

July 2009



**potatoes**

SOUTH AFRICA

*pure potato passion*

**Fresh Produce Markets:**  
***“Setting the scene”***

Pieter van Zyl:  
Manager Industry  
Information

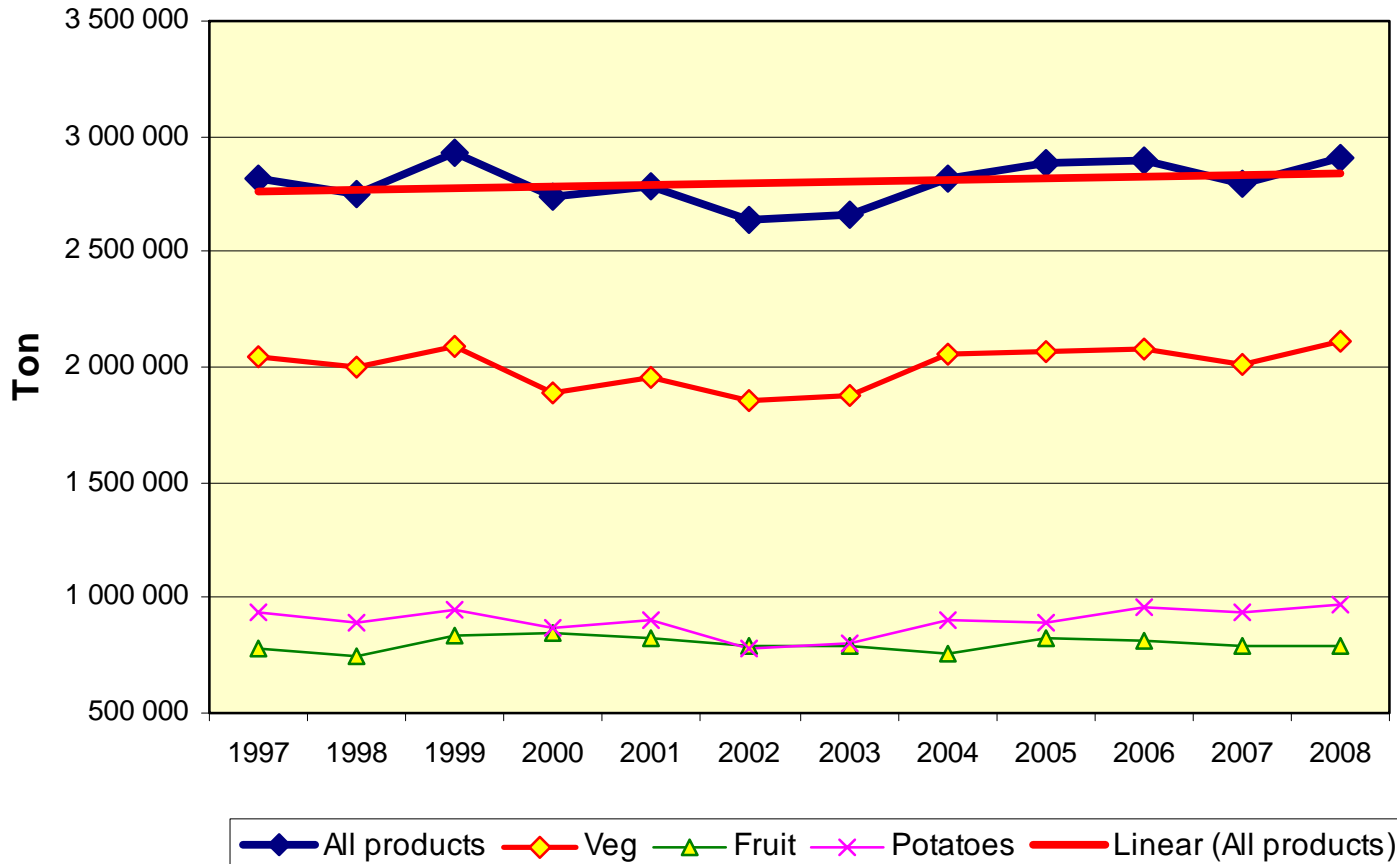


## Trends on FPMs:

- All FPMs & All products
  - Total volumes
  - Total turnover
- Potatoes
  - Volumes
  - Turnover vs Volumes
    - Individual markets
- Quality on FPMs
- Closing remarks

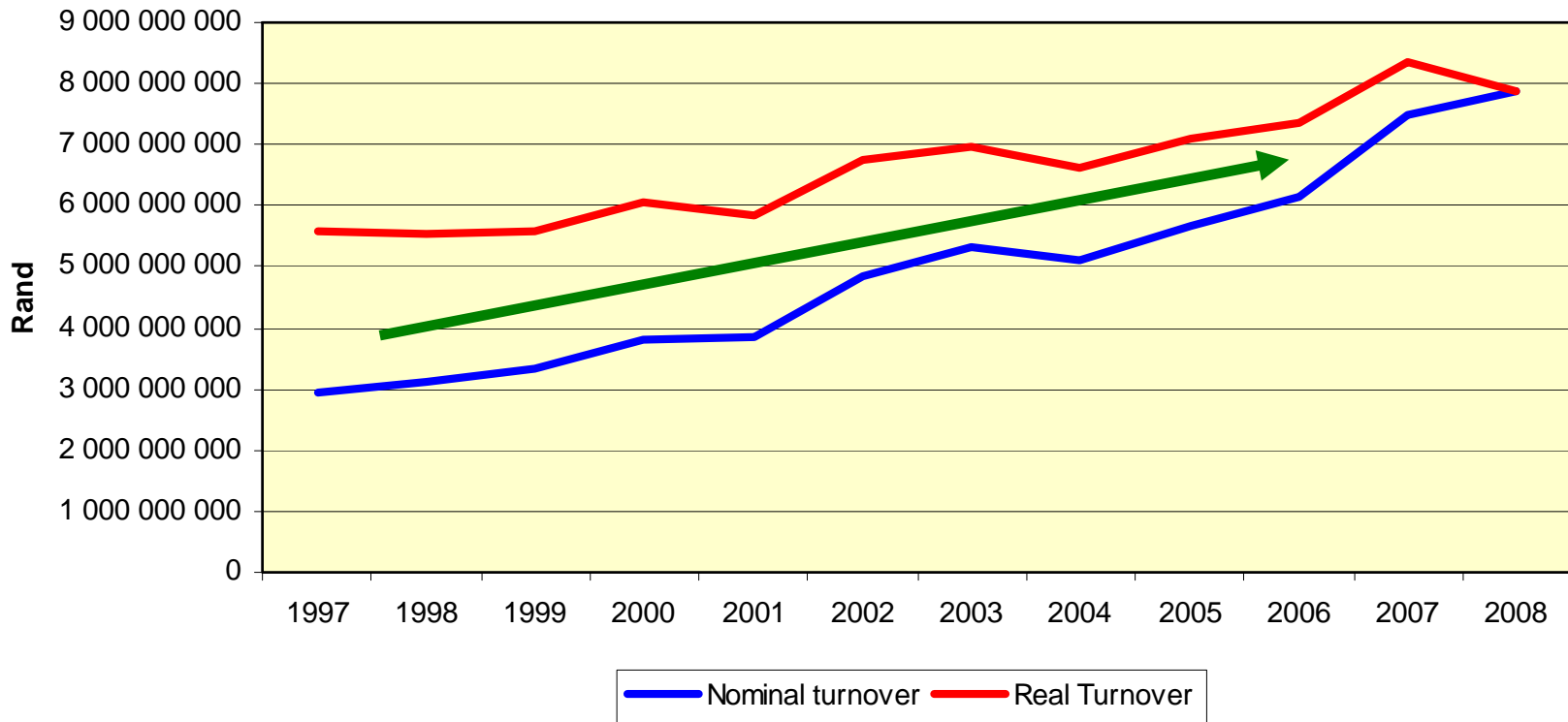
# All Markets & All Products

## Volume sold on FPMs



- Volumes sold = sideways movement
- Good enough? **No!**
  - See Potatoes (*indiv markets & more direct marketing*)

## All FPMs: Nominal versus Real Turnover



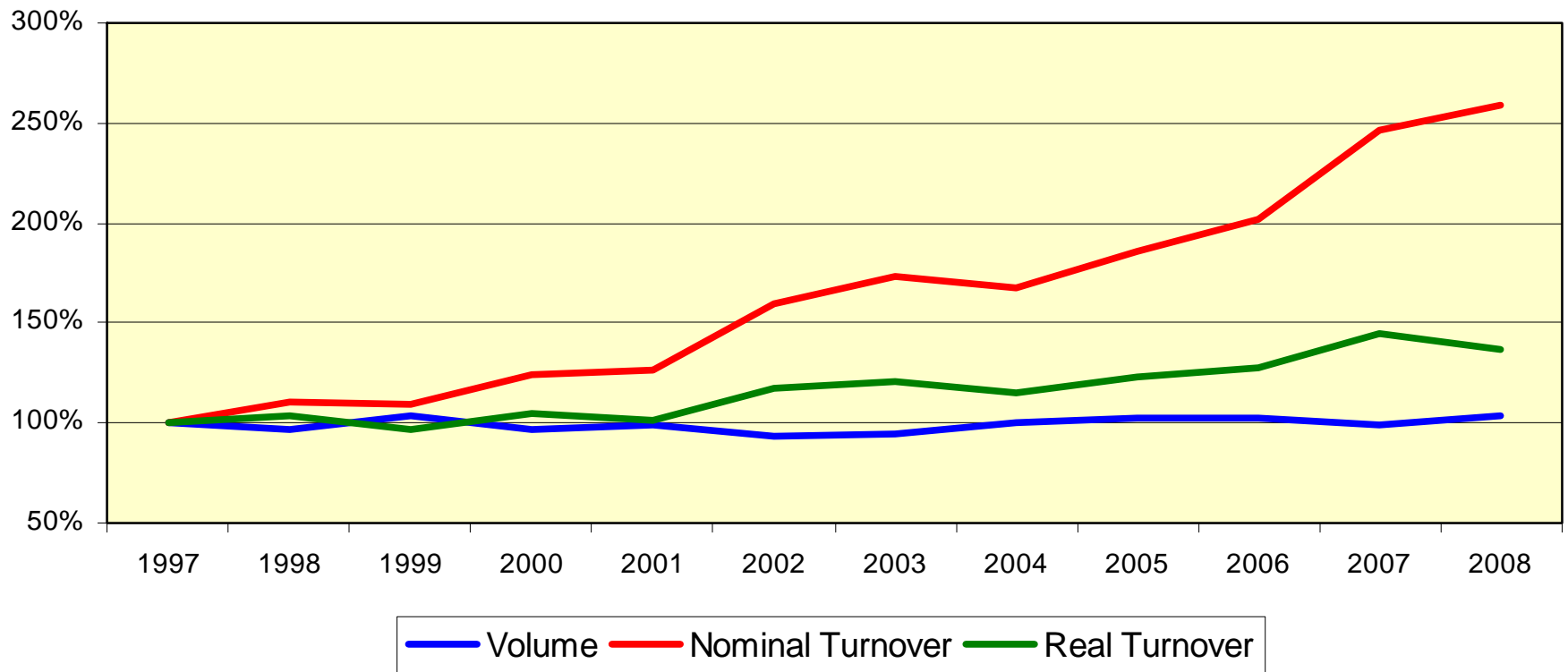
- Real turnover upwards over time = **Good**
- Looking at the graph:
  - **FPMs industry in healthy state – Correct?**
  - Situation with individual markets/products?



## Summary: All Markets & All Products



**FPMs: Sales volume versus Turnover movements over time (1997=100%)**



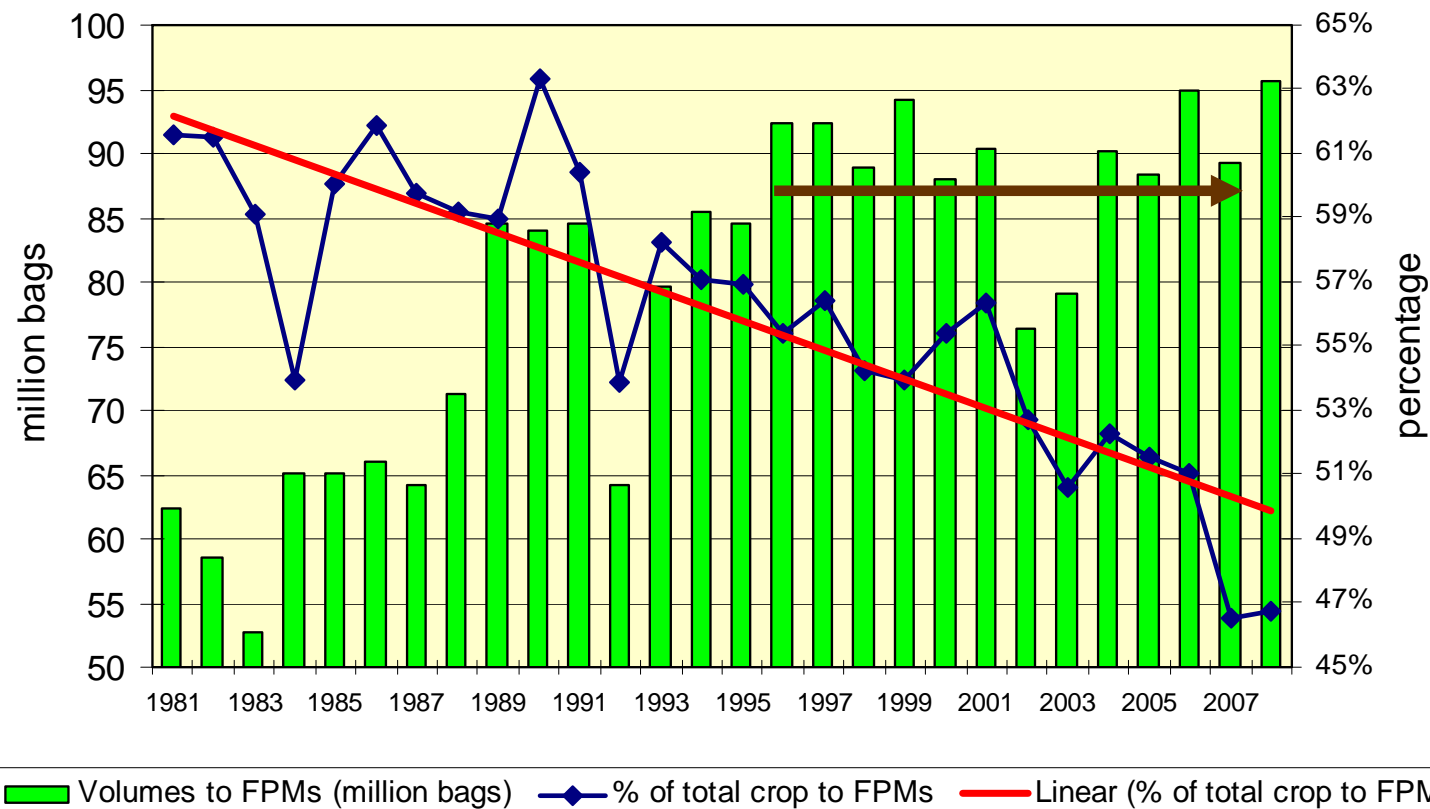
- FPMs (*farmers, markets & agents*) earning more money for same volumes
- Individual markets/products?



# Potato industry – trends on FPMs

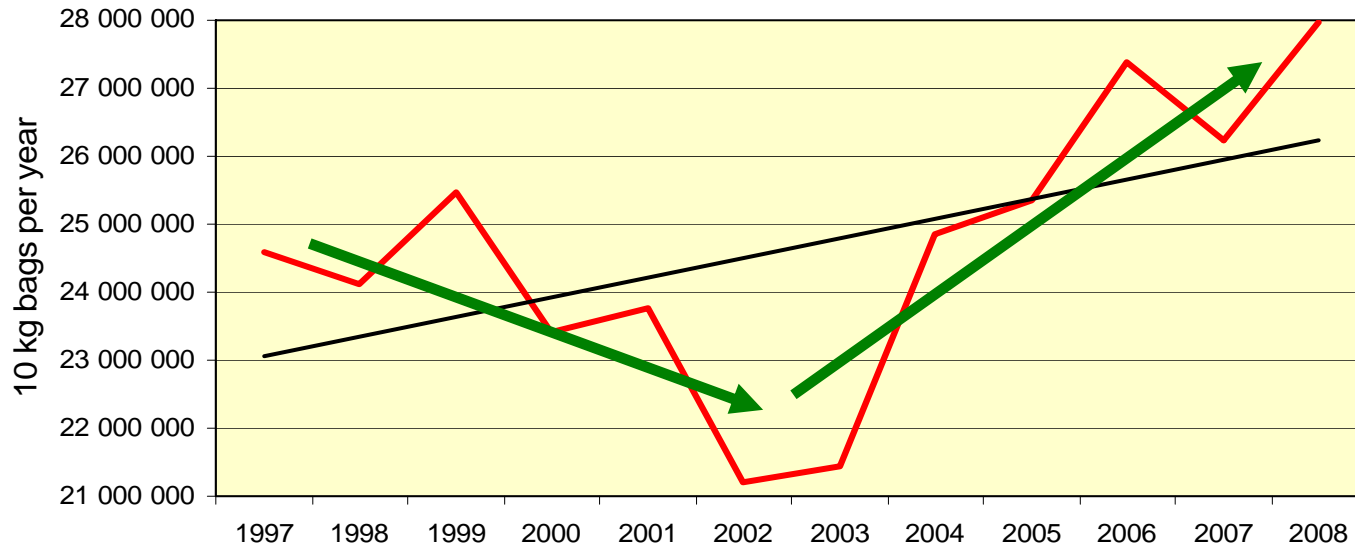


## SA Potato crop over time to FPMs - crop years



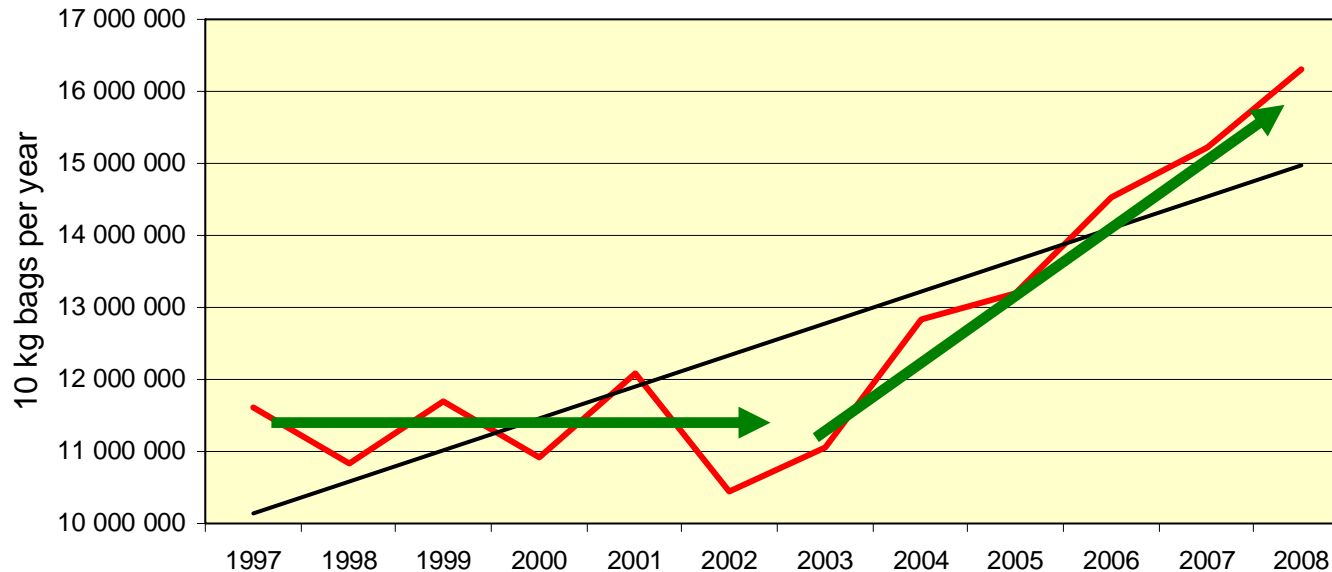
- Lower % of total crop to FPMs = **more direct marketing** = **red light**
- **FPMs = price forming mechanism**
- Last 10 years = sideways movement in volumes to markets *pure potato passion*

## Jhb FPM: Total sales per year



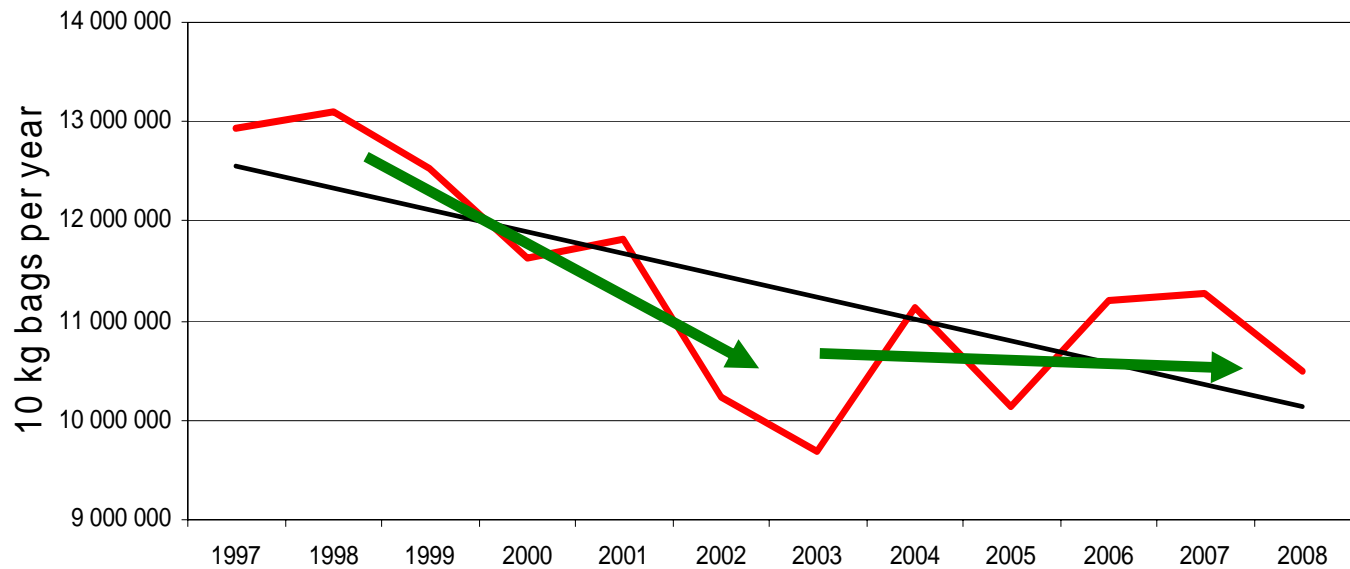
**2 largest FPMs:**  
**potato volumes**

## Pretoria FPM: Total sales per year



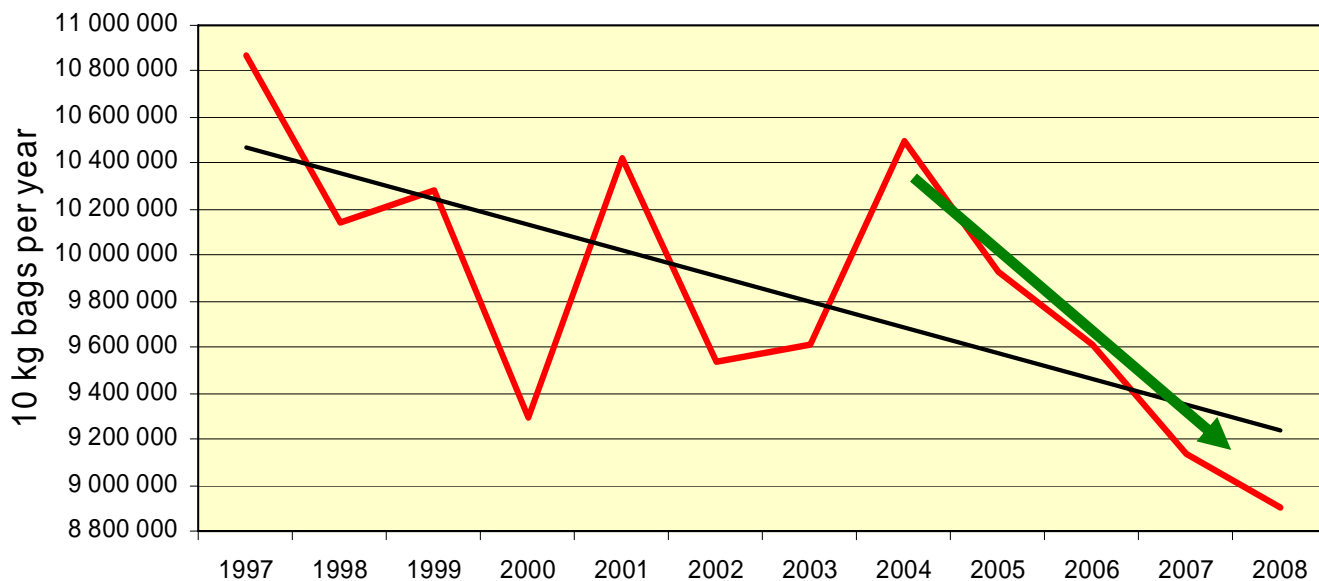
*pure potato passion*

### Cape Town FPM: Total sales per year



**3<sup>rd</sup> & 4<sup>th</sup>  
largest  
FPMs  
(potato  
volumes)**

### Durban FPM: Total sales per year

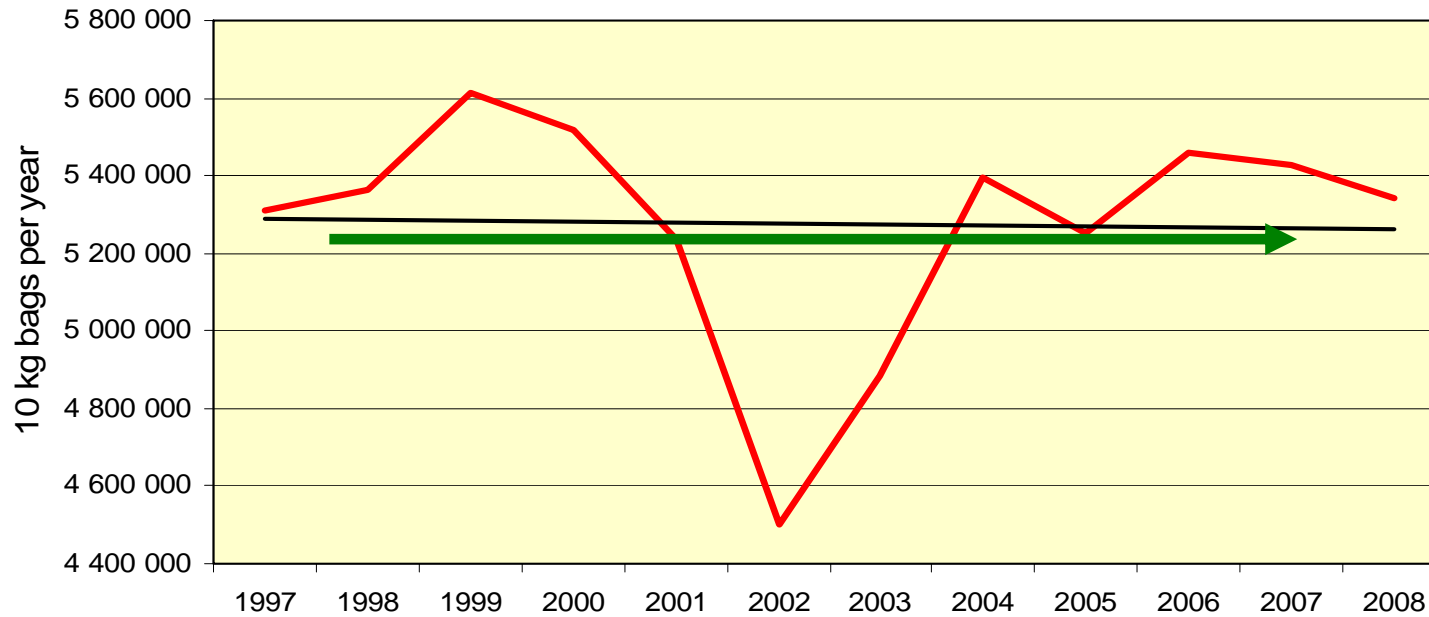




# 5<sup>th</sup> largest FPM (potato volumes)

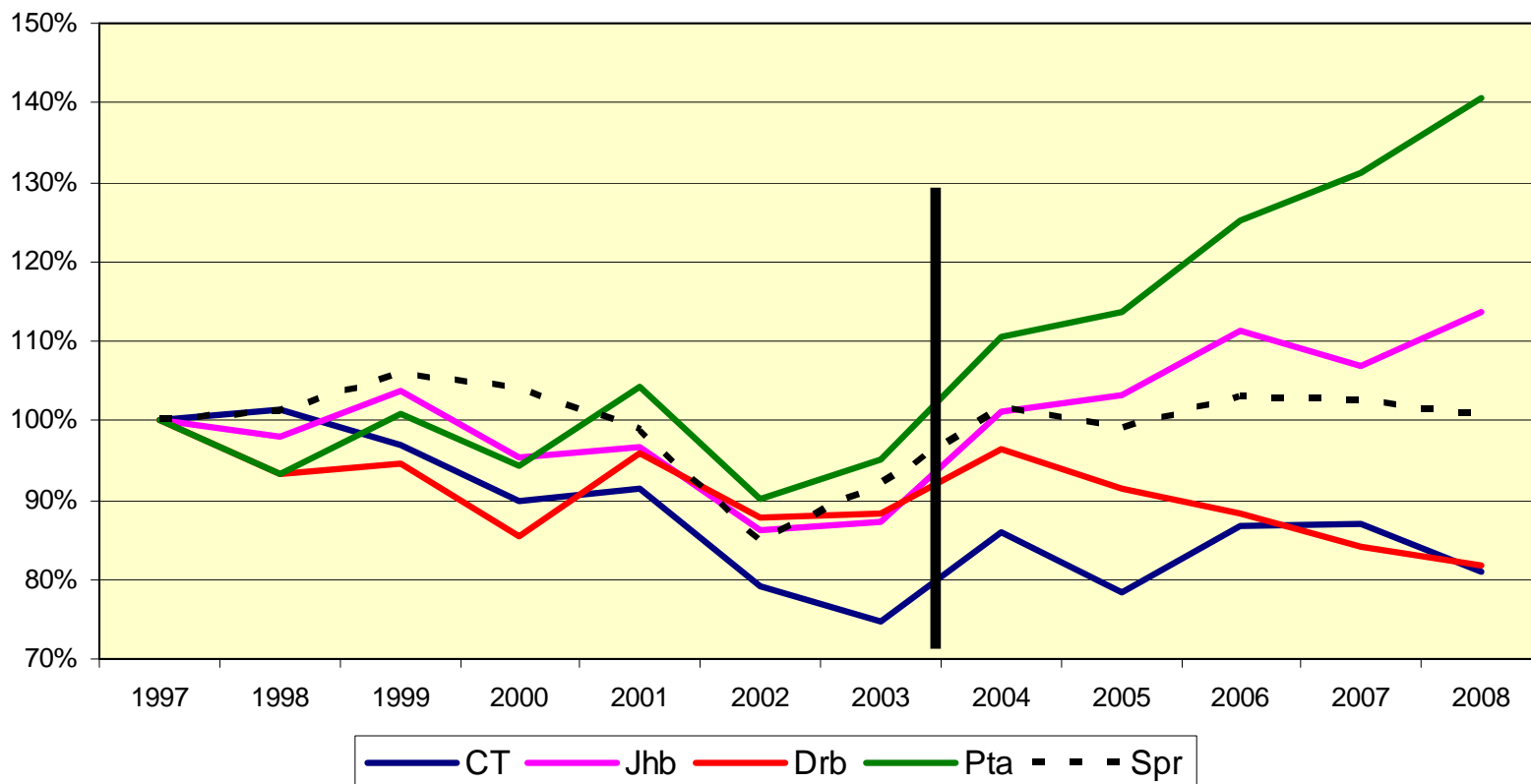


## Springs FPM: Total sales per year





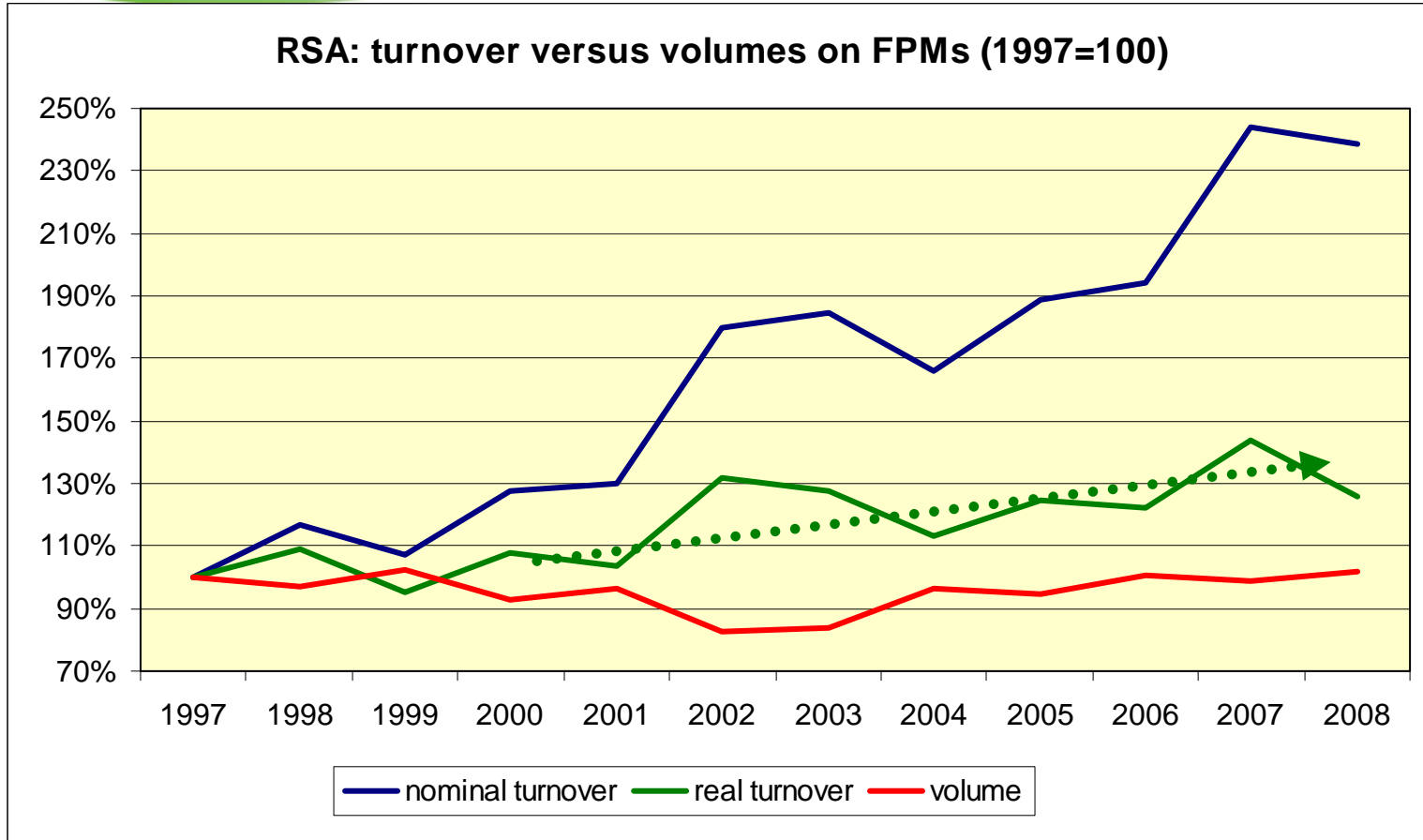
**Variation in sales volumes over time, 5 largest FPMs (1997=100%)**



- Why are only Tshwane & Jhb growing?
- See Tshwane FPM – what is happening?



# Potatoes: in general



- Summary: In general (potatoes)
  - FPMs (*farmers, markets & agents*) are making more money with the same volumes
    - Remember: overall picture

# Real turnover versus sales volumes since 1997 - potatoes

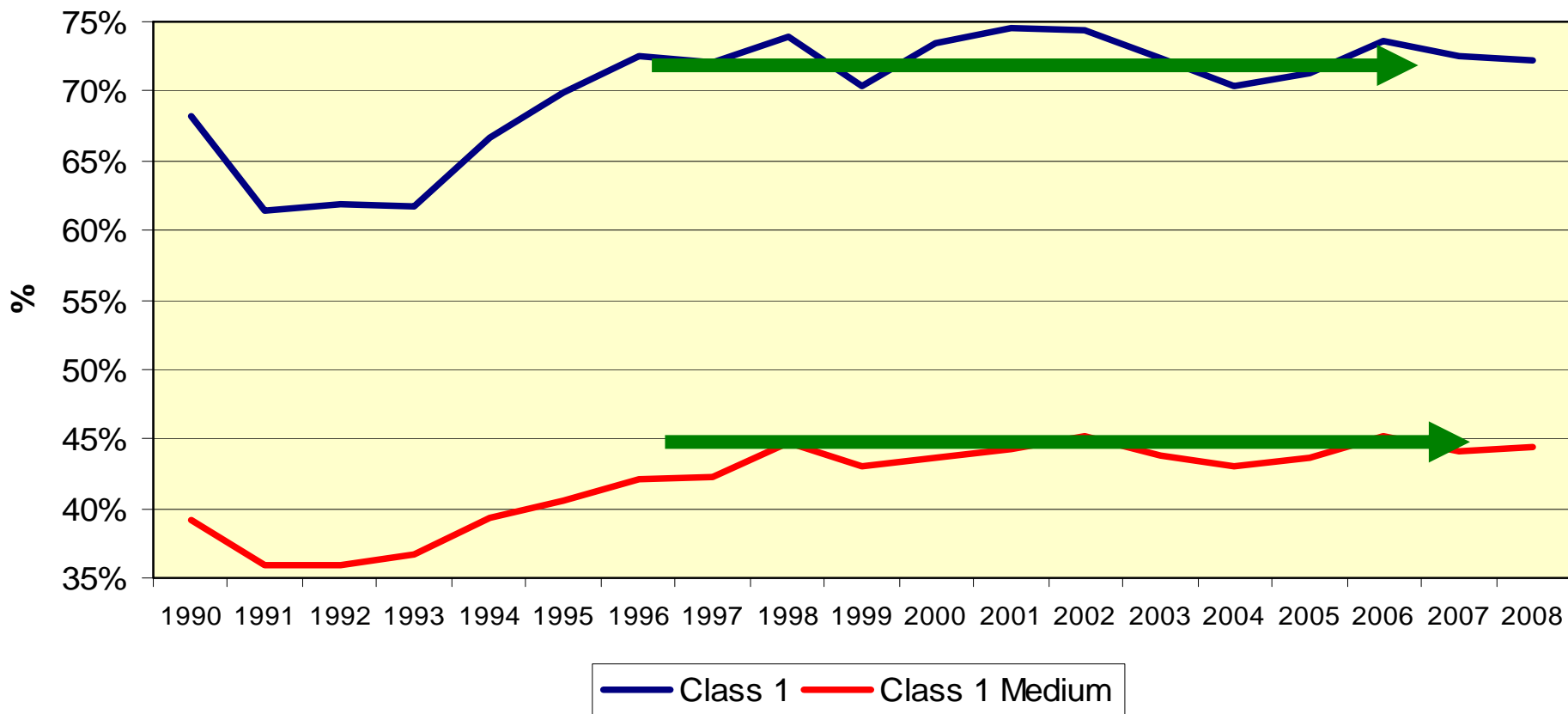
Fresh Produce Market	Real Turnover	Volumes
Jhb	Upwards	Upwards
Pretoria	Upwards	Upwards
Cape Town	Sideways	Downwards
Durban	Upwards	Downwards
Springs	Upwards	Sideways
Rest cumulative	Upwards	Downwards

- 5 largest markets = 70% to 75% of total volumes
- Durban & Rest:
  - More money with less volumes = sustainable? **Can it be turned around?**
- **Situation in 5 or 10 years time?**
  - **Pta & Jhb versus rest**
    - They win market share – others loose
    - A “*win – loose*” situation: preferable ?
  - Kan ons dit bekostig dat kleiner markte “doodbloei”?
  - **We want the total market to grow**



# Quality on FPMs - potatoes

## FPMs: Class 1 & Class 1 Medium as % of total volume



- Quality on FPMs (potatoes):
  - % of Class 1 & Class 1 Medium = sideways last 10 years
  - BUT
    - On farm level **more** Class 1 & Class 1 Medium
    - **Matter of concern**



## Closing remarks

- **FPMs** (not fresh produce industry) an **R8 billion** industry
  - Who/where are the **spokespersons** for the industry?
  - Are enough money spend on **systems**, **infrastructure**, **technology**, etc?
- Are there enough **Market(ing) Intelligence** in the Fresh produce Industry?
  - **NO?**
  - Other industries?
  - ?