SMALLHOLDER MARKET ACCESS ESTIMATES

October 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 October 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 been excluded since it officially closed for trading in July 2021. The analysis is largely 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 – OCT: 21

In October 2021 the total mass traded from the FPMS was 272 096 metric tons (MT), generating a total revenue of R1.79 billion (see table 1). This indicates 18% (40 908 MT) and 4% (R65 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 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, October 2021

Commodity	Revenue	Mass
Total	R1 795 490 169	272 096
Potatoes	584 645 536	84 642
Onions	88 592 903	33 526
Tomatoes	212 180 184	24 580
Bananas	155 566 255	18 973
Other vegetables	355 742 079	65 007
Other fruits	398 763 212	45 368

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

Potatoes had a total mass of 84 642 MT indicating a growth of 9% compared to the same month in the previous year. Their revenue grew by 3% (R14 million) during the same period. The total mass for onions grew by 25% but the revenue declined by 21%. Tomatoes had a total mass of 24 580 MT matched by total revenue of R 212 million, indicating 27% and 8% increase in mass and revenue, respectively. Bananas showed a growth of 37% and 19% for both mass and revenue, respectively. Other vegetables traded in the system recorded an increase of 15%% and 2% for both mass and revenue, respectively. Other fruits recorded an increase of 23% in total mass and increase of 7% 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.

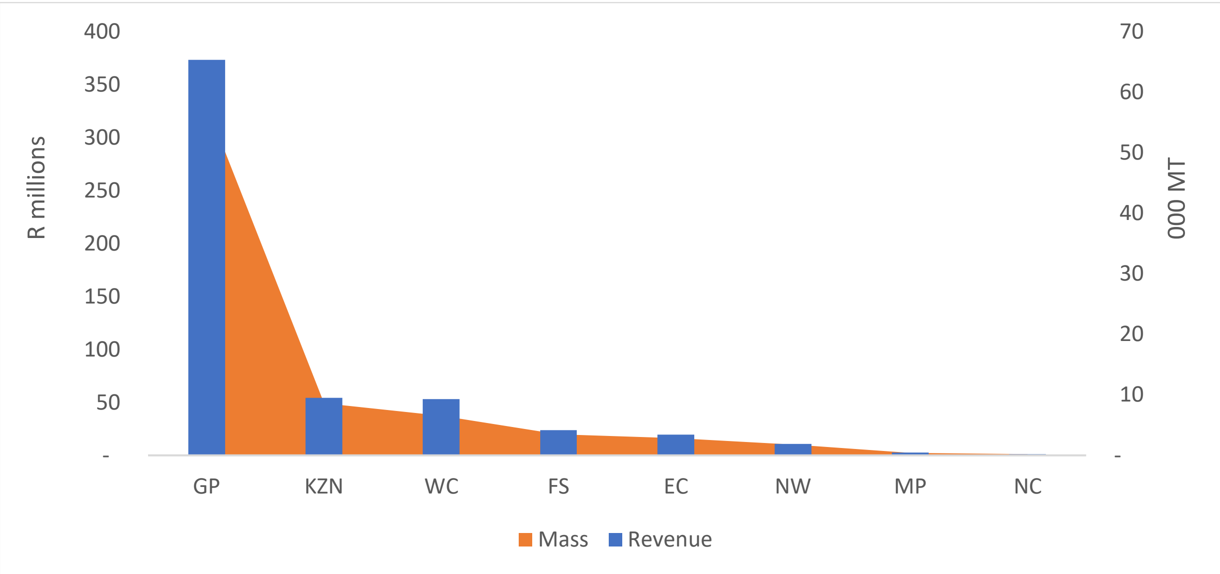

Figure 1: Summary of estimated share of smallholder farmers in different provinces by revenue and mass. Source: SAUFM (2021)

For the entire month, the ideal smallholder farmer 30% market share was estimated at 81 629 and R538 million, respectively. This implies that at the provincial level Gauteng province was leading at 57 840 MT matched by a revenue of R373 million (See figure 1). This was followed Kwa-Zulu Natal (KZN) at 8 582 MT (R54 million), Western Cape (WC) at 6 524 MT (R52 million), Free State (FS) at 3 499 MT (R23 million), Eastern Cape at (EC) 2 829 MT (R19 million) and Mpumalanga (MP) province was at 401 MT (R2.53 million). The Northern Cape (NC) provinces had the lowest share (185 MT, R1.14 million) 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 R118 million matched by total mass of 17 775 MT (see table 2). This was followed by KZN (R18 million, 2 528 MT), WC (R12 million, 1 793 MT), Free state (R9 million, 1 249 MT) and EC (R7 million, 928 MT). The least contributing provinces to the share of smallholder farmers were NW at R5 million (790 MT), Mpumalanga at R2 million (275 MT) and NC at R419 426 (56 MT), respectively. The overall share in potatoes was R175 million (25 393 MT).

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

Province	Revenue	Mass
GP	R118 385 941	17 775
KZN	R18 887 175	2 528
WC	R12 942 081	1 793
FS	R9 617 330	1 249
EC	R7 567 759	928
NW	R5 499 911	790
MP	R2 074 038	275
NC	R419 426	56

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 11 515 MT (45%), followed by Tshwane (4 604 MT), Durban (2 048 MT), Cape town (1 757 MT), and Springs (1 400 MT), respectively. Other markets in the top ten included Klerksdorp, East London, Bloemfontein and Welkom. Pietermaritzburg had the least share in potatoes among the top ten markets at 2% (479 MT).

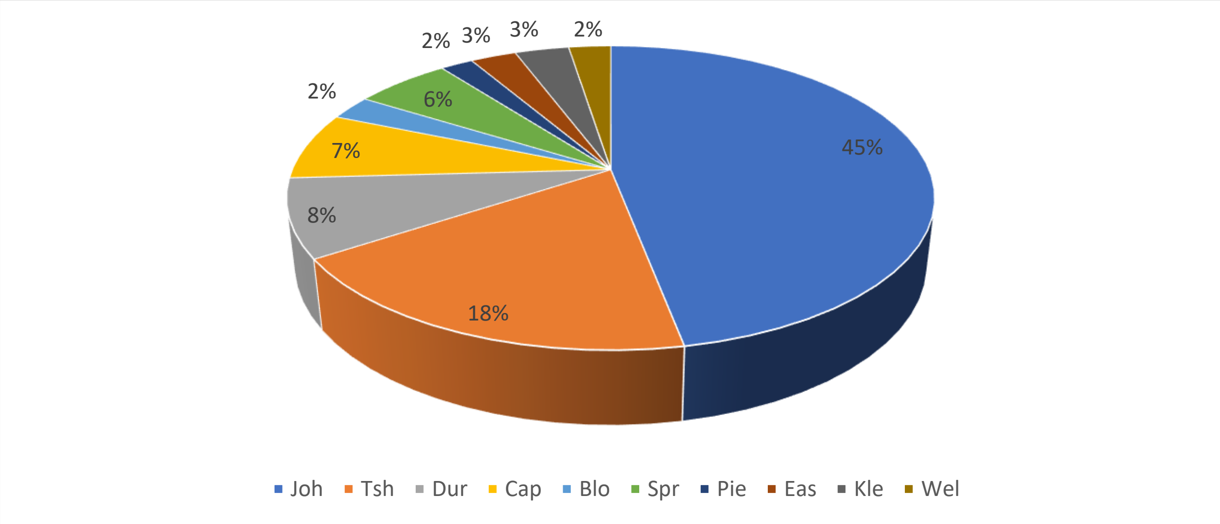

Figure 2: **Estimated share in markets by potatoes (mass).**

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 R75 million (43%) followed by Tshwane (R31 million), Durban (R15 million), Cape town (R12 million), and Springs (R9 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 (R4 million) and Pietermaritzburg (R3 million), respectively.

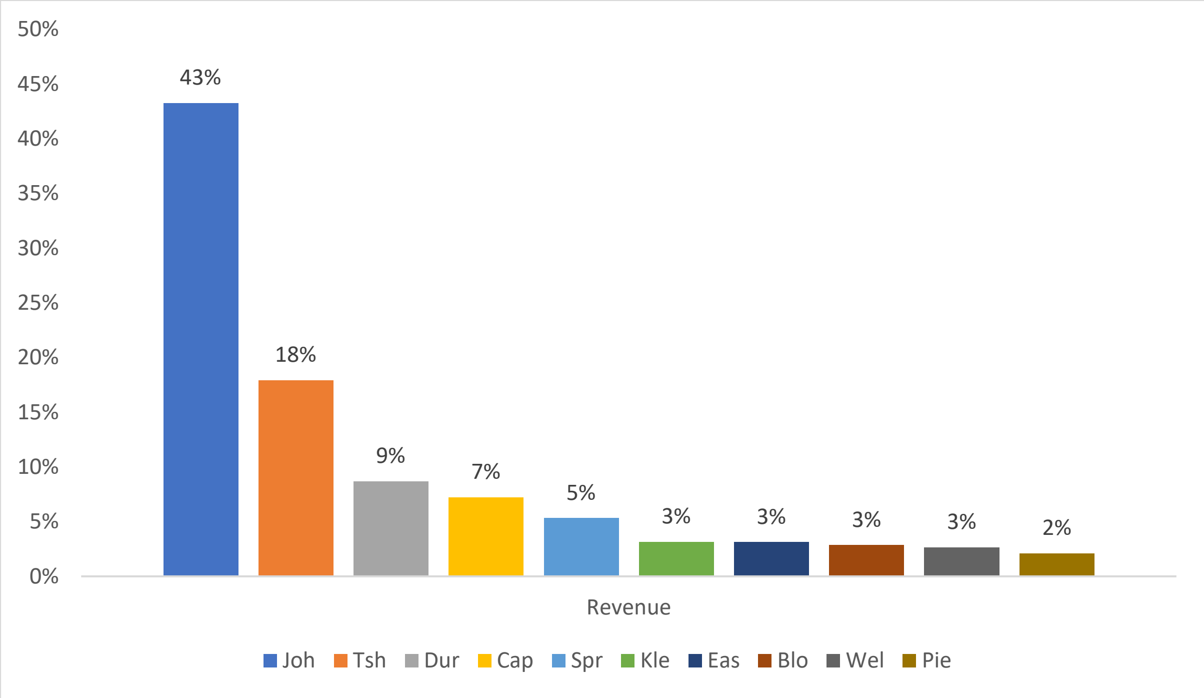

Figure 3: Estimated share in markets by potatoes (revenue).

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 65% matched by mass of 71%, followed by Kwa-Zulu Natal at 15% (revenue) and 13% (mass), Western Cape at 10% (7%), Eastern Cape at 5% (revenue) and 4% (mass), and Free State at 3% for mass and revenue (4%).

Mpumalanga (R104 644) and Northern Cape (R51 851) had the lowest share respectively. The overall, share was R26 million and 10 058 MT.

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

Province	Revenue	Mass
GP	R17 252 198	7 166
KZN	R4 072 112	1 318
WC	R2 622 636	683
EC	R1 379 524	427
FS	R785 044	271
NW	R309 863	132
MP	R104 644	43
NC	R51 851	18

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

Onions were the second largest traded commodity in fresh produce market in October 2021. The Johannesburg market commanded the largest share of smallholder farmers at 5 310 MT (53%) (see figure 4).

Followed by Tshwane at 1 589 MT (16%), Durban at 1 179 MT (12%), Cape town at 680 MT (7%), East London (251 MT), Springs (248 MT), Bloemfontein (176 MT) and Port Elizabeth (173 MT). Markets with the least share among the top ten were Pietermaritzburg (139 MT) and Klerksdorp (132 MT), respectively.

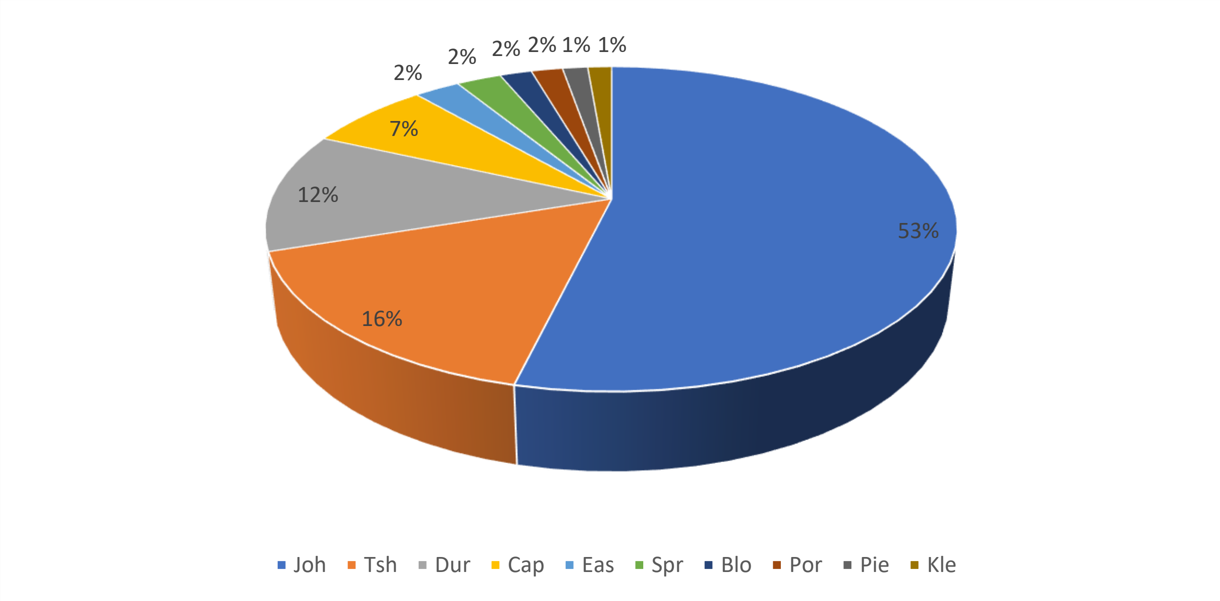

Figure 4: Estimated share in markets by onions (mass).

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% (R12 million) followed by Tshwane at 14% (R3.71 million), Durban at 14% (R3 69 million), Cape town at 10% (R2 million) and Bloemfontein at 3% (R527 280). East London at 3% (R794 026).

Other markets (Springs, Pietermaritzburg and East London) had the same share at 2%. Klerksdorp (R309 862) and Welkom (R257 763) had the lowest share at 1% among the top ten markets.

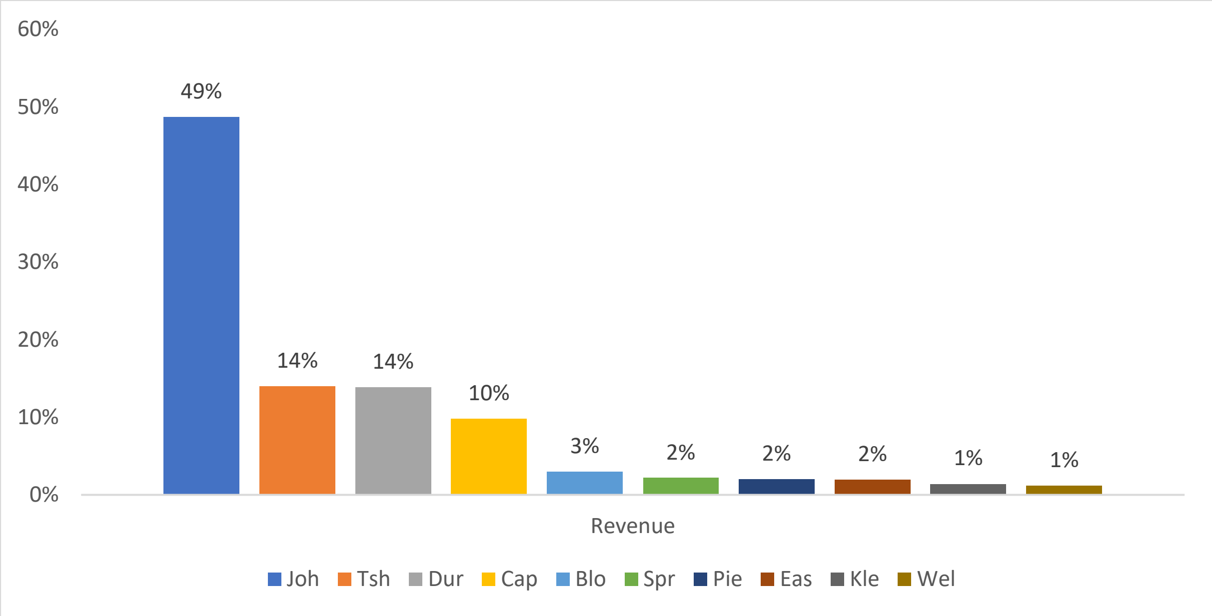

Figure 5: Estimated share in markets by onions (revenue).

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 67% and 69% in mass and revenue respectively, followed by Western Cape at 15% revenue and 12%, Kwa-Zulu Natal at 8% revenue and 9% mass, Free State at 5% revenue and 4% mass, Eastern Cape at 3% both revenue and mass, and North West at 2% (revenue and mass).

Northern Cape (R415 525) and Mpumalanga (R54 955) had the lowest share. The overall, share was R63 million and 7 374 MT.

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

Province	Revenue	Mass
GP	R42 861 590	5 122
WC	R9 254 559	902
KZN	R5 155 393	671
FS	R2 914 387	304
EC	R1 718 580	191
NW	R1 279 066	133
NC	R415 525	45
MP	R54 955	7

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

Tomatoes were the third largest traded commodity in fresh produce market in October 2021. The Johannesburg market commanded the largest share of smallholder farmers at 47% translated as 3 440 MT (see figure 6).

Followed by Tshwane at 1 386 MT (19%), Cape town at 902 MT (12%), Durban at 617 MT (8%), and Springs at 289 MT (4%). Bloemfontein (183 MT), Klerksdorp (133 MT) and Welkom (121 MT) had the same share at 2%. Markets with the least share of 1% among the top ten included East London (98 MT) and Port Elizabeth (94%.

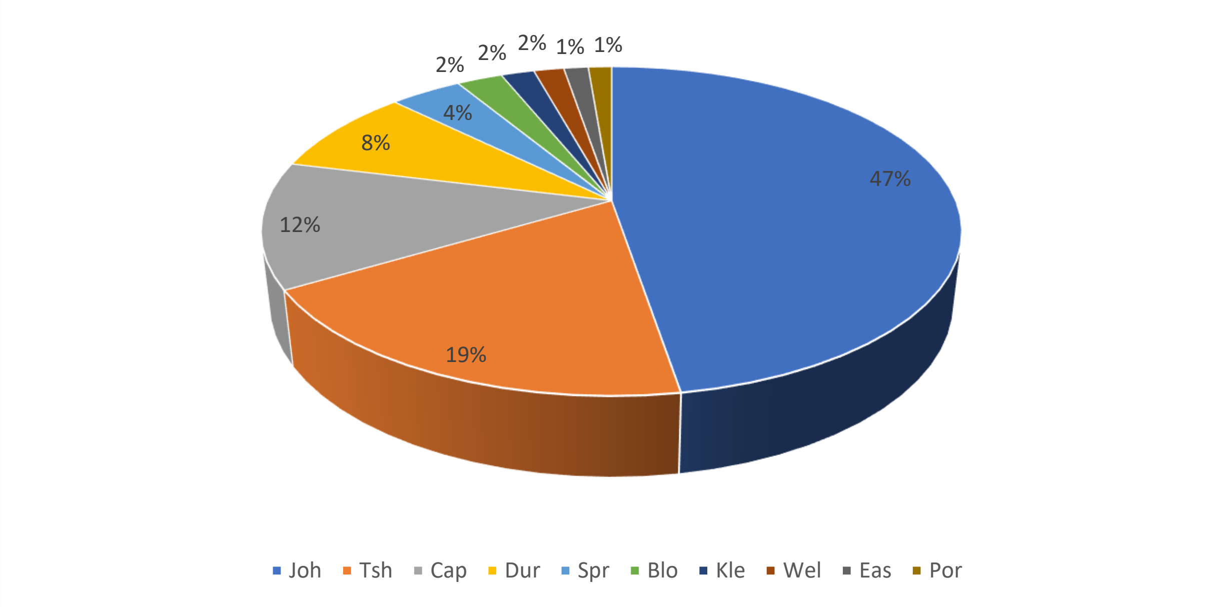

Figure 6: Estimated share in markets by tomatoes (mass).

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% (R29 million, Tshwane at 18% (R11 million), Cape town at 15% (R9 million), Durban at 7% (R4 million), Springs at 3% (R1.91million) and Bloemfontein at 3% (R1.73 million). Klerksdorp (R1.28 million) and Welkom (R1.18 million). Port Elizabeth (R889 933) and East London (R828 645) fresh produce markets had the lowest share among the top ten at 1%.

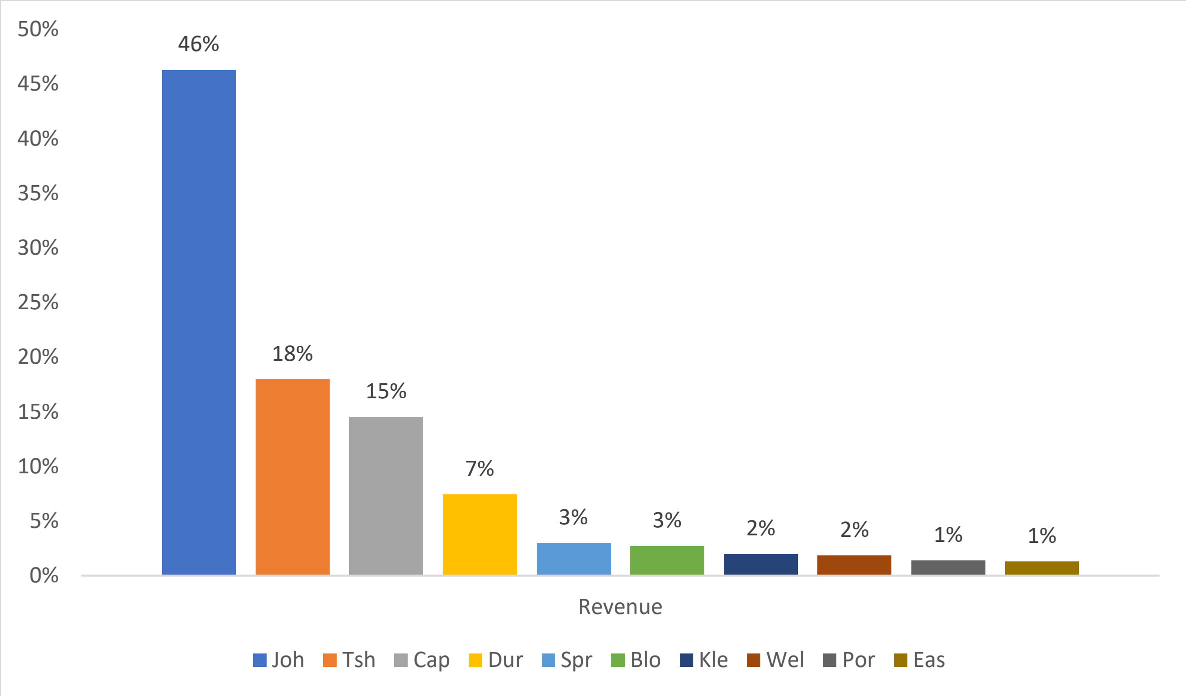

Figure 7: Estimated share in markets by tomatoes (revenue).

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 58%, followed by Kwa-Zulu Natal at 15% revenue and 16% mass, Western Cape at 14% (12%), Eastern Cape at 9% (8%) and Free State at 4% (revenue and mass). Mpumalanga (R33 242) had the lowest share. The overall, share was R46 million and 5 692 MT.

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

Province	Revenue	Mass
GP	R26 349 099	3 314
KZN	R6 824 418	918
WC	R6 449 318	681
EC	R4 116 923	437
FS	R2 015 033	219
NW	R881 845	120
MP	R33 242	3

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

Bananas were the fourth largest agricultural product traded in fresh produce market system in October 2021. The Johannesburg market commanded the largest share of smallholder farmers at 32% (1 825 MT) (see figure 8).

Followed by Tshwane at 22% (1 265 MT), Durban at 13% (734 MT), Cape town at 12% (681 MT), East London at 5% (272 MT) and Springs at 4% (224 MT). Pietermaritzburg (183 MT) and Port Elizabeth (164 MT) has the same share at 3%, respectively. Among the top ten markets, Bloemfontein (158 MT) and Klerksdorp (120 MT) fresh produce markets commanded the least share of smallholder farmers at 1%.

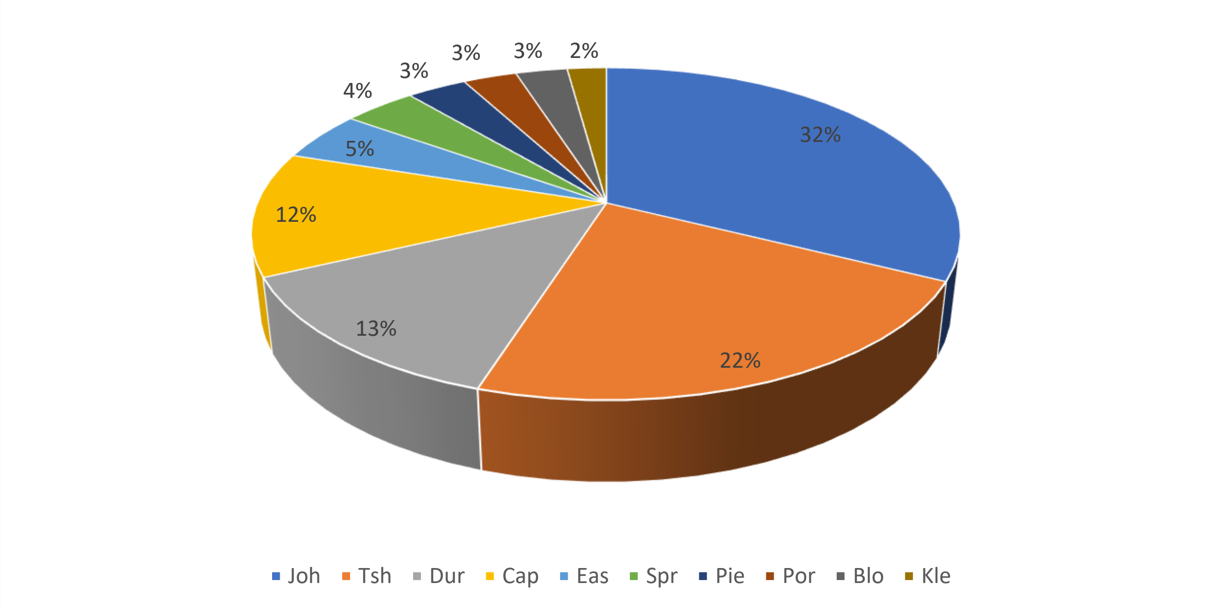

Figure 8: Estimated share in markets by banana (mass).

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

The estimated share of smallholder farmers by revenue in bananas for top 10 markets, measured in percentages is presented in figure 9. Leading the list of the top10 markets was Johannesburg at 31% (R14 million), Tshwane at 22% (R10 million), Cape town at 14% (R6 million), Durban at 12% (R5 million) and East London at 5% (R2 million). Springs (R1.70 million) and Port Elizabeth (R1.64 million) were at 4%. The same applies to Bloemfontein (R1.54million) and Pietermaritzburg (R1.40 million) at 3%. Among the top ten Klerksdorp fresh produce market had the least share at 2% (R881 845).

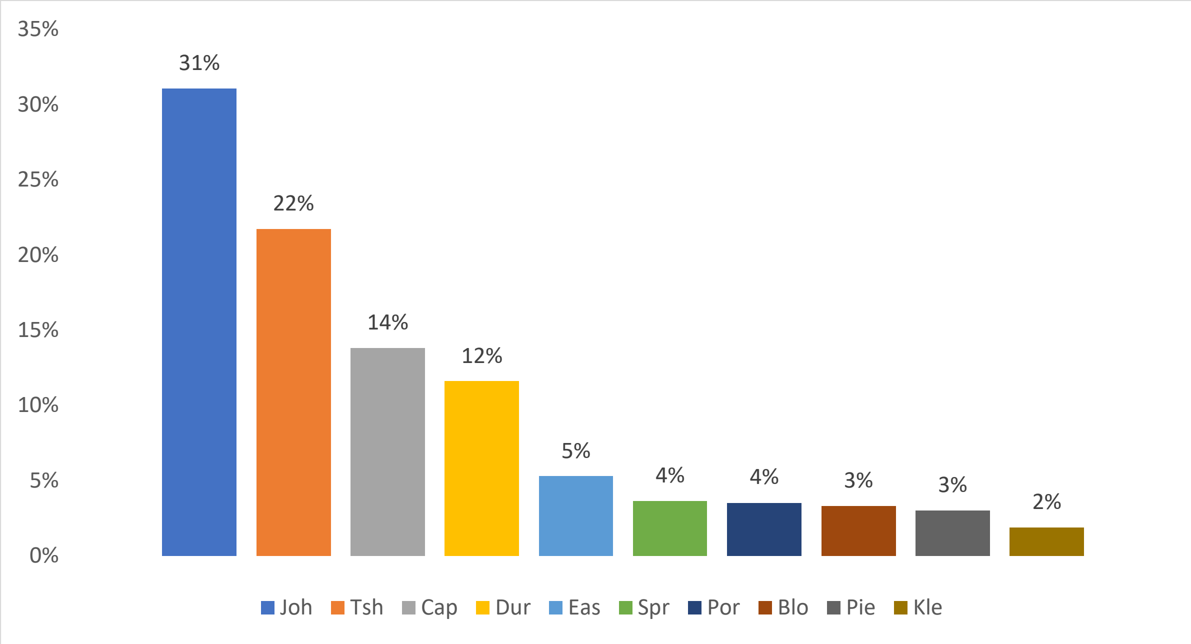

Figure 9: Estimated share in markets by tomatoes (revenue).

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 75% matched by mass of 76%, followed by Western cape at 11% revenue and 8% mass, Kwa-Zulu Natal at 6% revenue and 7% mass, Free State at 6% (4%), Eastern Cape at 3% (revenue and mass), and North West at 3% (2%).

Mpumalanga (R229 664; 68 MT and Northern Cape (R158 580; 48 MT) had the lowest share, respectively. But the overall, share of smallholder farmers in other vegetables in October 2021 was R106 million and 19 502 MT.

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

Province	Revenue	Mass
GP	79 995 380	14 858
WC	12 002 256	1 490
KZN	6 732 925	1 300
FS	3 354 503	814
EC	2 772 753	554
NW	1 476 564	371
MP	229 664	68
NC	158 580	48

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

A significant number of other vegetables were traded in various fresh produce markets in October 2021. The Johannesburg market commanded the largest share at 51% (9 944 MT) (see figure 10). Followed by Tshwane at 23% (4 389 MT), Cape town at 8% (1 481 MT), Durban at 6% (1 164 MT), Bloemfontein and Springs at 3% (555 MT and 496 MT). Klerksdorp and East London had the same share at 2% (371 MT and 302 MT). Welkom and Port Elizabeth (259 MT and 227 MT) commanded the lowest share of smallholder farmers among the top ten markets.

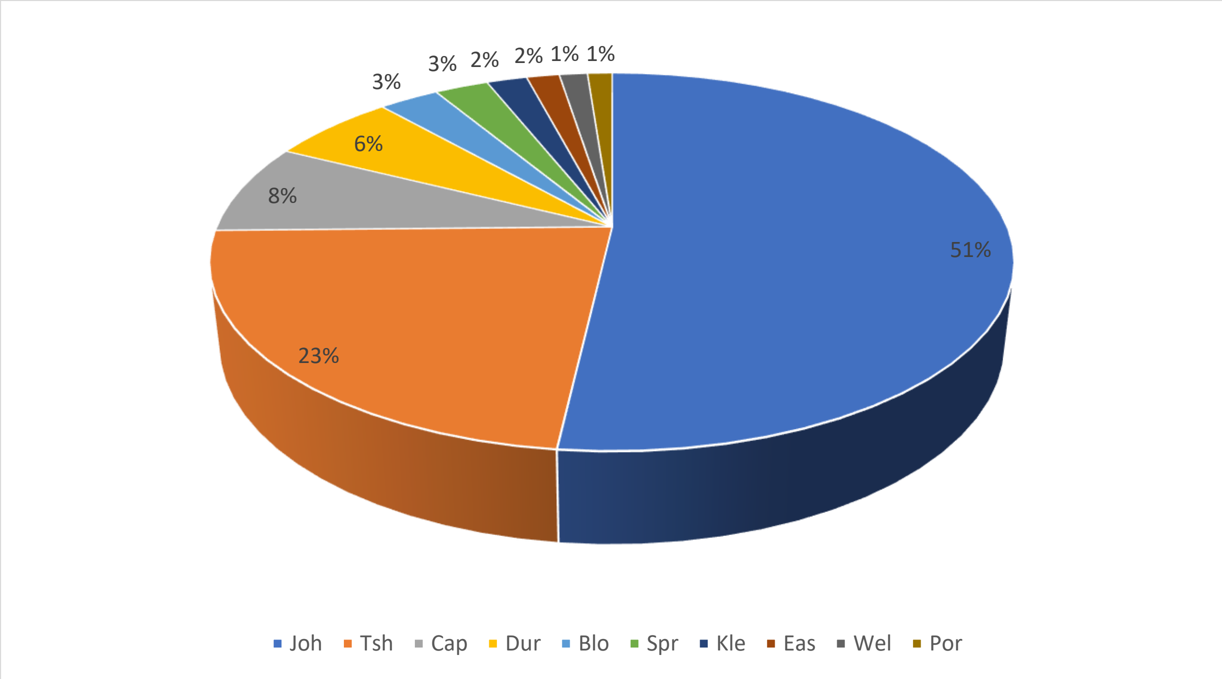

Figure 10: Estimated share in markets by other vegetables (mass).

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 54% (R57 million), Tshwane at 19% (R20 million), Cape town 11% (R11 million), Durban at 6% (R6 million) and Bloemfontein (R2 million) and Spring (R1.78 million) both at 2%. Another market with a share of 2% was East London (R1.60 million). Markets commanding the least share of smallholder farmers among the top ten were Klerksdorp, Port Elizabeth, Pietermaritzburg respectively at 1% (R1.46 million, R1.08 million and R1 million).

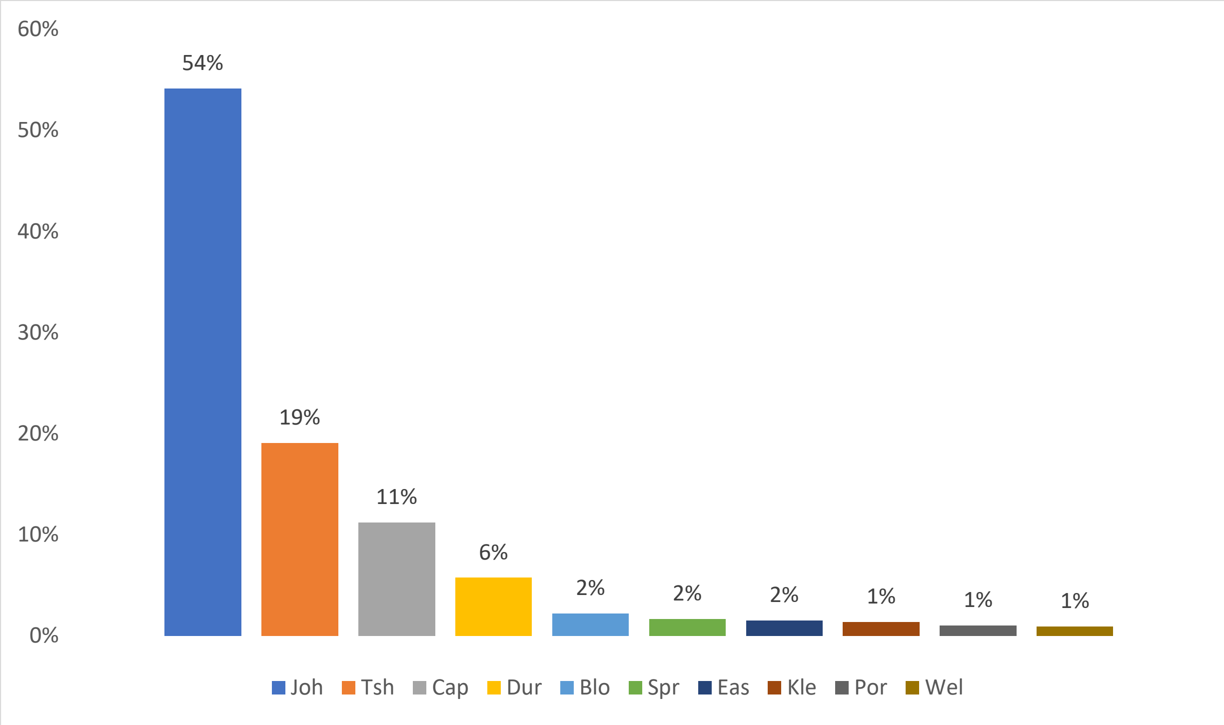

Figure 11: Estimated share in markets by other vegetables (revenue. Source: South African Union of Food Markets (2021).

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 74% and 71% mass, followed by Kwa-Zulu Natal at 11% and 14%, Western Cape at 8% revenue and 7% 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 (R97 417) and Mpumalanga (R38 850) 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, October 2021

Province	Revenue	Mass
GP	88 544 793	9 605
KZN	12 657 147	1 848
WC	9 694 245	975
FS	4 984 065	644
EC	2 154 319	292
NW	1 458 128	224
NC	97 417	18
MP	38 850	5

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

A substantial number of other fruits were traded in various fresh produce markets in October 2021. The Johannesburg market commanded the largest share of smallholder farmers at 44% (5 987 MT) (see figure 12). Followed by Tshwane at 24% (3 199 MT), Durban at 11% (1 508 MT), Cape town at 7% (975 MT), Bloemfontein and Springs at 3% (438 MT and 395 MT). Pietermaritzburg, East London and Klerksdorp also had the same share at 2% (340 MT, 241 MT and 224 MT). Welkom fresh produce market commanded the least share of smallholder farmers (206 MT) among the top ten fresh produce markets.

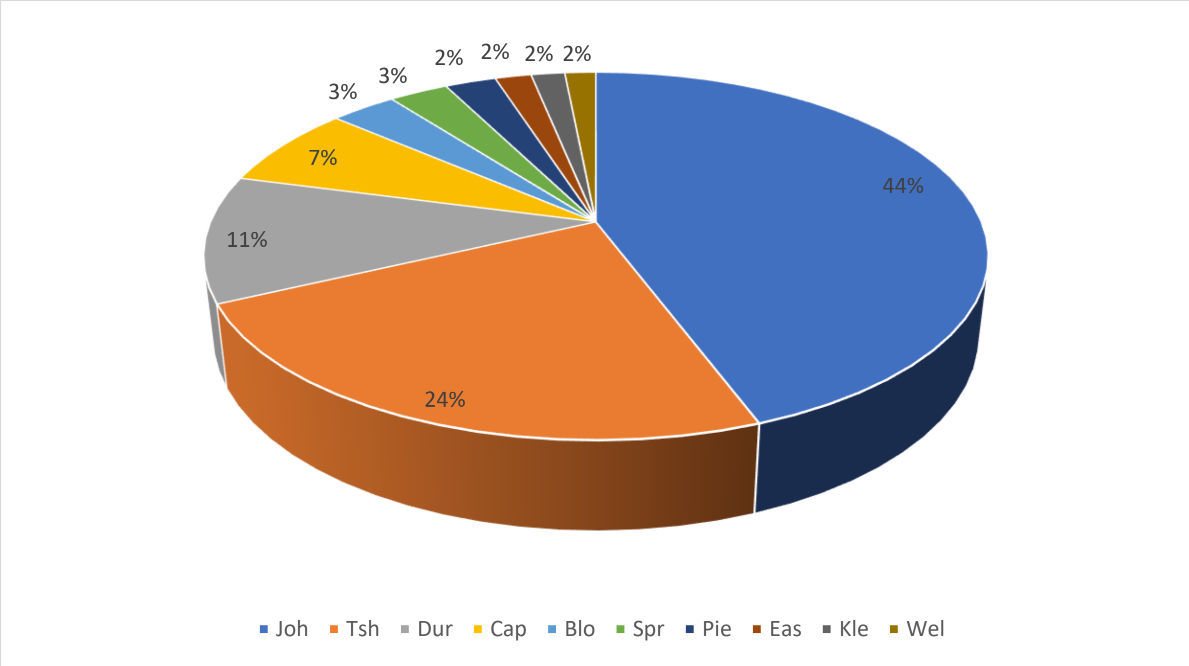

Figure 12: Estimated share in markets by other fruits (mass).

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% (R59 million), Tshwane at 22% (R25 million), Durban at 9% (R10 million), Cape town at 8% (R9 million) and Bloemfontein at 3% translated as R3 million. Springs, Pietermaritzburg, East London had the same share at 2% (R2 million, R1.93 million and R1.85 million). Klerksdorp (R1.46 million) and Welkom (R1.33 million) had the lowest share of smallholder farmers among the top ten fresh produce markets.

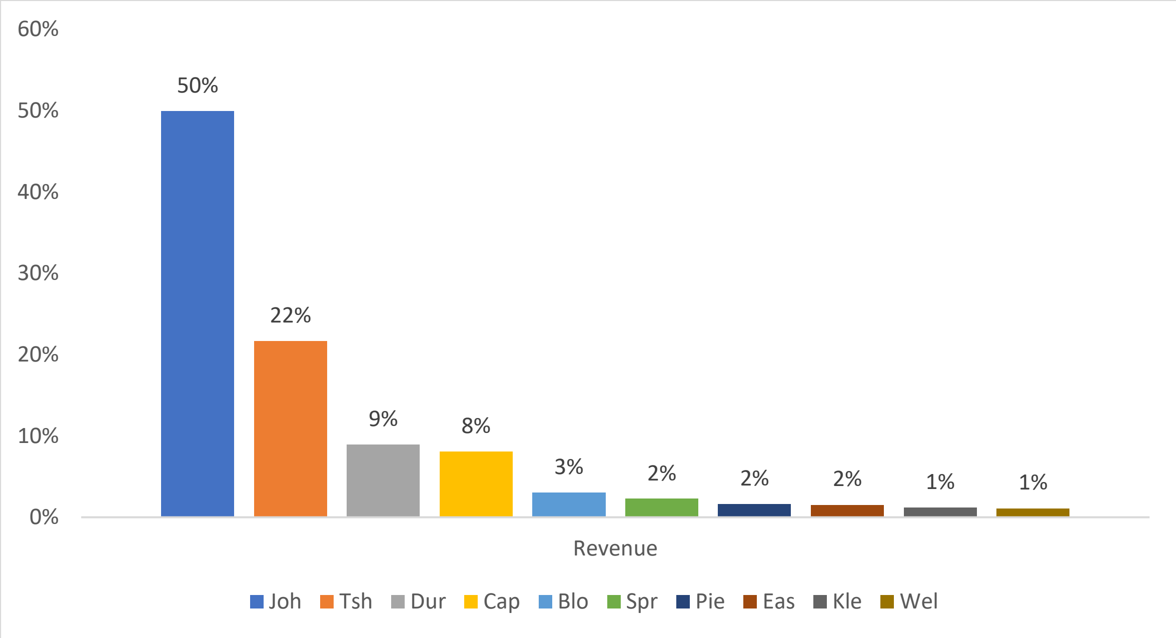

Figure 13: Estimated share in markets by other fruits (revenue).

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 October 2021, the top four markets (Johannesburg, Tshwane, Cape Town and Durban) had a market share of 84% 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 fresh produce market system witnessed 5% decline in revenue and 9% growth in mass. The average price measured in rands per tons was R6 598 ranging from R3 430 (Umtata) to R8 126 (Cape town).

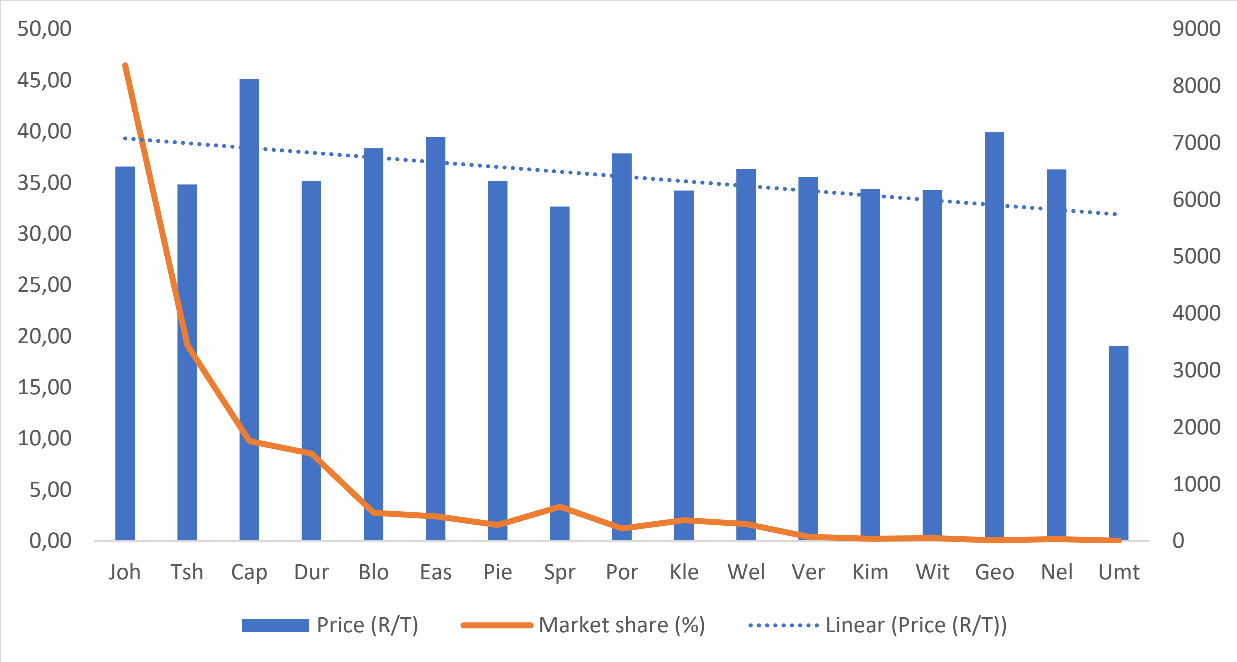

Figure 14: Price trends for top 4 commodities

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 October 2021, the total mass traded in the fresh produce market system was 272 096 metric tons (MT). Thirty percent (smallholder share) of this was estimated at 81 629 MT matched by R538 million. Potatoes commanded the largest share at 25 393 MT (R175 393 million) followed by Onions at 10 058 MT (R26 577 million), Tomatoes at 7 374 MT (R63 654 million) and Bananas at 5 692 MT (R46 million). Other fruit and vegetables were at 13 610 MT (119 628 million) and 19 502 MT (106 722 million), respectively. The average price measured in rands per tons was R6 598 ranging from R3 430 (Umtata) to R8 126 (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. These findings provide important policy insight for Project Rebirth and Council for Black Market Agents.

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Lindikaya Myeki
Enquiries: +27 12 341 1115
lindikaya@namc.co.za
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GET IN TOUCH

536 Francis Baard Street,
Meintjiesplein Building,
Block A, 4th Floor, Arcadia,
0007

Private Bag X935, Pretoria, 0001

012 341 1115

info@namc.co.za

www.namc.co.za