NAMC

Promoting market access for South African agriculture

SMALLHOLDER MARKET ACCESS ESTIMATES

December 2021

National Agricultural Marketing Council

www.namc.co.za

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

1. BACKGROUND

This report provides estimates of an ideal performance of smallholder farmers in the National Fresh Produce Markets (NFPMs) in South Africa during December 2021. This performance is estimated based on 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 – DEC: 21

In December 2021 the total mass traded from the NFPMs was 286 498 metric tons (MT), generating a total revenue of R1.78 billion (see Table 1). This indicates 7% (19 115 MT) and 15% (R231 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 important role of fresh produce market system on the country's food security.

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

Commodity	Revenue	Mass
Total	R1 775 022 695	286 498
Potatoes	414 080 322	99 085
Onions	125 644 868	33 882
Tomatoes	209 198 343	17 334
Bananas	159 441 571	17 706
Other vegetables	373 841 196	63 259
Other fruits	492 816 396	55 232

Source: South African Union of Food Markets (2021)

Potatoes had a total mass of 99 085 MT, indicating an increase of 12% compared to the same month in the previous year. Their revenue substantially declined by 6.08% (R26 million) during the same period. The total mass for onions also increased by 5.66% (1 815 MT) to reach 33 882 MT in December 2021. The revenue also grew by 4.94% (5.92 million) to reach R125 644 868. Tomatoes had a total mass of 17 334 MT, indicating a massive decline by 19% (translated as 4 008 MT) and this traded mass was matched by total revenue of R209 million, indicating 39% increase. Bananas showed an increase of 15% (2 315 MT) in mass traded and 30% (R37 million) growth in revenue to reach R159 million in December 2021. Other vegetables traded in the system recorded a slight decrease of 2.06% in mass, but an increase of 24% in revenue. On the other hand, other fruits recorded an increase of 23% in total mass followed by an increase in total revenue by 21%. Much of the decline in mass and increase in revenue can be 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 agricultural sector since 1997.

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 2006 NAMC Section 7 Committee investigation report on national fresh produce markets. This volume is assumed to be obtained or representing the share of smallholder farmers in the national fresh produce markets system.

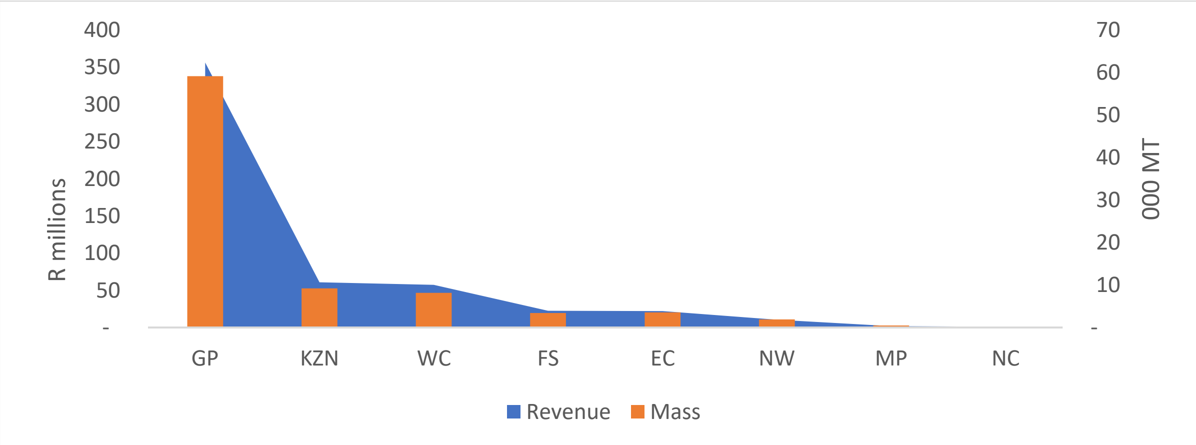

Figure 1: Summary of estimated share of smallholder farmers in different provinces by revenue and mass, December 2021

Source: SAUFM (2021)

For the entire month of December 2021, the ideal smallholder farmer 30% market share in mass and value was estimated at 85 949 MT and R532 million, respectively. A further analysis of this at the provincial level show that Gauteng (GP) province was leading at 59 123 MT matched by a revenue of R356 million (See figure 1). This was followed Kwa-Zulu Natal (KZN) at 9 205 MT (R61 million), Western Cape (WC) at 8 171 MT (R57 million), Free State (FS) at 3 446 MT (R22 million), Eastern Cape (EC) at 3 528 MT (R21 million), North West (NW) at 1 866 MT (R10 million) and Mpumalanga (MP) province was at 439 MT (R2.05 million). The Northern Cape (NC) province had the lowest share of 172 MT (R1.04 million) from 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 68% (R84 million, 20 106 MT) in both total mass and revenue (see Table 2). This was followed by KZN at 11% (3 140 MT) mass and 10% (R12 million) revenue, WC at 7% mass and 8% revenue, Free State at 6% mass and 5% revenue and EC at 5% for both revenue and mass. The least contributing provinces to the share of smallholder farmers were NW at 3% both mass and revenue, Mpumalanga at 1% both revenue and mass, and NC (0.24% mass and 0.22% revenue), respectively. The overall share in potatoes was R124 million (29 726 MT).

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

Province	Revenue	Mass
GP	R84 134 530	20 106
KZN	R12 644 808	3 140
WC	R8 402 556	2 356
FS	R6 986 237	1 387
EC	R6 180 914	1 387
NW	R4 263 127	1 018
MP	R1 318 422	267
NC	R293 501	65

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 12 556 MT (42%), followed by Tshwane at 19% (5 669 MT), Cape town at 8% (2 356 MT), Durban at 8% (2 294 MT), and Springs at 5% (1 630 MT). Other markets in the top ten included Klerksdorp (1 018 MT), East London (946 MT), Pietermaritzburg (846 MT) and Bloemfontein (789 MT) all at 3%. Welkom had the least share in potatoes among the top ten markets at 2% (598 MT).

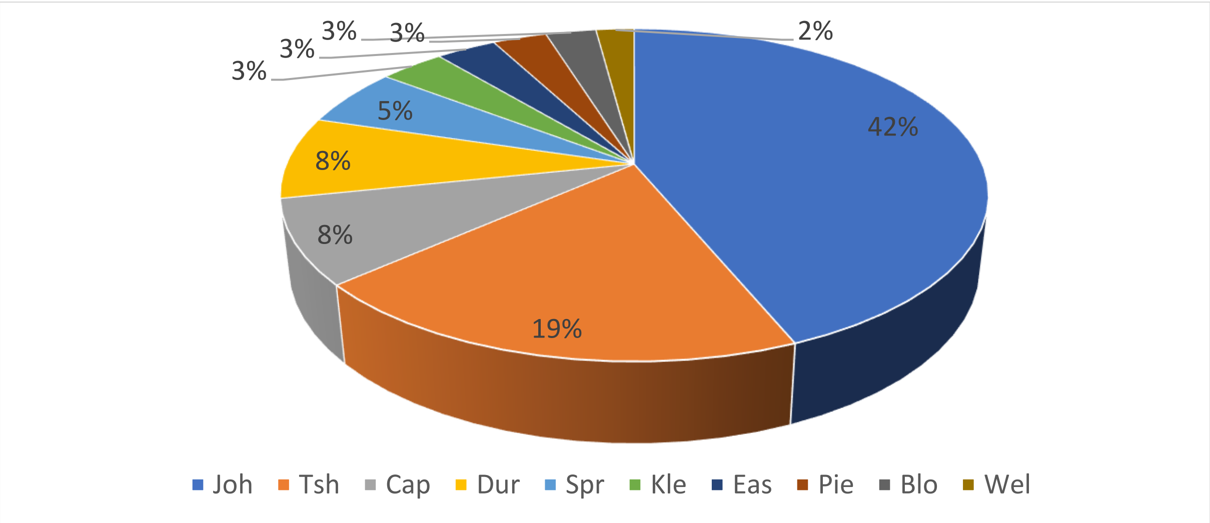

Figure 2: Estimated share in markets by mass for potatoes, December 2021

Source: South African Union of Food Markets (2021)

The estimated share by revenue in potatoes for top 10 markets is presented in Figure 3. The Johannesburg led at R51 million (42%) followed by Tshwane at 20% (R24 million), Durban (R9 million), Cape town (R8 million), and Springs (R6 million), respectively. Other markets in the top ten included East London at R4.35 million (4%), Klerksdorp (R4.26 million) and Bloemfontein (R4 million) at 3%. Markets commanding the least share in potatoes among the top ten were Pietermaritzburg (R1.82 million) and Welkom (R1 million), respectively.

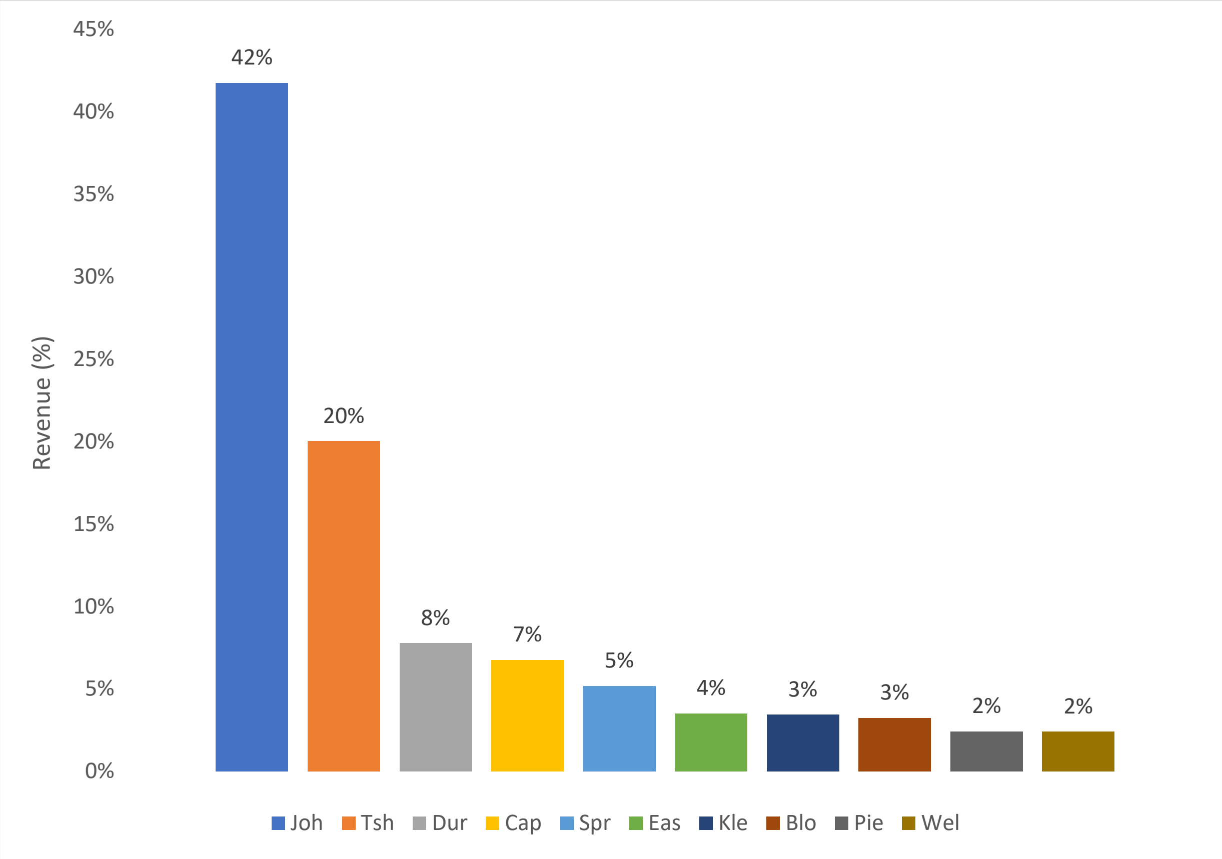

Figure 3: Estimated shares in revenue by markets for potatoes, December 2021

Source: South African Union of Food Markets (2021)

3.2 ONIONS

Table 3 presents onions estimated share of smallholder farmers in eight provinces. Gauteng (GP) was the leading province with 68% (R25 million and 7 068 MT) in both revenue and mass, followed by Kwa-Zulu Natal (KZN) with 15% (R5 million) revenue and 14% (1 395 MT) mass, Western Cape (WC) at 7% (R2 million) revenue and 8% (770 MT) mass, Eastern Cape (EC) at

5% both revenue (R1.98 million) and mass (509 MT), Free State (FS) at 2% both revenue (R917 342) and mass (249 MT), North West (NW) at 1% both revenue (R332 050) and mass (105 MT), and Mpumalanga (MP) at 0.49% (R185 192) revenue and 0.52% (53 MT).

The Northern Cape (NC) at R44 638 in revenue (16 MT mass) had the lowest share of smallholder farmers in onions. The overall share was R37 million and 10 165 MT.

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

Province	Revenue	Mass
GP	R25 749 470	7 068
KZN	R5 653 095	1 395
WC	R2 826 429	770
EC	R1 985 244	509
FS	R917 342	249
NW	R332 050	105
MP	R185 192	53
NC	R44 638	16

Source: South African Union of Food Markets (2021)

Onions were the second largest traded commodity in fresh produce markets in terms of mass in December 2021. The results presented in Figure 4 show that the Johannesburg market commanded the largest share of smallholder farmers at 5 114 MT (50%). It was followed by Tshwane at 1 625 MT (16%), Durban at 1 166 MT (11%), and Cape town at 770 MT (8%). Other markets include East London (312 MT) and Springs (289 MT) both at 3%. The Pietermaritzburg (229 MT), Port Elizabeth (173 MT) and Bloemfontein (162 MT) were at 2%. Klerksdorp (103 MT) had the least share among the top ten markets at 1% (105 MT).

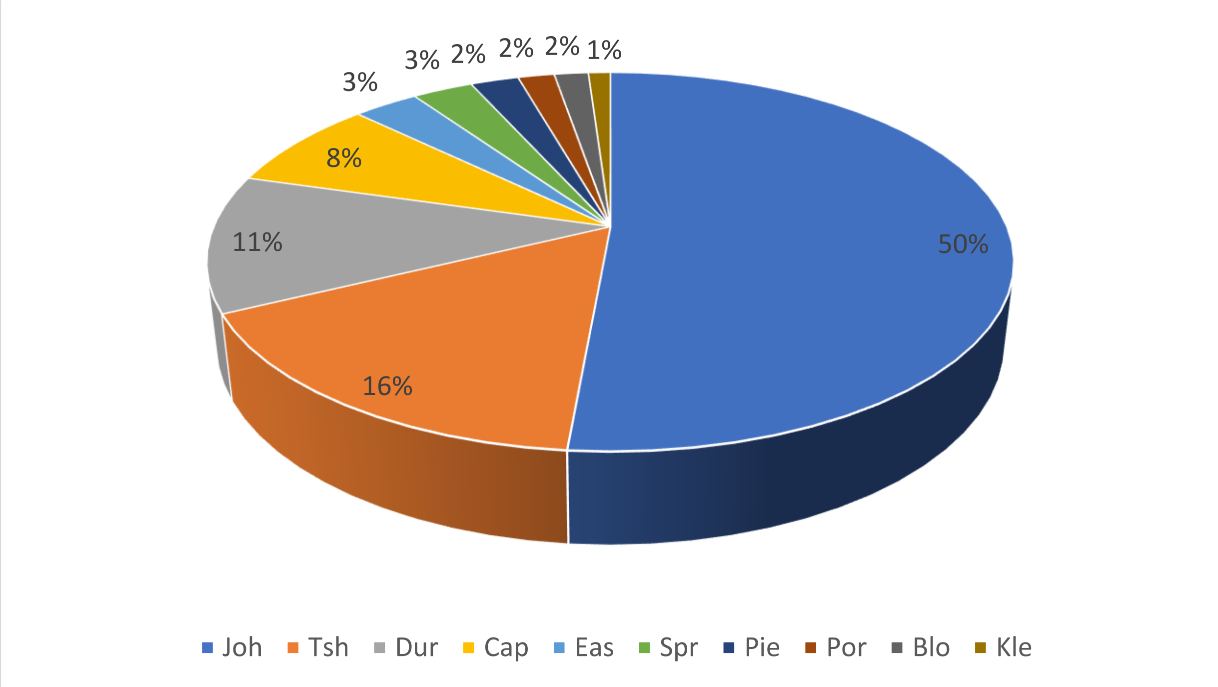

Figure 4: Estimated shares in markets by mass for onions, December 2021

Source: South African Union of Food Markets (2021)

The estimated shares of smallholder farmers by revenue in onions in top 10 markets, measured in percentages, are presented in Figure 5. Leading the list of the top 10 markets was Johannesburg at 51% (R19 million), followed by Tshwane at 15% (R5 million), Durban at 13% (R4 million), Cape town at 7% (R2 million), and East London at 3% (R1 million). The Springs (R840 476), Pietermaritzburg (R787 047), Port Elizabeth (R696 101) and Bloemfontein (R608 556) were at 3%, respectively. Klerksdorp (R332 049) had the lowest share at 1% among the top ten markets.

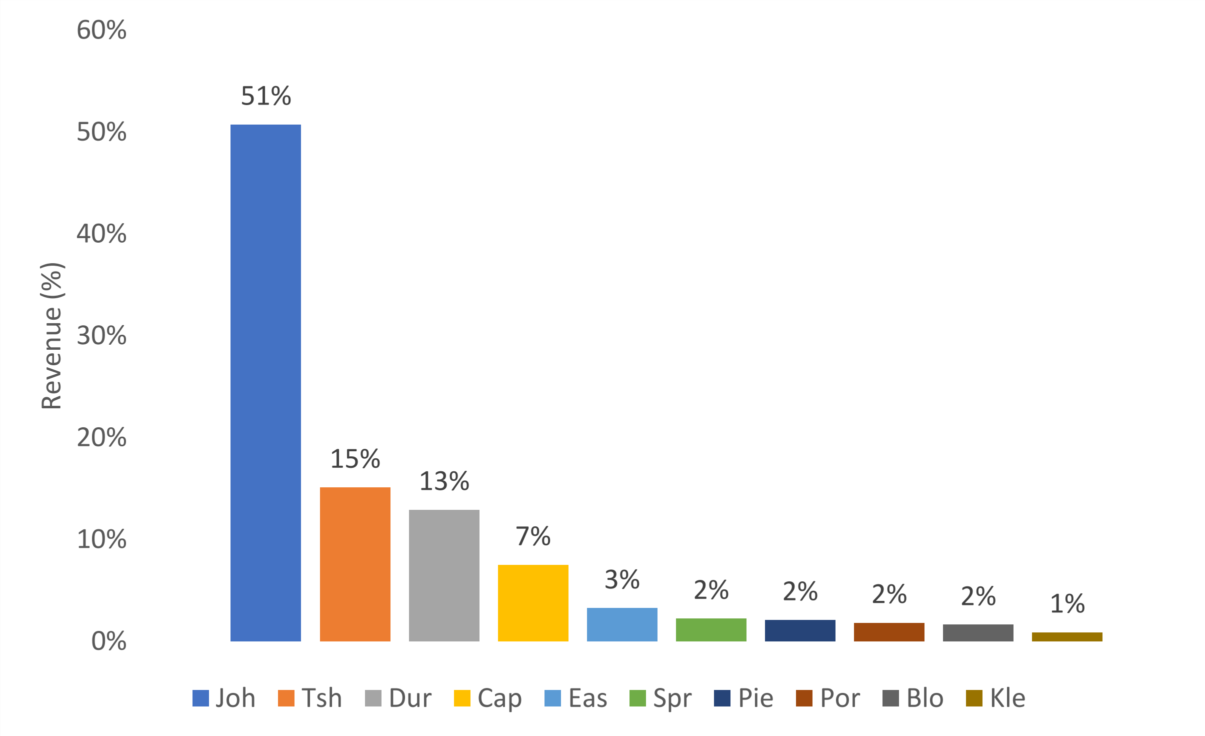

Figure 5: Estimated shares in revenue by markets for onions, December 2021

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 (GP) was the leading province at 66% in both revenue (R41 million) and mass (3 416 MT), followed by Western Cape (WC) at 15% (R9 million) revenue and 17% (905 MT) in mass, Kwa-Zulu Natal (KZN) at 8% (R5 million) revenue and 7% mass (380 MT), Free State (FS) at 4% both revenue (R2 million) and mass (188 MT), Eastern Cape (EC) at 3% both revenue (R1.75 million) and mass (179 MT), and North West (NW) at 2% both revenue (R1.37 million) and mass (85 MT). The Northern Cape (NC) was at 1% both revenue (R364 302) and mass (33 MT).

The Mpumalanga (MP) province was at 0.14% (R85 751) revenue and 0.29% (33 MT) mass, thus making it the lowest contributor among the top ten markets. Nonetheless, the overall estimated share of smallholder farmers in tomatoes was R62 million and 5 200 MT.

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

Province	Revenue	Mass
GP	R41 382 223	3 416
WC	R9 696 364	905
KZN	R5 304 419	380
FS	R2 799 965	188
EC	R1 753 032	179
NW	R1 373 448	85
NC	R364 302	33
MP	R85 751	15

Source: South African Union of Food Markets (2021)

Tomatoes were the fourth largest traded commodity in terms of mass at fresh produce markets in December 2021. The Johannesburg Market commanded the largest share of smallholder farmers at 49%, translated as 2 527 MT (see Figure 6). The Joburg Market was followed by Cape town at 905 MT (17%), Tshwane at 717 MT (14%), Durban at 332 MT (6%), and Springs at 3% (165 MT). The Bloemfontein (122 MT), East London (95 MT), Klerksdorp (85 MT) and Port Elizabeth (84 MT) markets were at 2%. Welkom (66 MT) had the least share among the top ten markets at 1%.

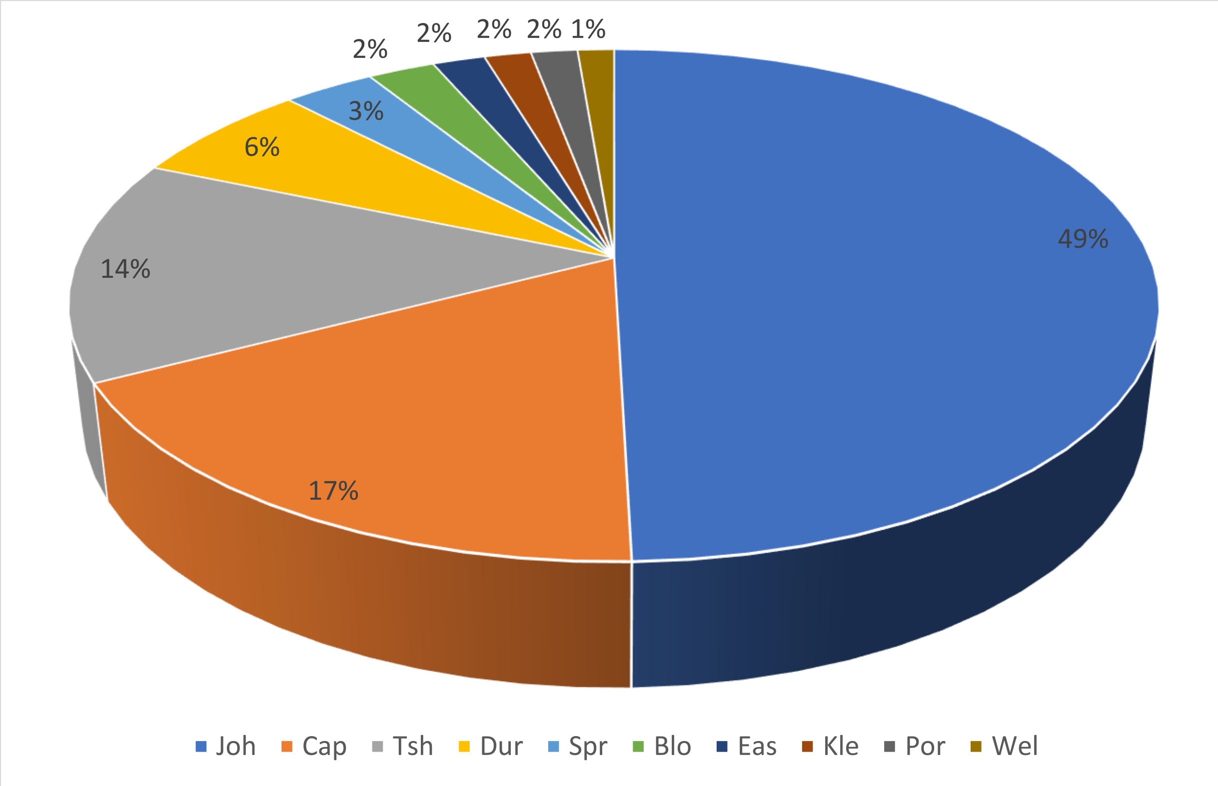

Figure 6: Estimated share in markets by mass for tomatoes, December 2021

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 48% (R30 million), Cape town at 15% (R9.36million), Tshwane at 15% (R9.69 million), Durban at 8% (R4 million), Bloemfontein (R1.79 million) and Springs (R1.60 million) both at 3%. The Klerksdorp (R1.37 million) and Welkom (R1 million) stood at 2%. The Port Elizabeth (R891 809) and East London (R861 186) had the lowest share among the top ten markets at 1%.

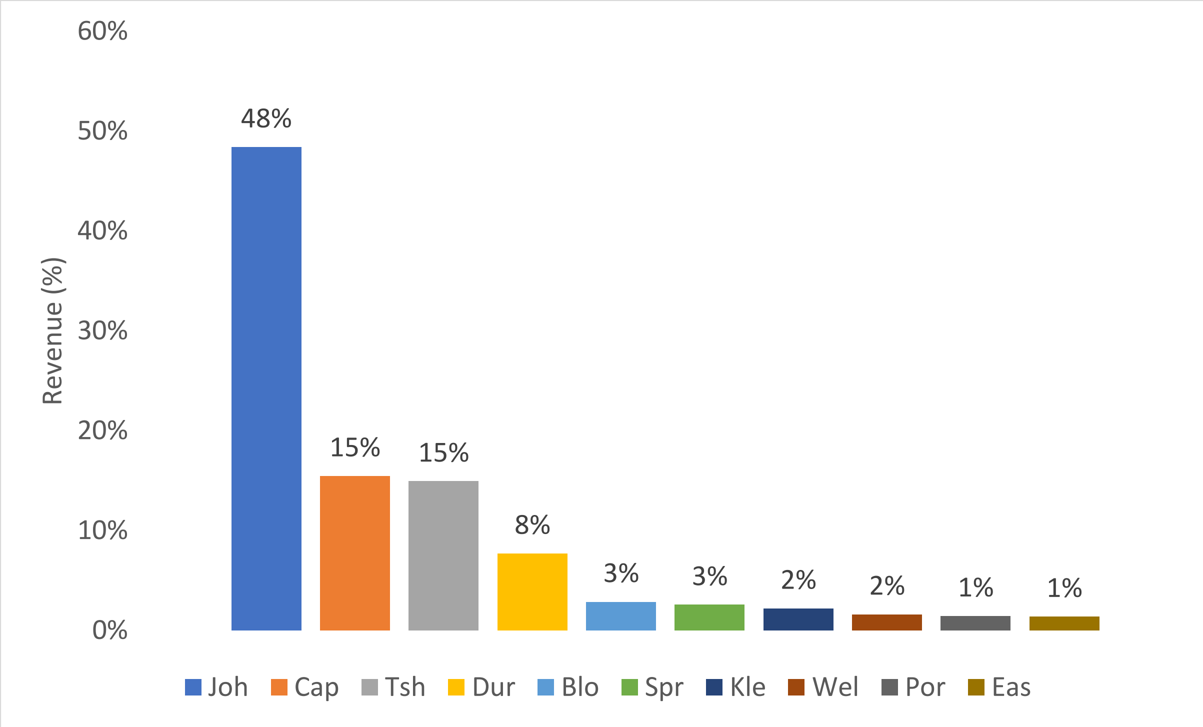

Figure 7: Estimated share in markets by tomatoes (revenue)

Source: South African Union of Food Markets (2021)

3.4 BANANAS

Table 5 presents bananas estimated share of smallholder farmers in eight provinces of South Africa. Gauteng (GP) was the leading province with revenue of 53% (R25 million) matched by mass of 55% (2 929 MT), followed by Western Cape (WC) at 16% both revenue (R7.50 million) and mass (871 MT), Kwa-Zulu Natal (KZN) at 15% revenue (R7.30 million) and 13% mass (710 MT), Eastern Cape (EC) at 10% (R4 million) revenue and 9% (473 MT), Free State (FS) at 5% (R2 million) revenue and 4% (220 MT) and North West (NW) at 2% both revenue (R925 585) and mass (101 MT).

Mpumalanga (MP) had the lowest estimated share of smallholder farmers in Bananas at 0.16% (R77 792) revenue and 0.17% (9 MT). The estimated overall smallholder share for bananas was R47 million and 5 312 MT.

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

Province	Revenue	Mass
GP	R25 190 671	2 929
WC	R7 501 955	871
KZN	R7 308 565	710
EC	R4 665 068	473
FS	R2 162 835	220
NW	R925 585	101
MP	R77 792	9

Source: South African Union of Food Markets (2021)

Bananas constituted the most traded fruit on the fresh produce market system in December 2021. The Johannesburg market commanded the largest share of smallholder farmers at 33% (1 766 MT) (see Figure 8).It was followed by Tshwane at 18% (969 MT), Cape town at 13% (710 MT), Durban at 13% (675 MT), East London at 6% (309 MT), Pietermaritzburg (196 MT) and Springs (191 MT) both at 4%. The Port Elizabeth (163 MT) and Bloemfontein (161 MT) were both at 3%. Among the top ten markets Klerksdorp fresh produce market (101 MT) commanded the least estimated share of smallholder farmers at 2%.

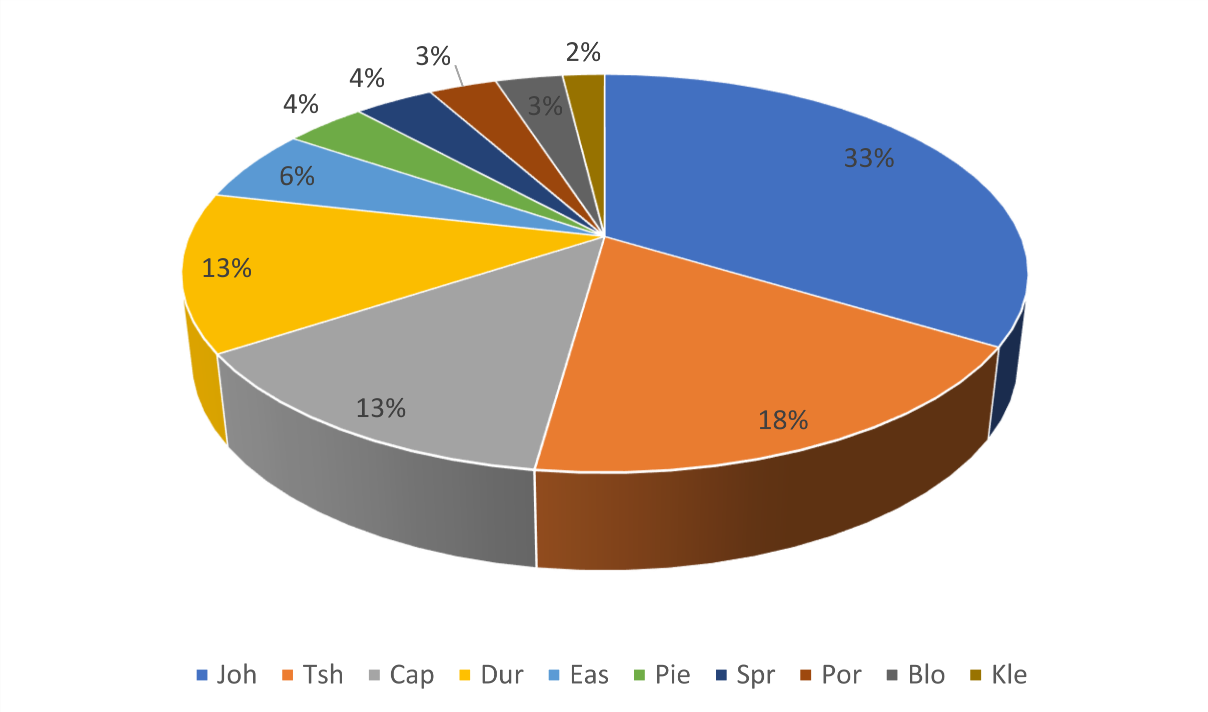

Figure 8: Estimated shares in markets by mass for bananas, December 2021

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 top 10 markets was Johannesburg at 31% (R15 million), Tshwane at 18% (R8 million), Cape town at 16% (R7 million), Durban at 12% (R5 million), East London at 6% (R2 million), and Port Elizabeth at 4% (R1.83 million). The Pietermaritzburg (R1.661 million), Bloemfontein (R1.660 million) and Springs (R1.50 million) were at 3%. Among the top ten Klerksdorp fresh produce market had the least share at 2% (R925 585).

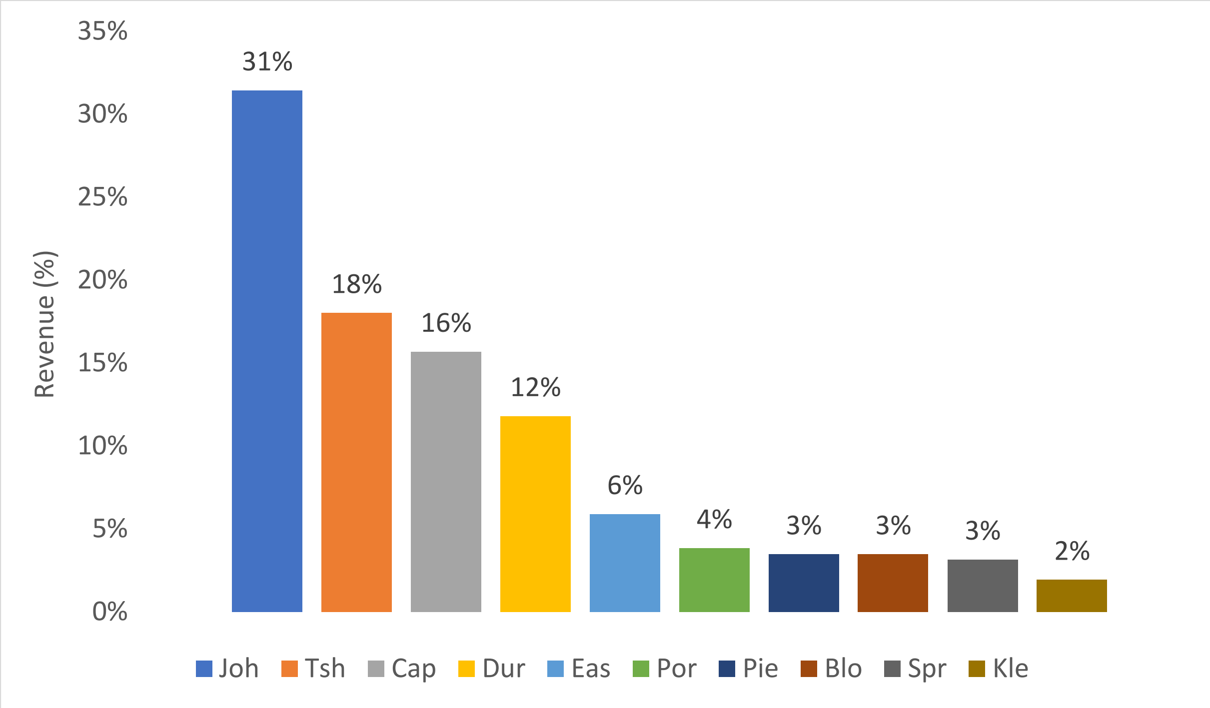

Figure 9: Estimated shares revenue by markets for bananas

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 (GP) was the leading province with revenue of 72% (R81 million) matched by mass of 75% (14 152 MT), followed by Western cape at 11% (R12 million) revenue and 8% (1 502 MT) mass, Kwa-Zulu Natal at 8% both revenue (R9 million) and mass (1 486 MT), Eastern Cape at 4% both revenue (R4 million) and mass (679 MT), Free State at 3% (R3 million) revenue and 4% (754 MT), and North West (NW) at 1% (R1 million) and 2% (306 MT) mass.

Mpumalanga (MP) had 0.25% (R278 375) revenue and 0.41% (79 MT) mass. The Northern Cape (NC) had the lowest share at 0.10% (R108 605) revenue and 0.15% (29 MT) mass. But the overall share of smallholder farmers in other vegetables in December 2021 was R112 million and 18 978 MT.

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

Province	Revenue	Mass
GP	81 220 094	14 152
WC	12 510 205	1 502
KZN	9 021 776	1 486
EC	4 036 129	679
FS	3 503 746	754
NW	1 473 428	306
MP	278 375	79
NC	108 605	29

Source: South African Union of Food Markets (2021)

Market shares for other vegetables traded in the various fresh produce markets in December 2021 are illustrated in Figure 10. The Johannesburg Market commanded the largest share at 50% (9 452 MT) (see figure 10), followed by Tshwane at 22% (4 193 MT), Cape town at 8% (1 502 MT), Durban at 7% (1 287 MT), and Bloemfontein (528 MT) and Springs (484 MT) both at 3%. The Klerksdorp (419 MT) and East London (306 MT) had the same share at 2%. Port Elizabeth (241 MT) and Welkom (226 MT) commanded the lowest share of smallholder farmers among the top ten markets both at 1%.

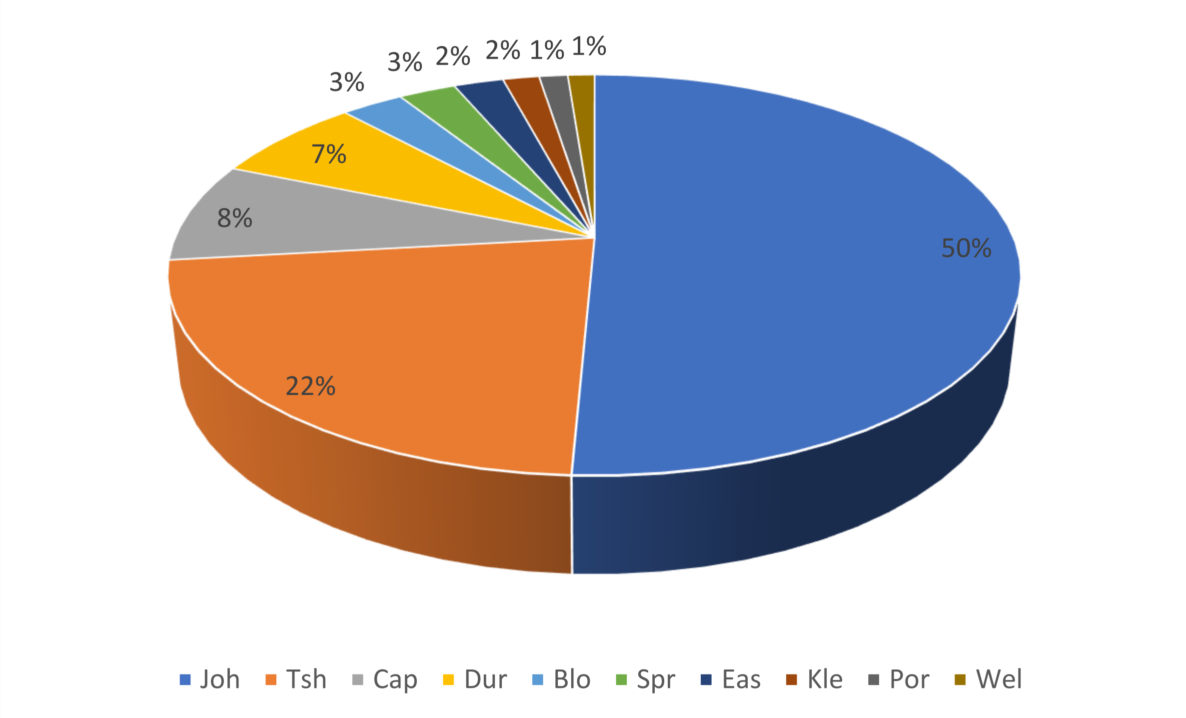

Figure 10: Estimated shares in markets by mass for other vegetables, December 2021

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 top 10 markets was Johannesburg at 52% (R58 million), Tshwane at 19% (R21 million), Cape town 11% (R12 million), Durban at 7% (R7 million), East London (R2.71 million), and Bloemfontein (R2.57million) and Spring (R1.76 million) at 2%. The Klerksdorp (R1.47 million) and Port Elizabeth (R1.28 million) had also the same share at 1%. Pietermaritzburg had the least share of revenue for smallholder farmers among the top ten markets at 1% (R1.11 million).

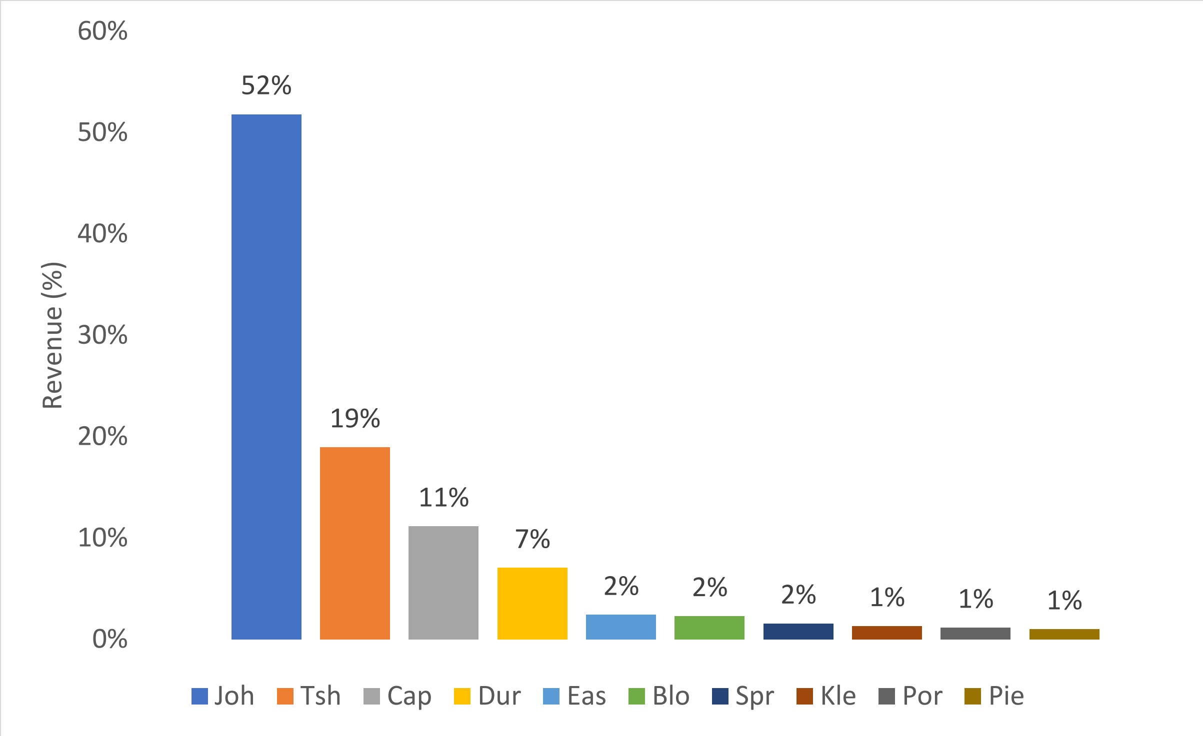

Figure 11: Estimated shares in revenue by markets for other vegetables, December 2021

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 during December 2021. Gauteng (GP) province was leading with a revenue of 67% (R98 million) and 69% (11 451 MT) mass, followed by Kwa-Zulu Natal (KZN) at 14% (R21 million) revenue and 12% (1 933 MT) mass, Western Cape (WC) at 11% (R16 million) revenue and 12% mass (1 930 MT), Free State (FS) at 4% for both revenue (R6 million) and mass (650 MT), Eastern Cape (EC) at 2% for both revenue (R3 million) and mass (310 MT), and North West (NW) at 1% revenue (R2 million) and 2% mass (251 MT).

Northern Cape had 0.16% (R231 728) revenue and 0.18% (29 MT) mass. The Mpumalanga province had the lowest estimated share of smallholder farmers at 0.07% (R105 521) matched by 16 MT (0.09%) mass. The estimated overall revenue share from the sale of other fruits on the fresh produce markets by smallholder farmers was R147million matched by 16 570 MT.

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

Province	Revenue	Mass
GP	98 661 226	11 451
KZN	21 072 331	1 933
WC	16 230 171	1 930
FS	6 157 679	650
EC	3 314 767	310
NW	2 071 495	251
NC	231 728	29
MP	105 521	16

Source: South African Union of Food Markets (2021)

Market shares for other fruits traded in the various fresh produce markets in December 2021 are illustrated in Figure 12. The Johannesburg Market commanded the largest share of smallholder farmers at 42% (6 929 MT) (see Figure 12), followed by Tshwane at 24% (4 058 MT), Cape town at 12% (1 930 M), Durban at 10% (1 598), and Bloemfontein at 3% (456 MT). The Springs (374 MT), Pietermaritzburg (335 MT), East London (259 MT) and Klerksdorp (251 MT) markets had the same share at 2%. Welkom fresh produce market commanded the least share of smallholder farmers among the top ten fresh produce markets at 1% (194 MT).

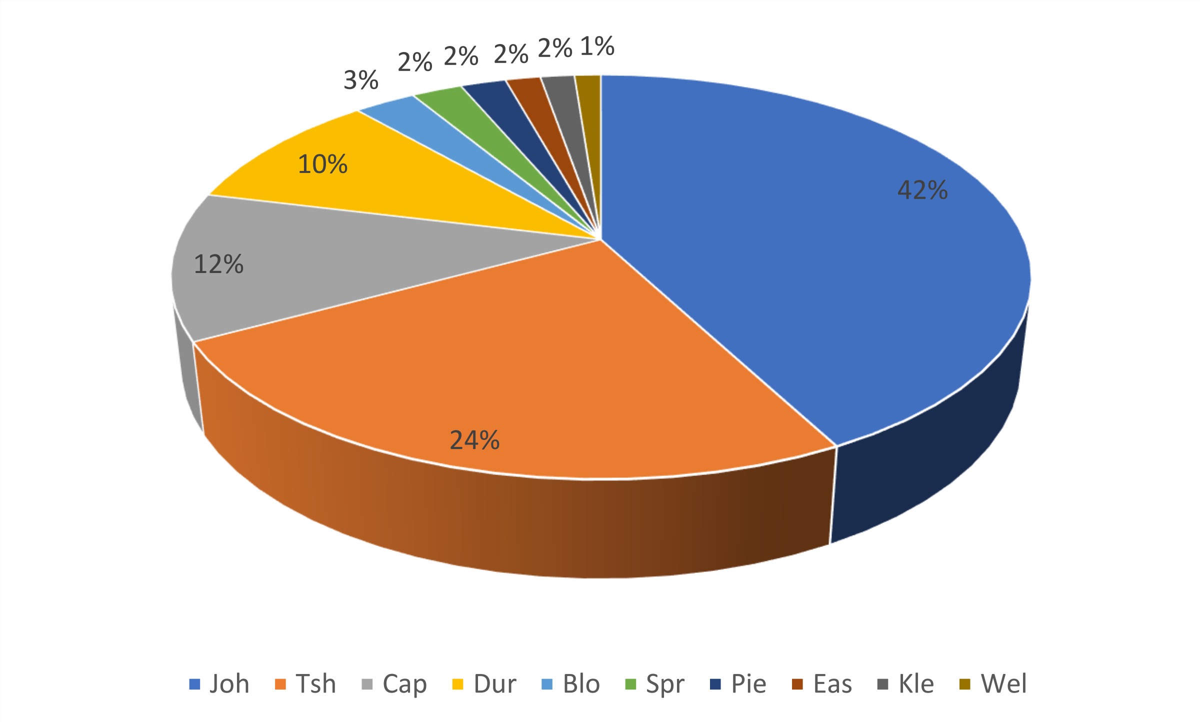

Figure 12: Estimated shares in markets by mass for other fruits, December 2021

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 45% (R66 million), Tshwane at 20% (R28 million), Durban (R17 million), Cape town at 11% (R16 million) and Bloemfontein at 3% (R4 million). The Springs (R3.45 million), Pietermaritzburg (R3.17 million) and East London (R2.86 million) markets had the same share at 2%. Klerksdorp had 1% (R2.07 million) revenue. Welkom (R1.54 million) had the lowest share of smallholder farmers among the top ten fresh produce markets.

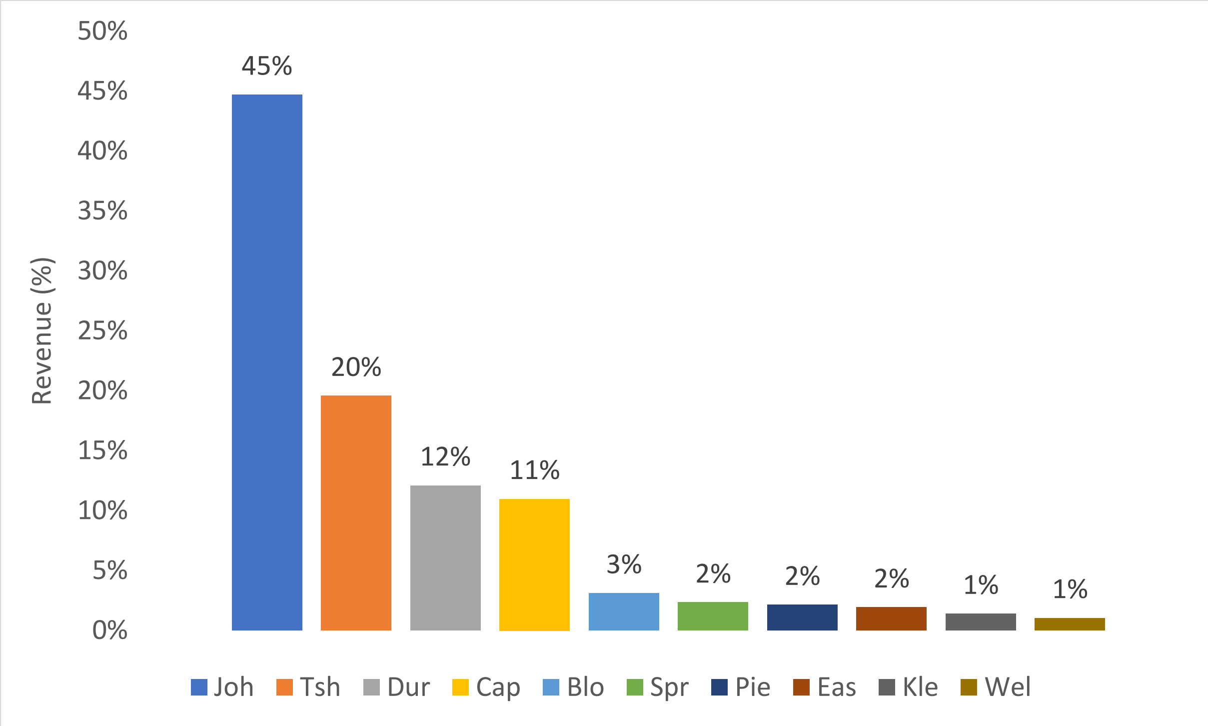

Figure 13: Estimated shares in revenue by markets for other fruits, December 2021

Source: South African Union of Food Markets (2021)

3.7 PRICES

Figure 14 presents the prices and market share measure in rand per ton and percentages, respectively. For the month of December 2021, the top four markets (Johannesburg, Tshwane, Cape Town and Durban) had a market share of 83% jointly. Umtata had the lowest market share ascribed to the decline in both mass and revenue. However, the Johannesburg market commanded the largest market share during the same month. Overall, the average price measured in rands per ton was R5 253 ranging from R3 257 (Umtata) to R6 996 (Cape town).

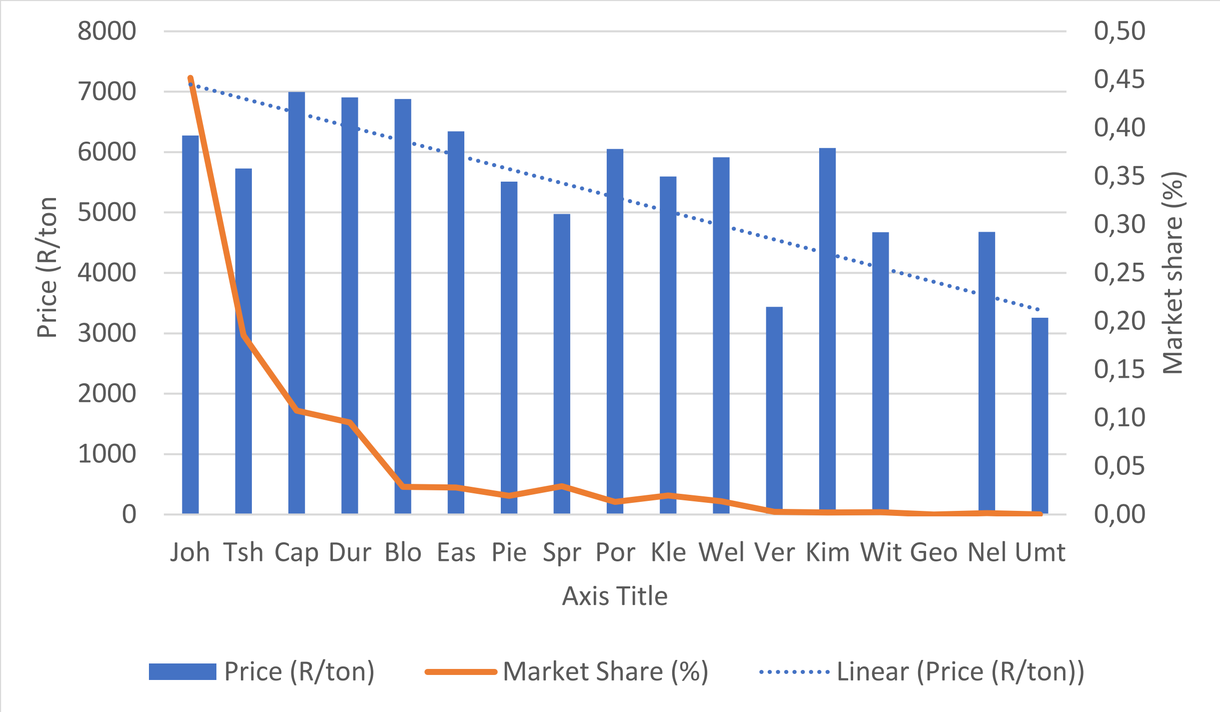

Figure 14: Price trends and market share for December 2021

Source: South African Union of Food Markets (2021)

4. CONCLUSION

The purpose of this report was to track market access for smallholder farmers in FPMs by showing the ideal performance measured based on 30% share of each traded agricultural product as recommended in the NAMC Section 7 committee report published in 2006. For December 2021, total mass traded in the fresh produce market system was 286 498 metric tons (MT). Thirty percent (smallholder share) of this was estimated at 85 949 MT matched by R532 million. Potatoes commanded the largest share at 29 726 MT (R124 million) followed by onions at 10 165 MT (R37 million), tomatoes at 5 200 MT (R62 million) and bananas at 5 312 MT (R47 million). Other fruits and vegetables were at 16 570 MT (148 million) and 18 987 MT (114 million), respectively. The average price measured in rands per tons was R5 253 and ranged from R3 257 (Umtata) to R6 996 (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 still required for market inclusion and transformation of the fresh produce market industry by establishing more black-market agents.

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Mr Elvis Nakana
Enquiries: +27 12 341 1115
ENakana@namc.co.za

compiled by

Lindikaya Myeki
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