

Potatoes SA leads roundtable on state of fresh produce markets

Given the importance of fresh produce markets to food supply chains and the economy, markets should be recognised as national key points, and given urgent prioritisation to address poor maintenance and security before these sites deteriorate 'past the point of no return'.



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These were some of the outcomes of the industry roundtable hosted by Potatoes South Africa on Tuesday in which several leaders from the agriculture and food industry met to discuss the most pressing issues currently plaguing national fresh produce markets (NFPMs).

There are currently 23 NFPMs around the country, the majority of which are municipally owned and managed. Responsible for up to 80% of all fresh produce sales in the country, these markets not only serve vital price-forming and setting roles, but are also key to ensuring the supply of food to vulnerable communities via informal traders, creating inclusive sales mechanisms for small-scale farmers to access markets, and generating important revenue for municipalities.

Demonstrating their economic significance, latest statistics from the Department of Agriculture, Land Reform and Rural Development show that fresh produce markets sold some 3.4 million tonnes of fresh fruit and vegetables with a turnover of R17bn in 2019.

But although municipalities charge fees of 5% on all turnover for the operation of the markets, little has been reinvested back into market maintenance over the past few years. In particular, farmers, agricultural associations, and market agents have warned of a lack of security, poor infrastructure maintenance and hygiene standards, and raised concerns regarding the efficacy of market management.

"Farmers and traders expect a certain level of quality at markets, especially because they deal in fresh food products where sanitation is key," noted Willie Jacobs, CEO of Potatoes South Africa.

"But as things stand, market spaces are often filthy, security is of a major concern, and farmers are struggling to even get their produce safely to the markets because of uneven road surfaces and potholes."

Roughly 60% of fresh produce market turnover comes from the informal sector, and if it weren't for markets, most vendors would have no way of effectively reaching farmers.

But product losses resulting from inadequate infrastructure maintenance, such as breakdowns in cooling facilities, is increasingly deterring farmers from trading at markets.

Francois Knowles, registrar of the Agricultural Produce Agents Council (APAC), noted that the roundtable represented a positive step forward, adding: "We are at a point of no return. We can no longer accept this as just the norm. Markets need to change, to evolve, and their importance needs to be placed in the spotlight again.

"Crisis creates opportunity. These roundtables mean that for the first time in a long time, we can talk to one another about what needs to be done. We must not focus on petty things but the big issues, and by working together to fix the basics, we can set markets back onto a positive trajectory."

Steps in the right direction

Having raised their concerns, the group applauded the City of Tshwane's recent announcement that it would be investing R18 million towards upgrading the Tshwane Market as a major step in the right direction, although it noted that significantly more would need to be done to revitalise its infrastructure.

Likewise, the industry leaders heralded the plans and progress being made at the Joburg Market as a positive and inspirational example for all municipalities and markets across the country.

Thokozani Thwala, chairperson of the board of directors for the Joburg Market, noted that the market's new Board of Directors, appointed in February this year, was well aware of the challenges mentioned, and was determined to implement demonstrable improvements for fixing these issues within the next three years.

Its leadership had already met with the executive mayor of the City of Johannesburg, and secured R149m in funding towards upgrading the market's facilities within the next financial year, he stated.

As one of the country's largest fresh produce markets, the Joburg Market hosts an average of 13,000 traders per day, and according to Thwala, boasts a market share of around 48% and a turnover of some R8.6bn annually. Its influence makes the Joburg Market the perfect place to implement changes and set the example for the other 22 markets across the country.

The question was raised regarding whether funding is a problem, and why profits from the market do not seem to get reinvested for maintenance purposes.

"There is currently more than R350m in our accounts, so funding has not been the issue. Rather, it seems to have been a lack of strategy, issues with capacity, and getting the right political support," said Thwala.

"Our banana ripening facilities keep breaking down. Our cold rooms keep breaking down. We simply can't have that when money is not an issue. We have observed that we need competent people to assist us, which is why we are already in the process of conducting a comprehensive skills audit."

Thwala stated that ensuring consistent electricity supply to the facility has also been a problem, as fresh produce markets are subjected to load shedding.

While Joburg Market currently spends some R56m on electricity per year, it also has to pay for large quantities of diesel to run generators during loadshedding, and its market management plans on buying another two generators to the tune of R25m to help plug immediate supply gaps.

To resolve this issue, the Board intends to take the Joburg Market off the grid within the next three years through investing in solar panels. Likewise, its directors have asked national government officials to recognise all fresh

produce markets as national key points to exempt them from load shedding.

Thwala added that the board and other municipal stakeholders will participate in a cleaning event at the Joburg Market, during which the Johannesburg Road Agency will also fill potholes and lay down new road markings.

"In the last financial year alone, Joburg Market gave the city about R110 million of our profits. We are now in talk with the City of Johannesburg to keep our profits over the next three years so that we can reinvest all of it into the market. I'm happy to say that there is already political support for this proposal," he said.

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