



**potatoes**

SOUTH AFRICA

*pure potato passion*

# Industry Information: Focus areas & 3 year strategy

April 2009



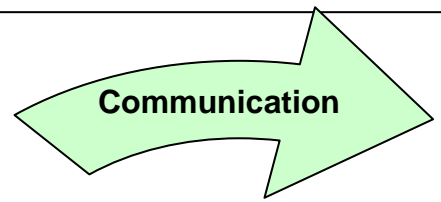
# INDUSTRY INFORMATION

Information committee



**PSA is committed to play a leading role in:**

- the collection, interpretation and dissemination
- of relevant, credible and timely **short-term marketing information** as well as **strategic information**
- to ensure the sustainability and competitiveness of the **SA Potato Producers**
- as well as the **SA Potato Value Chain**



Potato value chain

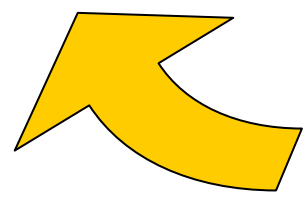
Day-to-day marketing info

Strategic info

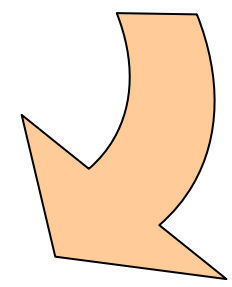
Potato producer

**Partners:**

Infusion, UP, UFS, Novitium, NAMC, ABC, AC Nielsen, Freshmark Systems.



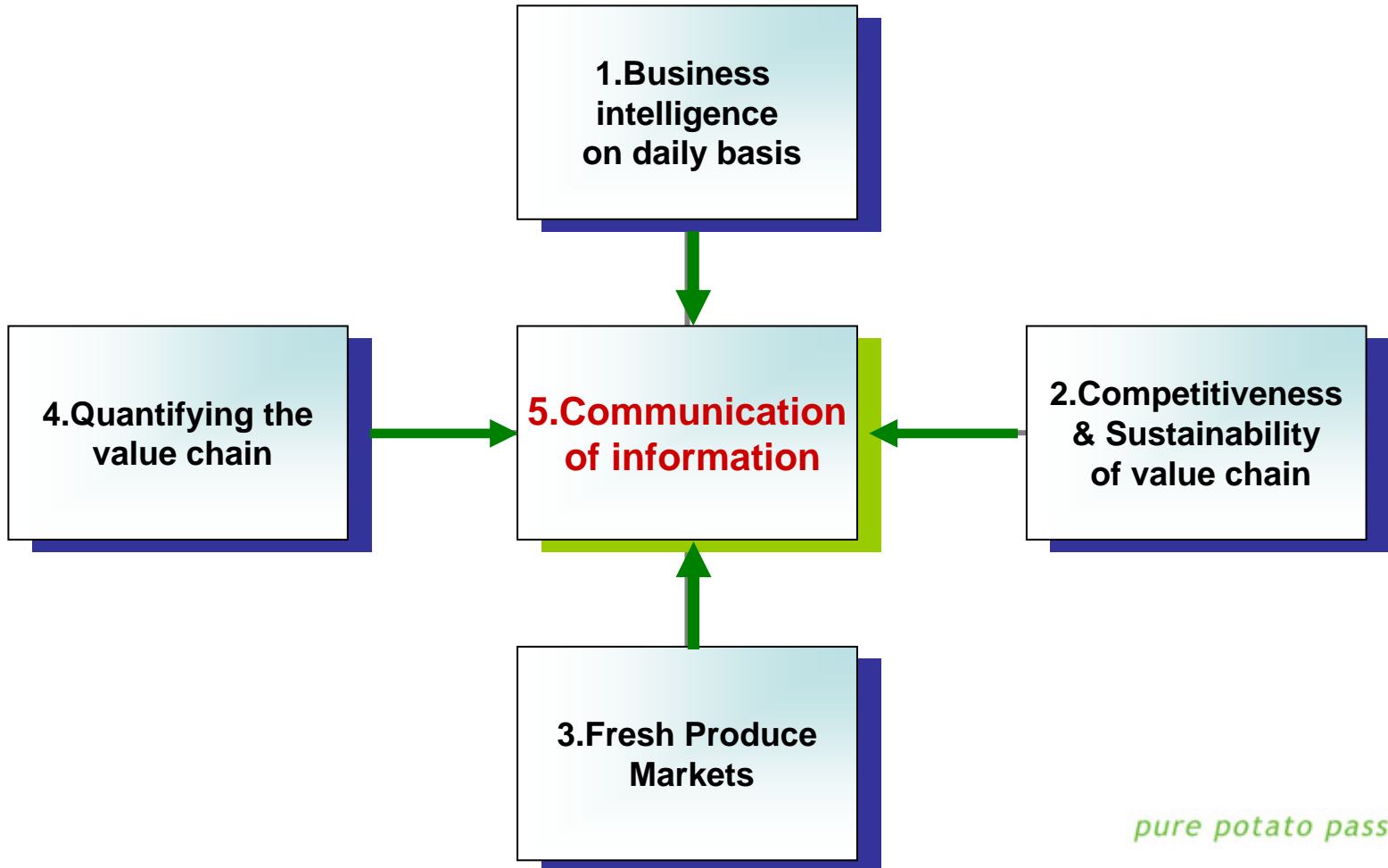
Intelligence



pure potato passion



**INDUSTRY INFORMATION: 5 FOCUS AREAS**





## INDUSTRY INFORMATION: 5 FOCUS AREAS

### 1. Business intelligence on daily basis

- **Daily reports**
- **Weekly reports**
- **Bi-weekly crop estimates**
  - Estimation on the volumes that will be coming to the FPM`s the coming next 3 months
- **Monitoring**
  - Bi-weekly monitoring of retail prices (*different packaging sizes*)
- **Data bank (since 80`s)**
  - Manage a huge data basis to create market intelligence
- **Identify trends, threads & opportunities**
- **Ad hoc studies**
  - From time to time



## INDUSTRY INFORMATION: 5 FOCUS AREAS



## 2. Competitiveness & sustainability of value chain

- “**Questionnaire: Competitiveness of potato industry**”:
  - Results of questionnaires to different role players
  - Establish potato confidence index & way forward
- **Production Cost Model**
  - Table-, seed- & processing potatoes
    - Large production regions*
    - Each year: Jan, March, May, July, Sept & Oct*
  - Collaborate once per year with NAMC:
    - “Input cost monitor: The story of potatoes”*
- **Potato Industry Model**
  - Do projections based on a set of assumptions
  - Use model to do production planning for next season
  - Use farm model to test different scenarios (2 regions)
  - Incorporate seed industry
- **Farmer Controlled Businesses (FCB)**
  - Visit regions & desk top study on situation overseas



## INDUSTRY INFORMATION: 5 FOCUS AREAS

### 3. Fresh Produce Markets (FPM`s)- background

- 2008 total turnover of R8 billion on 23 commission markets
- Long term
  - *Sideways movements in volumes*
  - ***BUT** smaller % of harvest marketed via markets = **red light** because markets are seen as a price forming mechanism*
  - *Only 2 markets show an increase in volumes, all the other except for Springs show a decline in volumes*
  - ***BUT** all markets show an increase in real turnover*
  - ***Red light** = declining volumes (most markets) & increasing turnover = not sustainable*
- PSA: Spend more time analyzing the FPM`s
  - *Collaboration with NAMC*



## INDUSTRY INFORMATION: 5 FOCUS AREAS



### 3. Fresh Produce Markets (FPM`s) - strategy

- ***Regular updating of prices, volumes and turnover***
  - All markets & all products
  - Market commentary
- ***Detail trends analysis on FPMs***
  - Market share, market growth, etc
- ***The correlation between certain economic indicators and prices on fresh produce markets***
  - Desk top study
- ***Info on FPMs overseas***
- ***Price volatility on FPMs***
  - Determine volatility & reasons for volatility



**INDUSTRY INFORMATION: 5 FOCUS AREAS**

## **4. Quantifying the potato value chain**

- ***Quantify clients of FPMs***
  - Yearly survey
- ***Quantify Western Cape Potato Value Chain – detail***
  - Collaboration with all role players
- ***Quantify RSA Potato Value Chain***
  - Quantify different sectors in value chain
  - Estimation of pc consumption, total consumption, etc
- ***Info on potato value chains overseas***

**INDUSTRY INFORMATION: 5 FOCUS AREAS**

## **5. Communication of information**

- ***Internet***
  - *email & web address*
- ***Publications***
- ***Newsletters***
- ***Info days***
- ***Regional managers***
- ***SMS & Fax***