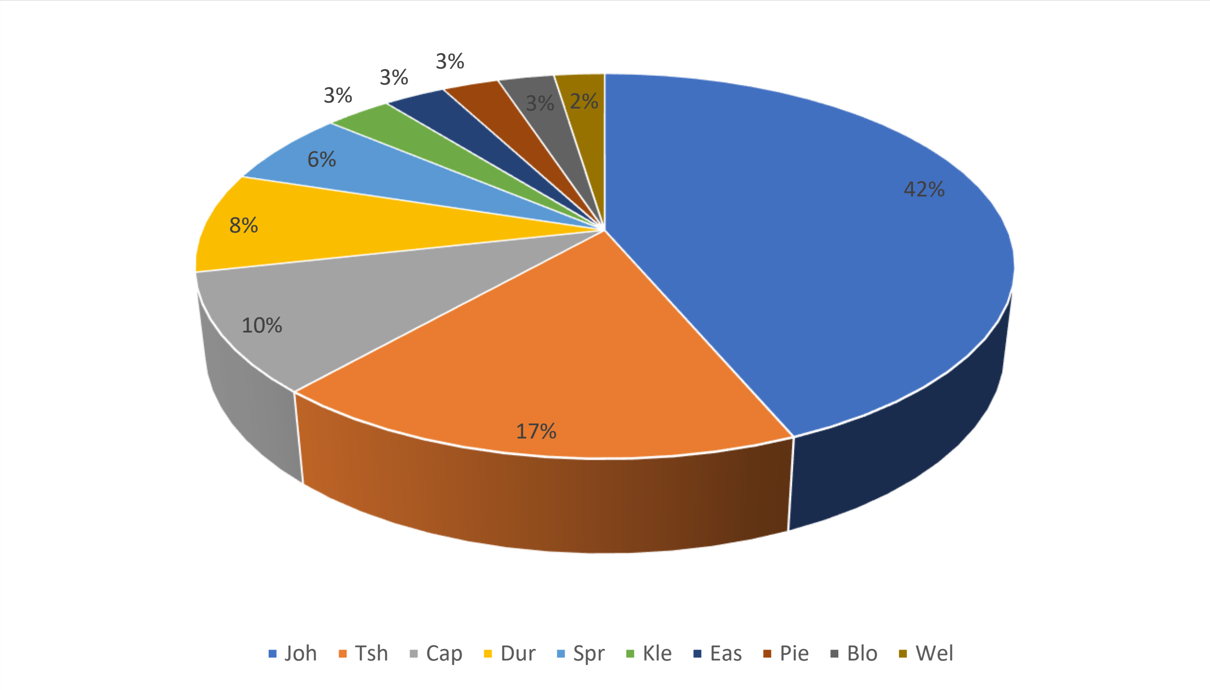

Figure 2: Estimated share in markets by potatoes (mass).

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 R46 million (41%) followed by Tshwane at 17% (R19 million), Durban (R10 million), Cape town (R9 million), and Springs (R6 million), respectively. Other markets in the top ten included East London, Klerksdorp and Bloemfontein at 3%. Markets commanding the least share in potatoes among the top ten were Welkom (R3 million) and Pietermaritzburg (R2 million), respectively.

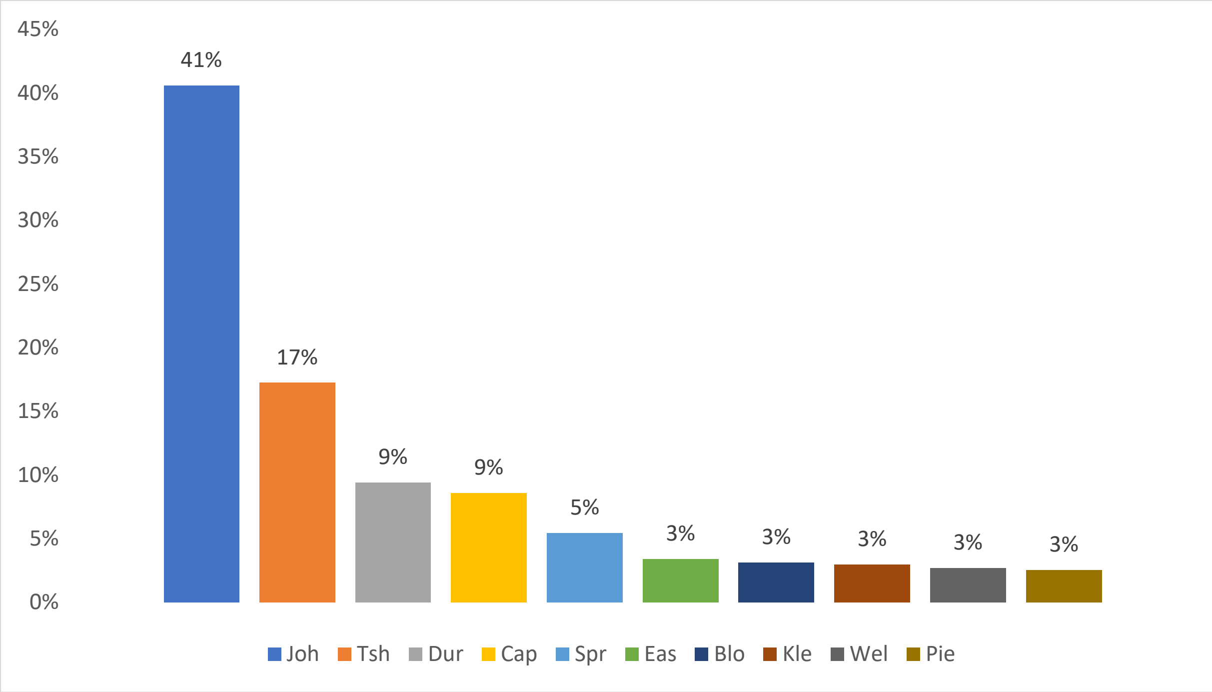

Figure 3: Estimated share in markets by potatoes (revenue).

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 63% (R18 million) matched by mass of 68% (6 422 MT), followed by Kwa-Zulu Natal with 15% (R4 million) revenue and 13% (1 187 MT) in mass, Western Cape at 11% (9%), Eastern Cape at 6% (5%), and Free State at 3% for both revenue and mass.

Mpumalanga at R190 591 (69 MT) and Northern Cape at R34 575 (14 MT) had the lowest share respectively. The overall, share was R29 million and 9 380 MT.

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

Province	Revenue	Mass
GP	R18 227 430	6 422
KZN	R4 348 714	1 187
WC	R3 188 494	804
EC	R1 844 325	514
FS	R873 324	266
NW	R313 816	103
MP	R190 591	69
NC	R34 575	14

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

Onions were the second largest traded commodity in fresh produce market in November 2021. The Johannesburg market commanded the largest share of smallholder farmers at 4 636 MT (49%) (see figure 4).

Followed by Tshwane at 1 497 MT (16%), Durban at 1 034 MT (11%), Cape town at 787 MT (8%). Other markets include Springs (266 MT), East London (263 MT) and Port Elizabeth (248 MT) at 3%. On the other hand, Bloemfontein and Pietermaritzburg were at 2%. Klerksdorp (103 MT) had the least share among the top ten respectively.

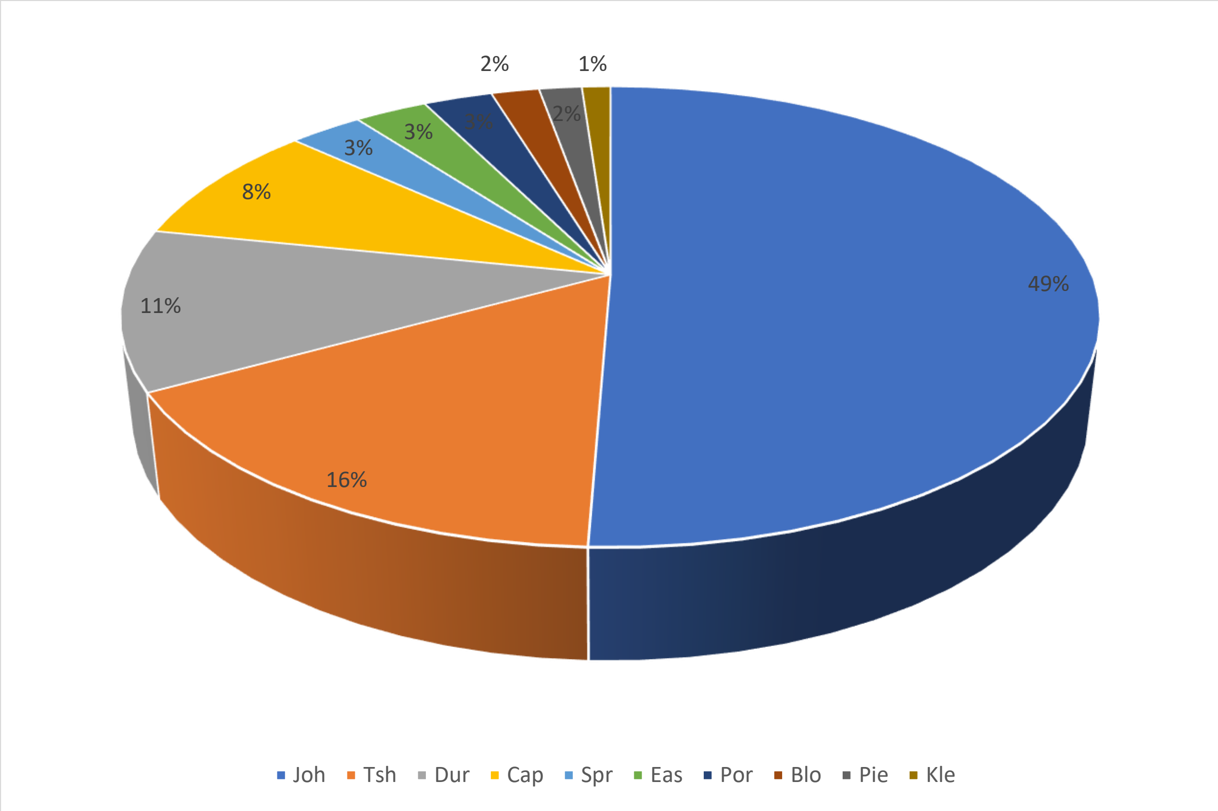

Figure 4: Estimated share in markets by onions (mass).

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 top 10 markets was Johannesburg at 47% (R13 million) followed by Tshwane at 14% (R3.99 million), Durban at 13% (R3.88 million), Cape town at 11% (R3.14 million), East London at 3% (R994 978) and Port Elizabeth at 3% (R842 454).

Other markets (Springs, Bloemfontein and Pietermaritzburg) had the same share at 2%. Klerksdorp (R313 815) had the lowest share at 1% among the top ten markets.

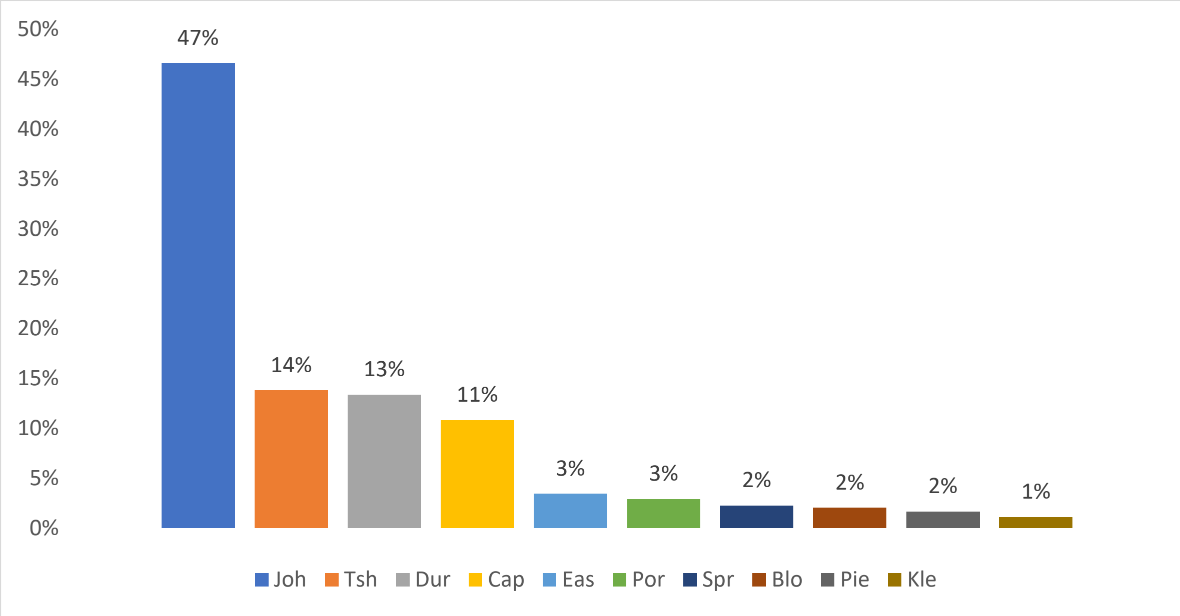

Figure 5: Estimated share in markets by onions (revenue).

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 64% and 66% in mass and revenue respectively, followed by Western Cape at 15% revenue and 13%, Kwa-Zulu Natal at 9% revenue and 10% mass, Free State at 5% both revenue and mass, Eastern Cape at 3% revenue and 4% mass, and North West at 2% both revenue and mass.

Northern Cape (R316 147) and Mpumalanga (R65 273) had the lowest share. The overall, share was R47 million and 7 619 MT.

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

Province	Revenue	Mass
GP	R30 844 247	5 024
WC	R7 112 138	992
KZN	R4 358 739	756
FS	R2 604 972	353
EC	R1 656 725	283
NW	R1 038 302	134
NC	R316 147	64
MP	R65 273	13

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

Tomatoes were the third largest traded commodity in fresh produce market in November 2021. The Johannesburg market commanded the largest share of smallholder farmers at 47% translated as 3 582 MT (see figure 6).

Followed by Tshwane at 1 157 MT (15%), Cape town at 991 MT (13%), Durban at 670 MT (9%), Springs at 281 MT (4%) and Bloemfontein at 3% (222 MT). East London (149 MT), Klerksdorp (134 MT) and Port Elizabeth (134 MT) at 2%. Welkom (131 MT) had the least share among the top ten markets.

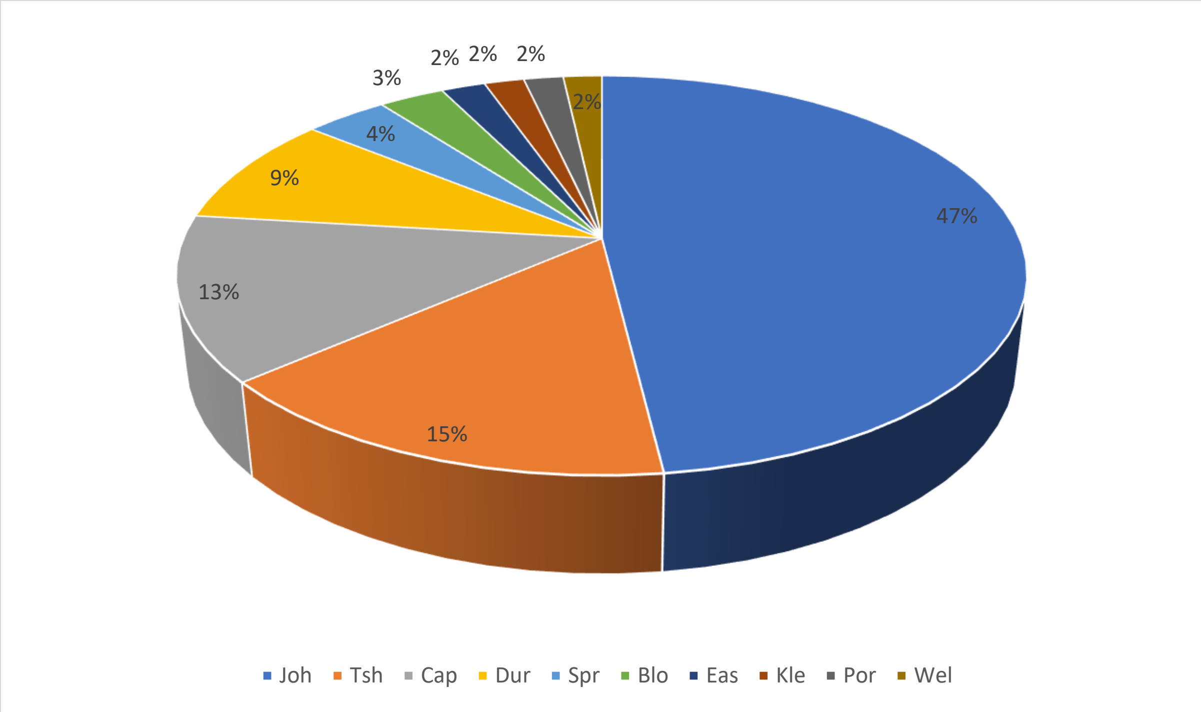

Figure 6: Estimated share in markets by tomatoes (mass).

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% (R21 million), Tshwane at 16% (R7.55 million), Cape town at 15% (R7.10 million), Durban at 8% (R3 million), Springs at 3% (R1.52million) and Bloemfontein at 3% (R1.63 million). Klerksdorp (R1.03 million), Welkom (R966 623) and Port Elizabeth (R854 116). East London fresh produce market (R802 608) had the lowest share among the top ten markets

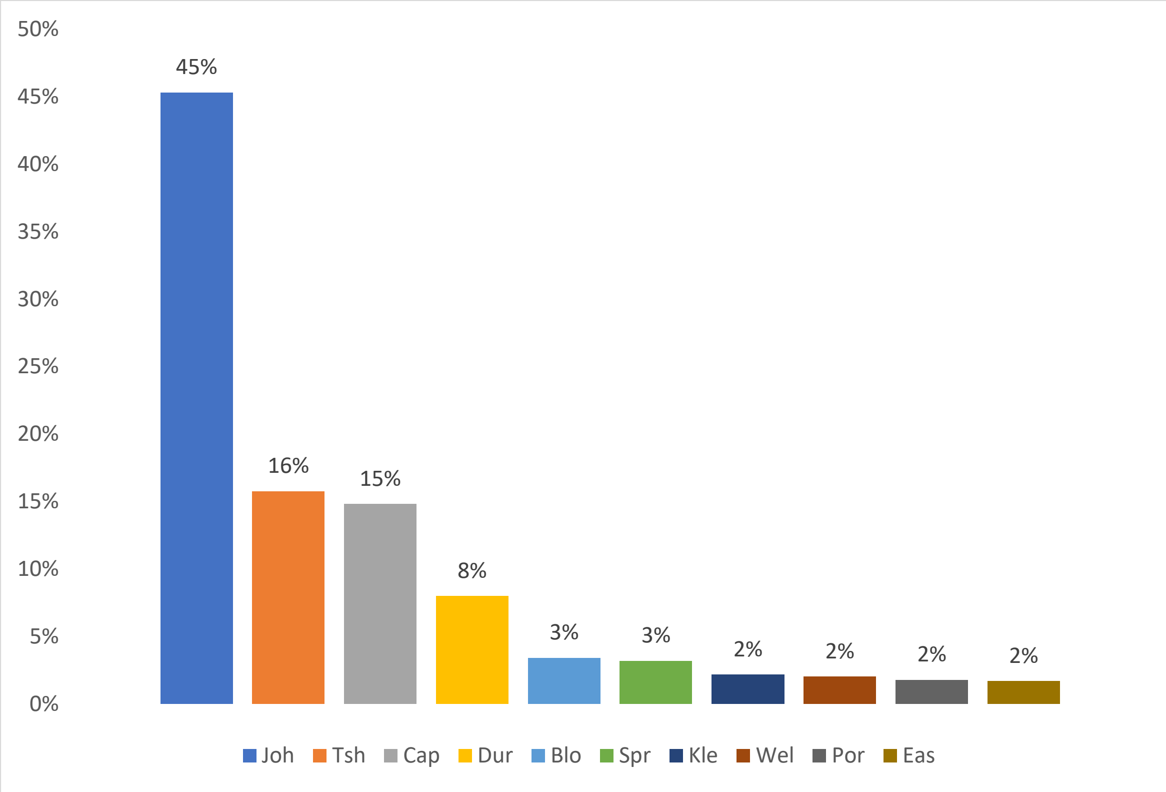

Figure 7: Estimated share in markets by tomatoes (revenue).

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 Western Cape at 15% revenue and 13% mass, Kwa-Zulu Natal at 14% revenue and 16% mass, Eastern Cape at 10% (9%) and Free State at 5% revenue and 4% mass. Mpumalanga (R48 026) had the lowest share. The overall, share was R49 million and 5 519 MT.

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

Province	Revenue	Mass
GP	R26 897 286	3 089
WC	R7 597 151	718
KZN	R7 176 855	867
EC	R4 839 354	495
FS	R2 283 343	237
NW	R894 460	109
MP	R48 026	5

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

Bananas were the fourth largest agricultural product traded in fresh produce market system in November 2021. The Johannesburg market commanded the largest share of smallholder farmers at 31% (1 735 MT) (see figure 8).

Followed by Tshwane at 21% (1 136 MT), Cape town at 13% (718), Durban at 12% (689 MT), East London at 6% (314 MT) and Springs at 4% (218 MT). Bloemfontein (187 MT), Port Elizabeth (180 MT) and Pietermaritzburg (178 MT) has the same share at 3%, respectively. Among the top ten markets Klerksdorp fresh produce market (109 MT) commanded the least share of smallholder farmers at 2%.

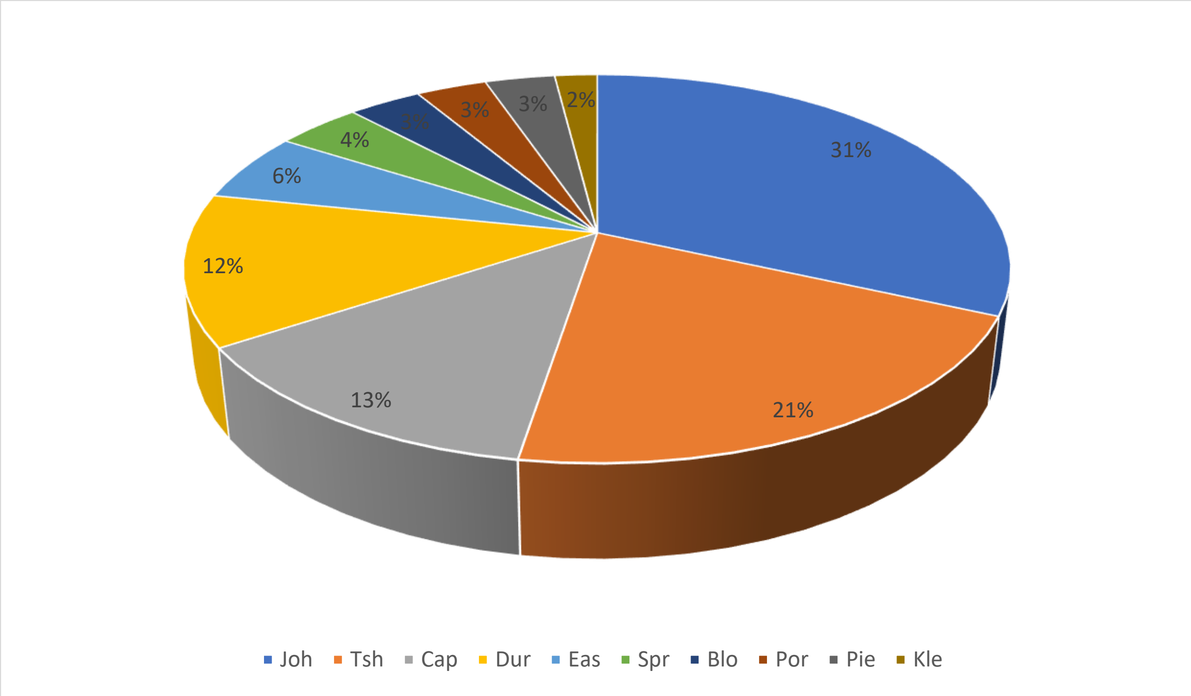

Figure 8: Estimated share in markets by banana (mass).

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 31% (R15 million), Tshwane at 20% (R9 million), Cape town at 15% (R7 million), Durban at 11% (R5 million) and East London at 6% (R2 million). Port Elizabeth (R1.93 million), Bloemfontein (R1.86 million) and Springs (R1.79 million) were at 4%. On the other hand, Pietermaritzburg (R1.52 million) at 3%. Among the top ten Klerksdorp fresh produce market had the least share at 2% (R894 460).

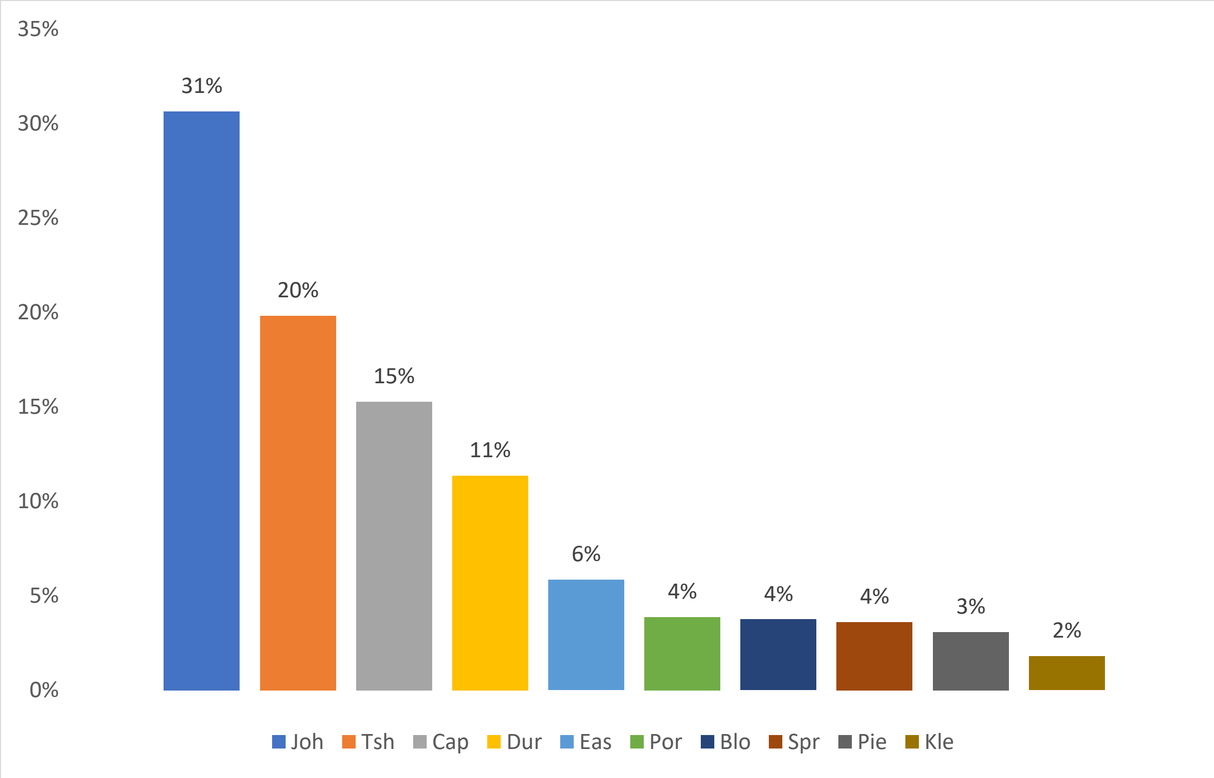

Figure 9: Estimated share in markets by tomatoes (revenue).

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 76%, followed by Western cape at 12% revenue and 8% mass, Kwa-Zulu Natal at 7% both revenue and mass, Free State at 3% (4%), Eastern Cape at 3% (revenue and mass), and the same applies to 2% in mass and revenue for North West

Mpumalanga (R227 8934; 68 MT) and Northern Cape (R186 035; 45 MT) had the lowest share, respectively. But the overall, share of smallholder farmers in other vegetables in November 2021 was R93 million and 19 004 MT.

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

Province	Revenue	Mass
GP	67 699 680	14 413
WC	10 986 666	1 517
KZN	6 384 451	1 300
FS	3 234 313	746
EC	2 900 110	584
NW	1 401 152	332
MP	227 893	68
NC	186 035	45

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

A significant number of other vegetables were traded in various fresh produce markets in November 2021. The Johannesburg market commanded the largest share at 52% (9 856 MT) (see figure 10). Followed by Tshwane at 21% (4 020 MT), Cape town at 8% (1 516 MT), Durban at 6% (1 159 MT), Springs and Bloemfontein at 3% (506 MT and 495 MT). Klerksdorp and East London had the same share at 2% (332 MT and 334 MT). Welkom and Port Elizabeth (251 MT and 225 MT) commanded the lowest share of smallholder farmers among the top ten markets.

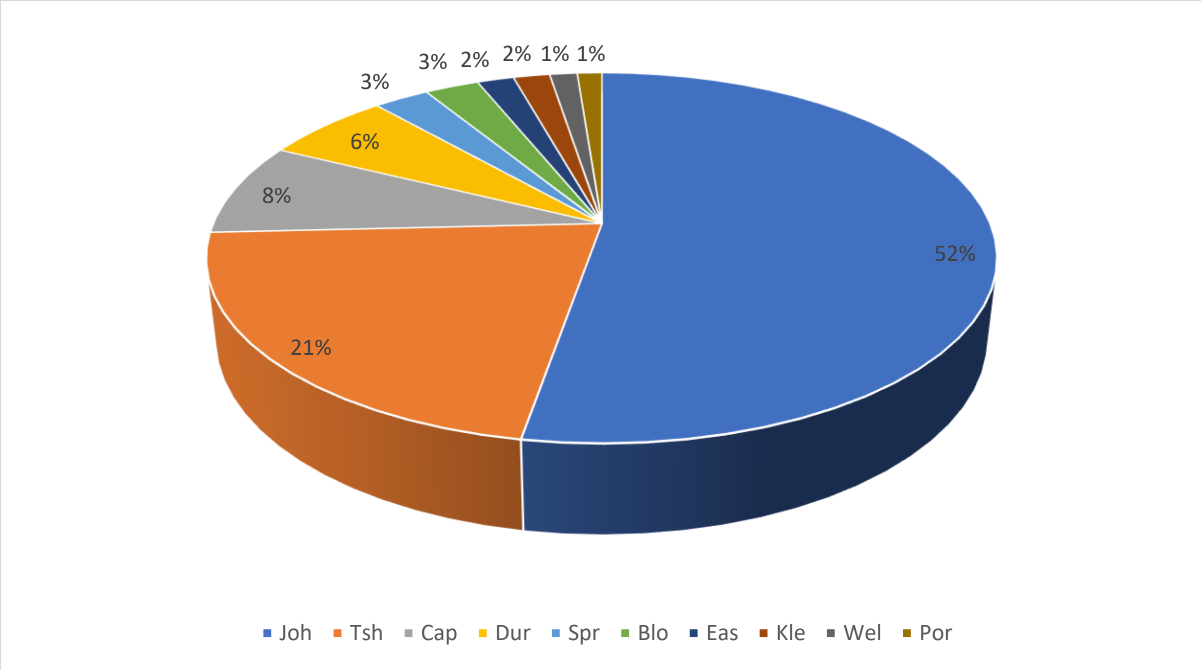

Figure 10: Estimated share in markets by other vegetables (mass).

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% (R48 million), Tshwane at 19% (R17 million), Cape town 12% (R10 million), Durban at 6% (R5 million) and Bloemfontein (R2 million) and Spring (R1.72 million) both at 2%. Another market with a share of 2% was East London (R1.71 million). Markets commanding the least share of smallholder farmers among the top ten were Port Elizabeth and Welkom respectively at 1% (R1.09 million, R1.05 million).

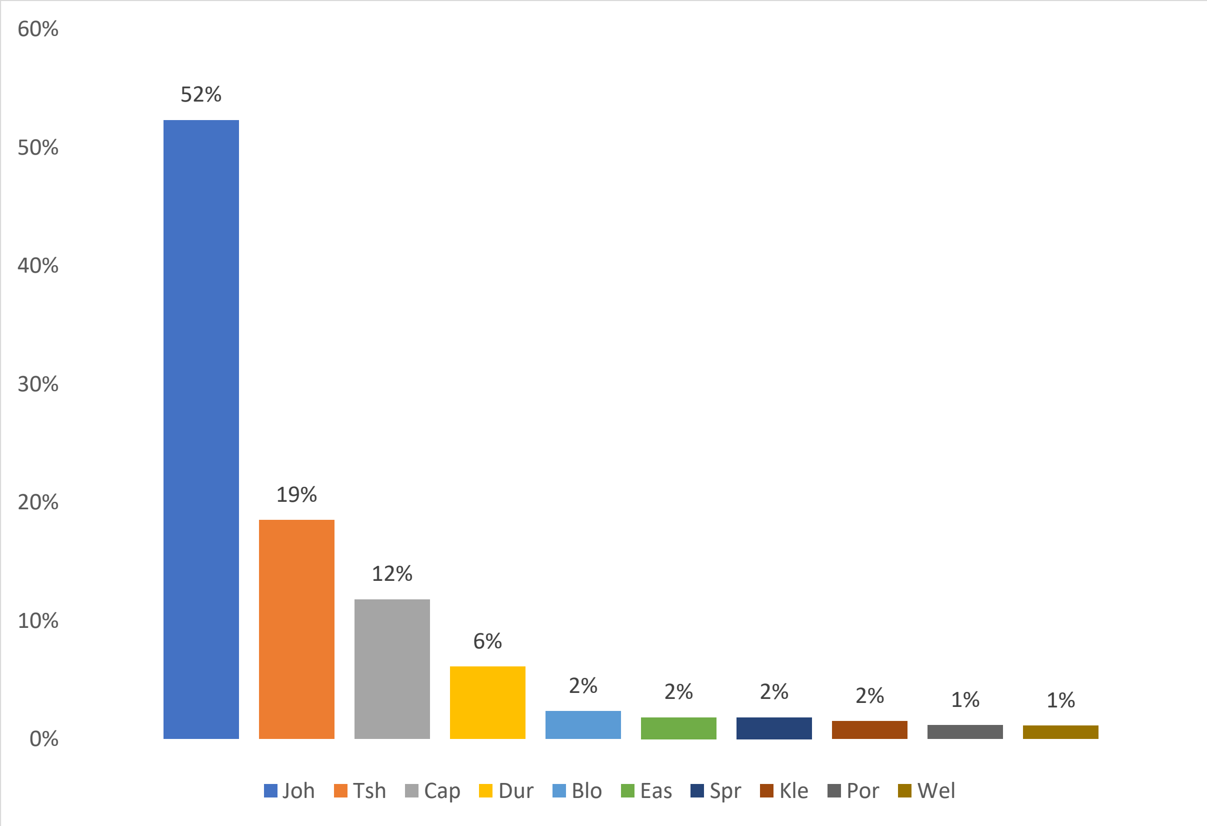

Figure 11: Estimated share in markets by other vegetables (revenue. Source: South African Union of Food Markets (2021).

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 72% and 71% mass, followed by Kwa-Zulu Natal at 11% and 9%, Western Cape at 9% revenue and 8% mass, Free State at 5% for both revenue and mass; Eastern Cape at 2% for revenue and 5% mass, and North West at 1% revenue and 2% mass.

Northern Cape (R133 365) and Mpumalanga (R137 584) had the lowest share matched by 38 MT and 21 MT, respectively. The overall share was R141 million matched by 16 485 MT.

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

Province	Revenue	Mass
GP	101 685 068	11 731
KZN	15 011 034	1 555
WC	12 913 146	1 260
FS	6 364 850	782
EC	2 973 923	769
NW	2 003 255	330
MP	137 584	38
NC	133 365	21

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

A substantial number of other fruits were traded in various fresh produce markets in November 2021. The Johannesburg market commanded the largest share of smallholder farmers at 40% (6 612 MT) (see figure 12). Followed by Tshwane at 28% (4 591 MT), Cape town and Durban at 8% (1 260 MT and 1 250 MT), Bloemfontein, Port Elizabeth and Springs at 3% (550 MT, 522 MT and 454 MT). Klerksdorp and Pietermaritzburg also had the same share at 2% (330 MT and 304 MT). East London fresh produce market commanded the least share of smallholder farmers (245 MT) among the top ten fresh produce markets.

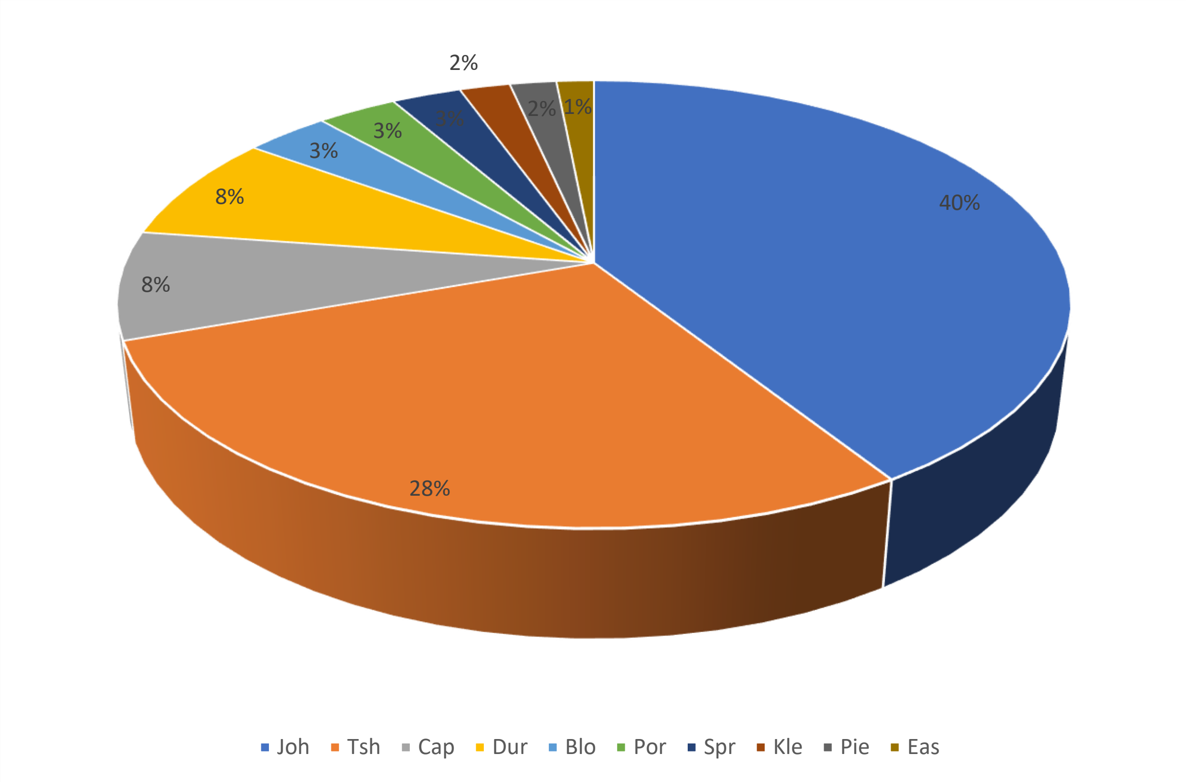

Figure 12: Estimated share in markets by other fruits (mass).

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 48% (R68 million), Tshwane at 21% (R30 million), Durban (R112.91 million) and, Cape town at (12.79 million) at 9% and Bloemfontein at 3% translated as R4 million. Springs, East London and Pietermaritzburg, had the same share at 2% (R3 million, R2.54 million and R2.21 million). Klerksdorp (R2.00 million) and Welkom (R1.67 million) had the lowest share of smallholder farmers among the top ten fresh produce markets.

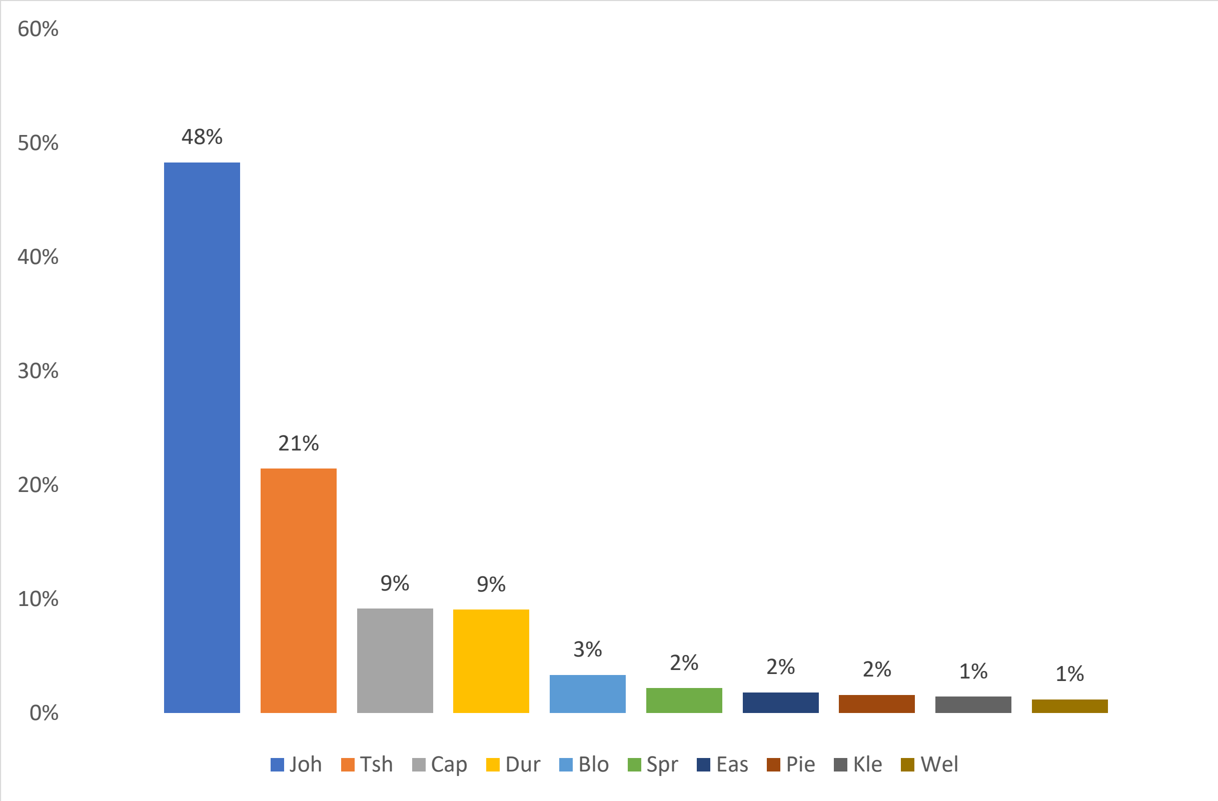

Figure 13: Estimated share in markets by other fruits (revenue).

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 November 2021, the top four markets (Johannesburg, Tshwane, Cape Town and Durban) had a market share of 83% jointly. Umtata had the lowest market share at 0.02% attributed to percentage decline in both mass and revenue. However, the Nelspruit had the largest percentage growth in mass and revenue during the same month. Overall, the average price measured in rands per tons was R5 488 ranging from R3 412 (Umtata) to R6 424 (Cape town).

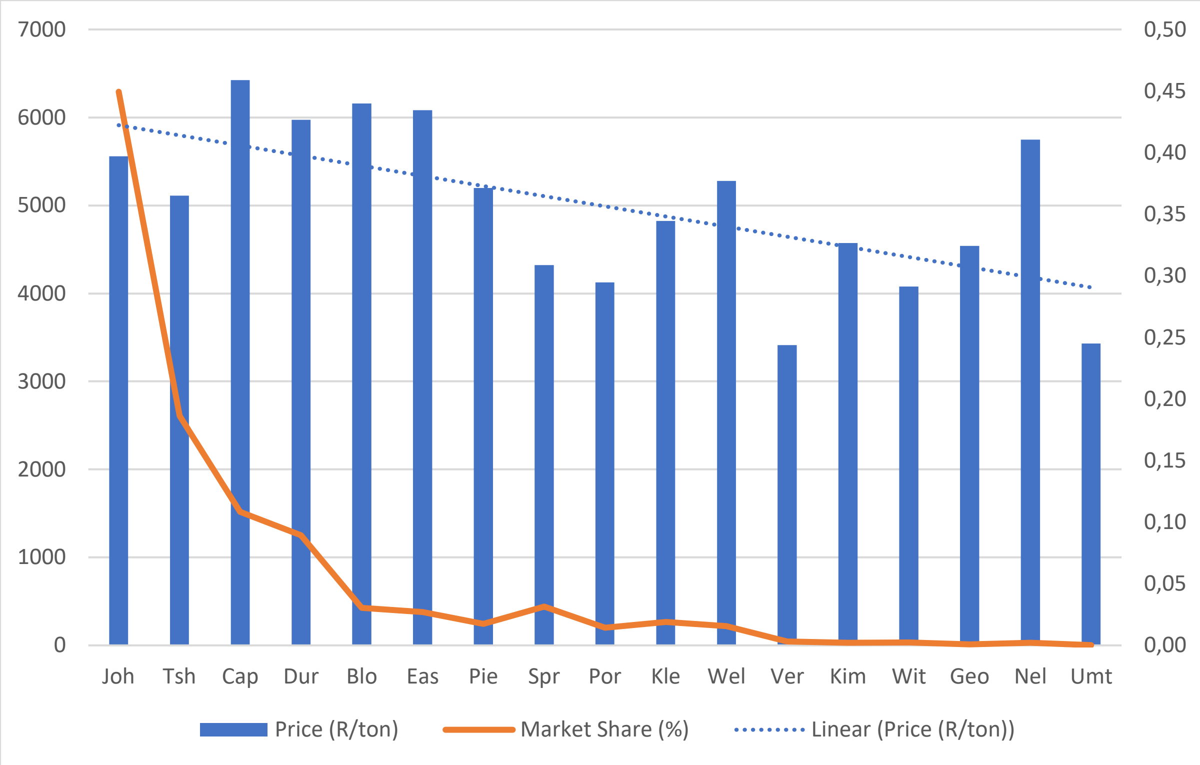

Figure 14: Price trends and market share for November 2021

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

4. CONCLUSION

The purpose of this report was to track market access for smallholder farmers in FPM by show the ideal performance measured based on 30% share of each traded agricultural product as recommended in NAMC Section 7 committee report published in 2006. For November 2021, total mass traded in the fresh produce market system was 289 190metric tons (MT). Thirty percent (smallholder share) of this was estimated at 86 757 MT matched by R476 million. Potatoes commanded the largest share at 28 751 MT (R114 million) followed by Onions at 9 380 MT (R29 million), Tomatoes at 7 619 MT (R47 million) and Bananas at 5 519 MT (R49 million). Other fruit and vegetables were at 16 485 MT (141 million) and 19 004 MT (93 million), respectively. The average price measured in rands per tons was R5 488 ranging from R3 412 (Umtata) to R6 424 (Cape town). These findings show a great potential for smallholder farmers to contribute to food security, employment creation and alleviation of poverty. They also imply that much effort is required for market inclusion and transformation by establishing more black-market agents. They also provide important policy insight for Project Rebirth and Council for Black Market Agents.

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