

Nothing informal about the informal market: A visit to Thembisa

By Sheila Makgato and Dirk Uys, Potatoes SA

The Potatoes SA team (including its board of directors), in partnership with Amakonekxin, embarked on a trip to the second-largest township in South Africa, Thembisa. The trip provided valuable insights into the formal organisation of the 'informal' market. The distribution channels, pricing and marketing strategies that the sellers use, are all well thought-through and customer-focussed.

The groups visited schools, street vendors, *kasi kos* outlets, *kota* outlets and homes to get a broader view of trading in Thembisa and to observe how potatoes are prepared in households. This will inform future strategies to better cater to the needs of consumers and to increase potato consumption in South Africa to an extra potato per person per week.

The distribution channels in the informal sector are organised, with hawkers that understand their markets and customers. They stock up at the Johannesburg Fresh Produce Market daily in small buying groups using

bakkies to share the transport fare. Their stock planning is efficient, and they avoid waste by selling all of their potatoes in a day.

School visits

The teams visited different schools in the Thembisa area, one of which was the Dulcie September Primary School which has 2 500 pupils. Principal Kgomotso Kekana said the school's surrounding area is poverty-stricken, and some children only get their meals at school via the government feeding scheme.

It was, however, noted that potatoes are not included in the feeding scheme's menu, which is curated by the Department of Education. Teachers recognise that potatoes keep children fuller for longer without affecting their concentration. Items on the scheme menu include pap and milk, samp, rice, apples, canned fish and liver (as a protein source), as well as beans, cabbage, carrots, and tomatoes.

Two of the schools visited had small vegetable gardens. This initiative encourages pupils to learn the importance of cultivating their own food and contributes to food security.

Hawker stands visits

During the visit to hawker stands in Thembisa, the team observed typical and interesting sales patterns. Bulk traders typically sell potatoes in 7 or 10 kg bags. Another sales stream sells on tabletops by splitting larger bags and decanting potatoes into smaller packages to sell at a lower price. Some vegetable sellers create a veggie combo pack that includes potatoes, an onion and a green pepper. These convenient packages cater to consumers who use them as the basis of *seshebo*.

Brand awareness is key and cultivars such as Mondial and Sifra are better



Willie Jacobs, CEO of Potatoes SA, engaging with some of the bulk traders in Thembisa.

known among consumers. Hawkers divide a 10 kg bag into two smaller bags. A 10 kg bag usually contains 50 potatoes. This means that they will sell 25 potatoes from the 10 kg bag at R45 per bag. A 10 kg bag sells for R96 or more while a 7 kg bag goes for R50.

One of the hawkers reported stocking roughly 20 bags (10 kg each) daily from the Johannesburg Fresh Produce Market and selling almost all his bags in a day. The main consumers of the 10 kg bags are the *kota* outlets, while smaller bags are popular for home use.

Kota outlet

The *kota* market dominates the township eatery economy. The total value of the *kasi kos* economy is estimated at R90 billion of which the *kota* market share is substantial. A *kota* is a true township food experience. *Kotas* have *slap* chips as their base and it would not be a true *kota* without them. These outlets usually buy from the bulk vendors on the streets and are known for buying Class 3 potatoes,



Bulk traders sell 10 kg bags of potatoes and showcase the quality of the potatoes by laying them out for the consumer to see.



A Potatoes SA focus group visited a household in Thembisa where different potato applications and preparation methods were showcased.

which are in a ready-to-eat format for consumers.

Over time, the *kota* has evolved. In the past, it would include *slap* chips, polony, a slice of cheese and *achaar*. Nowadays the *kota* can include beef patties, lettuce, russians, eggs and many other high-end ingredients. As a result, *kota* prices range from R25 to R250.

Kasi kos outlets

Kasi kos outlets are usually found along roadsides, near office parks or outside malls where people can easily access lunch from their workplaces. These outlets often sell a full meal which includes starch (pap or rice), two vegetables and the meat of the day (chicken, beef stew, *mogodu*, pig trotters and more).

Potatoes serve as a vegetable and as a side to these dishes. Potatoes are used in potato salad, mash or in curry. These outlets also include potatoes in their stews to use as a thickener.

An interesting snack of fried potato skins and battered fishbones is sold by some township retailers' deli sections.

Focus group: Households

The Potatoes SA team had an opportunity to visit a household in Thembisa to observe how potatoes are prepared. This is where we got to see the versatility of the spud. In one home, mashed potato was mixed with creamy *samp* and served along with protein and vegetables.

Potato salads were prepared in different unique ways, all delicious. Specific mayonnaise and seasoning brands were used by most home cooks.

Opportunities for Potatoes SA

The absence of potatoes from the Department of Education's school feeding scheme menus presents an opportunity. Potatoes offer a higher glycaemic index and more nutrients than most starches. Potatoes enhance

the value of meals for pupils as they are both filling and nutritious.

School gardening programmes will also encourage pupils to learn self-sufficiency and food security.

An opportunity for Potatoes SA lies in establishing a visible presence at the hawkers' stands, *kasi kos* and *kota* outlets. Branded price boards, gazebos or umbrellas as well as educational flyers with recipes will create greater awareness of the potato.

Positioning potatoes effectively through recipe flyers and educating consumers in respect of minimising food waste will create value.

Future plans

Potatoes SA wants the spud to compete with *amagwinya* (*vetkoek*) in the morning and we believe that this is possible. Once thorough market research has been done and the market is understood, we believe we will make great strides in the townships.

We do understand that not all townships are the same and there won't be a one-size-fits-all strategy. Hence, a few other township visits in different provinces are in the pipeline for the rest of the year.

Key Thembisa takeaways

- Potatoes are loved, versatile, and mostly enjoyed in homes. There are growth opportunities.
- The *kota* market in South Africa is worth over R10 billion.
- Almost all the hawkers in Thembisa sell potatoes and have very loyal customers.
- Vegetables, which include potatoes, are at the heart of the township economy. Potatoes are part of every meal including meals served at church services, weddings, funerals, or graduations.
- Township households buy potatoes in the township because it is convenient, nearby, and affordable. 📍



The Potatoes SA board of directors are, from the left, Nant Yzel, André Coetzee, Izak Cronjé and Gert Bester. With them is Alfred Ntombela, the Potatoes SA ambassador.

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