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# CHIPS

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## SIRKEL-N-LANDGOED: GESONDE MOERE VIR VOLHOUBARE AARTAPPELPRODUKSIE

## SATELLITE-DERIVED CROP GROWTH INDICES FOR MANAGEMENT OF POTATO CROPS

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

By Sibabaliwe Rulumeni, Dikgetho Mokoena and FP Coetzee, Potatoes SA

The average weekly price for potatoes on fresh produce markets (FPMs) had been following an upward trend since week 48 of 2022 but has since been suppressed from week two of 2023, and started to follow a downward trend until a linear trend became evident, returning to an upward trend from weeks three to five.

## Weekly averages and stock levels

*Figure 1* indicates the weekly average price on all markets for all classes and sizes. By the end of week five, the average weekly price was R55.41 per 10 kg bag, which represented a 6% decrease week on week. *Figure 2* indicates the daily average stock levels and the daily average price. For several reasons – good rains in key regions being one – it can be clearly seen that towards the end of January, stock levels started to decrease resulting in an increase in the daily price.

*Figure 3* indicates the average stock levels of each month against the same month a year ago. Daily stock levels decreased since November 2022, when it averaged around 800 000 bags, and 600 000 bags in December. January 2023 showed an increase of 21 000 bags compared to December; however, it was lower compared to the same time last year (approximately 200 000 bags fewer). The average inventory trend supported the price trend and the price experienced upward pressure from November.

## Decrease in sales

During the first five weeks of 2023, sales on the FPMs decreased by 10% from 2022's corresponding figure, according to *Figure 4*. The

**Figure 1: Weekly daily average price on all fresh produce markets (FPMs).**

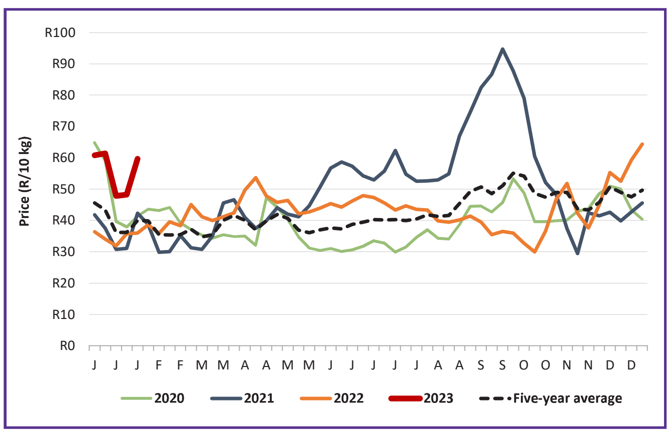



**Figure 2: Daily average stock levels compared to the daily average price (all sizes and all classes).**

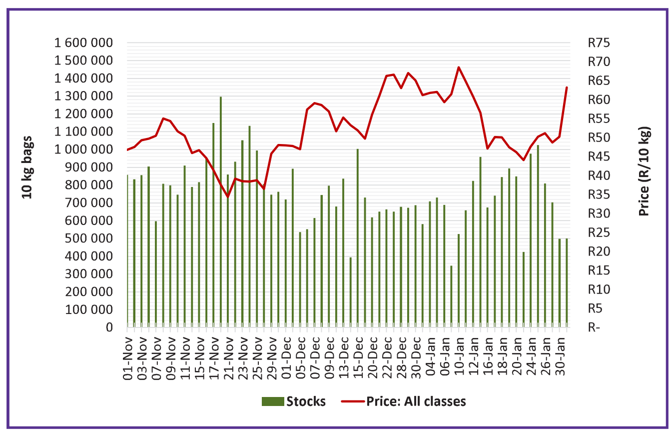



**Figure 3: Average daily stock levels per month in 2021 versus 2022.**

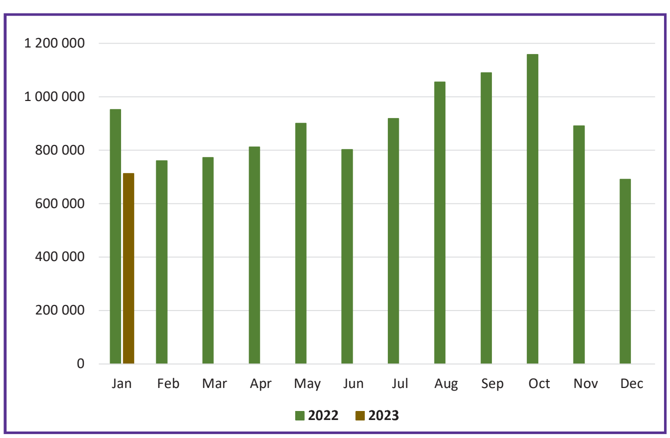
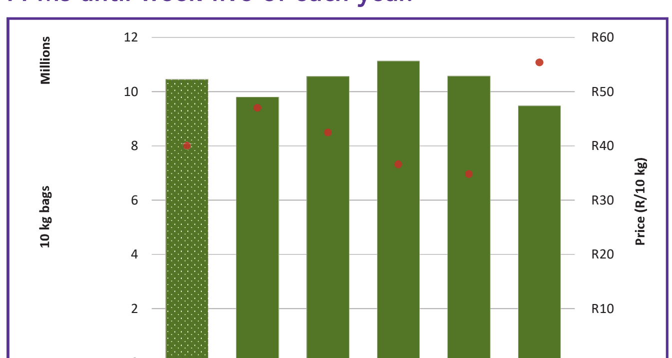



**Figure 4: Cumulative number of 10 kg bags sold on FPMs until week five of each year.**




| | 5-year average | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|---|
| Number of bags sold | 10 461 651 | 9 811 839 | 10 565 683 | 11 135 635 | 10 581 931 | 9 484 397 |
| Average price | 40.06 | 47.04 | 42.5 | 36.6 | 34.84 | 55.4 |

**Table 1: Sales on FPMs until week five of 2023.**

| Market | Number of bags 10 kg | % of total | Avg price (R/10 kg) | Percentage of sales on FPMs | | | |
|---|---|---|---|---|---|---|---|
| | | | | Class 1 | Class 2 | Class 3 & 4 | Class 1 M |
| Johannesburg Market | 3 839 556 | 40.5% | 53.67 | **82%** | 13% | **5%** | 20% |
| Tshwane Market | 1 827 204 | 19.3% | 53.65 | 72% | 19% | 9% | 17% |
| Durban Market | 885 825 | 9.3% | 53.91 | 86% | 8% | 6% | 24% |
| Cape Town Market | 774 256 | 8.2% | 72.94 | 79% | 18% | 3% | 28% |
| Springs Market | 512 697 | 5.4% | 48.16 | 68% | 21% | 12% | 14% |
| Bloemfontein Market | 268 878 | 2.8% | 57.27 | 61% | 24% | 16% | 15% |
| East London Market | 259 458 | 2.7% | 59.47 | 76% | 17% | 7% | 22% |
| Klerksdorp Market | 249 056 | 2.6% | 53.99 | 71% | 17% | 12% | 16% |
| Welkom Market | 227 946 | 2.4% | 55.42 | 53% | 33% | 14% | 11% |
| Port Elizabeth Market | 222 863 | 2.4% | 61.12 | 77% | 16% | 7% | 21% |
| Pietermaritzburg Market | 198 151 | 2.1% | 47.47 | 71% | 23% | 7% | 17% |
| Vereeniging Market | 73 664 | 0.8% | 54.41 | 74% | 13% | 13% | 9% |
| Witbank Market | 41 395 | 0.4% | 56.22 | 81% | 9% | 10% | 17% |
| Kimberley Market | 36 081 | 0.4% | 56.3 | 72% | 18% | 11% | 23% |
| Nelspruit Market | 35 257 | 0.4% | 64.91 | 83% | 7% | 10% | 12% |
| George Market | 31 182 | 0.3% | 59.77 | 76% | 23% | 1% | 23% |
| Kei Market (Umtata) | – | 0% | 0 | 0% | 0% | 0% | 0% |
| **Total** | **9 483 469** | **100%** | **55,41** | **77%** | **16%** | **7%** | **19%** |

average price for the first five weeks is also depicted in *Figure 4* where 2023's average price is at its highest compared to the previous five years. Sales at FPMs after the first five weeks of the year are 977 000 10 kg bags fewer than the five-year average.

*Figure 5* illustrates the monthly sales on FPMs from 2020. For the first five weeks of 2023, sales were above the eight million 10 kg bag mark, and sales have decreased since last year around the same time.

During December sales dropped to 7.2 million 10 kg bags, compared to the November sales of 9.9 million 10 kg bags. Sales increased slightly in January 2023 but remained below the nine million mark compared to January 2022's nine million 10 kg bags.

## Top five markets

*Table 1* contains the number of bags sold by the various markets during the first five weeks of 2023. The five major markets during this period were collectively responsible for 82.7% of the country's sales. The average price (all classes and sizes) for each market also appears in *Table 1*. Of the five biggest markets, Springs market's average price was R7.25 lower than the country's average price of R55.41. The Johannesburg and Durban market's total sales consisted of 82 and 86% Class 1 bags respectively, the highest of the top five markets.

**Figure 5: Monthly sales on FPMs from 2019 to 2021 (all packaging converted to 10 kg bags).**

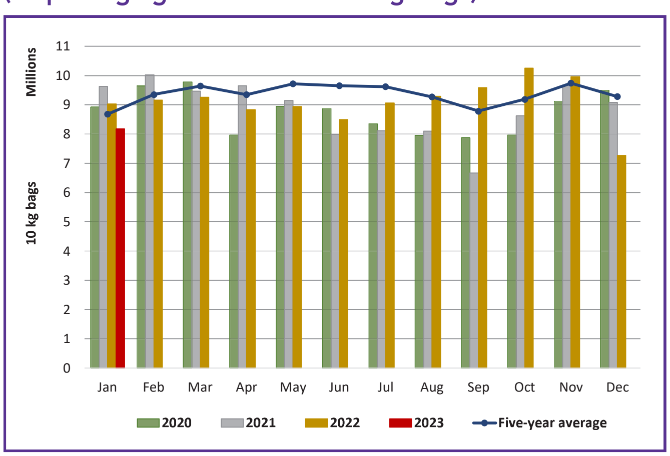



**Figure 6: Year-on-year price change in top five markets.**

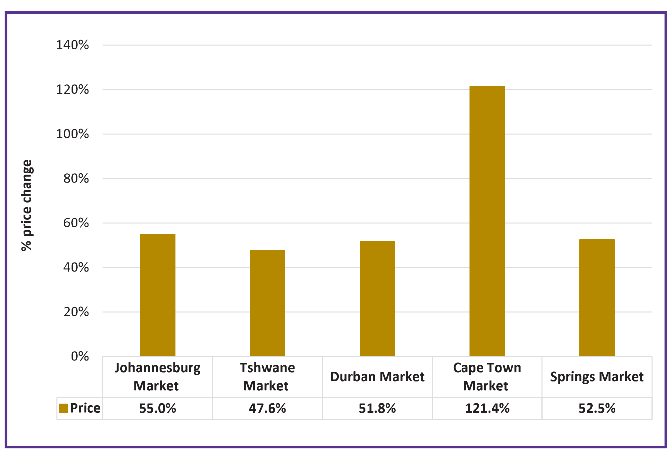


**Table 2: Sales per region on FPMs until week five of 2023.**

| Region | Number of bags 10 kg | % of total | Avg price (R/10 kg) | Percentage of sales on FPMs: Class 1 | Class 2 | Class 3 & 4 | Class 1 M |
|---|---|---|---|---|---|---|---|
| Southwestern Free State | 1 995 736 | 21% | 62.1 | 82% | 9% | 8% | 21% |
| North West | 1 594 140 | 17% | 59.84 | 79% | 12% | 9% | 13% |
| KwaZulu-Natal | 1 240 501 | 13% | 53.98 | 75% | 21% | 4% | 16% |
| Limpopo | 1 237 027 | 13% | 47.77 | 78% | 20% | 3% | 25% |
| Gauteng | 1 002 616 | 11% | 50.43 | 87% | 9% | 4% | 23% |
| Eastern Free State | 639 050 | 7% | 52.79 | 66% | 18% | 16% | 12% |
| Sandveld | 593 904 | 6% | 71.39 | 80% | 18% | 2% | 27% |
| Western Free State | 466 797 | 5% | 48.42 | 77% | 18% | 5% | 26% |
| Other regions | 254 558 | 3% | 32.95 | 36% | 52% | 12% | 13% |
| Mpumalanga | 246 408 | 3% | 44.05 | 69% | 22% | 9% | 17% |
| Northeastern Cape | 185 700 | 2% | 54.09 | 72% | 19% | 9% | 21% |
| Eastern Cape | 19 527 | 0% | 53.61 | 86% | 10% | 5% | 18% |
| Southern Cape | 6 475 | 0.07% | 65.85 | 92% | 6% | 2% | 43% |
| Northern Cape | 681 | 0.01% | 16.59 | 99% | 0% | 1% | 82% |
| Southwestern Cape | 349 | 0.00% | 29.4 | 0% | 0% | 100% | 0% |
| Ceres | 0 | 0.00% | 0 | 0% | 0% | 0% | 0% |
| **Total** | **9 483 469** | **100%** | **55.41** | **77%** | **16%** | **7%** | **19%** |

**Figure 7: Number of 10 kg bags sold per region during the first five weeks of 2023.**

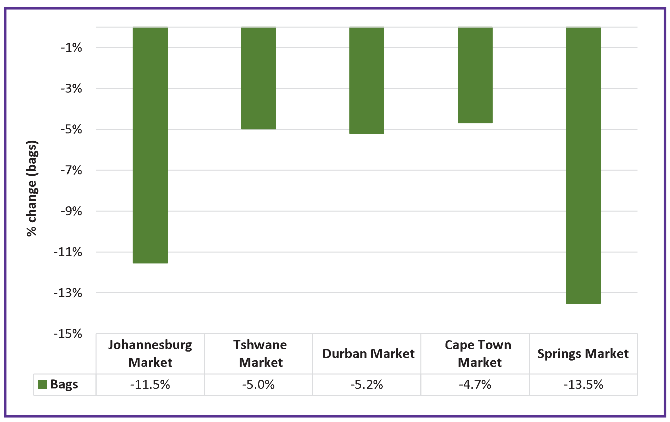



**Figure 8: Number of 10 kg bags sold during the first five weeks per region – 2021 versus 2022.**

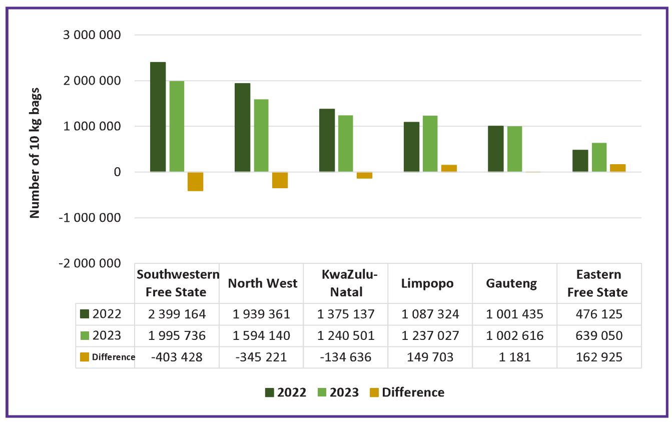



*Figure 6* indicates the year-on-year price change for the top five markets. All top five markets' prices showed an increase. The Cape Town market's price showed the largest percentage expansion with a 121% increase. The volumes sold at the Cape Town market decreased by 4.7% year on year, as shown in *Figure 7*, which supported the price increase.

## Regional performance

Comparing the six largest regions' sales for 2023 to 2022, figures show that only three regions sold fewer 10 kg bags and the others sold more than the previous year during the first five weeks, according to *Figure 8*.

The three largest regions that were in the market during this period (first five weeks) sold 51% of the potatoes on markets according to *Table 2*. *Table 2* also illustrates the percentage composition of each region's Class 1, 2, 3 and 4 potatoes supplied during this period. Five of the production regions, namely Limpopo, North West, southwestern Free State, Gauteng, and KwaZulu-Natal, had a percentage of Class 1 sales above 70%. The region with the highest percentage of Class 1 is Gauteng on 87%. ©

For more information, send an email to fpcoetzee@potatoes.co.za.