



SMALLHOLDER MARKET ACCESS ESTIMATES

October 2023

***National Agricultural
Marketing Council***

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ABBREVIATIONS

BLN	Bloemfontein
CT	Cape Tow
DBN	Durban
EL	East London
JHB	Johannesburg
KDP	Klerksdorp
KIM	Kimberly
NFPM	National Fresh Produce Market
NLP	Nelspruit
PE	Port Elizabeth
PMB	Pietermaritzburg
SPR	Springs
TSH	Tshwane
UMT	Umtata
VER	Vereeniging
WBK	Witbank
WLK	Welkom

1. BACKGROUND

This report evaluates the estimated performance achieved by smallholder farmers within the National Fresh Produce Markets (NFPM) in South Africa during October 2023. The assessment aligns with the NAMC's Section 7 Committee Report on Fresh Produce Markets recommendation, stipulating that black commission market agents should facilitate 30% of the volume traded in such markets. The analysis focuses on 16 NFPMs. The primary focus of the analysis is on the top 20 performing fruits and vegetables sold across 16 NFPMs. The decision to concentrate on the top 20 fruits and vegetables across 16 NFPMs is that they account for approximately 97% of the total volume traded and 97% of the revenue generated in NFPMs. However, more information is limited to three fruits (apples, avocados, and bananas) and vegetables (onions, tomatoes, and potatoes) since they account for approximately 62% of the total revenue and 60% of the total volume. The data used in this report were obtained from the Department of Agriculture, Land Reform and Rural Development (DALRRD).

2. OVERVIEW OF THE MONTH – OCTOBER 2023

This section provides a detailed overview of the performance of the smallholder market estimates of fruits and vegetables at various National Fresh Produce Markets (NFPMs) in South Africa. **Table 1** shows the comparative turnover and mass for fruits and vegetables across the 16 NFPMs in South Africa. The total market turnover across all NFPMs amounts to R 2 311 807 824, with a total mass sold of 243 145 metric tons. Johannesburg (JHB) is the leading market in all markets, with the highest turnover of R1 071 431 657 and a high volume of 111 754 metric tons sold. The markets of Pretoria (PTA), Cape Town (CT), and Durban (DBN) also contribute significantly to the overall turnover and mass sales. The total smallholder market estimate in terms of revenue is R 693 542 347, accounting for approximately 30% of the total market turnover. In terms of mass sold, smallholders contribute 72 943 metric tons.

Table 1: Turnover and mass of fruits and vegetables in the 16 NFPMs

NFPM	Total market (Rands)	Total mass sold (met. Ton)	Smallholder market estimate (Rand)	Smallholder market estimate (met. Ton)	Growth (y/y)
JHB	1 071 431 657	111 754	321 429 497	33 526	31.29
PTA	430 235	49 965	129 070 579	14 990	29.23
CT	255 848	22 467	76 754 420	6 740	28.01
DBN	182 546	19 374	54 763 940	5 812	15.13
BLM	64 772 881.92	6 670	19 431 865	2 001	32.54
EL	59 086 236.00	5 877	17 725 871	1 763	42.39
PMB	31 622 022.40	3 441	9 486 607	1 032	10.95
SPR	77 398 180.64	8 805	23 219 454	2 642	46.15
PE	31 057 581.40	3 141	9 317 274	942	23.29
KDP	44 286 775.66	5 034	13 286 033	1 510	47.64
WLK	38 460 819.50	4 004	11 538 246	1 201	51.94
Ver	7 433 320.00	717	2 229 996	215	10.72
KIM	5 163 809.21	574	1 549 143	172	35.57
WBK	6 123 504.47	673	1 837 051	202	34.65
NLP	6 341 237.55	649	1 902 371	195	198.78
UMT	0.00	0	0	0	0
TOTAL	R 2 311 807	243 145	693 542 347	72 943	30.09

Source: DALRRD (2023)

The year-on-year growth rates in smallholder market estimates vary across NFPMs, ranging from 15.13% in DBN to an impressive 51.94% in Welkom (WLK). JHB and PTA, the two largest markets, also show significant growth rates of 31.29% and 29.23%, respectively. The overall year-on-year growth for smallholder market estimates shows that smallholder farmers play an essential role in the fresh produce market, a positive indication of inclusivity in the agricultural sector.

Small regions such as Klerksdorp (KDP), Springs (SPR), Nelspruit (NLP) and Welkom (WLK), with high turnover and growth rates, demonstrate economic transformation, which can lead to improved livelihoods and economic development. The growth trends observed in several regions indicate a shift towards diversification and expansion within the fresh produce market. This evolution is crucial for building resilience, reducing dependency on specific crops, and ensuring the sustainability of the agricultural sector.

3. VEGETABLES– OCTOBER 2023

The smallholder market share estimates for vegetables, emphasizing the top-performing vegetables across 16 NFPMs, are highlighted in **Table 2**. Regarding the smallholder market (30% share) estimates for vegetables, potatoes emerged as the leading vegetable, generating revenue of R 234 801 064 and contributing 22 263 tons. Tomatoes and onions follow, with revenues of R 71 608 548 and R 45 625 440 and masses of 6 176 and 9 601 tons, respectively.

Table 2: Top 20 performing vegetables across 16 NFPMs.

Product	Total Revenue (Rand)	Mass (Ton)	Smallholder Market Share (Rand)	Smallholder Market Share (Ton)
1. POTATOES	782 670 212	74 210	234 801 064	22 263
2. TOMATOES	238 695 160	20 587	71 608 548	6 176
3. ONIONS	152 084 801	32 005	45 625 440	9 601
4. PEPPERS	87 287 520	4 952	26 186 256	1 486
5. BUTTERNUT SQUASHES	58 718 718	5 913	17 615 616	1 774
6. CARROTS	50 448 869	11 541	15 134 661	3 462
7. CABBAGE	33 899 442	16 606	10 169 833	4 982
8. PUMPKINS	25 822 287	2 740	7 746 686	822
9. ENGLISH CUCUMBERS	20 600 085	1 669	6 180 026	501
10. BEETROOT	18 561 943	3 868	5 568 583	1 160
11. LETTUCE	17 532 513	1 939	5 259 754	582
12. SWEET	15 722 319	1 355	4 716 696	407
13. CHILLIES	12 118 249	726	3 635 475	218
14. HUBBARD SQUASHES	11 793 351	1 858	3 538 005	557
15. GREEN BEANS	10 923 786	987	3 277 136	296
16. CAULIFLOWER	9 251 180	490	2 775 354	147
17. BROCCOLI	8 583 177	413	2 574 953	124
18. SWEETCORN	7 741 094	191	2 322 328	57
19. GINGER	7 604 501	150	2 281 350	45
20. GARLIC	7 310 118	115	2 193 035	35
21. OTHER VEGETABLES	48 841 756	5 073	14 652 527	1 522

Source: DALRRD (2023)

The data highlights the importance of a few of the most traded vegetables, including potatoes, tomatoes, and onions, in generating significant revenue. However, relying too heavily on these crops could pose a risk to the market if they are affected by adverse conditions. Therefore, it is essential to encourage smallholders to diversify

their vegetable range to build a more resilient agricultural sector. In addition, some crops, such as butternut squashes and pumpkins, have lower smallholder market shares than total revenue. To address this, there is a need to understand smallholders' specific challenges in growing and marketing these crops. Tailored support programs that address the unique needs of farmers involved in these crops could increase smallholder market share and contribute to a more diverse and sustainable agricultural sector.

3.1 POTATOES

Regarding the smallholder market share across regions within the National Fresh Produce Market (NFPM) for potatoes, **Figure 1** shows that JHB is the biggest NFPM, offering a significant market share of 43.53% in tons and 42.53% in revenue, indicating its essential position in the potato trade. Pretoria (PTA) is the second largest, contributing significantly with 17.53% tons and 17.26% revenue. Durban (DBN) and Cape Town (CT) also play integral roles, each securing around 8-9% of the market share in tons, indicative of their significant presence. Springs (SPR) and East London (EL) exhibit moderate shares, contributing approximately 6% and 3% to the diversified landscape, respectively. Market share distribution among other regions is well-balanced, emphasizing a collective and collaborative market presence.

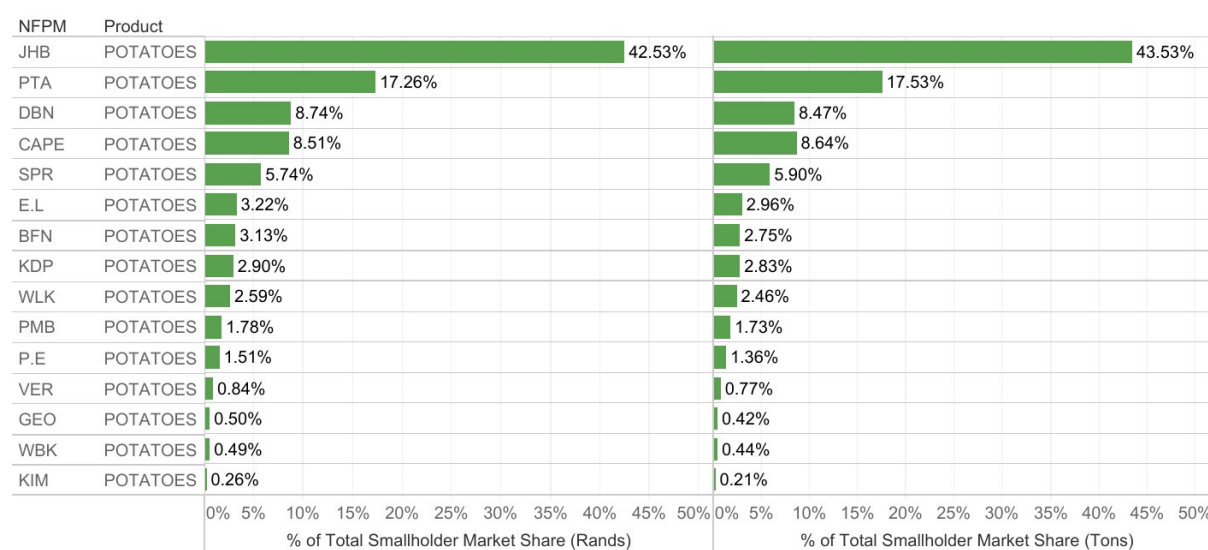


Figure 1: Smallholder market share for potatoes across NFPM

Source: DALRRD (2023)

3.2 TOMATO

In terms of tomatoes, **Figure 2** shows the distribution of tomato trade across NFPMs. JHB emerges as a prominent player, contributing 43.53% of the total smallholder market share in tons and 42.53% in revenue, indicating its dominance in quantity and value metrics. PTA follows closely, contributing 17.53% in tons and 17.26% in revenue.

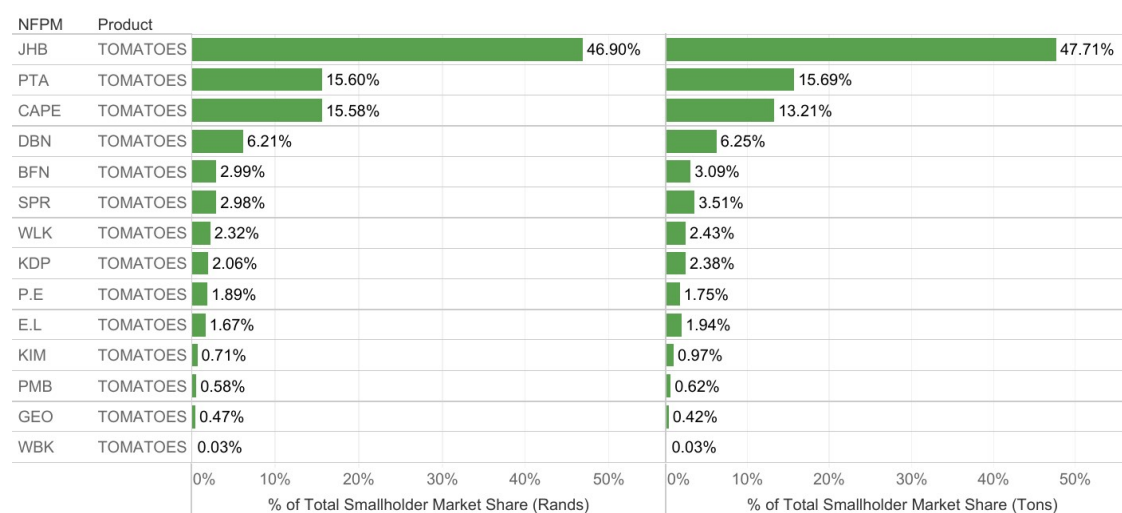


Figure 2: Smallholder market share for tomatoes across NFPM
Source: DALRRD (2023)

3.3 ONION

Regarding onion trade across the NFPMs, **Figure 3** unveils distinct patterns and considerations. JHB remains dominant in this context, contributing 51.01% to the total smallholder market share in tons and 48.80% in revenue. This trend emphasizes JHB's important role in the onion market. Pretoria (PTA) maintains a high presence, accounting for 17.52% tons and 15.27% revenue. The market distribution across other regions reveals specific distinctions in the onion trade, with DBN and CT demonstrating significant market shares. The comparatively lower percentages for certain regions suggest a more concentrated market, possibly influenced by factors unique to the onion industry.

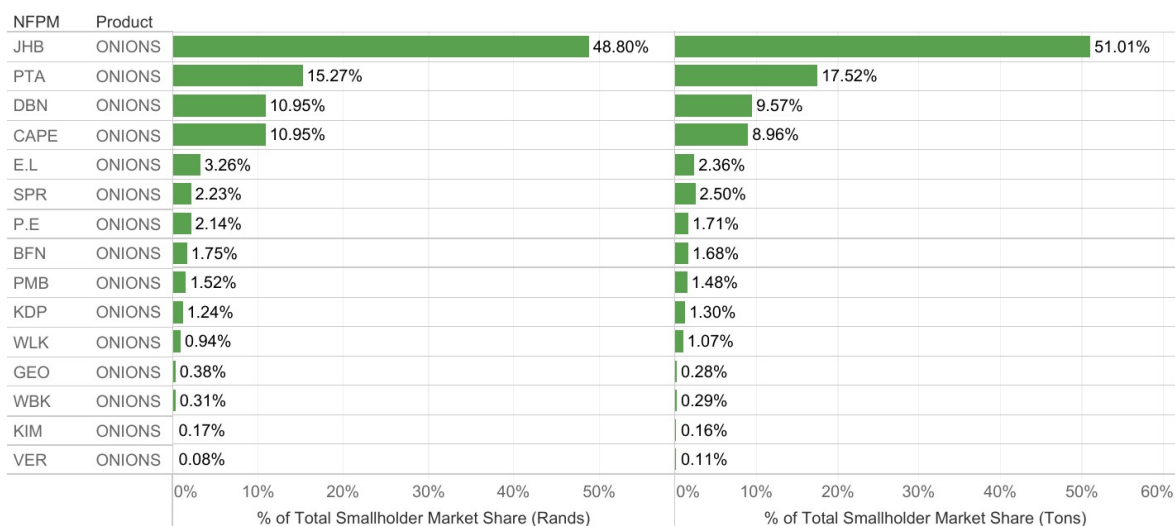


Figure 3: Smallholder market share for onions across NFPM

Source: DALRRD (2023)

4. FRUITS– OCTOBER 2023

In the fruit market, **Table 3** presents a detailed breakdown of the top 20 performing fruits across 16 NFPMs. We observe several key trends and shifts when comparing the September and October fruit market data. Bananas held the top spot in September in terms of revenue and volume, followed by apples, avocados, pears, and naartjies, the other top performers for September. In October, bananas again emerged as the dominant market in terms of revenue and mass, constituting 28% of the total market share. Apples followed behind, contributing 22% of the total revenue share.

Table 3: Top 20 performing fruits across 16 NFPMs

Product	Total Revenue (Rand)	Total Mass (Tons)	Smallholder Market Share Estimate	Smallholder Market Share Estimate (Ton)
1. BANANAS	192 907 446	16 052	57 872 234	4 816
2. APPLES	148 859 275	12 910	44 657 782	3 873
3. WATERMELONS	45 881 034	6 980	13 764 310	2 094
4. AVOCADOS	42 347 339	2 500	12 704 202	750
5. PEARS	35 584 041	2 916	10 675 212	875
6. PINEAPPLES	23 369 942	1 787	7 010 983	536
7. NAARTJIES	22 815 595	2 260	6 844 679	678
8. STRAWBERRIES	22 701 052	491	6 810 316	147
9. ORANGES	21 659 835	2 987	6 497 950	896
10. NECTARINES	21 200 417	822	6 360 125	247
11. GRAPES	15 324 561	180	4 597 368	54
12. PEACHES	13 801 569	515	4 140 471	154

Product	Total Revenue (Rand)	Total Mass (Tons)	Smallholder Market Share Estimate	Smallholder Market Share Estimate (Ton)
13. LEMONS	11 811 162	2 235	3 543 349	670
14. CHERRIES	7 888 236	61	2 366 471	18
15. PAPAYAS	7 294 486	390	2 188 346	117
16. MUSKMELONS	6 655 052	387	1 996 516	116
17. SWEET MELONS	6 566 580	393	1 969 974	118
18. OTHER BERRIES	6 083 955	98	1 825 187	29
19. EXOTIC CITRUS	5 758 395	578	1 727 519	174
20. BLUEBERRIES	5 065 352	546	1 519 606	164
21. OTHER FRUITS	22 615 880	1 115	6 784 764	334
22. TOTAL	686 191 204	56 204	205 857 361	16 861

Source: DALRRD (2023)

Watermelons climbed to the third position, generating revenue of R45 881 034, which can be attributed to the summer season because consumers seek refreshing and hydrating fruits. Interestingly, Avocados and pears maintained their positions in the top five but experienced fluctuations in market performance. The smallholder market share estimate shows that bananas have a significant smallholder market share. They contributed 28% of revenue (R57 872 234) and mass (4 816 tons). Apple also shows a robust smallholder presence, capturing a 22% share in revenue and mass. While watermelons exhibit a higher smallholder market share (7%) compared to their overall market share (6%), oranges and nectarines slightly lag in smallholder contribution.

The total revenue for fruits amounts to R686 191 204, with smallholders contributing R205 857 361 and 16 861 tons. However, concentration in certain crops, such as bananas, apples, and potatoes, contributes significantly to total revenue and mass. While these crops are economically important, over-reliance on a limited range of products poses risks, as market conditions or external factors affecting these specific crops could have disproportionate impacts on the entire sector. Therefore, there should be diversification in mitigating risks associated with market concentration.

4.1 BANANAS

Focusing on the market distribution of bananas across different cities in South Africa, as illustrated in **Figure 4**, JHB stands out as the top banana city with a strong preference for bananas, contributing to 32% of total revenue and market mass. PTA

is the second, with a significant 22% market share, indicating a consistent popularity of bananas in the nation's administrative capital. CT holds the third position with a 15% market share, marking a significant demand for bananas in this coastal city. Smaller cities like EL and DBN also contribute to the overall market shares with 6% and 9%, respectively.

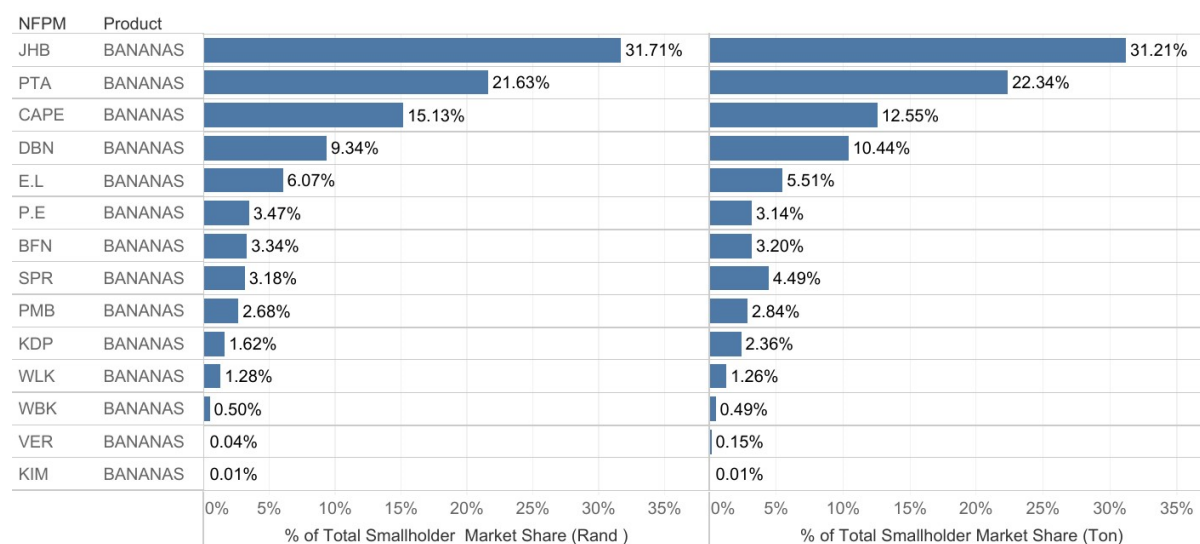


Figure 4: Smallholder market share for bananas across NFPM
Source: DALRRD (2023)

4.2 APPLES

Figure 5 shows the smallholder market shares for apples in different National Fresh Produce Market.

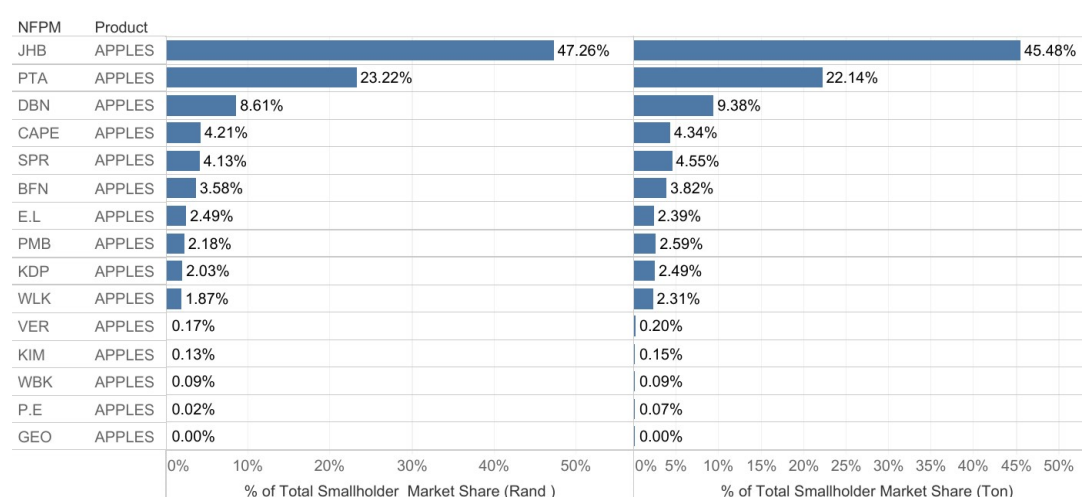


Figure 5: Smallholder market share for apples across NFPMs
Source: DALRRD (2023)

Among all cities, JHB has the most significant smallholder market share for revenue and market mass, accounting for 47%. This concentration in JHB highlights the value of small-scale apple farmers in the metropolitan region, possibly due to local demand and support structures. PTA follows with a substantial 23%, indicating a significant but comparatively low presence of smallholders. However, the smaller market shares in other cities, including CT and DBN, raise questions about the factors influencing the distribution of smallholder engagement. On the other hand, cities like Vereeniging, Kimberley, and Witbank register a 0% smallholder market share, prompting a critical examination of potential barriers or limitations for small-scale farmers in these regions.

4.3 WATERMELONS

Figure 6 shows smallholder market shares for watermelons across different NFPMs. The major contributors are JHB and PTA, with smallholder market shares for watermelons at 0.43% and 0.43% of total revenue and 0.37% and 0.50% of the total market mass, respectively. These figures indicate a relatively balanced involvement of small-scale farmers in both cities, showcasing the importance of watermelon cultivation among local smallholders. Smaller markets like BFN, DBN, and KIM also have a presence, although on a smaller scale. Despite the modest percentages, these regions highlight meaningful participation by smallholders. CT, on the other hand, has a smaller market.

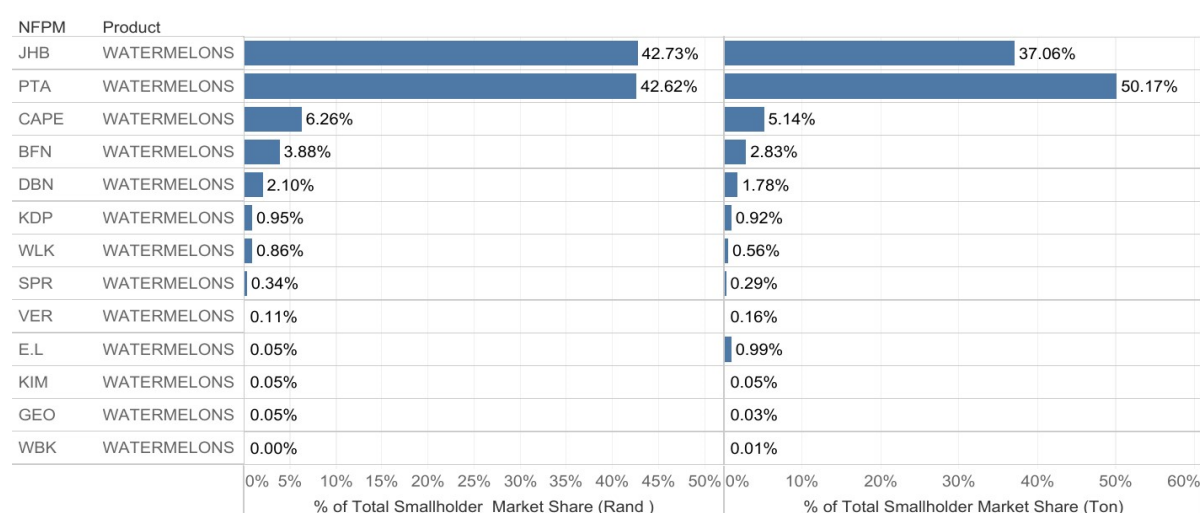


Figure 6: Smallholder market share for watermelon across NFPMs
Source: DALRRD (2023)

5. PRICES

The sustainability of smallholder farmers' livelihoods, their ability to cover production costs, and investment in farm improvements depend on fair and competitive prices. Therefore, ensuring fair and transparent pricing mechanisms is essential for empowering smallholders and contributing to the overall development of the agricultural sector. Table 4 presents the monthly price changes for various fruits and vegetables across NFPMs. The recent 15% increase in banana prices in Johannesburg could indicate potential supply and demand dynamics shifts. In contrast, apples show a consistent upward trend across all markets, with a 13% increase in JHB and PTA and a 6% increase in CT, suggesting a broader influence on apple prices. Avocado and pear prices exhibit diverse patterns, with avocados experiencing an 18% surge in PTA and a 10% increase in CT. In comparison, pears witness a significant 16% rise in JHB and a 13% increase in CT.

Table 4: Fruit and vegetable prices in major NFMs

NFPM	Fruit	September 2023- R/ton	October 2023-R/ton	Price % Change (M/M)
JHB	Bananas	10 352	12 209	15%
	Apples	10 388	11 981	13%
	Avocados	15 369	15 448	1%
	Pears	9 939	11 848	16%
PTA	Bananas	11 487	12 209	6%
	Apples	10 594	12 091	12%
	Avocados	14 153	17 226	18%
	Pears	10 658	11 848	10%
CPT	Bananas	12 706	14 487	12%
	Apples	10 471	11 167	6%
	Avocados	20 544	22 771	10%
	Pears	11 014	12 707	13%
NFPM	Vegetables	September 2023-	October 2023-	Price % Change
PTA	Peppers	18 328	26 631.91	45%
	Potatoes	9 982	10 386.61	4%
	Tomatoes	5 890	9 001.00	53%
	Onions	5 785	4 142.02	-28%
JHB	Peppers	21 585	16 925.33	-22%
	Potatoes	9 936	10 303.99	4%
	Tomatoes	7 600	11 397.57	50%
	Onions	6 069	4 545.95	-25%
CT	Peppers	29 321	26 631.91	-9%
	Potatoes	10 439	10 386.42	-1%
	Tomatoes	7 817	13 670.98	75%
	Onions	8 080	5 808.22	-28%


Source: DALRRD (2023)

Regarding vegetables, peppers in PTA experienced a substantial 45% increase, indicative of potential disruptions in the supply chain or heightened demand. Conversely, JHB experienced a 22% decrease in pepper prices, suggesting a significant market adjustment or changes in production dynamics. CT records a 9% decrease, reflecting relatively stable conditions for peppers in that region. Potatoes exhibit a modest 4% increase in PTA and JHB, while CT records a slight 1% decrease. Tomatoes, however, showcase significant price variations, with Tshwane experiencing a remarkable 53% increase, JHB a substantial 50% increase, and CT a pronounced 75% increase. Onions, on the other hand, exhibit contrasting trends across markets, with significant decreases ranging from 25% to 28%.

Smallholder farmers can benefit from monitoring local market conditions to optimize crop selection and production strategies. Prices fluctuate significantly; therefore, it is essential to have robust risk management, cost evaluation, and negotiation skills. To succeed, farmers should remain flexible, collaborate with others, and leverage market information to enhance their economic resilience.

6. CONCLUSION

This report presents the optimal performance based on the 30% share of each traded agricultural product, as the 2006 NAMC Section 7 committee report recommends. Specifically, it provides smallholder market access estimates in the NFPMs within the context of broader transformation. The estimation for October 2023 reveals that smallholder farmers generated R693 542 347 from fruits and vegetables, indicating the positive impact of policy recommendations on fostering smallholder market access. In terms of revenue, NFPMs recorded growth on a year-to-year basis. However, there was a decline in year-to-year mass trade in fruits and vegetables. Regarding the best-performing commodities, potatoes, onions, and tomatoes dominate the vegetable market, while bananas, apples, watermelons, and avocados constitute more than half the market share in the fruit market. The top four performing NFPMs are Johannesburg, Pretoria, Durban, and Cape Town, while NFPMs such as George, Kimberley, Klerksdorp, and Vereeniging have relatively small market shares.



The concentration of critical products like bananas, apples, potatoes, and tomatoes contributes significantly to total revenue and mass, highlighting their economic importance; however, the associated risk of over-reliance suggests the need for diversification to mitigate potential disproportionate impacts on the entire agricultural sector.

Regarding price trends, month-to-month (M/M) percentage price change showed positive fruit trends across all NFPMs. At the same time, month-to-month (M/M) percentage price change for vegetables is dynamic; onions and peppers experienced a decline, particularly in Cape Town, suggesting that demand and supply are stabilizing. Given the fluctuation of market prices, smallholder farmers are encouraged to remain flexible in their planning, collaborate with other farmers in their community, and leverage market information to make informed decisions that enhance their economic resilience. However, the prerequisite to sustain and increase the dominance of smallholder farmers in NFPMs is to address critical challenges such as insufficient finance and technical capabilities, a lack of operational knowledge, low economies of scale, low bargaining power, and inadequate infrastructure, such as limited storage facilities, and logistical issues.

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