



agriculture, forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

MARKET ANALYSIS REPORT NO 1 OF 2011: SWEET POTATOES

INTRODUCTION

The following text is a review of sweet potato marketing environment. This analysis is updated on a quarterly¹ basis. The interval covered in the current issue is from October 2009 to December 2010. This period is subdivided into five, 3 months long quarters. The issues discussed in the review are the trends in production, pricing, sales in the national fresh produce markets, export, growth and volatility.

1. PRODUCTION TRENDS

Table 1 and figure 1 below illustrate the quarterly production of sweet potatoes.

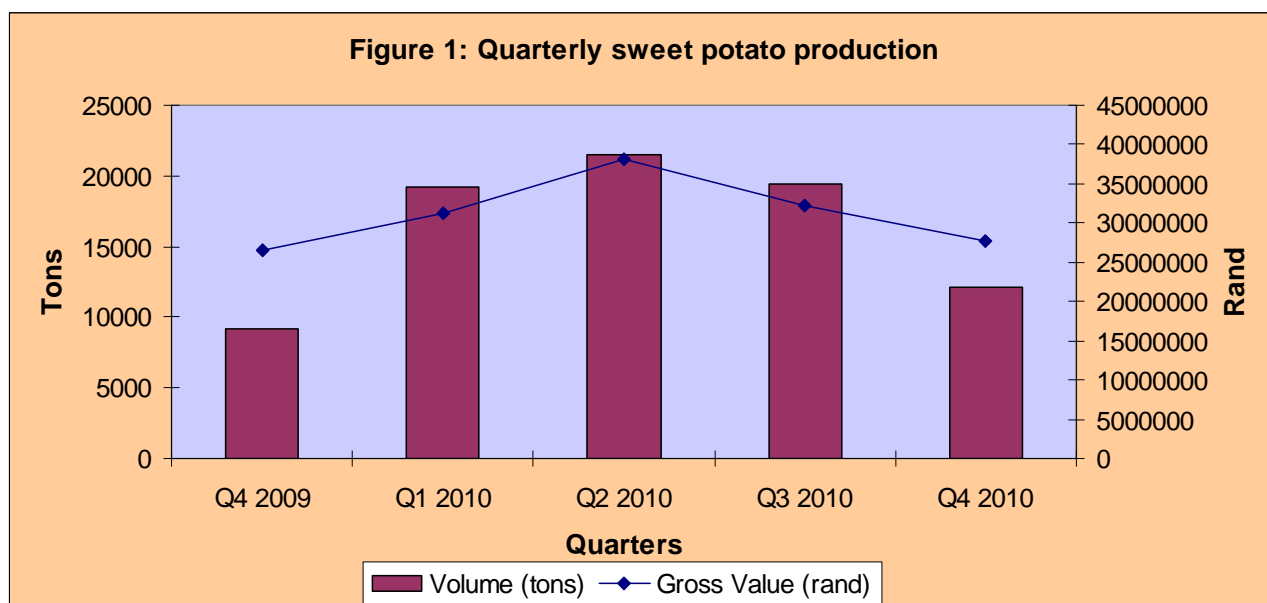
Quarters	Quarter 4 2009	Quarter 1 2010	Quarter 2 2010	Quarter 3 2010	Quarter 4 2010
Production (Tons)	9 200	19 255	21 518	19 428	12 126
Gross Value (Rand)	R26 506 866	R31 173 920	R38 209 069	R32 288 439	R27 748 110

Source: Agricultural Statistics

Quarterly production volume of sweet potatoes was 12 126 tons in quarter 4 of 2010 which was 37.5% below, when compared to the quarterly production volume in the previous quarter (quarter 3 of 2010) and has increased by 31.8% compared to the quarterly production volume at the same time in the previous season (quarter 4, 2009).

Quarterly production value of sweet potatoes was R27 748 110 in quarter 4 of 2010 which was 14% below, compared to the quarterly production value in the previous quarter (quarter 3 of 2010) and the value has increased by 4.6% compared to the production value at the same time in the previous season (quarter 4, 2009).

¹ Quarter 1 (January to March), Quarter 2 (April to June), Quarter 3 (July to September), Quarter 4 (October to December)



Source: Agricultural Statistics

2. PRICING TRENDS

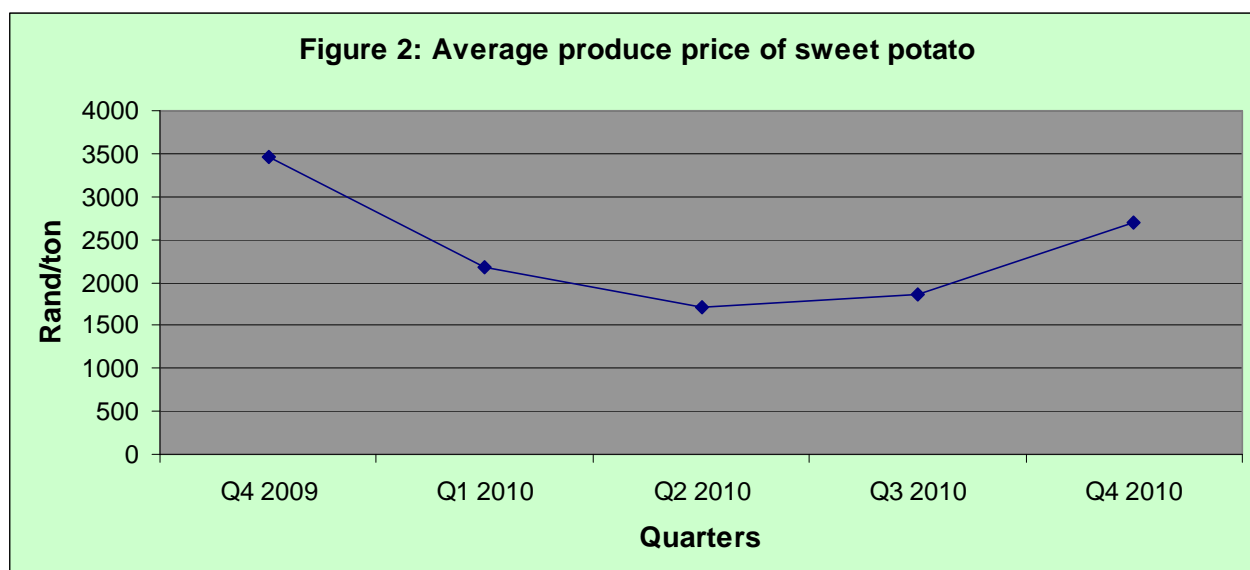
Table 2 and figure 2 illustrate the average produce price of sweet potatoes.

Table 2: Average producer price of sweet potatoes

Quarters	Quarter 4 2009	Quarter 1 2010	Quarter 2 2010	Quarter 3 2010	Quarter 4 2010
Price in Rand/Tons	R3 466.69	R2 170.20	R1 704.70	R1 868.90	R2 698.62

Source: Agricultural Statistics

The average producer price for sweet potatoes was R2 698.62 in quarter 4 of 2010 which was 44% above compared to the average price in the previous quarter (quarter 3, 2010) and the price has decreased by 22% compared to the average price at the same time in the previous season (quarter 4, 2009). Prices were fairly unstable from quarter 4 of 2009 to quarter 4 of 2010 period. Sweet potato prices eased higher in quarter 4 of 2010 due to 37.5% decrease in volume of sweet potato.



Source: Agricultural Statistics

3. SALES AT THE NATIONAL FRESH PRODUCE MARKETS

Table 3 and figure 3 below illustrate monthly volumes and prices of the sweet potatoes sold at national fresh produce markets.

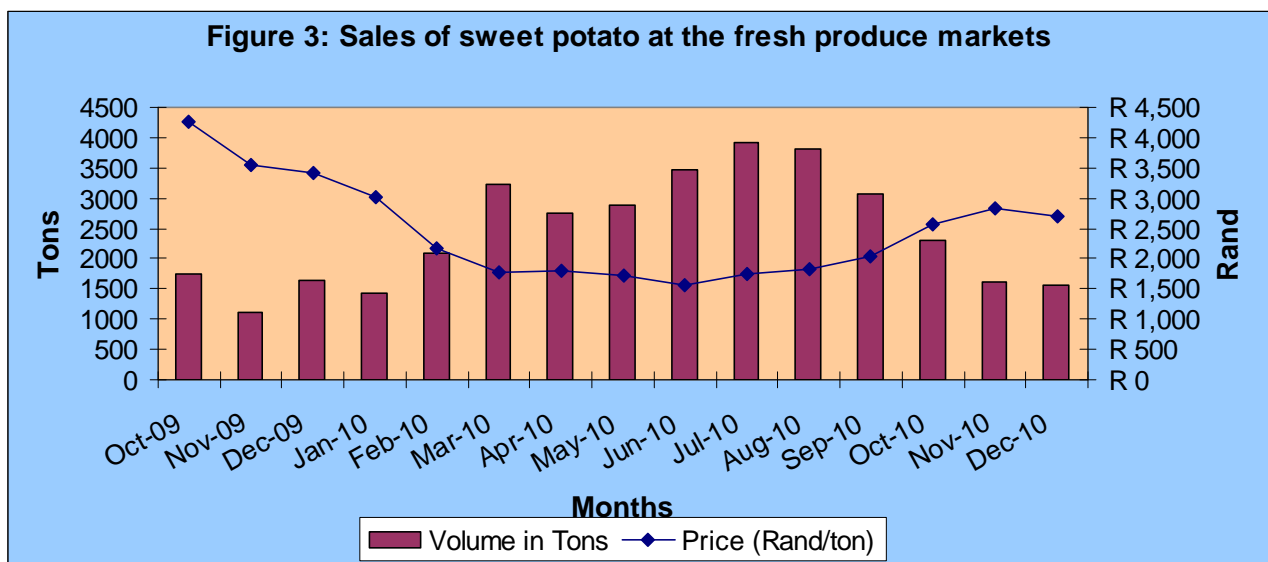
Table 3: Monthly sales of sweet potato at national fresh produce markets (NFPMs)

Months	Volume in Tons	Price (Rand/ton)
Oct-09	1748	R 4,254.32
Nov-09	1103	R 3,535.80
Dec-09	1639	R 3,416.99
Jan-10	1441	R 3,027.29
Feb-10	2089	R 2,181.95
Mar-10	3233	R 1,780.70
Apr-10	2744	R 1,806.01
May-10	2894	R 1,733.60
Jun-10	3467	R 1,574.57
Jul-10	3909	R 1,745.60
Aug-10	3801	R 1,816.62
Sep-10	3065	R 2,044.48
Oct-10	2292	R 2,554.72
Nov-10	1616	R 2,832.87
Dec-10	1563	R 2,708.59

Source: Agricultural Statistics

The monthly price at national fresh produce market for sweet potatoes was R 2,708.59/ ton in December 2010 which was 4.4% below the monthly price of November 2010 and the price has dropped by 20.7% compared to the monthly price at same time in the previous season (December 2009).

Monthly volume at national fresh produce markets for sweet potato was 1 563 tons in December 2010 which was 3.3% less than the monthly volume of November 2010 and has decreased by 4.6% compared to the monthly volume at the same in the previous season (December 2009). Prices eased higher from November 2010 due to significant decline in volumes supplied across the markets.



Source: Agricultural Statistics

4. Exports

Table 4 and figure 4 below indicates quarterly export volumes and exports values of sweet potatoes.

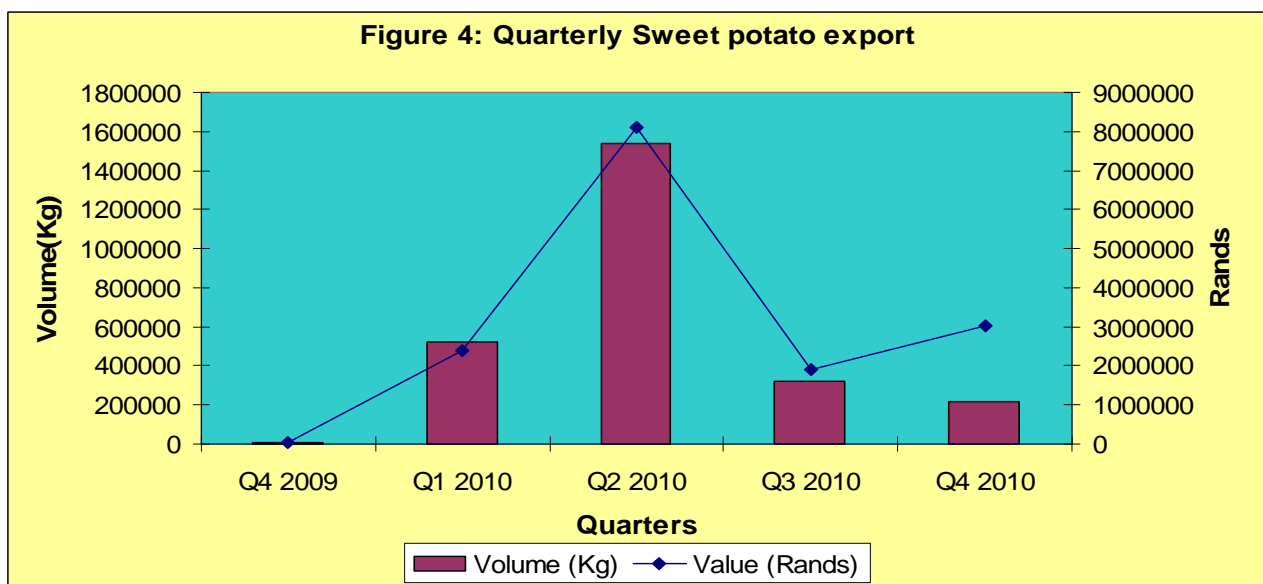
Table 4: Quarterly sweet potato exports

Quarters	Quarter 4 2009	Quarter 1 2010	Quarter 2 2010	Quarter 3 2010	Quarter 4 2010
Volume (Kg)	5 777	522 843	1 541 061	324 191	214 877
Value (Rands)	R38 021	R2 393 774	R8 103 827	R1 914 662	R3 038 661

Source: Quantec Research

Quarterly export volume of sweet potatoes was 214 877Kg in 4 of 2010 which was 33.7% below the quarterly export volume in the previous quarter (quarter 3, 2010) and the volume was incomparably higher compared to the quarterly export volume in the previous season (quarter 4, 2009) .

Quarterly export value of sweet potatoes was R3 038 661 in quarter 4 of 2010 which was 58.7% above than the quarterly export value in the previous quarter (quarter 3, 2010) and the value was incomparably higher compared to the quarterly export value in the previous season (quarter 4 , 2009). It was more profitable to export sweet potatoes in quarter 4, 2010 since high values were recorded for low volumes exported.



Source: Quantec Research

5. GROWTH, VOLATILITY & STABILITY ANALYSIS

Sweet potato industry growth rate was calculated from regression analysis results. The volatility and stability measures were determined by calculating the coefficient of variation for the various sweet potato industry statistical series.

The outcomes of these growth and volatility calculations are presented in Table 5. They are calculated using quarterly statistics and covered the same five-quarter period under review beginning in October 2009 and ending in December 2010

Table 5: Sweet potato industry Growth Rates and Coefficients of Variation (October

2009– December 2010)

Category	Subcategory	Growth Rate	Coefficient of Variation
<i>Production</i>	Volume	56%	0.326
Gross Value of Production	Value	1.2%	0.147
<i>Producer Prices</i>	Value	-6.5%	0.300
<i>Export</i>	Volume	67%	1.149
<i>Export</i>	Value	85%	0.972

Source: Calculated from Agricultural Statistics Data

As shown in Table 5, on average sweet potato production volume, gross value of production and producer price were less volatile with variation coefficients of 32.6%, 14.7% and 30% respectively. Export volume and export value were highly volatile with variation coefficients of 114% and 97% respectively. Export volume and export value has displayed maximum changes during the five quarter period. Sweet potato industry has generally experienced positive growth.

Acknowledgements

Acknowledgement is given to the following information sources:

1. **Directorate: Agricultural Statistics**

www.daff.gov.za

2. **Quantec Research**

www.quantec.co.za

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