Promoting market access for South African agriculture

SMALLHOLDER MARKET ACCESS ESTIMATES

January 2022

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 January 2022. 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 16 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 – JAN 22

In January 2022 the total mass traded from the NFPMs was 249 078 metric tons (MT), generating a total revenue of R1.46 billion (see Table 1). This indicates 6% (13 572 MT) and 13% (R163 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 by top commodities in January 2022

Commodity	Revenue	Mass
Total	R1 459 666 424	249 078
Potatoes	298 307 148	87 060
Onions	112 870 956	27 748
Tomatoes	171 299 946	14 479
Bananas	156 822 357	20 228
Other vegetables	251 415 066	51 424
Other fruits	468 950 948	48 139

Source: South African Union of Food Markets (2022)

Potatoes had a total mass of 87 060 MT, indicating an increase of 4% (3 142 MT) compared to the same month in the previous year. Their revenue slightly increased by 1.19% (R3.51 million) during the same period. The total mass for onions also increased by 8% (1 972 MT) to reach 27 748 MT in January 2022. The revenue also grew by 10% (10 million) to reach R112 870 956. Tomatoes had a total mass of 14 479 MT, indicating a massive decline by 29% (translated as 5 787 MT) and this traded mass was matched by total revenue of R171 million, indicating 59% increase. Bananas showed an increase of 26% (4 231 MT) in mass traded and 31% (R37 million) growth in revenue to reach R156 million in Jauary 2022. Other vegetables traded in the system recorded a slight increase of 8% in mass matched by small decline of 0.97% (R2.45 million) in revenue. On the other hand, other fruits recorded an increase of 15% in total mass followed by an increase in total revenue by 12%. 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.

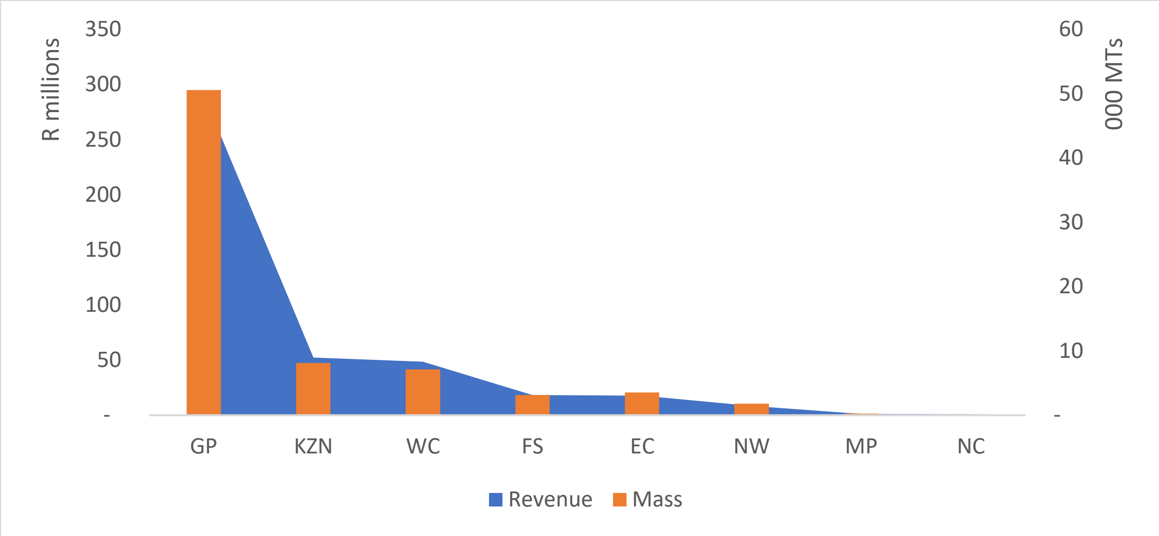


Figure 1: Summary of estimated share of smallholder farmers in different provinces by revenue and mass, January 2022
Source: South African Union of Food Markets (2022)

For the entire month of January 2022, the ideal smallholder farmer 30% market share in mass and value was estimated at 74 723 MT and R437 million, respectively. A further analysis of this at the provincial level show that Gauteng (GP) province was leading at 50 590 MT matched by a revenue of R290 million (See Figure 1). This was followed by Kwa-Zulu Natal (KZN) at 8 142 MT (R52 million), Western Cape (WC) at 7 121 MT (R48 million), Free State (FS) at 3 138 MT (R18 million), Eastern Cape (EC) at 3 548 MT (R17 million), North West (NW) at 1 775 MT (R8 million) and Mpumalanga (MP) province was at 252 MT (R1.15 million). The Northern Cape (NC) province had the lowest share of 157 MT (R769 973 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 (GP) at 66% (R39 million) revenue and 67% (17 463 MT) mass (see Table 2). This was followed by Kwa-Zulu Natal (KZN) at 11% (R9 million) revenue and 10% (2 741 MT), Western Cape (WC) at 7% (R6 million) revenue and 8% (1 999 MT), Eastern Cape (EC) at 6% (R5.01 million, 1 490 MT), Free State (FS) at 6% (R5.00 million) revenue and 5% (1 324) mass. The least contributing provinces to the share of smallholder farmers were North West (NW) at 3% (R2 million, 874 MT) in both mass and revenue, Mpumalanga at 1% (R612 619, 145 MT) both revenue and mass, and NC at R304 814 in revenue and 83 MT in mass, respectively. The overall share in potatoes was R89 million (26 118 MT).

Table 2: Summary of estimated share of smallholder farmers in potatoes at provincial level, January 2022

Province	Revenue	Mass
GP	R59 447 260	17 463
KZN	R9 566 065	2 741
WC	R6 647 904	1 999
EC	R5 014 461	1 490
FS	R5 003 499	1 324
NW	R2 895 521	874
MP	R612 619	145
NC	R304 814	83

Source: South African Union of Food Markets (2022)

Figure 2 shows the potatoes estimated share of smallholder farmers in the top 10 markets. Johannesburg led at 10 706 MT (41%), followed by Tshwane at 4 902 MT (19%), Durban at 2 279 MT (9%), Cape town at 8% (1 999 MT) and Springs at 6% (1 536 MT). Other markets in the top ten included Klerksdorp (874 MT), East London (795 MT), Bloemfontein (722 MT) and Port Elizabeth (673 MT) all at 3%. Welkom had the least share in potatoes among the top ten markets at 2% (673 MT).

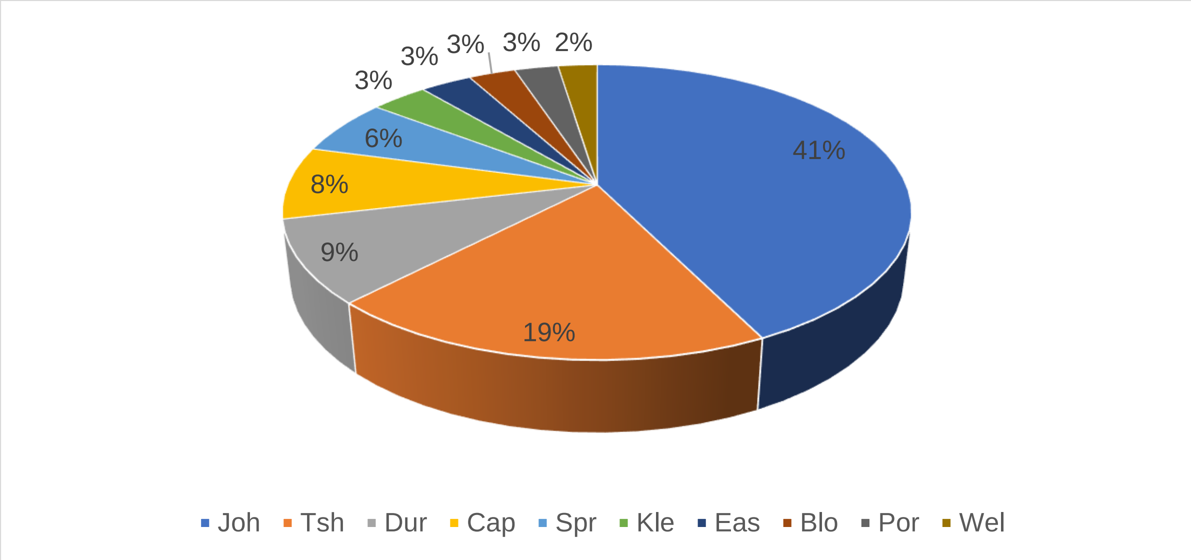


Figure 2: Estimated share in top 10 markets by mass for potatoes, January 2022

Source: South African Union of Food Markets (2022)

The estimated share by revenue in potatoes for top 10 markets is presented in Figure 3. The Johannesburg led at R36 million (41%) followed by Tshwane at R17 million (19%), Durban at R8 million (9%), Cape town at R6 million (7%), and Springs at R4 million (5%), respectively. Other markets in the top ten included Klerksdorp (R2.89 million), Bloemfontein (R2.73 million) and East London (R2.72 million) at 3%. Markets commanding the least share in potatoes among the top ten were Welkom (R2.26 million) and Pietermaritzburg (R2.21 million) respectively.

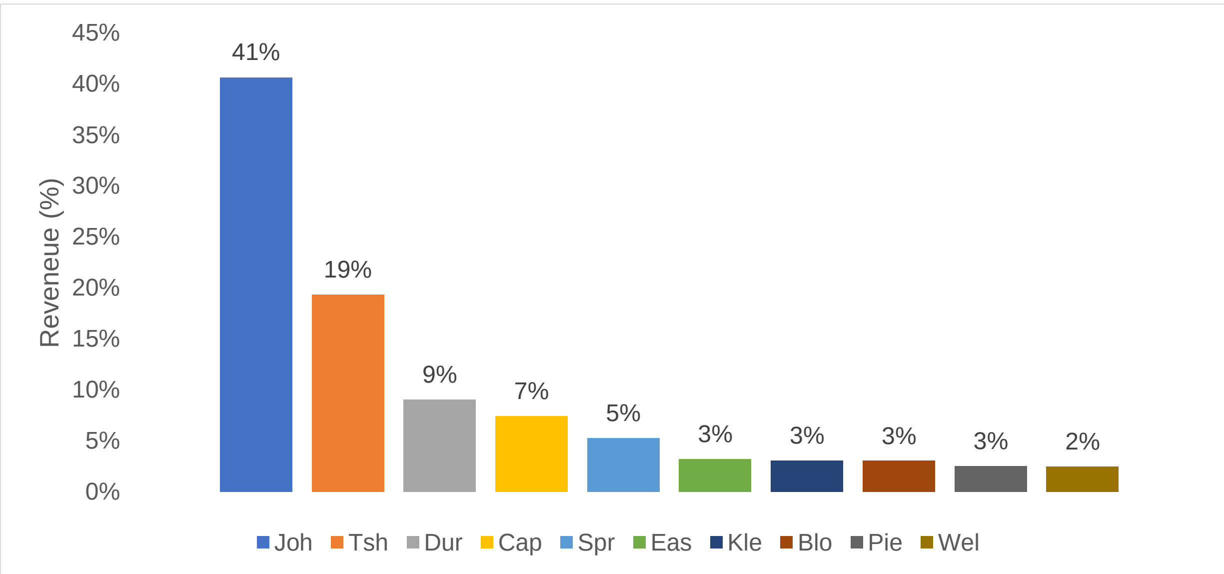


Figure 3: Estimated shares in revenue by top 10 markets for potatoes, January 2022

Source: South African Union of Food Markets (2022)

3.2 ONIONS

Table 3 presents onions estimated share of smallholder farmers in eight provinces. Gauteng (GP) was the leading province with 69% (R23 million) revenue and 72% (5 953 MT) mass, followed by Kwa-Zulu Natal (KZN) with 13% (R4 million) revenue and 12% (967 MT) mass, Western Cape (WC) at 9% (R3 million) revenue and 8% (695 MT) mass, Eastern Cape (EC) at 5% revenue (R1 million) and 4% mass (363 MT), Free State (FS) at 3% both revenue (R914 868) and mass (214 MT), North West (NW) at 1% both revenue (R415 767) and mass (99 MT), and Mpumalanga (MP) at 0.27% (R90 124) revenue and 0.28% (23 MT).

The Northern Cape (NC) at R39 579 (revenue) and 11 MT (mass) had the lowest share of smallholder farmers in onions. The overall share was R33 million and 8 324 MT.

Table 3: Summary of estimated share of smallholder farmers in onions at provincial level, January 2022

Province	Revenue	Mass
GP	R23 205 080	5 953
KZN	R4 376 474	967
WC	R3 134 444	695
EC	R1 684 952	363
FS	R914 868	214
NW	R415 767	99
MP	R90 124	23
NC	R39 579	11

Source: South African Union of Food Markets (2022)

Onions were the second largest traded commodity in fresh produce markets in terms of mass in January 2022. The results presented in Figure 4 show that the Johannesburg market commanded the largest share of smallholder farmers at 4 114 MT (49%). It was followed by

Tshwane at 1 604 MT (19%), Durban at 851 MT (10%), Cape town at 695 MT (8%) and East London at 220 MT (3%). Other markets include Springs (208 MT), Port Elizabeth (139 MT) both at 3% subsequently followed by Bloemfontein (122 MT) and Pietermaritzburg (116 MT) at 1%. Klerksdorp (99 MT) had the least share of smallholder farmers in onions among the top ten markets at 1%.

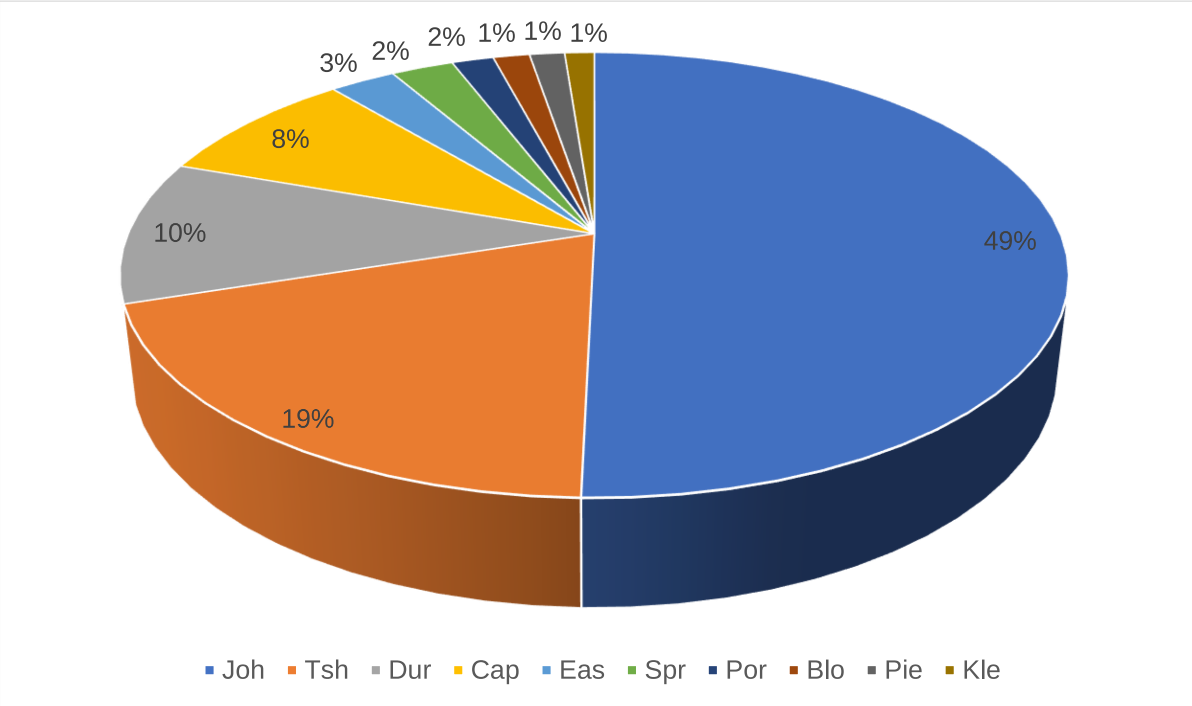


Figure 4: **Estimated shares in top 10 markets by mass for onions, January 2022**

Source: South African Union of Food Markets (2022)

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 48% (R16 million), followed by Tshwane at 18% (R6 million), Durban at 12% (R3.93 million), Cape town at 9% (R3.13 million), and East London at 3% (R993 571). The Springs (R755 359), Port Elizabeth (R685 985), and Bloemfontein (R565 985). Pietermaritzburg (R444 971) and Klerksdorp (R415 766) had the lowest share of smallholder farmers in onions at 1% among the top ten markets.

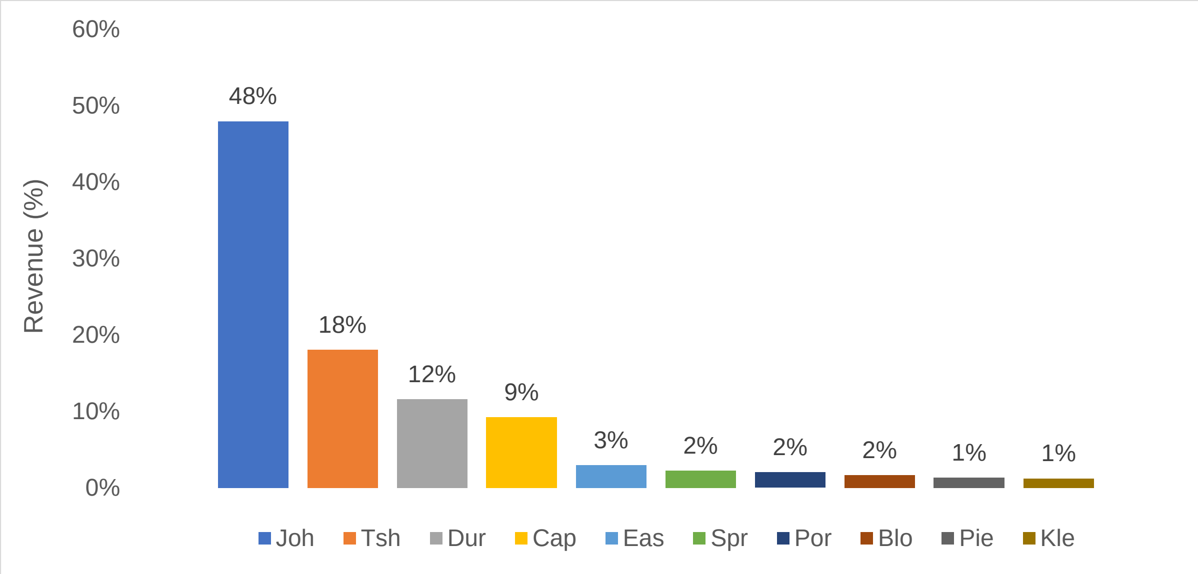


Figure 5: Estimated shares in revenue by top 10 markets for onions, January 2022

Source: South African Union of Food Markets (2022)

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 65% in both revenue (R33 million) and mass (2 814 MT), followed by Western Cape (WC) at 16% both revenue (R8 million) and mass (705 MT), Kwa-Zulu Natal (KZN) at 9% both revenue (R4 million) and mass (405 MT), Free State (FS) at 4% both revenue (R2 million) and mass (155 MT), Eastern Cape (EC) at 3% both revenue (R1.52 million) and mass (151 MT), and North West (NW) at 2% both revenue (R1.10 million) and mass (77 MT). The Northern Cape (NC) was at 0.18% revenue (R214 542) and 0.17% mass (20 MT).

The Mpumalanga (MP) province was at 0.25% in revenue (R129 119) revenue and 0.37% in mass (16 MT), thus making it the lowest contributor to smallholder farmers' share in tomatoes among the top ten markets. Nonetheless, the overall estimated share of smallholder farmers in tomatoes was R51 million and 4 344 MT.

Table 4: Summary of estimated share of smallholder farmers in tomatoes at provincial level, January 2022

Province	Revenue	Mass
GP	R33 610 589	2 814
WC	R8 105 027	705
KZN	R4 512 936	405
FS	R2 188 768	155
EC	R1 527 972	151
NW	R1 101 030	77
NC	R214 542	20
MP	R129 119	16

Source: South African Union of Food Markets (2022)

Tomatoes were the fourth largest traded commodity in terms of mass at fresh produce markets in January 2022. The Johannesburg Market commanded the largest share of smallholder farmers at 48%, translated as 2 099 MT (see Figure 6). This market was followed by Cape Town at 705 MT (16%), Tshwane at 578 MT (13%), Durban at 380 MT (9%), and Springs at 3% (135 MT). The Bloemfontein (105 MT), Port Elizabeth (81 MT), Klerksdorp (77 MT) and East London (70 MT) markets were at 2%. Welkom (50 MT) had the least share of smallholder farmers in tomatoes among the top ten markets at 1%.

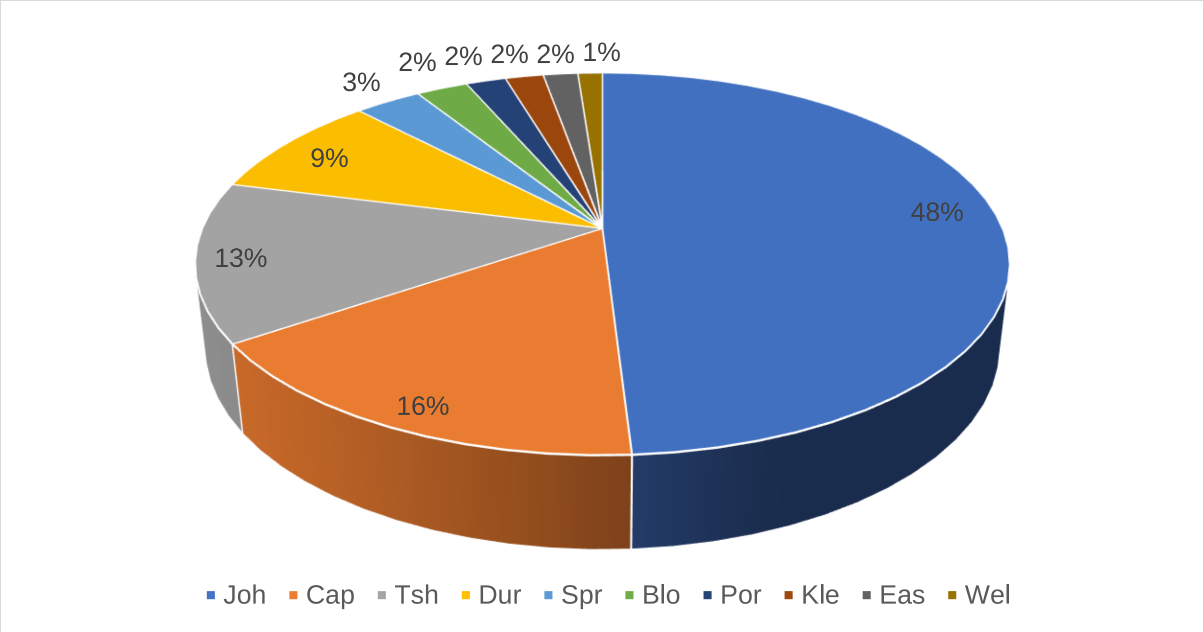


Figure 6: **Estimated share in top 10 markets by mass for tomatoes, January 2022**

Source: South African Union of Food Markets (2022)

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 top 10 markets was Johannesburg at 48% (R24 million), Cape town at 16% (R8million), Tshwane at 15% (R7 million), Durban at 8% (R4 million), Bloemfontein (R1.43 million) and Springs (R1.40 million) both at 3%. The Klerksdorp (R1.10 million) and Welkom (R780 897) stood at 2%. The East London (766 590) and Port Elizabeth (R761 381) had the lowest share of smallholder farmers in tomatoes among the top ten markets at 1%.

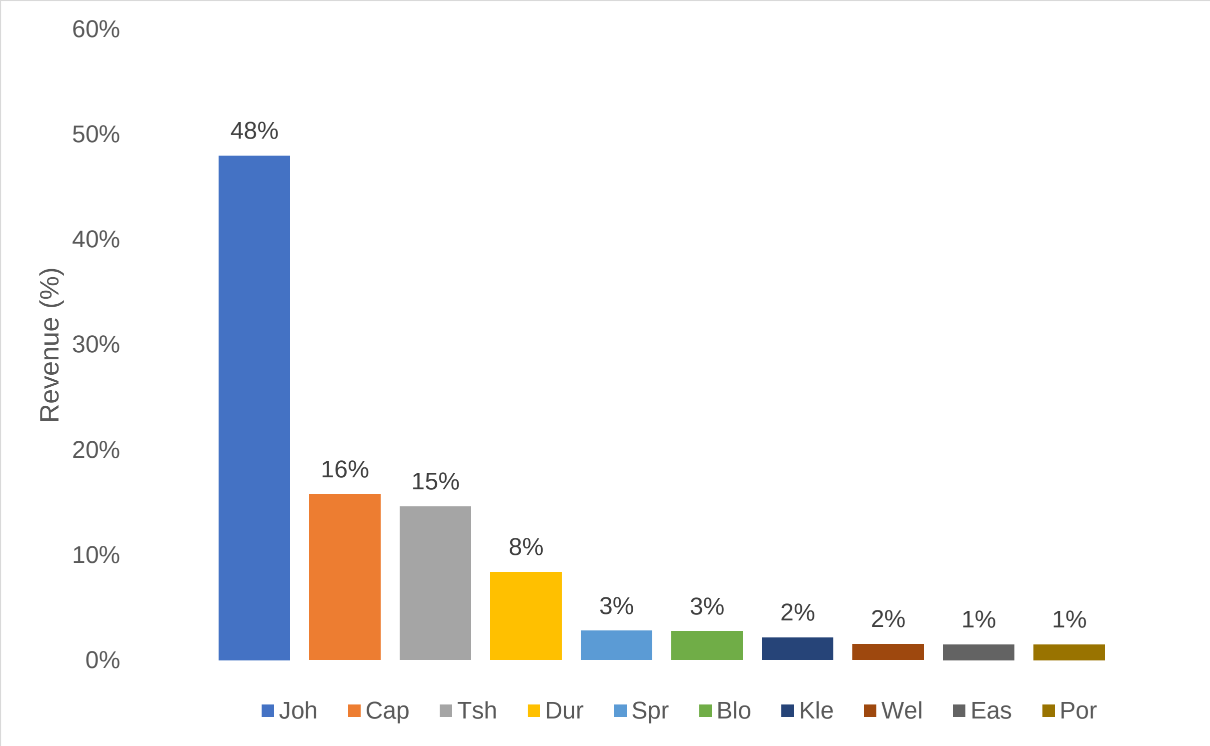


Figure 7: Estimated share in revenue by top 10 markets for tomatoes

Source: South African Union of Food Markets (2022)

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 54% (R25 million) matched by mass of 56% (3 418 MT), followed by Western Cape (WC) at 16% in revenue (R7 million) and 15% in mass (924 MT), Kwa-Zulu Natal (KZN) at 14% both revenue (R6 million) and mass (839 MT), Eastern Cape (EC) at 9% in revenue (R4 million) and 8% (461 MT), Free State (FS) at 5% both revenue (R2 million) revenue and mass (280 MT) and North West (NW) at 2% both revenue (R1 million) and mass (136 MT).

Mpumalanga (MP) had the lowest estimated share of smallholder farmers in Bananas at 0.18% (R82 690) revenue and 0.17% (10 MT). The estimated overall smallholder share for bananas was R47 million and 6 068 MT.

Table 5: Summary of estimated share of smallholder farmers in bananas at provincial level, January 2022

Province	Revenue	Mass
GP	R25 470 653	3 418
WC	R7 532 739	924
KZN	R6 646 911	839
EC	R4 027 242	461
FS	R2 272 368	280
NW	R1 010 894	136
MP	R82 698	10

Source: South African Union of Food Markets (2022)

Bananas constituted the most traded fruit on the fresh produce market system in January 2022. The Johannesburg Market commanded the largest share of smallholder farmers at 33% (1 982 MT) (see Figure 8). It was followed by Tshwane at 20% (1 233 MT), Cape town at 14% (839 MT), Durban at 12% (752 MT), East London at 5% (302 MT), Springs (187 MT), Bloemfontein (180 MT), Pietermaritzburg (173 MT) and Port Elizabeth (158 MT) at 3%. Among the top ten markets Klerksdorp fresh produce market (136 MT) commanded the least estimated share of smallholder farmers at 2%.

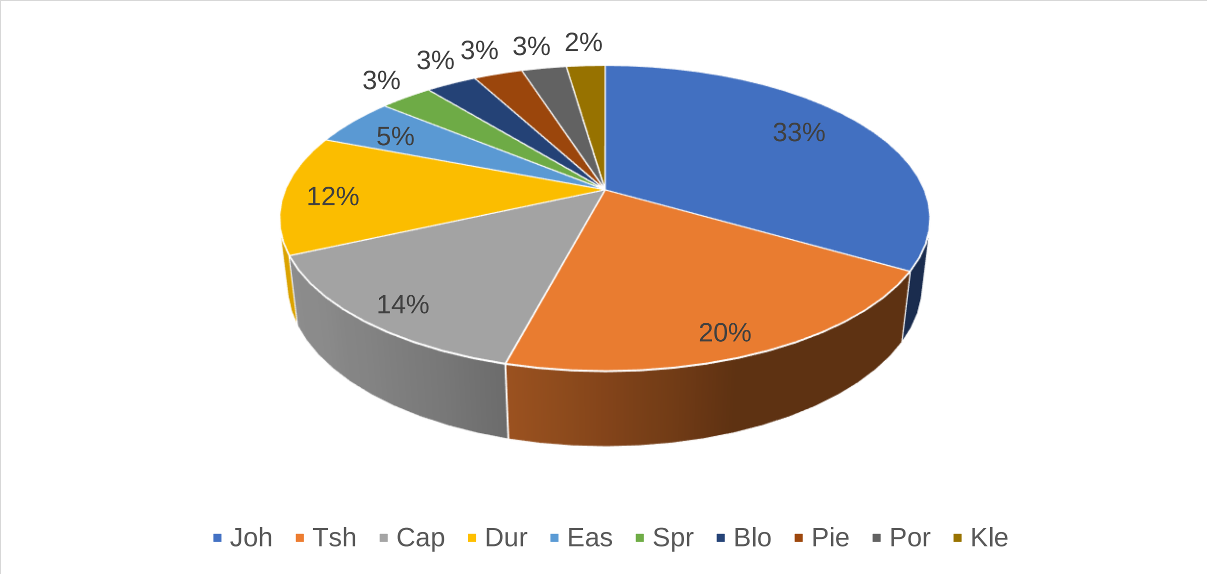


Figure 8: Estimated shares in top 10 markets by mass for bananas, January 2022

Source: South African Union of Food Markets (2022)

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 32% (R15 million), Tshwane at 19% (R8 million), Cape town at 16% (R7 million), Durban at 12% (R5 million) and East London at 5% (R2 million). The Bloemfontein (R1.57 million), Port Elizabeth (R1.56 million), Springs (R1.32 million) and Pietermaritzburg (R1.21 million), were at 3%. Among the top ten Klerksdorp fresh produce market had the least share at 2% (R1 million).

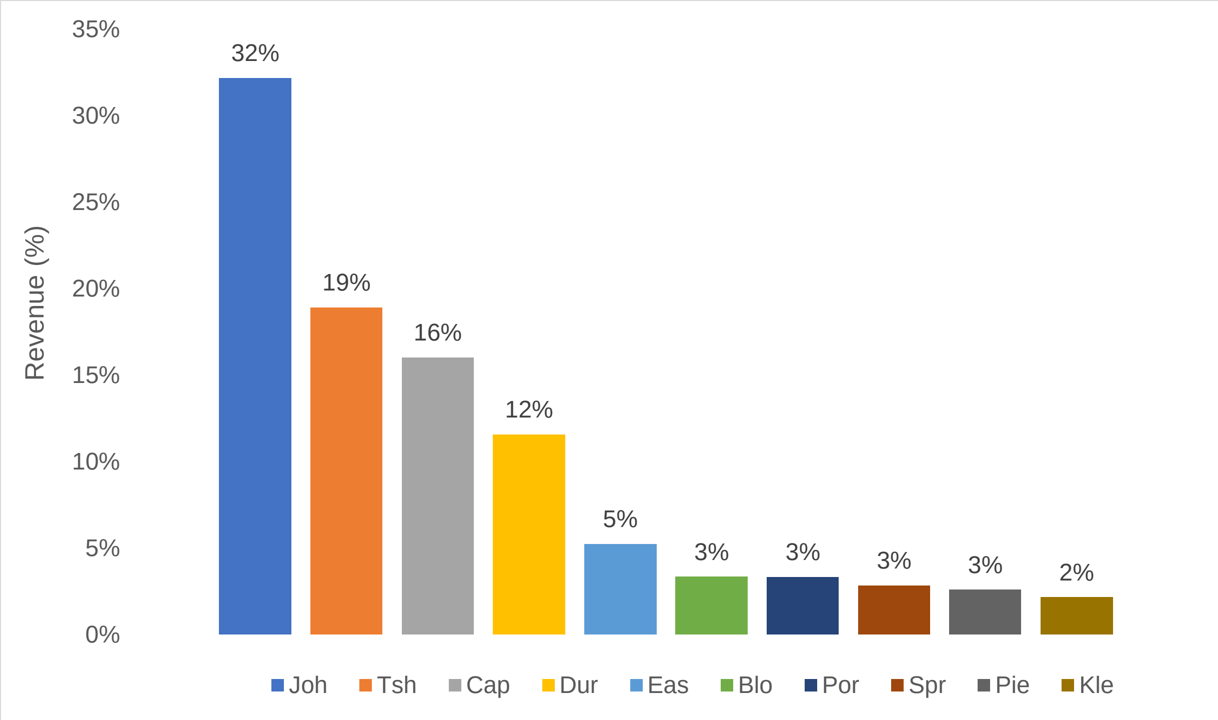


Figure 9: Estimated shares revenue by in top 10 markets for bananas

Source: South African Union of Food Markets (2022)

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 71% (R53 million) matched by mass of 75% (11 494 MT), followed by Western Cape (WC) at 13% (R9 million) revenue and 9% (1 378 MT) mass, Kwa-Zulu Natal at 8% in revenue (R5 million) and 7% in mass (1 138 MT), Eastern Cape at 3% in revenue (R2.40 million) and 4% in mass (555 MT), Free State at 3% both revenue (R2.23 million) and mass (501 MT), and North West at 1% (R1 million) revenue and 2% (293 MT) mass.

Mpumalanga (MP) had 0.19% (R140 101) revenue and 0.29% (44 MT) mass. The Northern Cape (NC) had the lowest share at 0.12% (R90 809) revenue and 0.16% (24 MT) mass. The overall share of smallholder farmers in other vegetables in January 2022 was R75 million and 15 427 MT.

Table 6: Summary of estimated share of smallholder farmers in other vegetables at provincial level, January 2022

Province	Revenue	Mass
GP	53 833 020	11 494
WC	9 706 910	1 378
KZN	5 943 685	1 138
EC	2 409 604	555
FS	2 238 756	501
NW	1 061 635	293
MP	140 101	44
NC	90 809	24

Source: South African Union of Food Markets (2022)

Market shares for smallholder farmers in other vegetables traded in the various fresh produce markets in January 2022 are illustrated in Figure 10. The Johannesburg Market commanded the largest share at 50% (7 735 MT) (see Figure 10), followed by Tshwane at 22% (3 348 MT), Cape Town at 9% (1 378 MT), Durban at 7% (1 060 MT), and Springs at 2% (374 MT). The Bloemfontein (365 MT), Klerksdorp (293 MT) and East London (276 MT) markets had the same share at 2%. Port Elizabeth (213 MT) and Welkom (190 MT) commanded the lowest share of smallholder farmers among the top ten markets both at 1%.

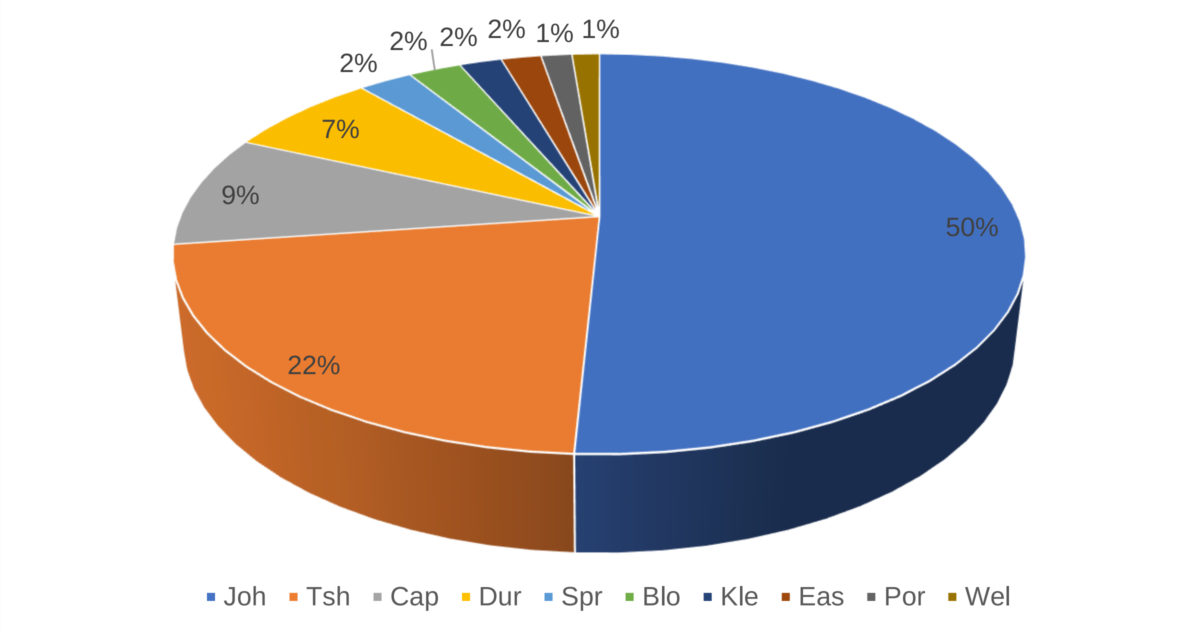


Figure 10: Estimated shares in top 10 markets by mass for other vegetables, January 2022

Source: South African Union of Food Markets (2022)

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 51% (R38 million), Tshwane at 18% (R13 million), Cape town 13% (R9 million), Durban at 7% (R5 million) and Bloemfontein at 2% (R1.53 million). The East London (R1.40 million) and Spring (R1.22 million) markets also had the same share at 2%. The Klerksdorp (R1.06 million) and Port Elizabeth (R980 499) had the same share at 1%. Welkom had the least share of revenue for smallholder farmers among the top ten markets at 1% (R705 473).

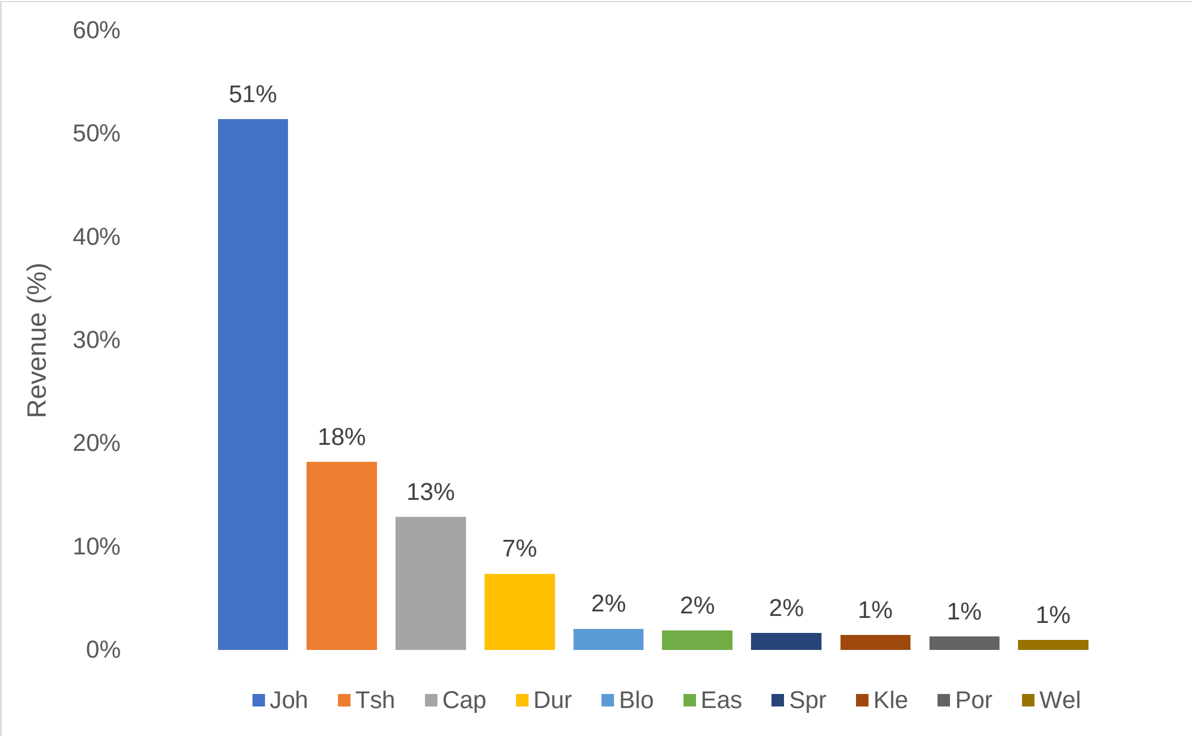


Figure 11: Estimated shares in revenue by markets for other vegetables, January 2022

Source: South African Union of Food Markets (2022)

3.6 OTHER FRUITS

Table 7 presents the other fruits estimated share of smallholder farmers in eight provinces in South Africa during January 2022. Gauteng (GP) province was leading with a revenue of 67% (R94 million) and 65% (9 449 MT) mass, followed by Kwa-Zulu Natal at 15% (R21 million) revenue and 14% (1 967MT) mass, Western Cape (WC) at 10% both in revenue (R 13 million) and mass (1 507 MT), Free State (FS) at 4% for both revenue (R5 million) and mass (610 MT), Eastern Cape (EC) at 2% for revenue (R3 million) and 4% mass (583 MT), and North West (NW) at 1% revenue (R1 million) and 2% mass (296 MT).

Northern Cape had 0.08% (R117 026) revenue and 0.13% (19 MT) mass. The Mpumalanga province had the lowest estimated share of smallholder farmers at 0.07% (R100 762) matched by 13 MT (0.09%) mass. The estimated overall revenue share from the sale of other fruits on the fresh produce markets by smallholder farmers was R140 million matched by 14 442 MT.

Table 7: Summary of estimated share of smallholder farmers in other fruits at provincial level, January 2022

Province	Revenue (R)	Mass (MT)
GP	94 815 059	9 449
KZN	21 278 770	1 967
WC	13 458 486	1 507
FS	5 782 800	610
EC	3 183 025	583
NW	1 949 357	296
NC	117 026	19
MP	100 762	13

Source: South African Union of Food Markets (2022)

Market shares for other fruits traded in the various fresh produce markets in January 2022 are illustrated in Figure 12. The Johannesburg Market commanded the largest share of smallholder farmers at 42% (6 060 MT) (see Figure 12), followed by Tshwane at 21% (3 011 MT), Durban at 11% (1 660 MT), Cape town at 10% (1 507 M) and Bloemfontein at 3% (416 MT). The Springs (360 MT), Port Elizabeth (318 MT), Pietermaritzburg (307 MT) and Klerksdorp (296 MT) market had the same share at 2%. East London (265 MT) market commanded the least share of smallholder farmers among the top ten fresh produce markets at 1%.

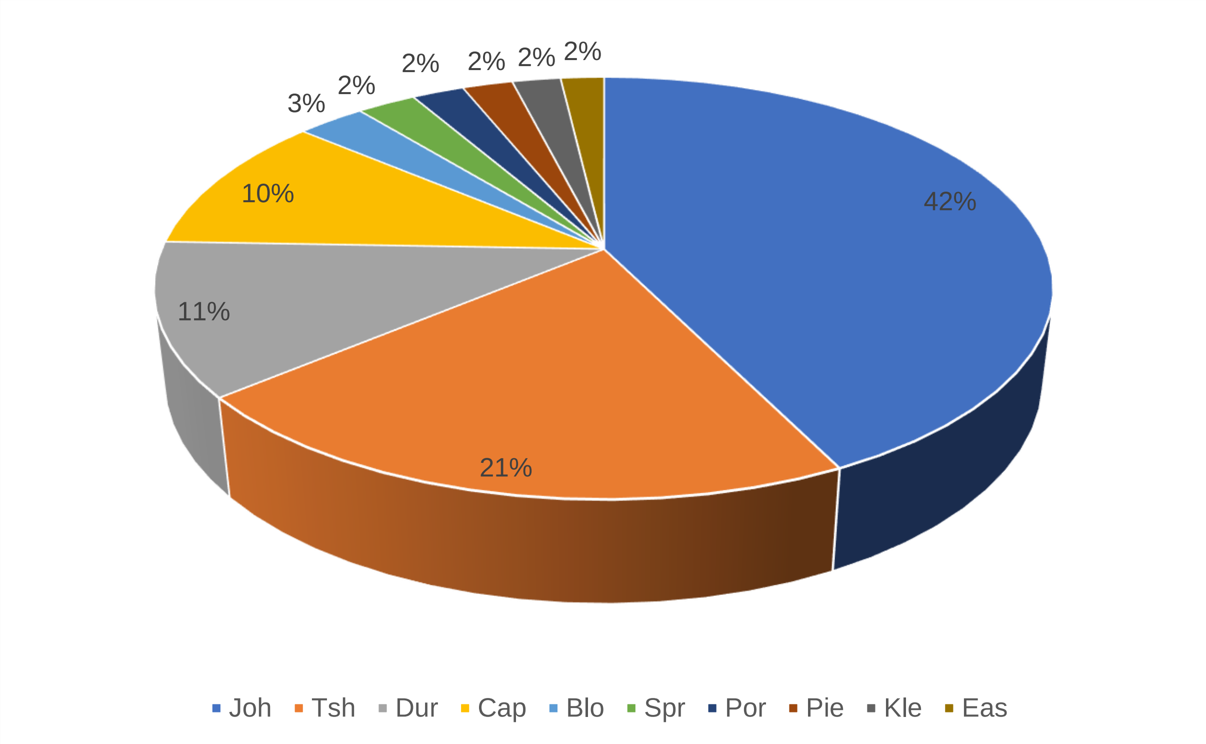


Figure 12: Estimated shares in top 10 markets by mass for other fruits, January 2022

Source: South African Union of Food Markets (2022)

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 46% (R64 million), Tshwane at 19% (R26 million), Durban at 13% (R18 million), Cape town at 10% (R13 million) and Bloemfontein at 3% (R4 million). The Springs (R3.35 million), East London (R2.82 million), and Pietermaritzburg (R1.95 million) markets had the same share at 2%. Klerksdorp had 1% (R1.61 million) revenue. Welkom (R361 366) had the lowest share of smallholder farmers among the top ten fresh produce markets.

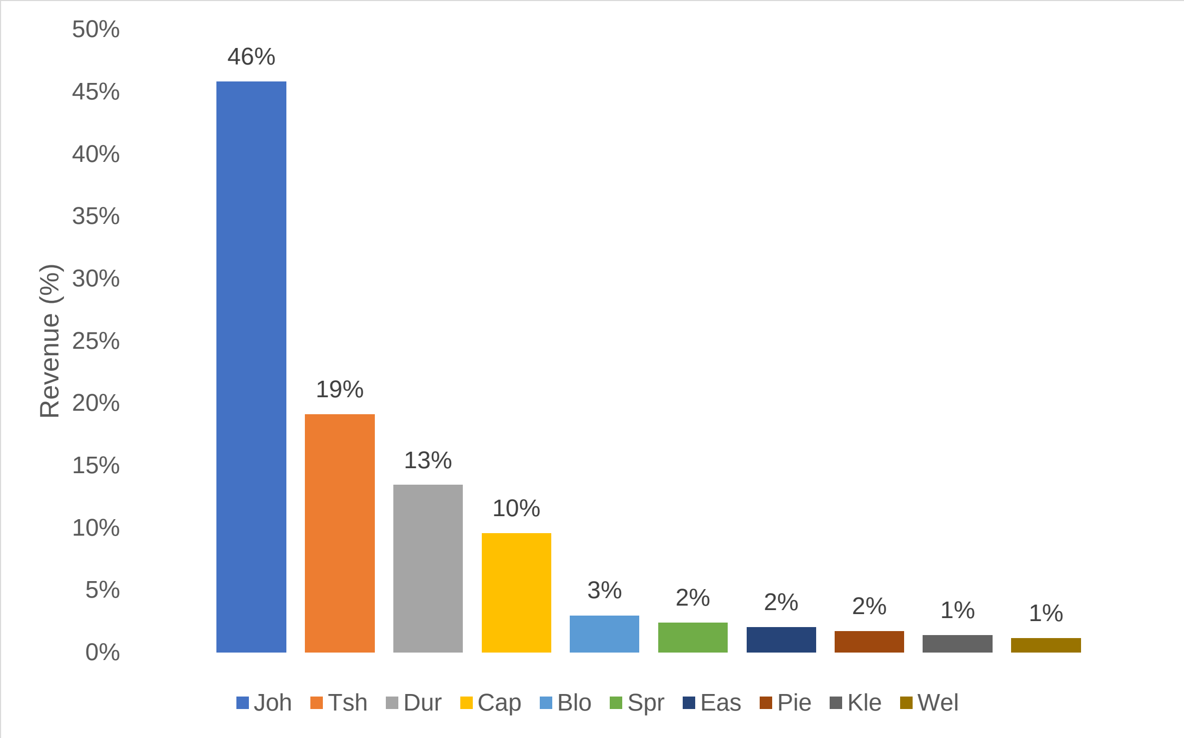
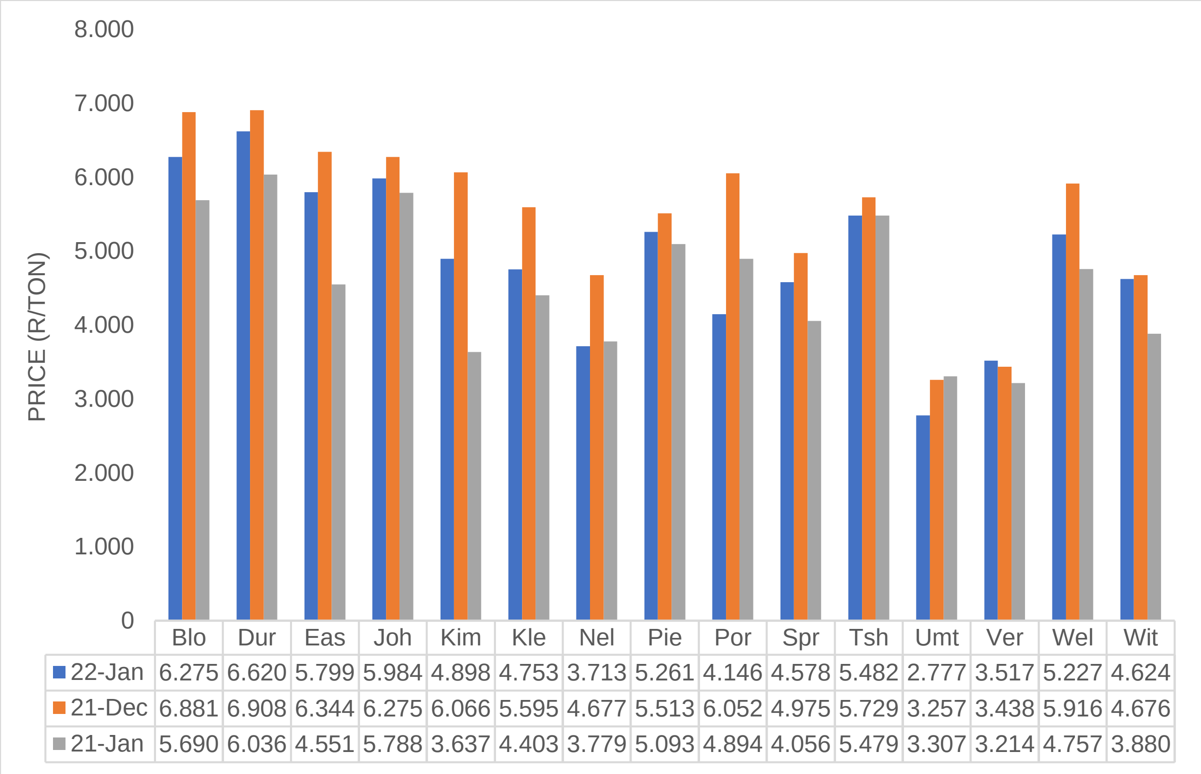


Figure 13: Estimated shares in revenue by top 10 markets for other fruits, January 2022

Source: South African Union of Food Markets (2022)

3.7 PRICES

The prices of agricultural products traded in the NFPM system fluctuate owing to a variety of variables. These determinants include, among other things, perishability, product replacement, consumer habits, per capita income, and climatic variance, which impact seasonal output. For example, severe rains in South Africa this summer have wreaked havoc on tomato-growing regions, lowering the quantities traded in NFPMs. Figure 14 depicts the prices measured in rands per ton for a period of three month by each market. It is clear from the figure that Kimberley (0.35%), East London (0.27%), Witbank (0.19%) and Springs (0.13%) witnessed high price increase in January 2022 compared to the same month in the previous year. Over the same period a significant decline in prices was observed in Umtata, Port Elizabeth and Nelspruit. Compared to December 2021, the markets experienced a decline in prices in January 2022. Although not reported in the figure in January 2022, tomatoes recorded the highest average price per ton in all markets due to low volumes to the markets attributed to heavy rains and pest attacks.



	Blo	Dur	Eas	Joh	Kim	Kle	Nel	Pie	Por	Spr	Tsh	Umt	Ver	Wel	Wit
22-Jan	6.275	6.620	5.799	5.984	4.898	4.753	3.713	5.261	4.146	4.578	5.482	2.777	3.517	5.227	4.624
21-Dec	6.881	6.908	6.344	6.275	6.066	5.595	4.677	5.513	6.052	4.975	5.729	3.257	3.438	5.916	4.676
21-Jan	5.690	6.036	4.551	5.788	3.637	4.403	3.779	5.093	4.894	4.056	5.479	3.307	3.214	4.757	3.880

Figure 14: Price trends for top four traded agricultural products in January 2022

Source: South African Union of Food Markets (2022)

4. CONCLUSION

The purpose of this report was to track market access for smallholder farmers in NFPMs 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 January 2022, total mass traded in the fresh produce market system was 249 078 metric tons (MT), generating a total revenue of R1.46 billion. Thirty percent (smallholder share) of this was estimated at 74 723 MT matched by R437 million. Potatoes commanded the largest share at 26 118 MT (R89 million) followed by onions at 8 324 MT (R33 million), bananas at 6 068 MT (R47 million) and tomatoes at 4 344 MT (R51 million). Other fruits and vegetables were at 14 442 MT (R140 million) and 15 427 MT (R75 million), respectively. The average price measured in rands per tons varied due to among other things, perishability, product replacement, consumer habits, per capita income, and climatic variance, which impacts seasonal output. The manner in which that estimates are currently derived imply that much effort is still required for market inclusion and transformation of the fresh produce market industry by establishing more black market agents and improve tracking of actual sales from smallholder farmers.

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