Market monitor: The first 30 weeks of 2023 at fresh produce markets

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The potato market has witnessed significant price and sales fluctuations during the initial 30 weeks of 2023 at fresh produce markets (FPMs). As depicted in *Figure 1*, which portrays the weekly average prices across all markets for all classes and sizes, it becomes evident that by the conclusion of week 30, the average price for a 10 kg bag of potatoes reached R79.94. This marks a modest 1.4% decrease from the previous week's figure.

Notably, the first two weeks of July showed an upward trajectory, albeit with a small decrease in the latter half. In the second week of July, prices reached an all-time high of R82.55. However, the overall average price for the 30-week period soared to R63.22, reflecting a substantial 49% increase when compared to the corresponding period of the previous year.

This escalation in prices can primarily be attributed to decreased deliveries to FPMs compared to the preceding year. Various factors, including elevated input costs, and delayed planting and harvesting due to environmental conditions, contributed to the supply shortfall.

Daily levels and prices

Figure 2 illustrates the daily average stock levels and corresponding daily average prices for the first 30 weeks of 2023.

Transitioning to *Figure 3*, a depiction of the average stock levels for each month in contrast to the prior year's respective months is presented. During July, the average daily stock levels across all national FPMs amounted to 647 000 x 10 kg bags. This signifies a decline of 53 000 bags each day compared to the inventory levels witnessed in June.

A year-on-year analysis reveals a notable reduction of 29.5% in average inventory levels for July, translating to a decrease of 270 000 x 10 kg bags per day. This reiterates the notable impact of reduced deliveries on the market.

Moving on to *Figure 4*, it is evident that sales on the FPMs during the initial 30 weeks of the year fell short by 6.5 million 10 kg bags compared to the average sales of the past five years. A year-on-year comparison of the sales figures of the same period in 2022 indicates a 7.5% decrease in FPM sales in 2023. *Figure 4* also highlights the fact that the average price for this period in 2023 had reached its highest point in the past five years.

Potato sales

Figure 5 provides an overview of the monthly sales at FPMs starting from 2020. In July, sales dropped below the eight million 10 kg bags threshold, a situation not seen since February this year. Compared to June's sales of 8.5 million 10 kg bags, a decrease of one million 10 kg bags was recorded in July. When comparing July 2023's sales to that of July 2022, a significant decrease of 17% was observed.

Table 1 contains the number of bags sold by the various FPMs during

Figure 1: Weekly daily average prices on all FPMs (all classes and sizes).

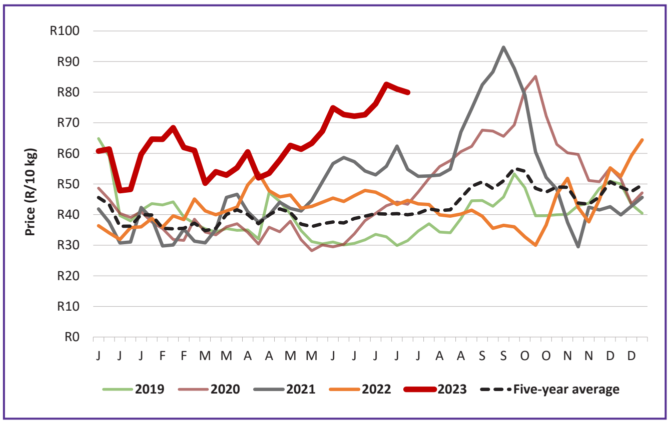


Figure 2: Daily average stock levels compared to daily average price (all classes and sizes).

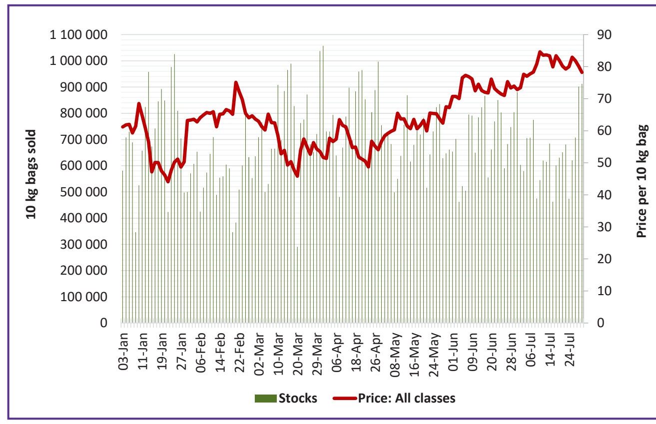


Figure 3: Average daily stock levels per month in 2022 versus 2023.

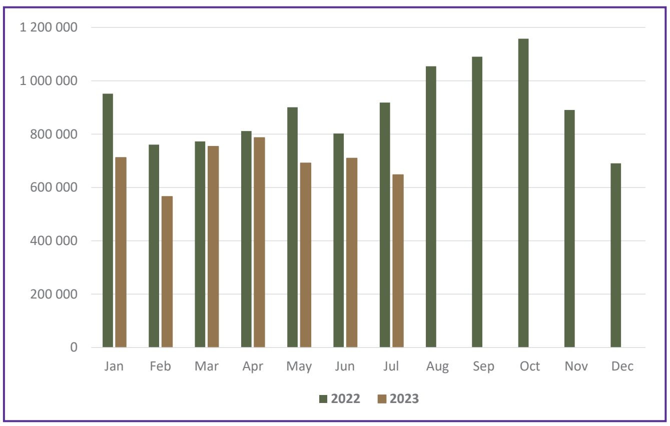


Figure 4: Cumulative number of 10 kg bags sold at FPMs during the first 30 weeks of 2023 (average price).

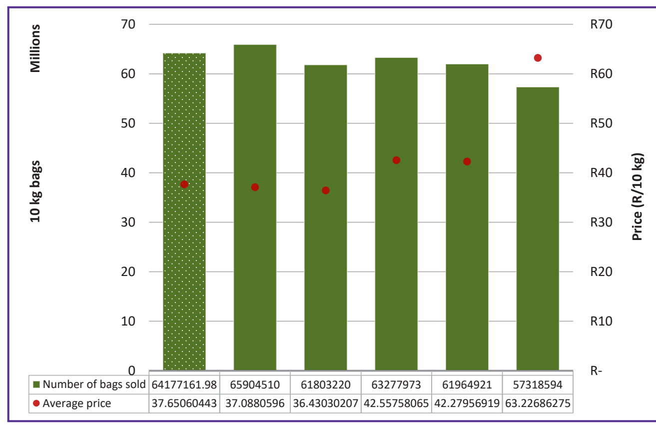


Table 1: Sales at FPMs until week 30 of 2023.

				Percentage of sales at FPMs			
Market	**Number of bags 10 kg**	**% of total**	**Avg price (R/10 kg)**	**Class 1**	**Class 2**	**Class 3 & 4**	**Class 1 M**
Johannesburg market	22 914 278	40%	63.1	79%	14%	7%	19%
Tshwane market	10 705 368	18.7%	63.72	68%	21%	10%	17%
Durban market	5 599 413	9.8%	61.52	81%	12%	7%	26%
Cape Town market	4 755 552	8.3%	70.28	78%	17%	5%	25%
Springs market	3 037 995	5.3%	59.11	66%	21%	14%	14%
Bloemfontein market	1 726 660	3.0%	63.41	59%	28%	13%	16%
East London market	1 550 171	2.7%	65.11	74%	15%	10%	23%
Klerksdorp market	1 512 308	2.6%	60.31	67%	20%	13%	15%
Welkom market	1 402 854	2.4%	58.62	57%	23%	19%	13%
Port Elizabeth market	1 374 865	2.4%	63.96	69%	20%	11%	24%
Pietermaritzburg market	1 334 369	2.3%	57.37	66%	22%	12%	15%
Vereeniging market	467 330	0.8%	59.11	72%	16%	12%	12%
Witbank market	305 802	0.5%	63.47	67%	19%	15%	14%
Kimberley market	255 636	0.4%	62.79	71%	18%	11%	25%
Nelspruit market	228 539	0.4%	71.53	78%	14%	8%	10%
George market	126 320	0.2%	65.18	62%	22%	15%	16%
Kei market (Umtata)	10 083	0.0%	28.14	0%	0%	0%	0%
Total	**57 307 543**	**100%**	**63.23**	**74%**	**17%**	**9%**	**19%**

the initial 30 weeks of 2023. A detailed examination of sales performance across regions in 2023 reveals a mixed picture. The five leading FPMs during this period collectively accounted for 82% of the sales at FPMs. The average price for each market, encompassing all classes and sizes, is also outlined in *Table 1*.

Among the top five FPMs, Durban and Springs markets exhibited average prices lower than the countrywide average of R63.23 by R1.71 and R4.12, respectively. In terms of market composition, Durban and Johannesburg markets show the highest proportion of Class 1 bags in their total sales, accounting for 81 and 79%, respectively, representing the highest percentages among the top five markets.

Price fluctuations and sales

Figure 6 provides insights into the year-on-year price fluctuations of the leading five markets. In all these markets, prices escalated by more than 40%. Notably, Cape Town market witnessed the most pronounced percentage surge, registering a price increase of 55.8%.

Conversely, depicted in *Figure 7*, are the year-on-year fluctuations in sales volumes across the top five markets. Notably, Durban market stands out as the sole market that demonstrated an increase in sales during the same period as the previous year. In contrast, Johannesburg market displayed the smallest year-on-year growth among the top five markets, experiencing a decline of 5.2%. This decline in sales volume aligns with the observed price escalation within the market.

Looking at the sales performance across regions in 2023 compared to 2022 as shown in *Figure 8*, it is evident that three regions recorded fewer 10 kg bags sales at FPMs, while the remaining three regions

Figure 5: Monthly sales at FPMs from 2020 to 2023 (all packaging converted to 10 kg bags).

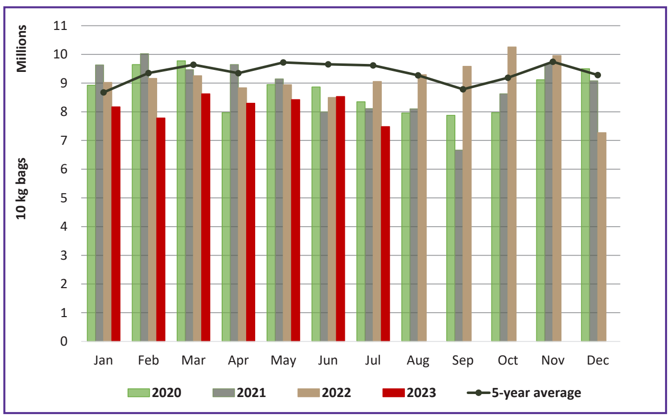


Figure 6: Year-on-year price change at the top five markets from 2022 to 2023.

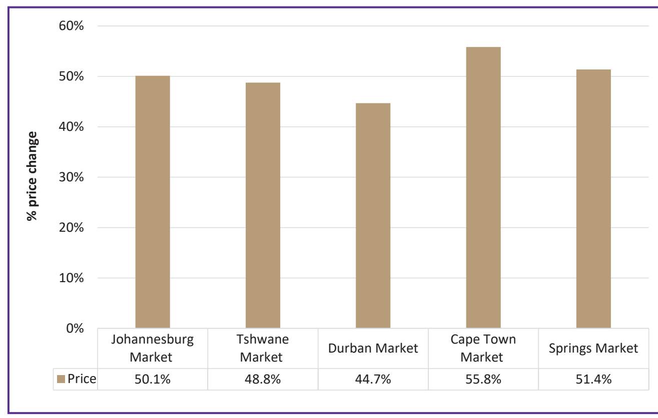


Table 2: Sales per region at FPMs during the first 22 weeks of 2023.

				Percentage of sales at FPMs			
Region	Number of bags 10 kg	% of total	Avg price (R/10 kg)	Class 1	Class 2	Class 3 & 4	Class 1 M
Western Free State	14 822 552	26%	66.74	76%	16%	**8%**	24%
Eastern Free State	13 963 061	24%	60.37	70%	17%	12%	14%
North West	4 778312	8%	61.4	79%	13%	8%	16%
Southwestern Free State	4 105 079	7%	64.28	78%	12%	10%	21%
KwaZulu-Natal	3 957 906	7%	58.06	79%	17%	4%	13%
Limpopo	3 854 920	7%	68.22	85%	13%	2%	26%
Northern Cape	3 425 889	6%	70.97	57%	23%	20%	14%
Sandveld	2 921 422	5%	67.73	78%	19%	2%	26%
Gauteng	1 687 705	3%	52.97	84%	11%	5%	23%
Other regions	1 170 091	2%	45.87	36%	55%	10%	12%
Northeastern Cape	1 169 331	2%	57.29	68%	22%	9%	24%
Ceres	697 474	1%	70.79	82%	9%	8%	25%
Mpumalanga	604 491	1.05%	52.70	66%	25%	9%	15%
Eastern Cape	104 003	0.18%	62.81	71%	19%	10%	20%
Southern Cape	44 958	0.08%	54.22	84%	9%	7%	33%
Southwestern Cape	349	0%	29.4	0%	0%	0%	0%
Total	**57 307 543**	**100%**	**63.23**	**74.07%**	**17.07%**	**8.86%**	**19.24%**

Figure 7: Top five markets year-on-year change in bag sales from 2022 to 2023.

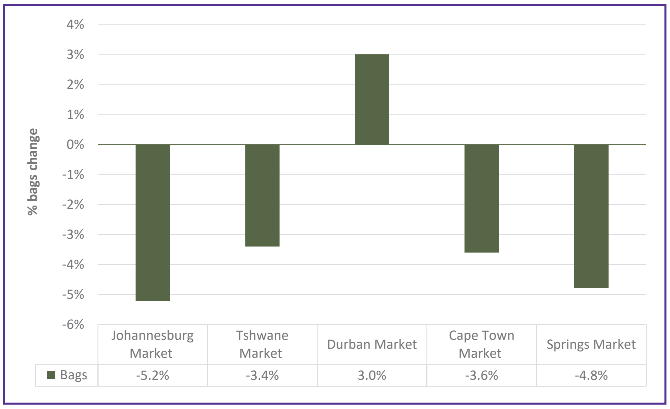
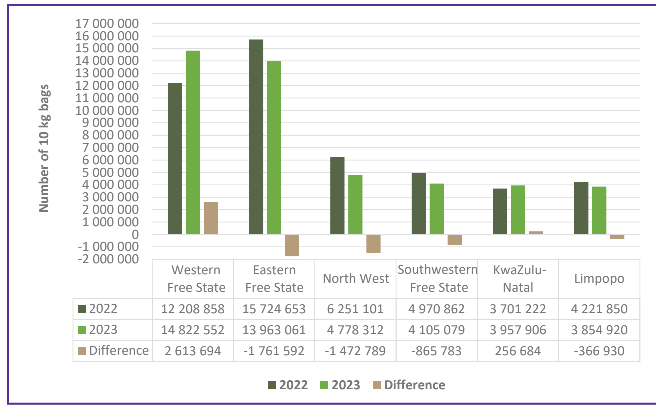


Figure 8: Sales performance across regions in 2023 compared to 2022.



sold more during the first 30 weeks. This variation underscores a diverse performance trend across regions within this period.

In terms of market presence at FPMs, the Western Free State, Eastern Free State, and North West – the three largest regions in terms of share during the initial 30 weeks – accounted for 59% of overall potato sales, as detailed in *Table 2*. *Table 2* also depicts the percentage composition of Class 1, 2, 3, and 4 potato supplies for each region during this period.

Noteworthy is the observation that in July, Class 1 sales constituted 74% of total sales, marking a 2.5% increase compared to June's figure of 72.3%. This signifies a positive trend in marketing superior quality potatoes. Among the production regions, eleven recorded Class 1 sales percentages exceeding 70%. Limpopo led the way with the highest percentage of Class 1 sales at 85%, followed by Gauteng (84%) and the Southern Cape (84%).

Following a decline in deliveries up to the 30-week milestone, a forthcoming increase in supply is anticipated as the Limpopo region makes its entry into the market.

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