A PROFILE OF THE SOUTH AFRICAN TOMATO MARKET VALUE CHAIN

2020

Directorate Marketing
Private Bag X 15
Arcadia
0007

Tel: 012 319 8455
Fax: 012 319 8131
E-mail:PA.DM@Dalrrd.gov.za
www.dalrrd.gov.za

agriculture, land reform & rural development
Department: Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

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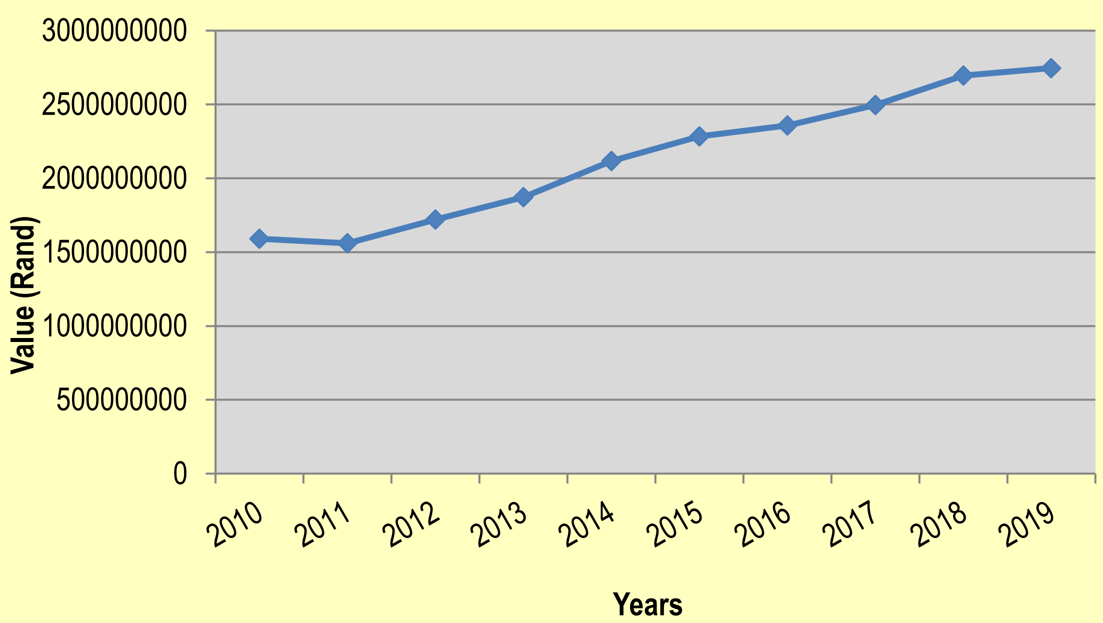
1. DESCRIPTION OF THE INDUSTRY

The tomato *(Solanum lycopersicum)* is the second most important and popular vegetable crop after potatoes in South Africa. It is not only cultivated commercially, but also commonly grown by subsistence, resource poor farmers and home gardeners. It contributed approximately 15.4% (excluding potatoes) to the gross value of vegetable production in 2019. Tomato is consumed in diverse ways including raw, as an ingredient in many dishes and sauces and in drinks. Tomatoes are a rich source of vitamins A and C and folic acid. In South Africa, tomatoes are used in stews to complement the staple diet of maize meal. As a result, it is also one of the main vegetables used for hawking by small-scale entrepreneurs in the informal sector. Interestingly, although tomatoes are nutritionally categorized as vegetables, they are botanically classed as fruits. Figure 1 below illustrates the gross value of tomato production from 2010 to 2019.

Figure 1: Gross value of tomato production



Source: Statistics and Economic Analysis, DALRRD

During 2011, tomato gross value contribution dropped by 2% when compared 2010, and this can be attributed to a 6.6% decrease in production output in the same year. In 2012, tomato gross value increased by 10% when compared to the previous year. During 2013, gross value has gone up by 8.8%, when compared to the previous year gross value and this can be attributed to favourable producer price in the same year. In 2014, tomato industry gross was a record high in 10 years and an increase in gross value was 12% more when compared to 2013 gross value. The increase in 2014 can be ascribed to 22% increase in producer price. A notable higher gross value was recorded in 2015 and the increase was 8.6% more than 2014 gross value. This can be ascribed to an 18.7% rise in the producer price during the same year. There was a slight increase of 3.2% in 2016 gross value, when compared to 2015 value and this can be attested to 4% increase in the tomato production output. During 2017, tomato gross value grew by 5.8% relative to 2016 gross value and this can be ascribed to 3.5% increment in tomato production output that occurred in the same season. As of 2018, tomato gross value has increased by 8% relative to 2017 gross value and this can be ascribed to a 3.4% increment in the domestic tomato production output. Tomato gross value increased by 1.8% in 2019 compared to 2018, and this can be attributed to favourable producer prices that occurred in the same year.

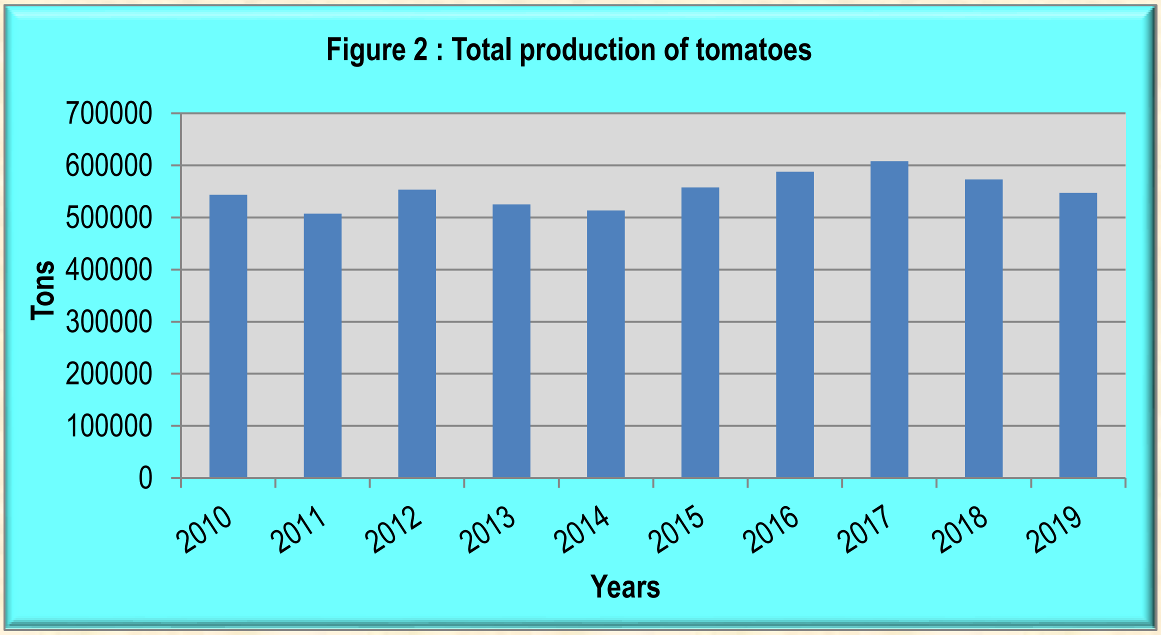
1.1 Production areas

Tomatoes are produced in all South African provinces, but Limpopo province with its warm climate is best suited for production of tomatoes. Limpopo province is the major production area with 3 590 ha (Northern Lowveld at 2 700 ha and far Northern areas of Limpopo at 890 ha). The province accounts for more than 75% of the total area planted with tomatoes in South Africa. The other main producing areas are Onderberg area of Mpumalanga province at 770 ha and Border area of Eastern Cape province at 450 ha. Production is very limited in the winter months and tomatoes can only be produced in frost–free areas during winter or under protection like tunnels.

1.2 Production

There are approximately 695 producers in both commercial and emerging sectors. The commercial sector contributes 95% of the total production while the emerging sector contributes only 5%. According to FAOSTAT, China is the largest producer of tomatoes in the world, followed by India, United States, Turkey, Egypt, Iran and Italy. These countries represent more than 80% of world tomato production. Egypt is still the only African countries amongst the top ten world tomato producers. The tomato producing countries with the highest yields per hectare are the United Kingdom (UK), Netherlands, Belgium and Sweden.

Figure 2 below shows South Africa's total production of tomatoes from 2010 to 2019.



Source: Statistics and Economic Analysis, DALRRD

In 2010, tomato production output was just above 543 000 tons. The production output dropped by 6.7% during 2011 when compared to the previous year (2010). During 2012, there was a notable 9%

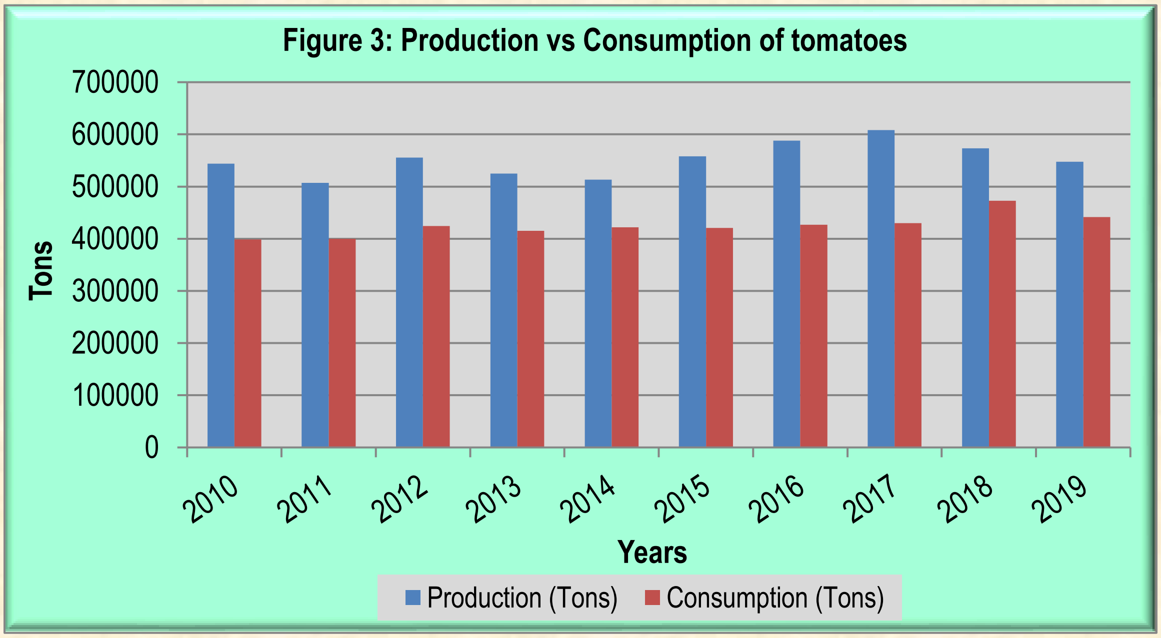
increment in tomato production output, when compared 2011 production figure. During 2013, production output dropped by 5.1%, in comparison to the 2012 production output. Over the past decade tomato production was stable above 400 000 tons per annum. The drop in production in 2007 and 2011 can be attributed to unfavourable climatic conditions and high production costs. In 2014, production output dropped by 8% in comparison to the previous year production output. The production of tomatoes has gone up by 8.7% in 2015 as compared to 2014 production period. During 2016, tomato production output was 4% more, in comparison to previous year production output. In 2017, tomato production output has experienced a growth of 3.5% relative to 2016 production output. As of 2018, South Africa tomato production output has declined by 5.8% relative to the previous year output (2017). There was a 4.5% decrement in South Africa's tomato production output relative to 2018 output.

1.3 Employment

The industry employs approximately 22 500 people with at least 135 000 dependents. Multipliers in the supply chains are the transport of the tomatoes to the fresh produce markets and processing plants, processing factories, fresh produce markets, independent traders, supermarket groups, packaging factories, informal traders and fast food outlets. A significant proportion of this total workforce is composed of low skilled, minimum-wage labourers.

1.4 Consumption

The per capita consumption of tomatoes in South Africa is 12 kg per annum, compared to 32 kg in Europe. This 12 kg per capita consumption is only for metropolitan areas. Population growth, urbanization, per capita income and the income elasticity of demand for tomatoes are important factors influencing the demand for tomatoes. The average household in South Africa consumes between five and ten tomatoes per week.



Source: Statistics and Economic Analysis, DALRRD

Figure 3 above depicts local consumption of tomatoes compared to the production over 10 years. The figure indicates that the production of tomatoes is fairly higher than consumption. This indicates that South Africa is self-sufficient in terms of tomato production and surplus is exported. The low consumption figure was recorded in 2009, due to low production output in the same year. In 2019, South Africa's average annual fresh tomato consumption was approximately 441 725 tons per annum. In the same year, the consumption volume of tomatoes has decreased by 6.5% due to 4.5% decrement in the tomato production output in the same season.

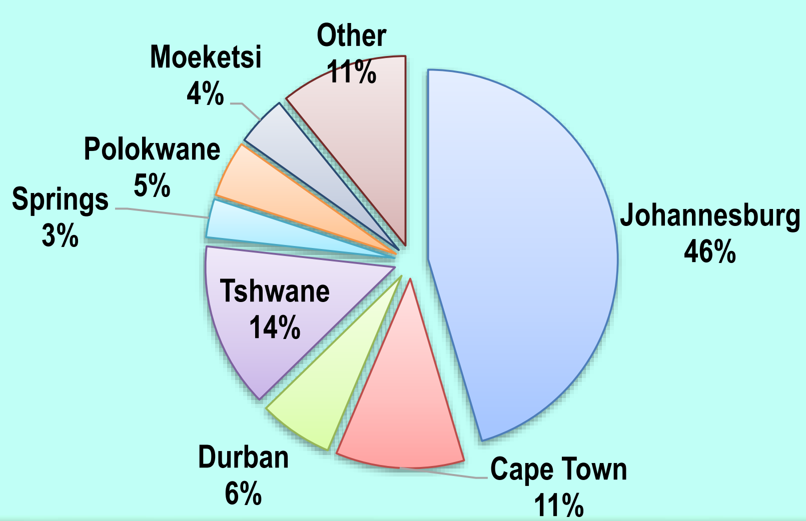
2. MARKET STRUCTURE

The industry uses four existing channels for the marketing of their product. The channels are as follows: local market through fresh produce markets, exports, processing and direct marketing.

2.1 Domestic market and prices

National Fresh Produce Markets (NFPMs) remain an important channel for the sale of tomatoes in South Africa. As a result, the NFPMs prices are the benchmark used in all national tomato sales. The NFPMs are regarded as the preferred marketing channel for tomatoes. The Johannesburg Fresh Produce Market is the biggest market, followed by Tshwane, Cape Town and Durban markets. In 2019, Johannesburg market share was still 46%, Tshwane market share has commanded 14%, Cape Town market share increased slightly to 11% and Durban market share was still 6% of tomato market shares sold at major fresh produce markets. Figure 4 below illustrates tomato share by major fresh produce markets in 2019.

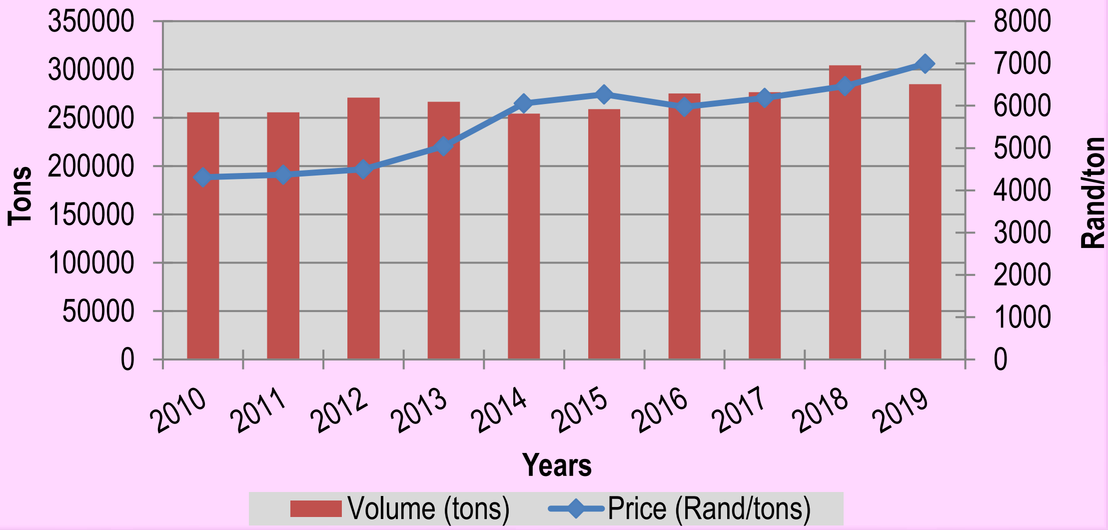
Figure 4: Tomato share by major fresh produce markets in 2019



Source: Statistics and Economic Analysis, DALRRD

Figure 5 below illustrates sales of tomatoes at the major fresh produce markets between 2010 and 2019. During 2010 volume supplied across the markets was just above 265 000 tons. Tomato prices eased higher in 2011, despite a slight increase in volumes supplied across the markets. During 2012, market price increased by 3% despite a 5.9% increase in tomato supplied at the markets. This can be attributed to the strong demand for tomatoes in the same years. In 2013, tomato price eased higher by 11.9% and this can be attributed to a 1.54% decline in volumes supplied across the markets. During 2014, a 4.6% drop in volume supplied at the markets had a positive impact and the market price went up by 20% in comparison to 2013 market price. In 2015, there was a 3.4% increment in the tomato price despite 1.8% increase in tomato supplied at the markets and this can be ascribed to strong tomato uptake in the same year. During 2016, tomato supplied at the markets grew by 6.3%, which resulted in 4.6% drop in tomato market price. In 2017, there was a 3.4% increment in market price despite 0.5% growth in tomato supplied at the market and this can be attested to strong demand of tomato in the same season. As of 2018, tomato price has eased higher by 4.5% despite 9.9% increment in tomato supplied at the market, and this can be attributed to strong demand of tomato in the same season. In 2019, tomato supply at the market fell by 6.4% and as a subsequent, the market price eased higher by 8% relative to the 2018 price.

Figure 5: Sales of tomatoes at the national fresh produce markets



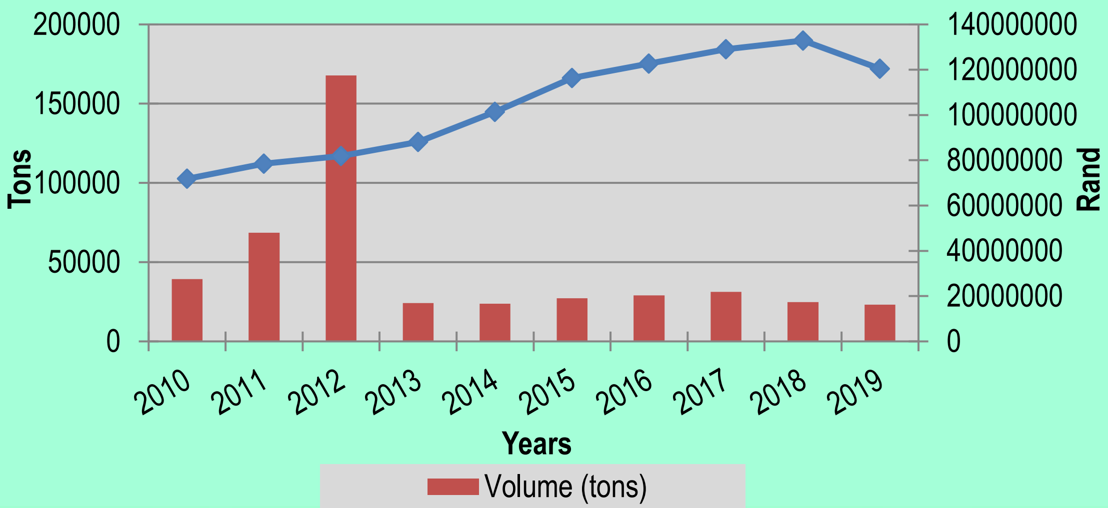
Source: Statistics and Economic Analysis, DALRRD

2.2 Exports

South Africa is not a major exporter of tomatoes with just above 23 165 tons exported in 2019. South Africa's tomato exports still represents 0.1% of world exports and its ranking has changed to number 44 in world tomato exports. South Africa has lost its competitiveness as in 2018, it was ranked number 40. Most tomatoes produced are destined for the domestic market and very little percentage of raw tomatoes and processed tomatoes are exported to other countries. In terms of processed tomatoes, less than one percentage is exported to the other countries. Globally, Mexico was the biggest exporter of tomatoes in 2019, exporting over 1 861 234 tons a year and accounting for 23.6% of the world export market in tomatoes. Second was the Netherlands with a 21.1%% market share, followed by Spain (11.3 %) and Morocco (8.6% %). In 2019, Morocco was still the fourth largest exporter of tomatoes in the world, the only significant exporter of tomatoes in Africa. Morocco has annual growth of 15% in value between 2018 and 2019.

Figure 6 below shows tomato exports from South Africa over 10 years. During 2010 South Africa has exported just above 39 312 tons of tomatoes. Higher tomato exports were recorded in 2010 and 2011. A record high export volume was recorded in 2012 and this can be attested to a 9% increase in domestic production output. In 2013, export volume significantly dropped by 85.6%, which can be ascribed to a 5.1% decline in the domestic production output. During 2014, South African tomato exports have slightly dropped by 1.7% in comparison to the 2013 exports. South Africa's tomato exports grew by 14.6% in 2015, despite an 8.5 % drop in the domestic tomato output. As of 2013 to 2016, it was more profitable to export tomatoes since higher export values were recorded for volumes exported. During other years, it was less profitable to export tomatoes since low export values were recorded for higher volumes exported. In 2016, South Africa tomato export increased by 6.7% in comparison to 2015 tomato exports and this can be ascribed to 4% increase in the domestic production output. During 2017, South Africa's tomato exports grew by 7.7% relative to 2016 export value and this can be attested to 3.5% increment in the domestic production output. As of 2018, South Africa tomato export has sharply declined by 40% relative to 2017 export volume and this can be attested to 5.8% decline in domestic tomato production. During 2019, South Africa's tomato exports declined by 6.3% in comparison to 2018, and this can be attested to a 4.5% drop in the domestic production output.

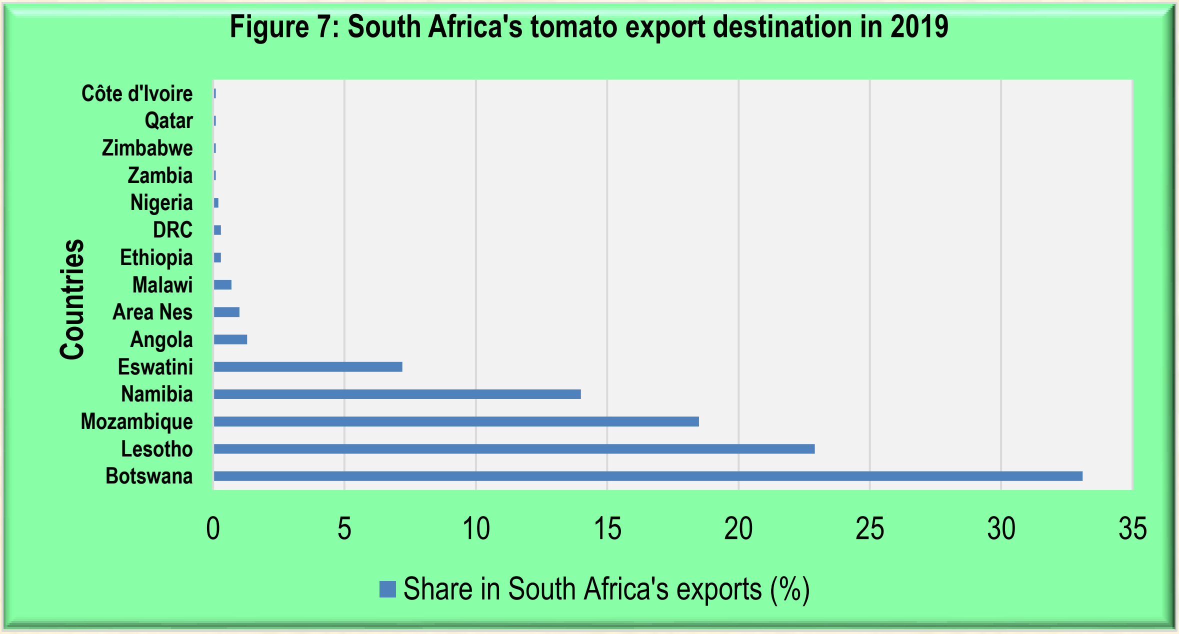
Figure 6: South Africa tomato exports



Source: Quantec Easydata

* *Quantec Easy data has revised its export data to reflect SACU export from 2010*

According to Figure 7 below, South Africa exports most of its tomatoes to the African countries. During 2019, Botswana was still the biggest recipient of South African tomato exports with 33.1% share, followed by Lesotho with 22.9%, Mozambique share has increased to 18.5% share and Namibia share has decreased to 14% share. South Africa has diversified its tomato exports from its traditional markets (Angola and Zimbabwe) to Southern African Customs Union (SACU) members (Botswana, Namibia, Lesotho and Eswatini) and exports to SACU has accounted for 77.2% share. During the same year, South African tomato exports, which remained in the ship stores and bunkers has increased to 1% in comparison to 2018 export volume (This is the place where products without proper documents are held).



Source: International Trade Centre (ITC)

The performance of the South African tomato exports during the year 2019 is further illustrated in Table 1 below.

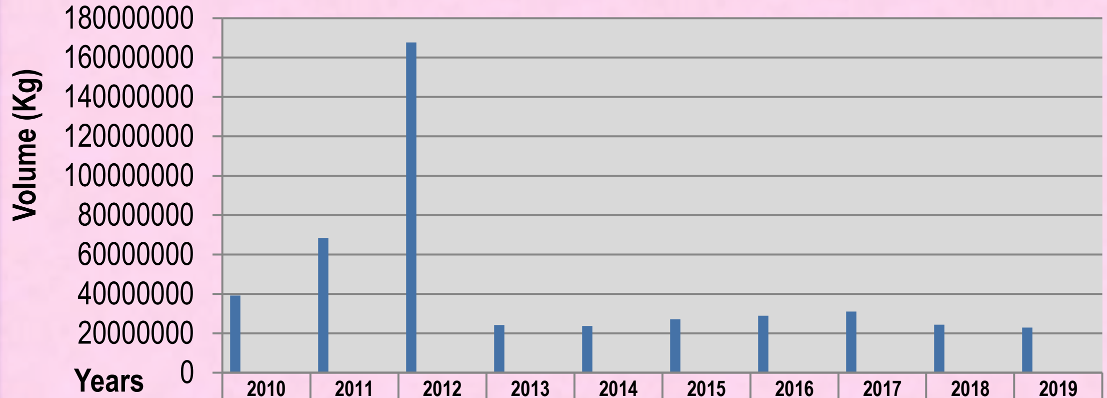
Table 1: South Africa's tomato exports in 2019

Importers	Value exported in 2019 (USD thousand)	Trade balance 2019 (USD thousand)	Share in South Africa's exports (%)	Quantity exported in 2019 (ton)	Growth in exported value between 2015-2019 (%, p.a.)	Growth in exported quantity between 2015-2019 (%, p.a.)	Growth in exported value between 2018-2019 (%, p.a.)
World	8345	6986	100	23172	0	-5	-17
Botswana	2762	2762	33.1	4055	-1	-5	-28
Lesotho	1915	1915	22.9	3843	3	-5	-12
Mozambique	1546	1546	18.5	11913	-2	-6	11
Namibia	1171	219	14	1328	-3	-8	-26
Eswatini	605	603	7.2	1565	13	17	16
Angola	105	105	1.3	85	-13	-25	-16
Area Nes	87	-276	1	242	104	82	-4
Malawi	56	56	0.7	59	10	8	-5
Ethiopia	27	27	0.3	10	2	78	
DRC	21	21	0.3	30	32	43	-25
Nigeria	14	14	0.2	9			267
Zambia	7	7	0.1	7	-8	-2	-96
Zimbabwe	6	6	0.1	9	-8	-11	-80
Qatar	5	5	0.1	1			-74

Source: International Trade Centre (ITC)

Table 1 above indicates that during 2019, South Africa exported higher quantities of tomatoes to Botswana, Lesotho, Mozambique and Namibia. Tomato export to Botswana has decreased by 1% in value and 5% in quantity between 2015 to 2019 period. South Africa's tomato exports to Lesotho have declined by 5% in value and by 12% in quantity between 2015-2019 periods. South Africa's tomato exports to Mozambique have decreased by 2% in value and 6% in quantity during 2015-2019 period. South Africa's tomato exports to Eswatini have increased by 13% in value and 17% in quantity during the 2015 - 2019 periods.

Figure 8: South Africa's tomato exports to the regions

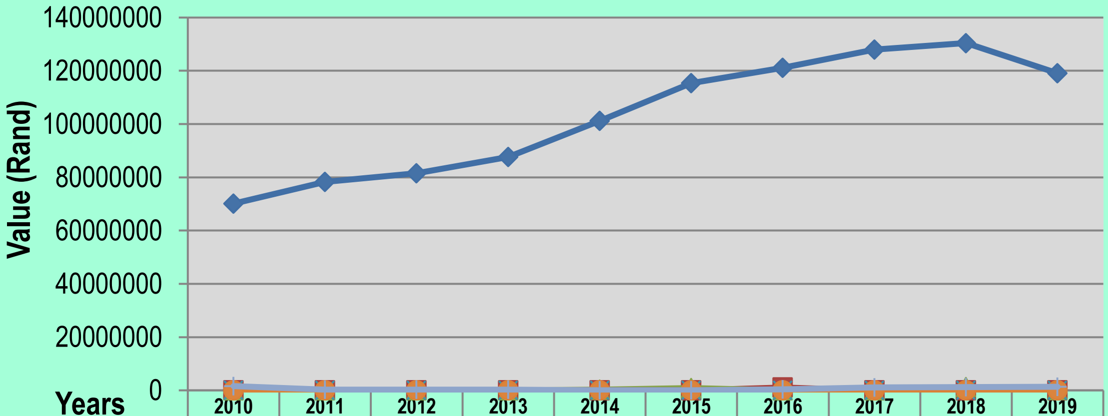


	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Africa	39144325	68434080	167720686	24133655	23758132	27157076	28931637	30983055	24414496	22918813
Americas	3050	0	0	57	0	0	45890	0	1000	744
Asia	236	700	3427	2310	13043	63540	0	1175	25471	2958
Europe	9474	126	0	0	54	235	0	76	492	3
Oceania	18484	60000	30800	8106	0	12000	3300	10084	6400	0
Antarctica	42	4	0	0	0	0	0	0	0	0
Not allocated	136802	17075	33491	27686	4056	20292	102191	332086	282418	243242

Source: Quantec Easydata

Figure 8 above illustrates South Africa's tomato exports to the different regions from 2010 to 2019. During the period under review, Africa region was the primary export market for South Africa's tomato exports. During 2011, there were no tomato exports to Americas region while exports to Europe were less significant. In 2012, countries in African region (Mozambique, Zimbabwe and Angola) continued to be the preferred tomato export market from South Africa. South Africa also exported considerable volumes of tomatoes to Oceania region (Papua New Guinea). During 2013, African region was still the main export market for tomato originating from South Africa. However, the exports were diversified to Botswana, Namibia, Lesotho and Eswatini. In the same year, considerable exports were destined to Oceania (Melanesia) and Asian (United Arab Emirates, Saudi Arabia and Hong Kong) region while the export to Americas (Colombia) region was less significant. During 2014, African region remained the primary export market for tomatoes originating from South Africa. SACU countries have accounted for 76.6% share of South Africa tomato exports. At the same time, exports to Asia (United Arab Emirates) have notably increased, whereas exports to Europe were insignificant. In 2015, Africa region has remained the biggest recipient of South Africa's tomato export, followed by Asia, and a notable share of South Africa tomato export was destined to Asia region and there was also a significant increase in unallocated tomato export. During 2016, Africa region was still the primary export market for tomato originating from South Africa. A notable volume was also exported to Americas (United States of America) region and the unallocated volume has also notably increased, in comparison to 2015 exports. At the same time, there was a notable drop in tomato volume exported to Oceania region. In 2017, Africa region has continued to be the largest recipient of South Africa tomato exports, followed by Oceania and Asia. At the same time, there was a notable increase in unallocated exports. As of 2018, Africa region has remained the primary recipient of South Africa's tomato exports however, the export volume to this region has declined by 21% relative to 2017. During 2019, South Africa has export 6% fewer tomatoes to the African region and there was a notable decline in exports destined to America, Asia and the European region. At the same time, unallocated tomato exports declined by 13.8% in comparison to 2018 exports.

Figure 9: Value of South Africa's tomato exports to the regions



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Africa	70119598	78253630	81528326	87682166	101238446	115328407	121171718	127983845	130426546	119040552
Americas	5490	0	0	863	0	0	1059062	0	3500	4016
Asia	3177	6212	66498	46120	206353	907859	0	16622	1219911	109340
Europe	78722	1380	0	0	507	8650	0	1125	7012	76
Oceania	20152	70550	29900	14040	0	12000	7210	11189	6400	0
Antarctica	513	54	0	0	0	0	0	0	0	0
Not allocated	1585236	208268	309192	292783	17036	59872	387845	1058672	1211511	1278250

Source: Quantec Easydata

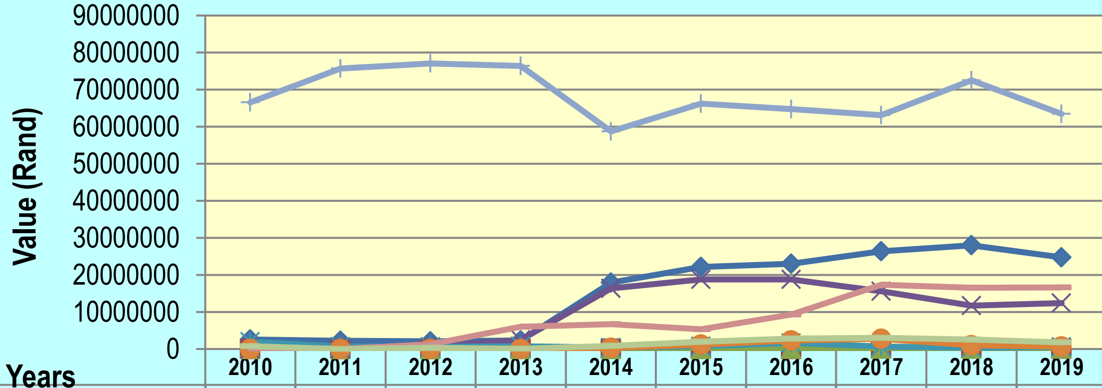
Figure 9 above illustrates the value of tomato exports to the regions from 2010 to 2019. Africa region has recorded high export values since high quantities of tomatoes were exported to that region. In 2010, it was less profitable to export to Oceania region since low values were recorded for high volumes exported. It was more profitable to export to the European region since high values were recorded for low volumes exported. During 2011, it was more profitable to export to Europe and Asia. In 2012, it was more profitable to export tomatoes to Asia and unallocated exports recorded higher value while, Oceania region was the least profitable market. During 2013, an export to African region was least profitable while the Asia was the most profitable export market followed by America region. In 2014, tomato exports to Africa were more profitable, followed by exports to Europe and exports to Asia were least profitable in comparison to the other regions. During 2015, Europe market was by far the most profitable market for tomatoes originating from South Africa, followed by Asia and tomato exports to Africa region had fetched lower values. At the same time, the unallocated tomato exports had a lesser export value. In 2016, it was relatively more profitable to export tomatoes to Americas region, whilst Africa region has remained least profitable market. During 2017, Europe region was the most profitable market for tomato exported from South Africa, followed by Asia and Africa region, whilst Oceania was the list profitable market. As of 2018, Asia region was by far the most profitable export market for tomato originating from South Africa, followed by Europe and Africa region. South Africa tomato exports to Asia had fetched higher export value during 2019, followed by exports destined to the Americas and Africa region. At the same time, the unallocated exports had recorded a higher export value.

2.3 Provincial and district export values of South African tomatoes

A review of provincial level trade data presents an interesting but somewhat misleading view of the sources of tomatoes destined for the export markets. Firstly, the fact that R63 430 720 worth of tomatoes exported in 2019 was from Gauteng province does not imply that the tomatoes were produced there but that the registered exporters were based in Gauteng. Secondly, provinces like KwaZulu Natal and the Western Cape serves as exit points for tomato exports through the Durban and Cape Town harbours respectively. Highlights of the tomato exports in Figure 11 were that of Gauteng followed by the Western Cape, and KwaZulu Natal provinces of South Africa over the last decade. Other provinces featured intermittently but usually registered zero trade. During 2011, Limpopo, Eastern Cape, Northern Cape, Free State, North West and Mpumalanga recorded no trade in tomatoes. In 2012, considerable tomato export values were recorded for Free State, North West, Mpumalanga and Limpopo. During 2013, Free State, Eastern Cape, KwaZulu Natal and North West exports value have significantly increased, when compared to the previous year. In 2014, tomato exports for Gauteng notably dropped, whereas the export values for Western Cape, Eastern Cape, Free State, North West, Mpumalanga and Limpopo have significantly increased when compared to 2013. There was a notable increment in Gauteng, Western Cape, North West, Free State and Limpopo provincial tomato export values during 2015. High export values for North West and Free State can be attributed to notable share of South Africa tomato exports to the neighbouring Botswana and Lesotho.

In 2016, Gauteng was still leading in South Africa provincial tomato export, followed by Western Cape. In the same year, there has been a notable increase in Free State, Mpumalanga, North West, Limpopo and Northern Cape tomato export values. High export value by Free State province can be ascribed to the increase in tomato export share to the neighbouring Lesotho. During 2017, Gauteng province was still by far the primary exit point for South Africa tomato exports, followed by Western Cape province. In the same time, Eastern Cape and Mpumalanga export values have surged, North West export value has increased by 19%, Northern Cape export significantly grew by 64%, whilst KwaZulu Natal and Free State export values have experienced 60% and 16% decrements respectively relative to 2016 values. As of 2018, Gauteng was still by far the primary exit point for South Africa's tomato exports and the export value has increased by 14.7%, Western Cape export value grew slightly by 5.9%, Northern Cape export value has notably increased by 57% and Eastern Cape export value has gone up by 33.2%. At the same time, Free State tomato export value has gone down by 25%, KwaZulu Natal export value has decreased by 45% and North West export value has sharply declined by 63% relative to 2017 export values. During 2019, Gauteng tomato export value declined by 12%, Western Cape export value fell by 11.6%; Eastern Cape experienced a notable 57.8% decline whilst Northern Cape tomato export value was incomparably higher when compared to 2018 export value. During the same time, KwaZulu Natal tomato export value grew notably by 63% whereas Limpopo export value dropped sharply by 30%. Figure 10 below illustrates South Africa's provincial tomato exports.

Figure 10: Value of tomato exports by SA Provinces

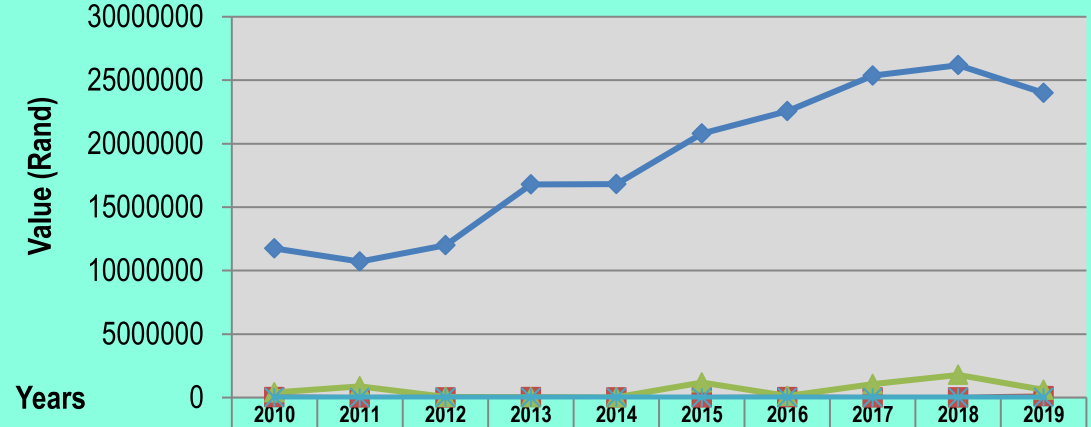


Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Western Cape	2588188	2196804	2080142	2291403	17931485	22145069	23014784	26409566	27976325	24700753
Eastern Cape	0	0	0	28500	60680	22243	14080	134646	179414	75617
Northern Cape	0	0	0	0	356	100	20690	34015	53545	188317
Free State	0	0	554163	2515021	16362863	18780659	18770755	15596721	11684675	12365172
KwaZulu-Natal	1944924	626020	615137	714898	416151	713000	1643240	648150	351733	572854
North West	1420	0	0	0	328236	1180611	2308021	2751162	996621	701885
Gauteng	66529613	75717270	77061746	76426142	58737669	66191065	64739456	63147049	72485885	63420720
Mpumalanga	21078	0	1278358	5987732	6680349	5313469	9332248	17332551	16578556	16612576
Limpopo	727665	0	344370	72276	878125	1987773	2782105	3017593	2568125	1794340

Source: Quantec Easydata

The following figures (Figures 11 - 18) show the value of tomato exports from the various districts in all the provinces of South Africa. From Figure 11 below, it is clear that tomato exports from the Western Cape province are mainly from the City of Cape Town Metropolitan Municipality. During 2010, Cape Winelands also contributed to tomato exports from Western Cape province. In 2011, there was a 23.4% decrease in value of tomato exports the City of Cape Town municipality, whereas the export value for Eden has increased and Cape Winelands has a recorded zero trade. In 2012, there was a further 4.9% decline in export value recorded for the City of Cape Town Municipality. In the same year, the export value recorded for Eden has also dropped by 26%. During 2013, City of Cape Town, Cape Winelands and Eden export value for has notably gone up, in comparison to the 2012 export value. A record high export value for the City of Cape Town was recorded in 2014. At the same time, Cape Winelands and Eden have also increased their export values. In 2015, City of Cape Town export value has increased by 16.8%. Cape Winelands and Eden export values were incomparably higher in comparison to 2014 export values. During 2016, Cape Town has continued to lead in Western Cape tomato exports and the export value has gone up by 8.5%, Eden export value surged, whilst Cape Winelands export value has drastically decreased in comparison to 2015 values. In 2017, City of Cape export value grew by 12%, Cape Winelands export share has surged, whilst West Coast export share has experienced a negative growth of 56% in comparison to 2016 export values. As of 2018, City of Cape Town was still by far the primary exit point for Western Cape tomato exports, followed by Cape Winelands export value, which has notably increased 68.8%, whilst, West Coast and Eden export values were less significant. City of Cape Town tomato export value declined by 8.3%, Cape Winelands export value declined sharply by 65% whilst West Coast has notably contributed to Western Cape tomato export.

Figure 11: Value of tomato exports by Western Cape Province



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City of Cape Town	11736068	10712322	12002967	16779276	16805527	20805135	22555433	25349588	26184530	23999101
West Coast	16400	279	0	21252	0	90	12635	5500	6885	88375
Cape Winelands	394453	893256	54021	31196	31908	1179235	123784	1054478	1780710	610964
Overberg	15512	0	0	0	0	0	0	0	0	0
Eden	0	0	0	0	10800	3971	5500	0	4200	2313

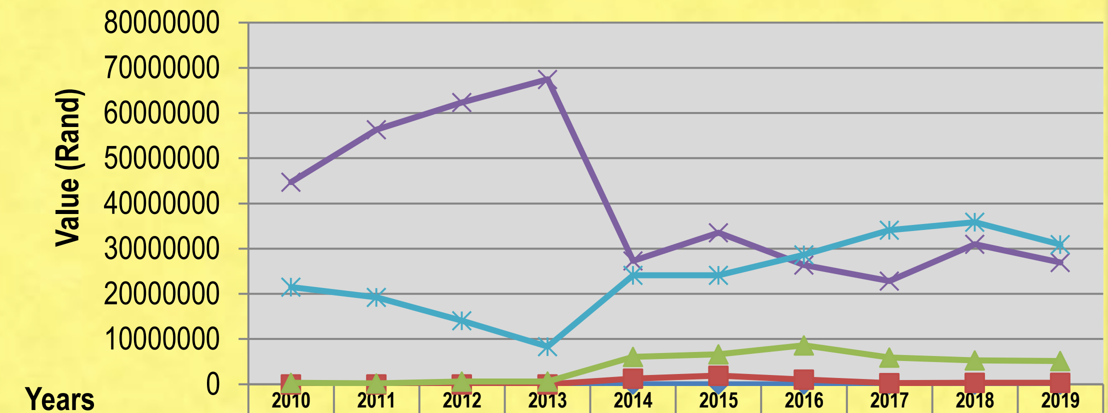
Source: Quantec Easydata

Values of tomato exports from the Gauteng province are shown in Figure 12. In the Gauteng province, there have been fluctuations in tomato export values for the past ten years (see Figure 12 above). The leading role players are City of Johannesburg and City of Tshwane has contributed notably in 2010. High export values were recorded in 2011 (for the City of Johannesburg) and 2010 (for City of Tshwane). At the same time, Ekurhuleni export value has also doubled. From 2011 to 2013, City of Johannesburg export value has steadily increased and at the same period City of Tshwane export value has steadily declined. In 2012, West Rand municipality recorded the export value for the first time in a ten year period and in the same year export values for Ekurhuleni has doubled. City of Johannesburg municipality export value was a record high during 2013. In the same year, export value for Ekurhuleni has increased by 26.6% in comparison to 2012 export value. During 2014, City of Tshwane, Ekurhuleni and West Rand export values have considerably increased whereas City of Johannesburg export value has drastically decreased.

During 2015, City of Johannesburg and City of Tshwane have continued to be the primary exit points for tomato exported from Gauteng province and the export values recorded for these districts have notably increased. At the same time, West Rand export value has increased by sharply increased by 51% in comparison to 2014 export value. In 2016, City of Tshwane was the main contributor to Gauteng provincial tomato exports, Ekurhuleni export value increased by 30%, whereas West Rand and City of Johannesburg tomato export values have considerably decreased. City of Tshwane has continued to be the primary exit point for Gauteng tomato export and during 2017, the export value grew by 18%, West Rand export value has drastically dropped by 71%, West Rand export value has gone down by 31%, whereas the City of Johannesburg has decreased by 13% in comparison to 2016 value. As of 2018, City of Tshwane was the primary exit point for Gauteng tomato exports and the export value has increased by 5.2%, City of Johannesburg export value grew notably by 35%, West Rand export value has gone up by 7.8%, whereas Ekurhuleni export share has declined by

10% relative to 2017 export value. During 2019, the City of Tshwane was still the preferred exit point for Gauteng tomato exports however, the export share dropped by 13.7%. At the same time, City of Johannesburg export value declined by 12.9%, Ekurhuleni export value dropped by 2.8% whilst West Rand has experienced 11.4% growth in export value.

Figure 12: Value of tomato exports by the Gauteng Province

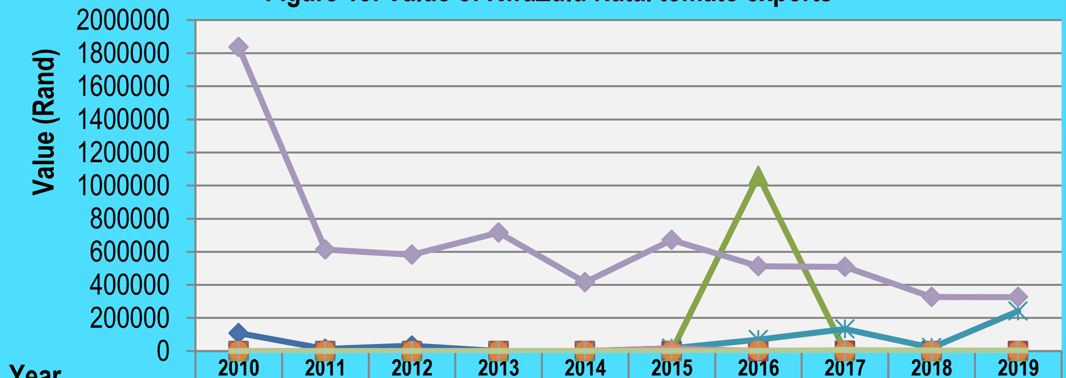


Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Sedibeng	0	0	0	0	0	0	160	0	0	800
West Rand	0	0	6500	0	1268445	1922648	1054512	296071	319425	355878
Ekurhuleni	312017	207795	647040	604512	6046566	6609038	8624845	5939610	5325348	5175826
City of Johannesburg	44723814	56308895	62334328	67472148	27276016	33548136	26417042	22845029	30983559	26960804
City of Tshwane	21493782	19200580	14073878	8349482	24146641	24111243	28642898	34066339	35857553	30927412

Source: Quantec Easydata

From figure 13 below, it is clear that tomato exports from the KwaZulu Natal province are mainly from the Ethekwini Metropolitan Municipality. In 2010, UGu has registered a considerable value for tomato exports and the export value for Ethekwini was a record high in ten years. The use of the Durban harbour as an exit point may have played a major role in the Ethekwini municipality being a leader in the export of tomatoes from the KwaZulu Natal province. During 2012, Ethekwini continued to lead in tomato exports from KwaZulu Natal, at the same time the export value for Ugu has considerably increased, when compared to 2011 export value. In 2013 and 2014, KwaZulu Natal tomato exports were solely from Ethekwini district and the export value has increased by 27%, when compared to 2012 export value. Ethekwini export value has gone down by 41.8% during 2014, when compared to the previous year export value. In 2015, Ethekwini district has continued to lead in KwaZulu Natal tomato exports and the export value has gone up by 61%. At the same time, Ugu, Zululand, Uthungulu and ILembe have recorded insignificant tomato export values. Uthukela and Zululand districts have substantially contributed to KwaZulu Natal tomato exports during 2016. At the same time, Ethekwini export value has dropped by 23%, Umkhanyakude and Umzinyathi districts have registered trivial tomato export values. In 2017, Ethekwini was still the primary exit point for KwaZulu Natal tomato export, Zululand export value has surged by 93% in comparison to 2016 export value, whilst Umgumgundlovu and Sisonke have registered trivial values. As of 2018, Ethekwini tomato export value has declined further by 35.6%; Zululand export value was incomparably lower relative to 2017 export value whilst Sisonke export has registered a trivial export value. In 2019, the value of Ethekwini tomato exports dropped by 0.3%, while the value of Sisonke exports increased by 29%, and Zululand contributed significantly to KwaZulu Natal tomato exports.

Figure 13: Value of KwaZulu Natal tomato exports

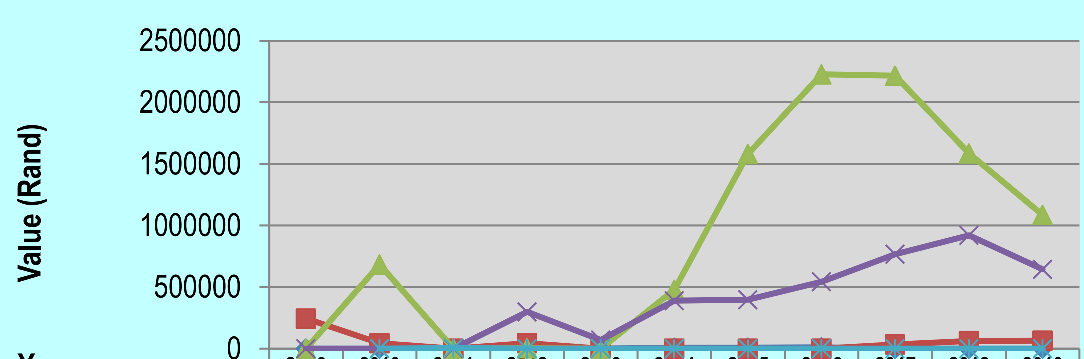


Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ugu	108600	13100	32580	0	0	2980	0	0	0	0
UMgungundlovu	0	0	0	0	0	0	0	480	0	0
Uthukela	0	0	0	0	0	0	1059062	0	0	0
Umzinyathi	0	0	0	0	0	0	120	0	0	0
Zululand	0	0	0	0	0	17100	68890	133170	21743	241525
Umkhanyakude	0	0	0	0	0	0	2725	0	0	0
Uthungulu	0	0	0	0	0	5750	0	0	0	1600
Ilembe	0	0	0	0	0	15500	0	0	0	0
Sisonke	0	0	0	0	0	0	0	6300	2940	3800
Ethekwini	1836324	612920	582557	714898	416191	671241	512443	508200	327050	325929

Source: Quantec Easydata

Figure 14 below illustrates Limpopo provincial tomato exports.

Figure 14: Value of tomato exports by Limpopo Province

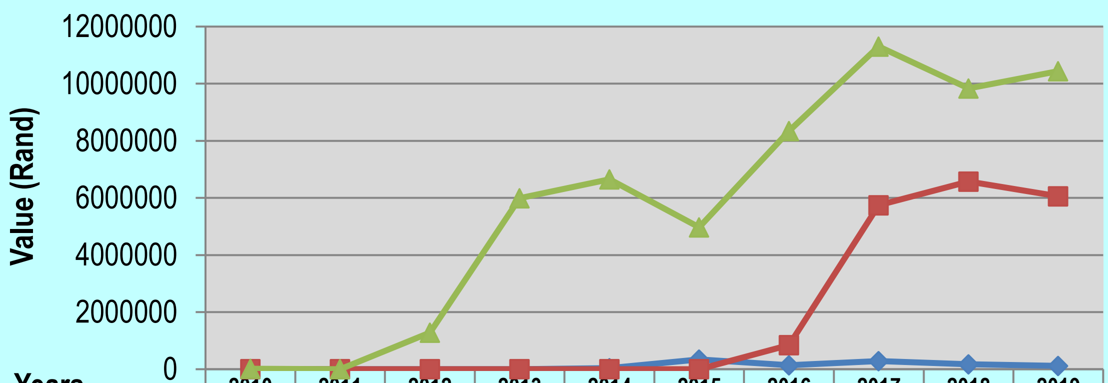


Years	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Mopani	0	0	0	0	0	9042	8440	10540	800	820	0
Vhembe	244373	44100	0	44150	1200	0	0	0	34900	62000	63758
Capricorn	0	683565	0	1960	0	479058	1580165	2227460	2216521	1585349	1085391
Waterberg	0	0	0	298260	71076	390408	398327	544106	765372	919956	645191
Greater Sekhukhune		0	5420	0	0	0	0	0	0	0	0

Source: Quantec Easydata

Figure 14 above illustrates tomato exports from the Limpopo province during the ten-year period. During 2010, Limpopo province has recorded the higher export value and tomatoes were exported through Capricorn district. In 2011, Limpopo province has recorded a zero trade in spite of the fact that the province is one of the leading producers of tomatoes. As of 2012, Waterberg have recorded considerable export values. This is a good development as Limpopo province is one a leading producer of tomatoes. During 2013, Limpopo overall tomato export value has dropped significantly, when compared to the 2012 tomato exports. The province exported tomatoes through Vhembe and Waterberg districts. Vhembe export value was less significant. In 2014, Capricorn and Waterberg export values have notably increased. At the same time Mopani district has contributed to Limpopo tomato exports for the first time in ten years but the export value was less significant. During 2015, Capricorn district was the primary exit point for tomato export from Limpopo province and the export value recorded for this district was incomparably higher when compared to 2014 export value. In the same year, Waterberg tomato export value has increased by 2%, while Mopani export value has dropped by 7%. In 2016, Capricorn tomato export value has significantly increased by 41%, Waterberg export value grew by 36.6% and Mopani export value has risen by 24.8%, when compared to the previous year export values. During 2017, Capricorn was still the primary exit point for Limpopo tomato exports, Waterberg export value has increased sharply by 40.6% and Vhembe has registered a notable export value in comparison to 2016 value. As of 2018, Vhembe tomato export value increased notably by 77.65%, Waterberg export value grew by 20%, whereas Capricorn export value has decreased by 28% in comparison to 2017 value. Capricorn was still the main contributor to Limpopo tomato export during 2019 however, the export value declined by 31% when compared to 2018 export value. At the same time, Waterberg tomato export value dropped by 29.8% whilst Vhembe district has increased slightly by 2.8%.

Figure 15: Value of tomato exports by Mpumalanga Province

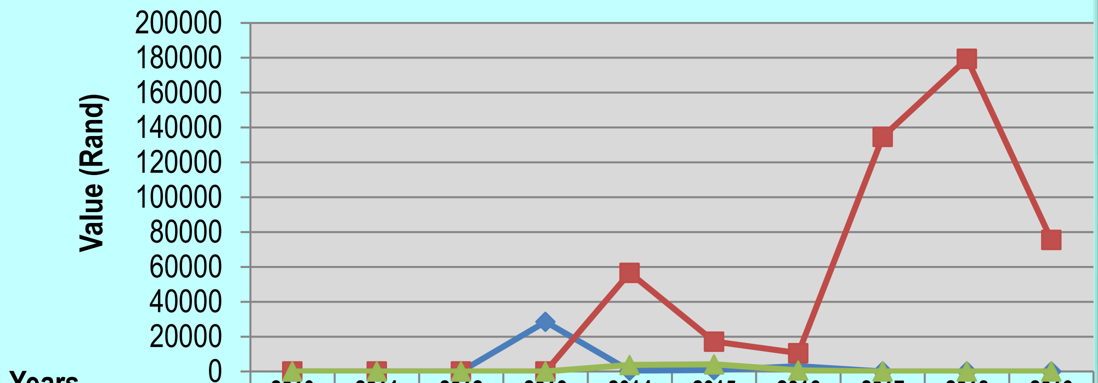


Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gert Sibande	0	0	0	0	34832	343093	143080	282617	169734	121217
Nkangala	0	0	0	0	0	0	842320	5745993	6574378	6057160
Ehlanzeni	21078	0	1278358	5987732	6645918	4967103	8346848	11303941	9834444	10434199

Source: Quantec Easydata

From Figure 15 above, it is clear that tomato exports from the Mpumalanga province are primarily exported from Ehlanzeni District Municipality and during 2010, Ehlanzeni export values were less significant. In 2011, the province has recorded a zero trade. In 2012, Ehlanzeni district has registered notable tomato export value. During 2013, Ehlanzeni export value was incomparably higher in comparison to the previous year export value. Gert Sibande has contributed to Mpumalanga tomato export while Ehlanzeni export value was a record high during the period under review. High export value for Mpumalanga can be attributed to high export destined to neighbouring Mozambique. In 2015, Ehlanzeni district was still by far the main contributor to tomato exports from Mpumalanga province however, the export value has notably dropped by 25% in comparison to 2014 value. At the same time, Gert Sibande tomato export value was incomparably higher when compared to the previous year export value. During 2016, the overall Mpumalanga tomato export value surged and it was exported through Ehlanzeni, Nkangala and Gert Sibande. The surge in Mpumalanga tomato exports can be attributed to 37% increase in value of exports destined to the neighbouring Mozambique during 2015-2016 period. In 2017, Mpumalanga tomato export value has continued to surged and tomato were exported through Ehlanzeni, Nkangala and Gert Sibande. The surge in tomato export value can be ascribed to 35% increment in export value destined to the neighbouring Mozambique during 2016 - 2017 period. As of 2018, Ehlanzeni district was still by far the main exit point for Mpumalanga tomato export, however the export value has decreased by 12.9%, Nkangala export value increased by 14.4% and Gert Sibande export value has declined by 39.9% relative to 2017 export value. There was a 27% decrement in export value for tomato exported to the neighbouring Mozambique. During 2019, Nkangala and Ehlanzeni were the primary exit point for Mpumalanga tomato exports and Gert Sibande export value declined by 28% relative to the 2018 export value.

Figure 16: Value of tomato exports by the Eastern Cape Province



Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cacadu	0	0	0	28500	400	900	3000	0	0	0
Alfred Nzo	0	0	0	0	56589	17233	10525	134646	179414	75617
Nelson Mandela Bay	0	0	0	0	3692	4110	555	0	0	0

Source: Quantec Easydata

Figure 16 above shows that tomato exports from the Eastern Cape province were mainly from Alfred Nzo district municipality. In 2010 to 2012, there were no export values recorded for Eastern Cape province. In 2013, Eastern Cape has recorded a notable tomato export value through Cacadu district, after five years of recording a zero trade. During 2014, Alfred Nzo has registered a notable export value, while Cacadu and Nelson Mandela Bay export values were less significant. In 2015, Alfred Nzo export value has significantly dropped by 69.5% in comparison to 2014 export value. Cacadu and Nelson Mandela Bay export values were less significant. During 2016, Eastern Cape exported tomatoes through Alfred Nzo, Cacadu and Nelson Mandela Bay, however the export values were less significant. In 2017, Eastern Cape tomatoes were exported through Alfred Nzo municipality and the export value was incomparably higher relative to 2016 export value. As of 2018, Alfred Nzo was the sole exit point for tomato export by Eastern Cape province and the export value has sharply increased by 33%. During 2019, Alfred No district was still the sole exit point for Eastern Cape tomato export value, however the export value declined notably by 57.8% relative to the previous year (2018).

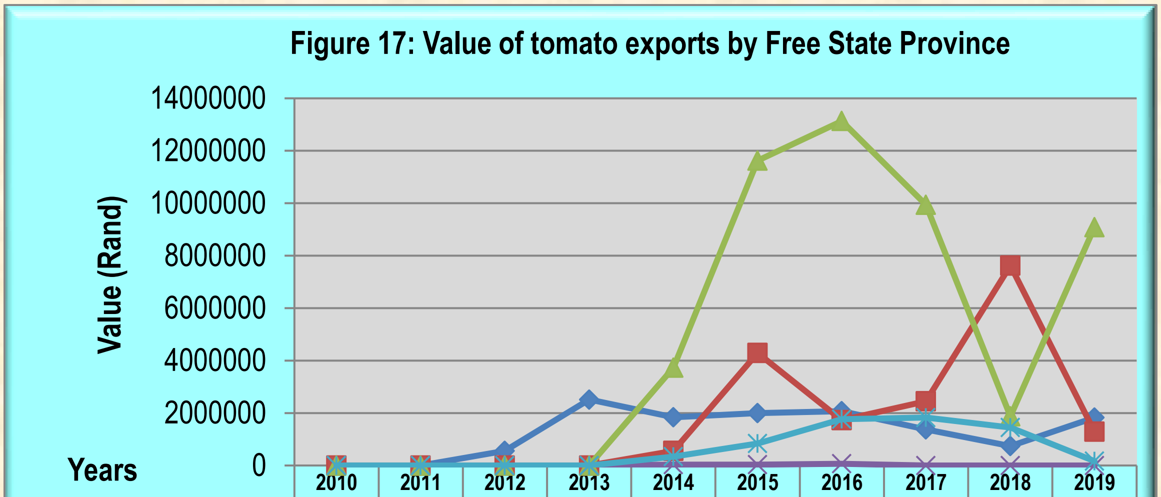


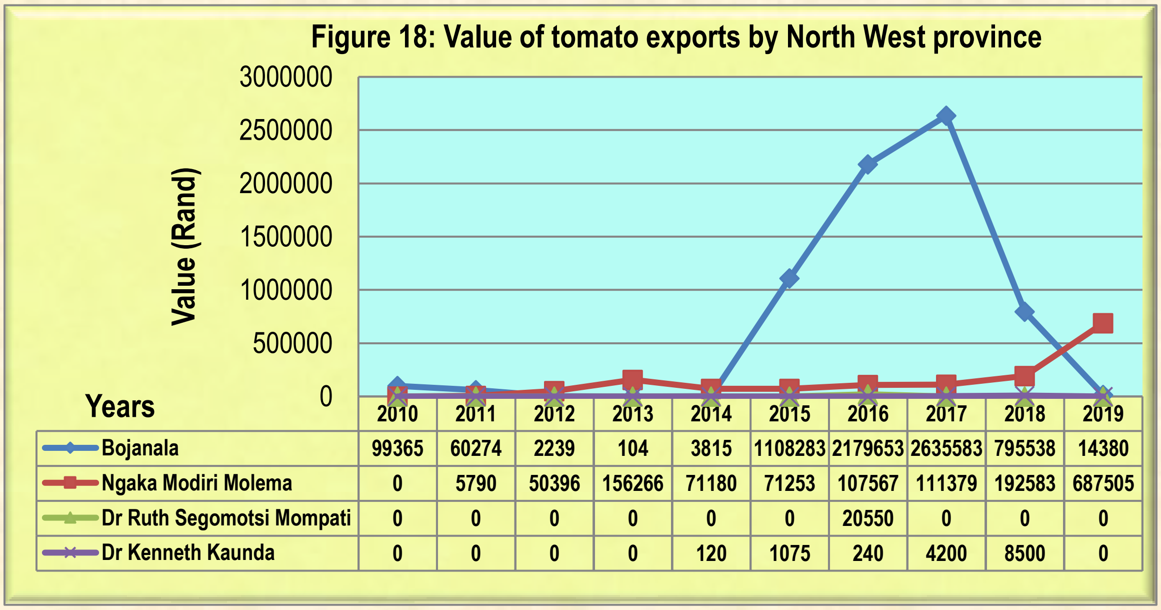
Figure 17: Value of tomato exports by Free State Province

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Xhariep	0	0	554163	2515021	1843075	1991691	2069067	1372957	738171	1831638
Lejweleputswa	0	0	0	0	555704	4291364	1726137	2450239	7623120	1287411
Thabo Mofutsanyane	0	0	0	0	3726952	11620490	13130956	9945375	1874229	9085454
Fezile Dabi	0	0	0	0	28954	33060	64532	0	0	0
Mangaung	0	0	0	0	342231	842697	1769807	1828150	1449156	160669

Source: Quantec Easydata

Figure 17 above shows that tomato exports from the Free State province were mainly from the Xhariep District Municipality. From 2010 to 2011, the province has recorded a zero trade. In 2012, Free State province exported tomatoes from Xhariep municipality for the first time in a ten year period. During 2013, Free State export value has significantly increased, in comparison to the 2012 export value and this can be assigned to an increase in tomato export to the neighbouring Lesotho, which occurred in the same year. In 2014, Free State exported tomatoes through Thabo Mofutsanyane, Xhariep, Mangaung and Fezile Dabi district municipalities. However, Fezile Dabi export value was less significant. During 2015, Xhariep has continued to lead in Free State tomato export. Lejweleputswa export value has notably increased while Mangaung export value has dropped by 21% in comparison to 2014 export value. South Africa has exported 19.9% of tomato to the neighbouring Lesotho. Free State overall tomato export value has surged and tomatoes were exported through Xhariep, Lejweleputswa, Thabo Mofutsanyane, Fezile Dabi and Mangaung. The surge in Free State tomato export can be attributed to 19% increase in tomato quantity exported to the neighbouring Lesotho. Thabo Mofutsanyane was still the primary exit point for Free State tomato export in 2017, however the export value has decreased sharply by 24% relative to 2016 value. In the same year, Lejweleputswa export value has advanced by 41.8%, Mangaung export value has increased by 3.2%, whilst Xhariep export value dropped by 33% in comparison to 2016 export value. During 2018, Lejweleputswa was the primary exit point for Free State tomato export and the export value was incomparably higher compared to 2017 value, Thabo Mofutsanyane, Xhariep and Mangaung export values have dropped by 81%, 46% and 20.7% respectively. In 2019, Thabo Mofutsanyane was the primary exit point for the Free State tomato exports and Xhariep export export value was incomparably higher than the 2018 export value. During the same year, Lejweleputswa and Mangaung have experienced a sharp decline in tomato export values.

Values of tomato exports from the North West province are shown in Figure 18.



Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bojanala	99365	60274	2239	104	3815	1108283	2179653	2635583	795538	14380
Ngaka Modiri Molema	0	5790	50396	156266	71180	71253	107567	111379	192583	687505
Dr Ruth Segomotsi Mompati	0	0	0	0	0	0	20550	0	0	0
Dr Kenneth Kaunda	0	0	0	0	120	1075	240	4200	8500	0

Source: Quantec Easydata

Figure 18 above illustrates that, North West recorded tomato export in 2010 through Bojanala district. In 2011, Bojanala was still the primary exit point and as of 2012and 2013, Ngaka Modiri Molema was the main contributor to North West tomato export value. In 2014, North West has recorded a substantial increase in tomato export value through Ngaka Modiri Molema. During 2015, Bojanala district export value has surged and this can be attributed to 35.4% share of tomato exports destined to the neighbouring Botswana. Bojanala tomato export value has surged by 97%, Ngaka Modiri Molema export value has gone up by 51%, whereas Dr Ruth Segomotsi Mompati has registered a notable tomato export value for the first time in a ten year period. Tomato export to the neighbouring Botswana increased by 8% in terms of value between 2015 and 2016 period. In 2017, Bojanala was still by far the primary exit point for North West tomato exports and the export value has gone up 20% relative to 2016, Ngaka Modiri export value has advanced by 3%, whereas Dr Kenneth Kaunda district export value was insignificant. As of 2018, Bojanala tomato export value has sharply declined by 69% relative to 2017 export value, Ngaka Modiri Molema export value surged by 72.9%, whilst Dr Kenneth Kaunda district export value was still insignificant. In 2019, Ngaka Modiri Molema was the main exit point for North West tomato exports and Bojanala has recorded insignificant export value.

2.4 Share analysis

Table 2 is an illustration of provincial shares towards national tomato exports. It shows that, Gauteng and Western Cape provinces have commanded the greatest share of tomato exports for the past ten years. This is in spite of the fact that Limpopo, Mpumalanga and the Eastern Cape provinces are the leading producers of tomatoes. As explained earlier, this means that the leading export provinces (Western Cape and Gauteng) derive their advantage from the fact that the registered exporters are based in their provinces and they also have exit points for tomato exports. The above scenario raises concerns about the availability of marketing infrastructure and agro-logistics in the major tomato producing provinces of South Africa. In 2011, Western Cape commanded 60.20% and Gauteng commanded 38.37% of the total South African tomato exports. During 2012, Western Cape export share dropped to 21.75% and at the same time, Gauteng export share has increased to 45.55%. Free State commanded 9.01% export share after eight years of recording zero trade. North West also commanded a 1% share of tomato exports for the first time in a ten year period. In 2013, Western Cape export share dropped further to 10.30% and Limpopo has dropped its share, when compared to 2012 share. In the same year, Gauteng has slightly gained export share to 47.40%, and Free State, KwaZulu Natal and North West have increased their export shares.

During 2014, Gauteng tomato exports have notably dropped from 86.81% to 57.93% and Western Cape export share has gone up from 2.60% to 17.68%. At the same time, Free State export value has notably increased from 2.86% to 16.14%. In 2015, Gauteng has continued to lead in South Africa provincial export share, however the export share has dropped slightly to 56.90% whilst Free State has recorded 16.14% share. In the same year, Western Cape export share has increased to 19.04%, North West and Limpopo has increased their export share however, the export share were less significant. During 2016, Gauteng export share dropped slightly to 52.79%, Western Cape has commanded 18.77%, Mpumalanga has registered a 7.61% share, whilst Northern Cape and Eastern Cape have registered a trivial export shares. In 2017, Gauteng export share has decreased slightly to 48.92%, Western Cape export share has slightly advanced to 20.46%, Mpumalanga export share grew notably to 13.43% whilst Free State export share dropped to 12.08%. During the same year, Eastern Cape, KwaZulu Natal, Northern Cape and Limpopo export values were less significant. As of 2018, Gauteng tomato export share increased to 54.55%, Western Cape export share eased slightly higher to 21.05% share, Mpumalanga export share declined to 12.48%, whilst Free State province has commanded 8.79% share. In 2019, Gauteng tomato export share declined slightly to 52.66%, Western Cape export share decreased to 20.51%, Mpumalanga has registered 13.79% and Free State export share grew to 10.27%

Table 2: Share of provincial tomato exports to the total RSA tomato exports (%)

Year Province	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Western Cape	3.55	2.80	2.54	2.60	17.68	19.04	18.77	20.46	21.05	20.51
Eastern Cape	0	0	0	0.03	0.06	0.02	0.01	0.10	0.14	0.06
Northern Cape	0	0	0	0	0	0	0.02	0.03	0.04	0.16
Free State	0	0	0.68	2.86	16.13	16.14	15.31	12.08	8.79	10.27
KwaZulu-Natal	2.71	0.80	0.75	0.81	0.41	0.61	1.34	0.50	0.26	0.48
North West	0	0	0	0	0.33	1.01	1.88	2.13	0.75	0.58
Gauteng	92.70	96.41	94.05	86.81	57.93	56.90	52.79	48.92	54.55	52.66
Mpumalanga	0.03	0	1.56	6.80	6.59	4.57	7.61	13.43	12.48	13.79

Year Province	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Limpopo	1.01	0	0.42	0.08	0.87	1.71	2.27	2.34	1.93	1.49
RSA	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec Easydata

The following tables (Table 3 -8) show the share of provincial tomato exports to the total national tomato exports.

Table 3: Share of district tomato exports to total Western Cape provincial tomato exports (%)

Year District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
City of Cape Town	98.11	98.35	98.71	97.46	99.22	93.87	98.00	95.99	93.60	97.16
West Coast	0	0	0	0	0	0	0.05	0.02	0.02	0.36
Cape Winelands	0.70	0	0.01	0.65	0.54	5.33	0.54	3.99	6.37	2.47
Overberg	0.60	0	0	0	0	0	0	0	0	0
Eden	0.59	1.65	1.28	1.88	0	0.81	1.41	0.00	0.02	0.01
Western Cape	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec Easydata

Table 3 above shows that the City of Cape Town commanded the greatest share of tomato exports from Western Cape province during the period under review. Eden and Cape Winelands district's contributions were less significant. High export share by City of Cape Town can be attributed to the Cape Town harbour, which serves as an exit point.. In 2011 and 2012, the City of Cape Town continued to be a leading municipality in tomato exports from Western Cape. During 2012, Eden tomato export share has dropped from 1.65% to 1.28%. During 2013, City of Cape Town slightly dropped its export share while the export share for Eden has increased, in comparison to 2012 export share. The city of Cape Town export share has gone up to 99.22% in 2014, whereas Cape Winelands and Eden export shares have decreased. In 2015, City of Cape Town export share has dropped slightly to 93.87% share, whereas Cape Winelands has increased from 0.54% to 5.33% share. During 2016, City of Cape Town has increased its export share to 98%, Cape Winelands and Eden have registered insignificant export shares. In 2017, City of Cape Town export share has dropped slightly to 95.99% whereas Eden export value has advanced to 3.99% relative to 2016 value. As of 2018, City of Cape Town tomato export share declined slightly to 93.60% and other municipalities have registered trivial export shares. City of Cape Town tomato export share eased higher to 97.16% during 2019, Cape Winelands export share declined to 2.47% whilst West Coast and Eden have registered trivial export share.

Table 4: Share of district tomato exports to the total Gauteng provincial tomato exports (%)

Year District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
West Rand	0	0	0.01	0	2.16	2.90	1.63	0.47	0.44	0.56
Ekurhuleni	0.47	0.21	0.29	0.37	10.29	9.98	13.32	9.41	7.35	8.16
City of Johannesburg	67.24	74.43	81.44	88.70	46.44	50.68	40.81	36.18	42.74	42.51
City of Tshwane	32.29	25.36	18.26	10.92	41.11	36.43	44.24	53.95	49.47	48.77
Gauteng	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec Easydata

Table 4 above indicates that City of Johannesburg and Ekurhuleni municipalities commanded the greatest share of tomatoes exported from Gauteng province. In 2010, City of Tshwane commanded 32.29% share of tomatoes exported in Gauteng province, whereas City of Johannesburg export share has dropped from 98.81% to 67.24%. Export share for the City of Johannesburg has decreased during 2011, when compared to 2010. The City of Johannesburg export share has increased to 74.43% in 2011. During 2012, City of Johannesburg municipality commanded the greatest share of 81.44% of the Gauteng tomato export share. At the same year, export share for the City of City of Tshwane has dropped from 25.36% to 18.26%. During 2013, City of Johannesburg continued to increase its export share while the City of Tshwane export share continued to decline from 18.26% to 10.92%. In 2014, City of Tshwane export share has notably increased from 10.92% to 41.11%, whereas City of Johannesburg export share has notably dropped from 88.70% to 46.60% and Ekurhuleni Export share has gone up from 0.37% to 10.13%. City of Johannesburg has remained the main contributor to Gauteng tomato export share and in 2015, it has commanded 50.68% share while City of Tshwane export share has dropped to 36.43%. OR Tambo International Airport serves as an export exit point for exports from these municipalities. In 2016, City of Tshwane has commanded the greatest share of Gauteng tomato export share, City of Johannesburg export share has dropped to 40.81%, whereas Ekurhuleni export share increased to 13.32% share. During 2017, the City of Tshwane has continued to lead in Gauteng export share by registering 53.95% share of exports, City of Johannesburg export share decreased from 40.81% to 36.18% and Ekurhuleni export share dropped to 9.41% relative to 2016 share. As of 2018, the City of Johannesburg export share grew to 42.74%, City of Tshwane export share declined slightly to 49.47% and Ekurhuleni has registered 7.35% export share. The City of Tshwane was still in the lead by commanding 48.77% of Gauteng tomato export share, the City of Johannesburg has recorded 42.51% and Ekurhuleni has registered an 8.16% export share

Table 5: Share of district tomato exports to total KwaZulu Natal provincial tomato exports (%)

Year District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ugu	5.58	2.09	5.30	0	0	0.42	0	0	0	0
Umgugundlovu	0	0	0	0	0	0	0	0.07	0	0
Uthukela	0	0	0	0	0	0	64.45	0	0	0
Umzinyathi	0	0	0	0	0	0	0.01	0	0	0
Zululand	0	0	0	0	0	2.40	4.19	20.55	6.18	42.16
Umkhanya-kude	0	0	0	0	0	0	0.17	0	0	0

Year District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Uthungulu	0	0	0	0	0	0.81	0	0	0	0.28
ILembe	0	0	0	0	0	2.18	0	0	0	0
Sisonke	0	0	0	0	0	0	0	0.97	0.84	0.66
Ethekwini	94.42	97.91	94.70	100	100	94.20	31.18	78.41	92.98	56.90
KwaZulu Natal	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec Easydata

Table 5 above indicates that Ethekwini municipality commanded the greatest share of all tomato exports from KwaZulu Natal province during the ten years. In 2010, Ethekwini has commanded the greatest share of 94.42% and Ugu district has commanded a 5.58% share of tomato exports from KwaZulu Natal. During 2012, Ethekwini export share has dropped slightly to 94.70%, while Ugu district export shares have increased from 2.09% to 5.30%. In 2013 and 2014, Ethekwini continued to lead in KwaZulu Natal export share and it has commanded 100% share from this province. Durban Harbour serves as an exit point for exports from this municipality. Ethekwini has commanded 94.20% of KwaZulu Natal tomato export share during 2015, while Zululand and ILembe have commanded 2.40% and 2.18% shares respectively. In 2016, Uthukela has commanded the greatest share of KwaZulu Natal export share, followed by Ethekwini and Zululand export share has gone up to 4.19%. During 2017, Ethekwini export share rose sharply to 78.41% and Zululand export share has increased to 20.55% whilst Uthukela export share drastically dropped from 64.45% to 0%. As of 2018, Ethekwini continued to lead in KwaZulu Natal tomato export share by commanding 92.98% share, whereas Zululand export share notably declined to 6.18% share. Ethekwini tomato export share dropped to 56.90% share in 2019 whereas Zululand export share grew notably to 42.16% share.

Table 6: Share of district tomato exports to the total Limpopo provincial tomato exports (%)

Year District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Mopani	0	0	0	0	1.03	0.42	0.38	0.03	0.03	0
Vhembe	6.06	0	12.82	1.66	0	0	0	1.16	2.41	3.55
Capricorn	93.94	0	0.57	0	54.54	79.54	80.06	73.45	61.73	60.49
Waterberg	0	0	86.61	98.34	44.43	20.04	19.56	25.36	35.82	35.96
Limpopo	**100**	**0**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec Easydata

Table 6 illustrates that in 2010 Capricorn district has commanded the greatest share of 93.94% in tomato exports from Limpopo province. During 2011, Limpopo province has recorded a zero trade in tomatoes. In 2012, Waterberg district commanded the greatest share of 86.61% and Vhembe district has recorded 12.82% of tomato export from Limpopo Province. In 2013, Vhembe export share has dropped from 12.82% to 1.66% and this can be attributed to the drop in tomato export to the neighbouring Zimbabwe. At the same time, Waterberg export share has notably increased, when compared to 2012 export share. In 2014, Capricorn has commanded the greatest share of 54.55%

and Waterberg export share has gone down to 44.43% share. Capricorn district has dominated Limpopo provincial tomato exports by commanding 79.54% share in 2015, while Waterberg export share has decreased to 20.04% share. During 2016, Capricorn commanded the greatest share of 80.06%, followed by Waterberg with 19.56% and Mopani has registered an insignificant share. In 2017, 73.45% of Limpopo tomato export was registered for Capricorn district and Waterberg export share has increased to 25.36%. As of 2018, Capricorn tomato export share declined to 61.73%, whereas Waterberg export share grew to 35.82% share. In 2019, Capricorn tomato export share dropped slightly to 60.49%, Waterberg has recorded a 35.96% share and Vhembe export share grew to 3.55%.

Table 7: Share of district tomato exports to total Mpumalanga provincial tomato exports (%)

Year District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gert Sibande	0	0	0	0	0.52	6.46	1.53	1.63	1.02	0.73
Nkangala	0	0	0	0	0	0	9.03	33.15	39.66	36.45
Ehlanzeni	100	0	100	100	99.5	93.54	89.44	65.22	59.32	62.81
Mpumalanga	**100**	**0**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec Easydata

Table 7 shows that Ehlanzeni district municipality commanded greatest share for all tomatoes exported in Mpumalanga during the period under review. In 2010, 2012 and 2013, Ehlanzeni has commanded 100% share of tomato exports recorded for Mpumalanga province. In 2014, Ehlanzeni export share has slightly dropped to 99.5%, while Gert Sibande has commanded its first export share but the share was insignificant. Ehlanzeni has continued to lead in Mpumalanga tomato export share, however in 2015, the export share has declined slightly to 93.54% whereas Gert Sibande export share has increased to 6.46% in comparison to 2014 export share. Ehlanzeni export share dropped further to 89.44% during 2016, Nkangala has commanded a notable share of 9.03% whereas, Gert Sibande export share has dropped to 1.53%. In 2017, Ehlanzeni export share has dropped further to 65.22%, whilst Nkangala export share increased to 33.15%. During 2018, Ehlanzeni commanded a 59.32% share of Mpumalanga tomato export and Nkangala has registered 39.66% share. As of 2019, Ehlanzeni has commanded the greatest share of 62.81% of Mpumalanga tomato exports and Nkangala has registered a 36.45% share.

Table 8: Share of district tomato exports to total Free State provincial tomato exports (%)

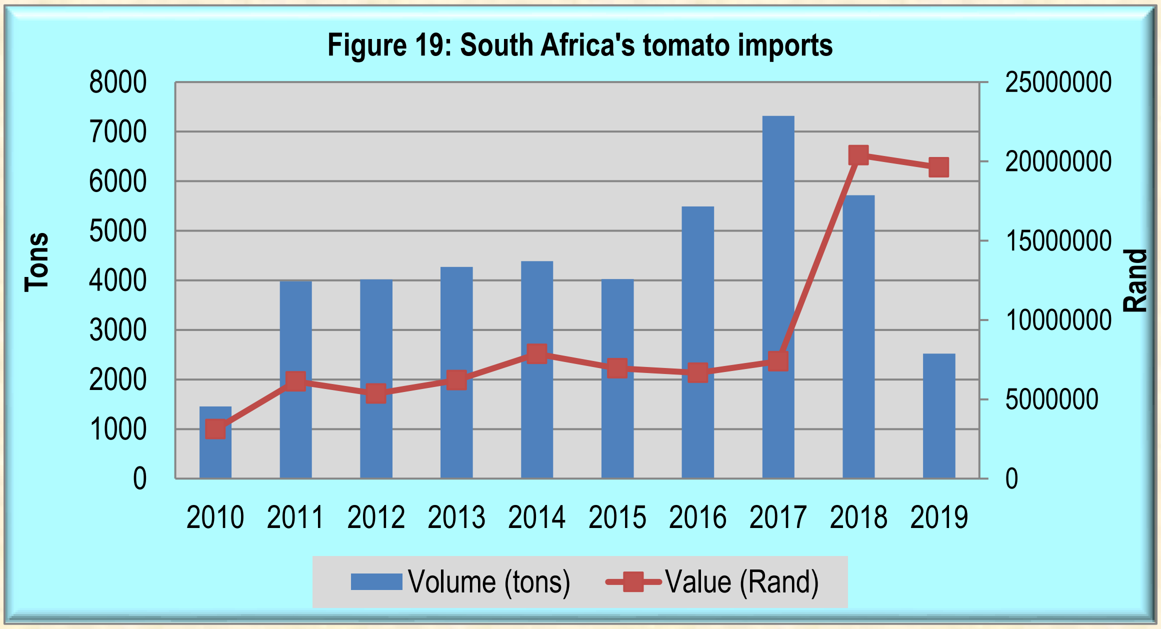
Year District	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Xhariep	0	0	100	100	11.47	10.61	11.00	8.80	6.32	14.81
Lejweleputswa	0	0	0	0	10.62	22.85	9.20	15.71	65.24	10.41
Thabo Mofutsanyane	0	0	0	0	71.20	61.87	70.01	63.77	16.04	73.48
Fezile Dabi	0	0	0	0	0.18	0.18	0.34	0	0	0
Mangaung	0	0	0	0	6.54	4.49	9.44	11.72	12.40	1.30
Free State	**0**	**0**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec Easydata

Table 8 above illustrates that, from 2010 to 2011, there was no tomato exports recorded for the Free State province. In 2012 and 2013, Xhariep district municipality commanded a 100% share of tomato exports from Free State province. During 2014, Thabo Mofutsanyane has commanded the highest export share of 71.20%, Mangaung has recorded 17.15% and Xhariep has commanded 11.47% share of Free State provincial tomato export share. In 2015, Thabo Mofutsanyane tomato export share has notably dropped to 61.87% whilst Lejweleputswa export share has gone up to 22.85%. In 2016, Thabo Mofutsanyane tomato export share rose to 70.01%, Mangaung export share increased to 9.44% while Lejweleputswa export share has notably dropped to 9.20%. During 2017, Thabo Mofutsanyane was still leading in Free State tomato export share by commanding 63.77%, Lejweleputswa export share has increased to 15.71%, whilst Mangaung has registered 11.72% share. As of 2018, Lejweleputswa tomato export share has surged to 65.24%, Thabo Mofutsanyane export share drastically declined to 16.04% and Mangaung export share increased slightly to 12.40% share. In 2019, Thabo Mofutsanyane increased drastically to 73.48%, Lejweleputswa export share declined sharply to 10.41% and Xhariep has commanded a notable 14.81% share.

2.5 Tomato imports by South Africa

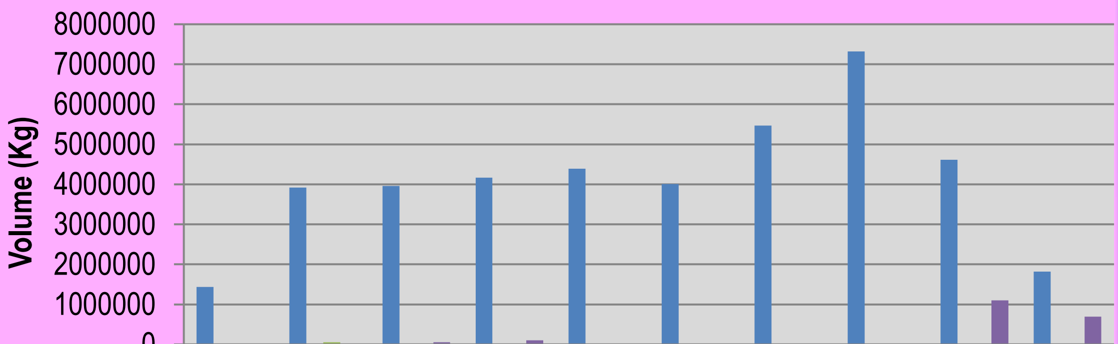
Figure 19 below shows that, South Africa is self-sufficient in tomato production. In 2010, there was comparatively low levels of tomato imports. In 2019, South Africa’s tomato imports still represented 0% of world imports and its ranking was still 72. South Africa has gain its competitiveness as in 2019, as tomato imports were incomparably lower than 2018 imports. During 2019, Namibia was still the primary supplier of South Africa tomato import by suppling 70.1% of imports, 26.7% of tomatoes were unallocated and 3.1% sourced from Italy. Globally, the United States America with 26.7% share, Germany with 15.7%, France with 7.8%, United Kingdom with 7.1% and Russian Federation with 7% were still top countries importing tomatoes during 2019. Figure 19 below illustrates South Africa’s tomato imports.



Source: Quantec Easydata

In 2010, South Africa has imported a record low tomato volume of 1 457 tons, despite high domestic production in the same year. In 2011, the import volume grew by 172% when compared to 2010 imports. During 2012, tomato import has slightly gone up by 1% despite a 9% increase in domestic tomato production. It was also more expensive to import tomatoes in 2010 and 2014, when compared to the other years, since low volumes were imported at high values. In 2013, tomato import has increased by 6.2%, in comparison to 2012 import volumes, and this can be ascribed to the 5.1% decline in the domestic production output in the same year. Tomato import increased slightly by 2.2% during 2014, and this can be attested to 8% drop in domestic production output. In 2015, South African tomato imports have dropped by 8.3% in comparison to 2014 import volume, despite 8.5% decrease in the domestic production output. It was also cheaper to import tomatoes when compared to the 2014 import value. During 2016, South Africa imported 36% more tomatoes, in comparison to 2015 tomato import, despite 4% increase in domestic production. In the same year, it was cheaper to import tomatoes, when compared to 2015 imports values. In 2017, South Africa's tomato import was a record high in a ten year period and the imports were 33% higher in comparison to 2016 imports. It was also cheaper to import tomatoes relative to 2016 import value. As of 2018, South Africa tomato import notably dropped by 21.8% and it was relatively more expensive to import tomato when compared to the previous year (2017). South Africa has imported 55.9% less tomato in 2019 and it was relatively more expensive to import tomatoes as compared to the 2018 year imports.

Figure 20: South Africa's tomato imports from the regions



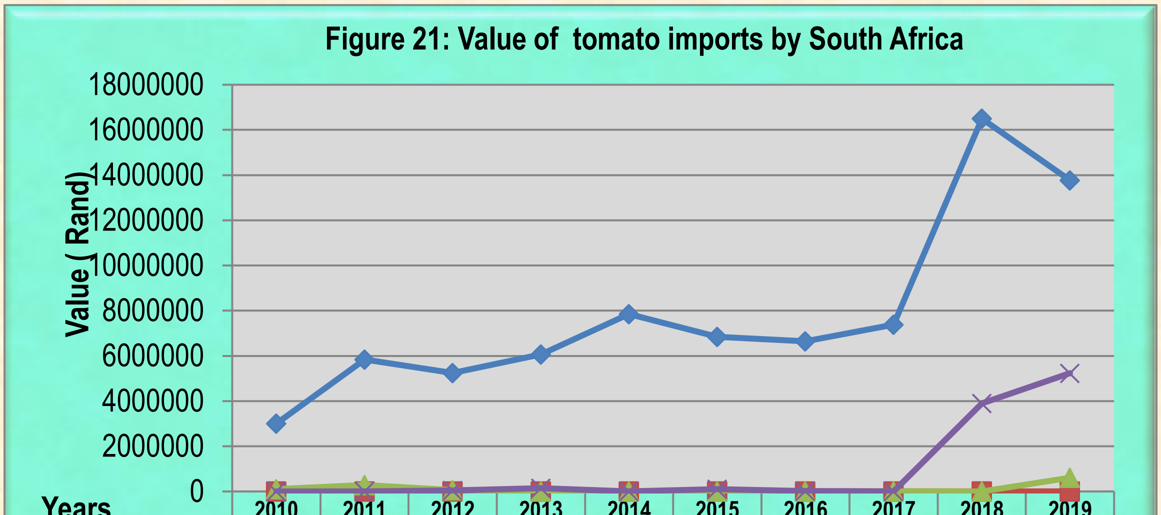
Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Africa	1435673	3923321	3956471	4163573	4386786	4007465	5469176	7317232	4614758	1821362
Asia	0	40	0	513	0	0	0	1	19	1
Europe	21968	54195	5477	0	0	0	201	158	0	372
Not allocated	0	819	57670	104896	700	16800	22000	2	1103330	697815

Source: Quantec Easydata

Figure 20 above illustrates South Africa's tomato imports from the various regions in a period of 10 years. In 2010, African region was still the main source of South African tomato imports followed by European region. During 2011 to 2014, South Africa's tomato import increased steadily and they were mainly sourced from African region. In 2011, imports from Europe region have notably increased, whereas imports from Asia were insignificant. During 2013, South African tomato imports were sourced from Asia regions and a notable volume of tomatoes were recorded as unallocated. In 2015, Africa region is still the main supplier of South Africa's tomato import. Namibia has supplied

89.6% of South Africa’s tomato imports, while Namibia has supplied 8.8%. At the same time, there was a notable increase on unallocated imports. Africa region remained the primary supplier of tomato imported by South Africa during 2016, tomato imports from Europe was insignificant while the unallocated tomato imports grew by 31% ,when compared to 2015 imports. In 2017, the African region was still the main supplier of South Africa’s tomato imports and imports from Europe were still trivial. As of 2018, South Africa has imported tomatoes mainly from Africa region, there was a surge in unallocated tomato imports, whilst the tomato import volume sourced from Asia was trivial. In 2019, Africa region remained the main supplier of South Africa’s tomato imports and a substantial volume of imports was unallocated.

Figure 21 below illustrates South Africa’s tomato imports from the regions from 2010 to 2019



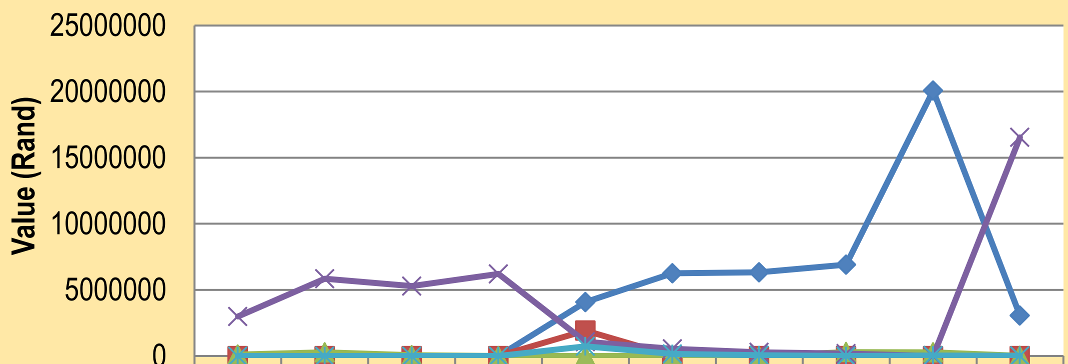
Years	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Africa	3002191	5831735	5248772	6066577	7849628	6843854	6642757	7375226	16495530	13774223
Asia	0	40	0	3729	0	0	0	44	190	4270
Europe	108415	289673	61681	0	30	0	6561	10054	0	606253
Not allocated	0	5920	43800	139148	1575	107200	20900	34	3898780	5235200

Source: Quantec Easydata

Figure 21 above illustrates South Africa tomato import values from the various regions from 2010 to 2019 period. In 2010 and 2011, it was expensive for South Africa to import tomatoes from European region. During 2012, it was more expensive to import tomatoes from Europe when compared to 2011 imports from this region. In 2013, it was by far still cheaper to import tomatoes from the African region in comparison to the import from Asia. During 2014, it was expensive to import tomatoes from African region when compared to 2013. In 2015, it was cheaper to import tomatoes from Africa region when compared to 2014 imports from the same region. During 2016, it was cheaper to import tomatoes from Africa region, in comparison to tomato imports sourced from Europe. In 2017, imports from Africa region were more expensive relative to 2016 imports from the same region. During 2018, tomato sourced from Africa region was imported at a higher value relative to 2017 import value and unallocated imports has recorded a higher value. As of 2019, it was by far more expensive to import tomatoes from the Asian region, imports from Africa region was far much cheaper and unallocated imports had registered a lower value.

Figure 22 below shows South Africa's provincial tomato imports from 2010 to 2019. Gauteng, Western Cape and KwaZulu Natal were the main provinces used to import tomatoes into South Africa. In 2011, Gauteng and KwaZulu Natal import values have notably increased and in 2012, the import values for both provinces have dropped. Highest import value was recorded for Gauteng province during 2013. In 2014, Gauteng import value has drastically dropped, while Western Cape, Northern Cape and Mpumalanga import values have notably increased when compared to the previous years. Western Cape was the primary entry point for South Africa tomato imports and the import value has sharply increased by 53% during 2015, while Gauteng and Mpumalanga import values have dropped by 50% and 79% respectively. In 2016, Western Cape was still the main entry point of South Africa's tomato imports, whilst Gauteng and Mpumalanga import values have dropped by 46.7% and 65% respectively. During 2017, Western Cape tomato import value increased by 9%, Gauteng import value has dropped by 40% whilst KwaZulu Natal has notable import value relative to 2016 import value. As of 2018, Western Cape was by far the primary entry point for South Africa tomato imports, followed by KwaZulu Natal and Mpumalanga. At the same time, Gauteng has recorded a trivial import value. During 2019, Gauteng was the primary entry point for South Africa's tomato imports, Western Cape and Mpumalanga import values have declined sharply by 48% relative to 2017 import value.

Figure 22: South Africa's tomato provincial imports



Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Western Cape	0	0	0	0	4084438	6264918	6332782	6920964	20075600	3057317
Northern Cape	0	0	0	0	1921396	0	0	0	0	0
KwaZulu-Natal	108415	289673	60811	0	0	0	0	293872	273741	2001
Gauteng	3002191	5837695	5293442	6209454	1070936	534496	284936	170522	159	16537328
Mpumalanga	0	0	0	0	730904	151640	52500	0	45000	23300

Source: Quantec Easydata

2.6 Processing

Processing of tomatoes consists of canning, freezing, dehydration and juice production. Tomatoes are processed into tomato sauce, whole peeled, tomato and onion bruises, paste, shredded, puree and paste concentrate. The industry experienced an increase in growth mainly from canning. In the 2015 production season, 122 998 tons of tomatoes were canned (see Table 9 below). That represents a 41% increment from the 72 263 tons canned in 2014. During the same year, there was a significant increase in volume and value in tomato freezing. This can be attributed to increasing consumer demand of convenient ready to eat vegetables. In 2010, there were no volumes recorded for freezing activities. During 2012, there were no volumes recorded for juice and in the same year, 56 tons were recorded for freezing activities. During 2013, there was a 48% drop in tomato volumes recorded for freezing activities. At the same time, total processing accounted for 17.9% and 5% of the tomato's total volume and value respectively. In 2014, total processed has accounted for 15% of total production volume and 4.3% of total tomato gross value. During 2015, the total volume that was processed has accounted for 28.7% of total production output. In 2016, canning activities increased by 5.5%, while 7 582 tons were processed into juice and total processed volume has accounted for 23.7% of the total tomato production. During 2017, Canning activities grew by 16%, volume that was processed to juice has gone up by 22% whilst there was a 65% increase in tomato freezing activities. As of 2018, the canning activities went down by 44.9%, tonnes processed into juice dropped 37.7%, whereas tomato freezing activities has notably increased by 72.6% relative to 2017. In 2019, canning activities rose by 8.4%, juice processing volume declined by 27.5% and tomato destined for freezing activities increased by 20% relative to 2018.

Table 9: Processed tomatoes

Year	Canning		Juices		Freezing		Total processing	
	Volume (Ton)	Value (Rand)	Volume (Ton)	Value (Rand)	Volume (Ton)	Value (Rand)	Volume (Ton)	Value (Rand)
2010	124 384	128 242 634	0	0	0	0	124 384	128 242 634
2011	86 853	78 067 003	6	6 442	134	174 249	86 994	78 247 694
2012	111 845	109 083 075	0	0	56	97 198	111 902	109 180 273
2013	94 270	94 355 487	0	0	29	52 280	94 299	94 407 767
2014	72 263	90 624 230	0	0	427	945 696	72 690	91 570 199
2015	122 998	166 306 830	0	0	178	1 305 784	123 177	167 612 614
2016	129 844	190 338 605	7 582	10 195 624	275	1 622815	137 701	202 157 044
2017	150 729	237 622 962	9 277	11918161	95	559 158	160 100	250 100 281
2018	82 934	118 500 153	5 778	7 368 563	164	789 729	88 875	126 658 444
2019	89 920	146 499 797	4 189	6 207 273	206	974 539	94 315	153 781 609

Source: Statistics and Economic Analysis, DALRRD

3. MARKET INTELLIGENCE

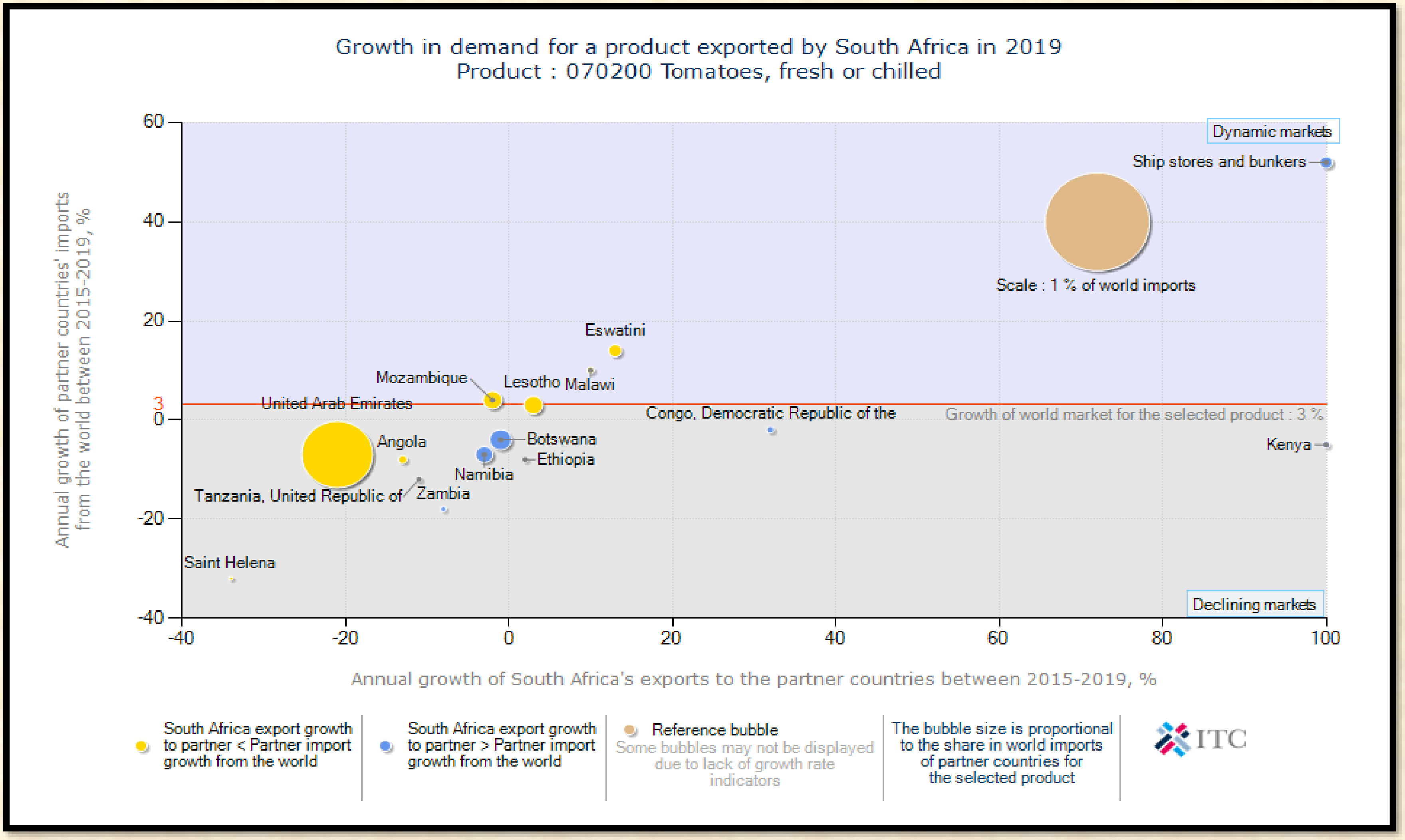
3.1 Competitiveness of South African tomato exports

Competitiveness is described as an industry's capacity to create superior value for its customers and improved profits for the stakeholders in the value chain. The driving force in sustaining a competitive position is productivity that is output efficiency in relation to specific inputs with regard to human, capital and natural resources. In 2019, South African tomato exports still represent 0.1% of world exports and its ranking on the world exports were number 44. South Africa competitiveness has dropped as in 2018, it was ranked number 40.

As depicted in Figure 23 below, South African tomato exports that are unallocated are growing faster than the world imports South Africa tomato exports to Malawi, Mozambique and Lesotho are growing slower than the world imports into these countries and South Africa's performance is regarded as a loss in dynamic markets. South Africa tomato exports are growing while world imports are declining into the Democratic Republic of the Congo, Tanzania, Zambia, Namibia, Ethiopia, Botswana and Kenya. South Africa tomato exports are declining while world imports are growing into Saint Helena United Arab Emirates and Angola.

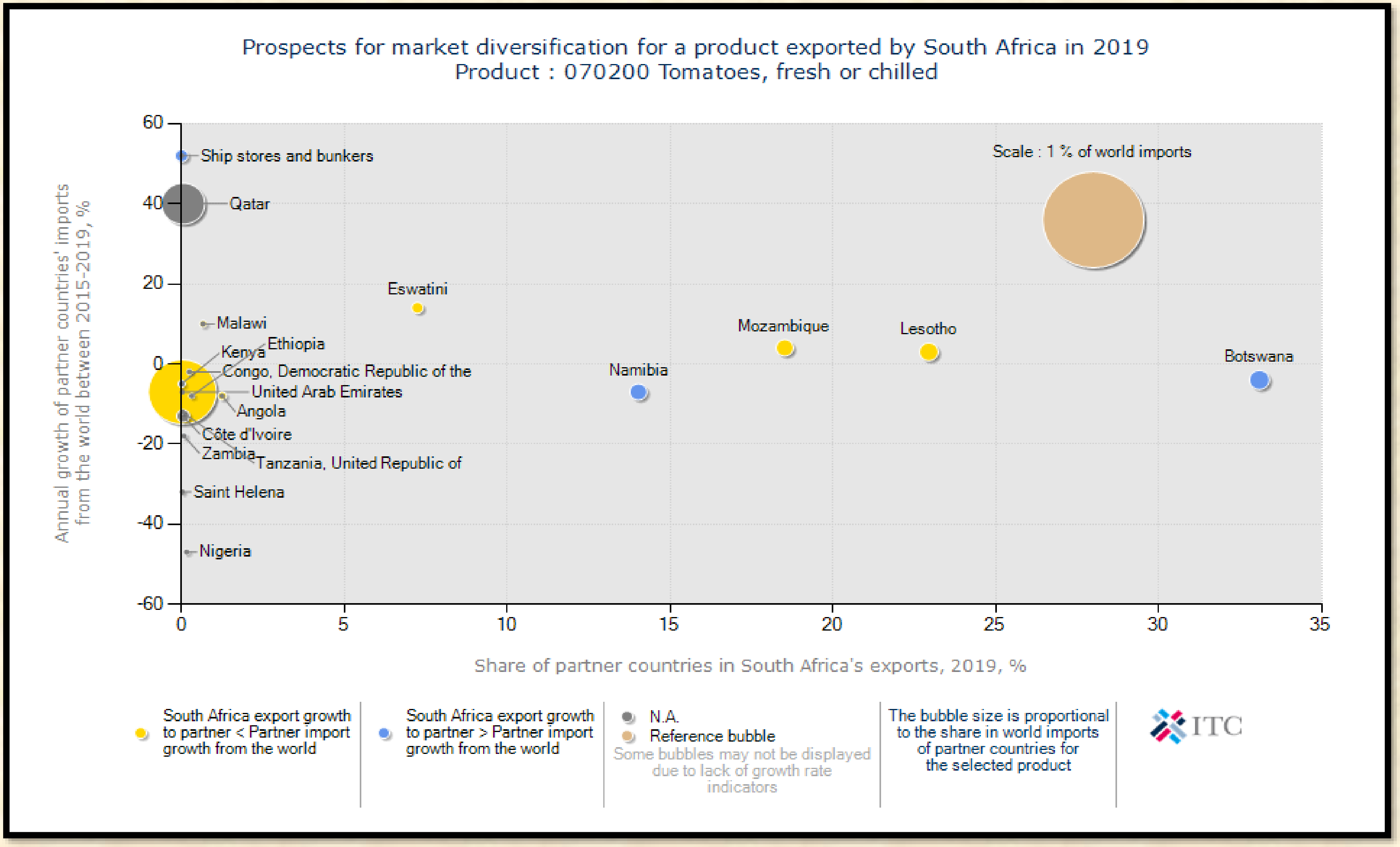
Figure 24 below, illustrates prospects for market diversification by South African exporters of tomatoes. Botswana still holds a bigger market share of South African tomato exports with a 33.1% share of exports. South Africa has exported 22.9% of tomatoes to Lesotho and Mozambique has received 18.5% of the exports. In terms of market size, the United States of America (USA), Germany, France, United Kingdom (UK), Russian Federation, Netherlands and Canada are still the leading markets/importers of tomatoes. Whilst seven countries dominate world tomato imports, it is interesting to note that countries like Qatar have experienced a higher annual growth rate in value from 2015– 2019. Qatar experienced an annual growth rate of 40% and Eswatini has experienced annual growth of 14% annual growth rate. Malawi has experienced 10% annual growth between 2015 and 2019. These countries represent possible lucrative markets for South African tomato producers. Nigeria, United Arab Emirates, Namibia and Angola have experienced negative annual growth between 2015 and 2019.

Figure 23: Growth in demand for tomatoes exported by South Africa in 2019



Source: International Trade Map (ITC)

Figure 24: Prospects for market diversification for tomatoes exported by South Africa in 2019



Source: International Trade Map (ITC)

4. MARKET ACCESS

Barriers to trade can be divided into tariff barriers (including quotas, ad valorem tariffs, specific tariffs and entry price systems) and non-tariff barriers (sanitary and phytosanitary measures, labels, etc.). The main markets for vegetables (including tomatoes) employ various measures, both tariff and non-tariff to protect the domestic industries. Whilst many of the non-tariff measures can be justified under the auspices of issues such as health and standards, the tariff measures are increasingly under the scrutiny of the World Trade Organization (WTO), and as such are gradually being phased out. Nevertheless, exporters need to be aware of all the barriers that they may encounter when trying to get their produce on foreign shelves.

4.1 Tariff, quotas and the price entry system

Tariffs are either designed to earn government revenue from products being imported or to raise the price of imports so as to render local produce more competitive and protect domestic industries.

Quotas can be used to protect domestic industries from excessive imports originating from areas with some form of competitive advantage (which can therefore produce lower cost produce). Tariffs and quotas are often combined, allowing the imports to enter at a certain tariff rate up to a specified quantity. Thereafter, imports from that particular region will attract higher tariffs, or will not be allowed at all.

The entry price system, which is used in many northern hemisphere markets, makes use of multiple tariff rates during different periods when domestic producers are trying to sell their produce, and lower the tariffs during their off-season. Alternatively, the tariff rate can be a function of a market price – if the produce enters at a price which is too low (and therefore likely to be too competitive), it qualifies for a higher tariff schedule.

Whilst tariff regulations can be prohibitive and result in inferior market access, often the non-tariff barriers restrict countries like South Africa from successfully entering the large developed markets. Many of these barriers revolve around different types of standards, including sanitary and phytosanitary standards (SPS), food health and safety issues, food labelling and packaging, organic produce certification, quality assurance and other standards and grades. Tariffs applied by the various markets to tomatoes originating from South Africa during 2017 and 2018 are shown in Table 10 below.

Table 10: Tariffs applied by various export markets to tomatoes from South Africa

COUNTRY	PRODUCT DESCRIPTION (070200)	TRADE REGIME	APPLIED TARIFFS	TOTAL AD VALOREM EQUIVALENT TARIFF	APPLIED TARIFFS	TOTAL AD VALOREM EQUIVALENT TARIFF
			2018		2019	
Angola	Tomatoes, fresh or chilled:	MNF duties (Applied)	50.00%	50.00%	50.00%	50.00%
Botswana	Tomatoes, fresh or chilled: Cherry tomatoes	Intra-SACU rate	0.00%	0.00%	0.00%	0.00%
China	Tomatoes, fresh or chilled	MFN duties (Applied)	13.00%	13.00%	13.00%	13.00%
Congo	Tomatoes, fresh or chilled	MFN duties (Applied)	20.00%	20.00%	20.00%	20.00%
DRC	Tomatoes, fresh or chilled	MFN duties	10.00%	10.00%	10.00%	10.00%
Egypt	Tomatoes, fresh or chilled	MFN duties (Applied)	5.00%	5.00%	5.00%	5.00%
Nigeria	Tomatoes, fresh or chilled:	MFN duties (Applied)	20.00%	20.00%	20.00%	20.00%
Ghana	Tomatoes, fresh or chilled	MFN duties (Applied)	20.00%	20.00%	20.00%	20.00%
India	Tomatoes, fresh or chilled	MFN duties (Applied)	30.00%	30.00%	30.00%	30.00%
Lesotho	Tomatoes, fresh or chilled	Intra-SACU rate	0.00%	0.00%	0.00%	0.00%
Malawi	Tomatoes, fresh or chilled:	Preferential tariff for South Africa	0.00%	0.00%	0.00%	0.00%
Mauritius	Tomatoes fresh or chilled	MFN duties (Applied)	25.00%	25.00%	0.00%	0.00%
Uganda	Tomatoes, fresh or chilled	MFN duties	10.00%	10.00%	25.00%	25.00%
Kenya	Tomatoes, fresh or chilled	MFN duties (Applied)	25.00%	25.00%	25.00%	25.00%
Mozambique	Tomatoes, fresh or chilled:	Preferential tariff for South Africa	0.00%	0.00%	0.00%	0.00%
Namibia	Tomatoes, fresh or chilled	Intra-SACU rate	0.00%	0.00%	0.00%	0.00%
Qatar	Tomatoes, fresh or chilled:	MFN duties	0.00%	0.00%	0.00%	0.00%
Netherlands	Tomatoes, fresh or chilled: Cherry tomatoes.	Preferential tariff for South Africa	0.00%	0.00%	0.00%	0.00%
Ethiopia	Tomatoes, fresh or chilled	General tariff	30.00%	30.00%	30.00%	30.00%
Papua New Guinea	Tomatoes, fresh or chilled	MFN duties (Applied)	40.00%	40.00%	40.00%	40.00%

Tanzania	Tomatoes, fresh or chilled	Preferential tariff for South Africa	0.00%	0.00%	0.00%	0.00%
Seychelles	Tomatoes, fresh or chilled:	Preferential tariff for South Africa	15.00%	15.00%	0.00%	0.00%
Saint Helena	Tomatoes, fresh or chilled:	MFN duties	0.00%	0.00%	0.00%	0.00%
Eswatini	Tomatoes, fresh or chilled	Intra-SACU rate	0.00%	0.00%	0.00%	0.00%
United Arab Emirates	Tomatoes, fresh or chilled	MFN duties	0.00%	0.00%	0.00%	0.00%
United Kingdom	Tomatoes, fresh or chilled:	Preferential tariff for South Africa	0.00%	0.00%	0.00%	0.00%
USA	Tomatoes, fresh or chilled	Preferential tariff for AGOA countries	0.00%	0.00%	0.00%	0.00%
Zambia	Tomatoes, fresh or chilled:	Preferential tariff for South Africa	0.00%	0.00%	0.00%	0.00%
Zimbabwe	Tomatoes, fresh or chilled:	Preferential tariff for South Africa	0.00%	0.00%	0.00%	0.00%

Source: Market Access Map

In 2019, Botswana, Lesotho, Mozambique, Namibia and Eswatini were still the primary export market for tomato originating from South Africa. Botswana. Namibia, Eswatini and Lesotho apply 0% Intra-SACU tariff and Mozambique applies 0% preferential tariff tomato exported from South Africa. South Africa also exported to Angola, Malawi, Ethiopia and the Democratic Republic of the Congo. Angola market is still highly protected by 50% tariff despite SADC-Free Trade Agreement (FTA). Malawi applies 0% preferential tariff to tomato originating from South Africa. Morocco is ranked number four in the world tomato exporters and its domestic market is still highly protected by a tariff of 40%. Lucrative export markets for tomatoes from South Africa are the EU countries (Netherlands and United Kingdom) since they apply a preferential tariff of 0% to tomato imports originating from South Africa. Furthermore, South Africa has access to the US market under the AGOA, with 0% for South African tomatoes.

In reality, the tariffs are likely to be far lower for South Africa when considering the preferential agreements, but at the same time, most tariff structures are particularly complex, with quotas, seasonal tariffs and specific tariffs (an amount per unit rather than a percentage of value) all contributing to many different tariff lines and often higher duties payable than one might have anticipated initially. One must also bear in mind that most tariffs are designed to protect domestic industries, and as such are likely to discriminate against those attempting to compete with the domestic producers of that country. China and India are the largest producers of tomatoes in the world and their producers are still protected by 13% and 30% tariff.

5. DISTRIBUTION CHANNELS

There are roughly three distinct sales channels for exporting vegetables. One can sell directly to an importer with or without the assistance of an agent. One can supply vegetables combined, which will then contract out importers/marketers and try to take advantage of economies of scale and increased bargaining power. At the same time, combined vegetables might also supply large retail chains. One can also be a member of a private or cooperative export organization that will find agents or importers and market the produce collectively. Similar to combined vegetables, an export organization can either supply wholesale market or retail chains, depending on particular circumstances. Export organizations will wash, sort and package the produce.

They will also market the goods under their name or on behalf of the member, which includes taking care of labelling, bar-coding, etc. Most of the time, export organizations will enter into a collective agreement with freight forwarders, negotiating better prices and services (more regular transport, lower peak season prices, etc.). Some countries have institutions that handle all the produce (membership compulsory) and sell only to a restricted number of selected importers.

Agents will establish contacts between producers/export organizations and buyers in the importing country, and will usually take between 2% and 3% commission. In contrast, an importer will buy and sell in his/her own capacity, assuming the full risk (unless on consignment). They will also be responsible for clearing the produce through customs, packaging and assuring label/quality compliance and distribution of the produce. Their margins lie between 5% and 10%. The contract importers of fruit combine market and distribute the products of the combines, clear it through customs and in some cases treat and package it.

Only a few exporters have long term contracts with wholesale grocers who deliver directly to retail shops, but with the increasing importance of standards (EUREGAP, etc.) and the year-round availability of fruit, the planning of long term contractual relationship is expected to increase.

6. LOGISTICS

6.1 Mode of transport

The transport of vegetables falls into two categories namely ocean cargo and air cargo. Ocean cargo takes much longer to reach the desired location, but costing considerably less. The choice of transportation method depends, for most parts on the fragility of the produce and how long it can remain relatively fresh. With the advent of technology and container improvements, the feasibility, cost and attractiveness of sea transport have improved considerably. With the increased exports by South Africa, the number and the regularity of maritime routes have increased. These economies of scale could benefit South Africa if more producers were to become exporters and take advantage of the various ports which have special capabilities in handling fruit and vegetable produce.

6.2 Cold chain management

Cold chain management is crucial when handling perishable products, from the initial packing houses to the refrigerated container trucks that transport the produce to the shipping terminals, through to the storage facilities at these terminals, onto actual shipping vessels and containers, and finally on to the importers and distributors that must clear the produce and transport it to the markets/retail outlets. For every 10 Degree Celsius increase above the recommended temperature, the rate of respiration and ripening of produce can increase twice or even thrice. Related to this are increasing important traceability standards which require an efficient controlled supply chain and internationally accepted business standards.

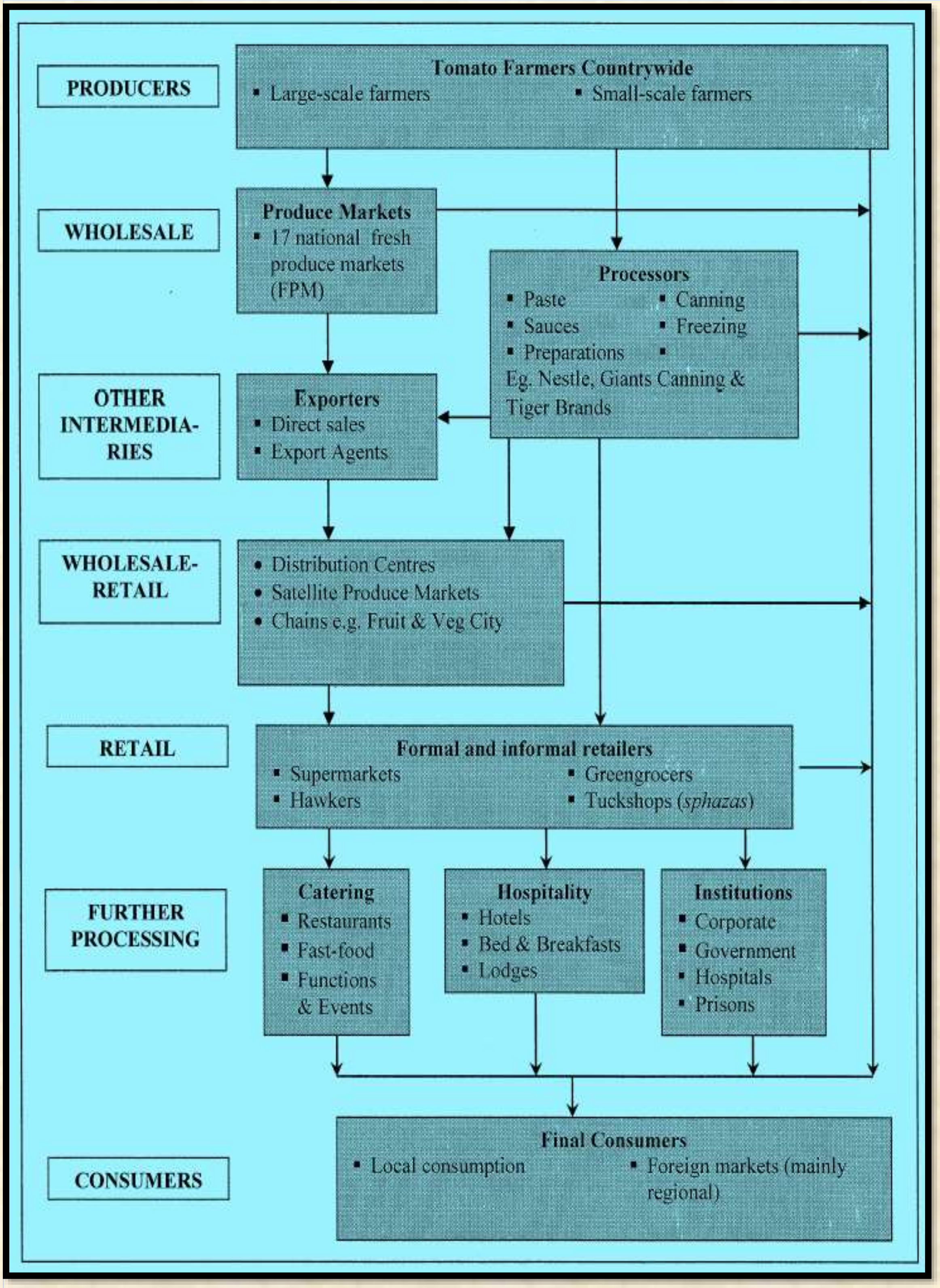
6.3 Packaging

Packaging can also play an important role in ensuring safe and efficient transport of a product and conforming to handling requirements, uniformity recyclable material specifications, phytosanitary requirements, proper storage needs and even attractiveness for marketing purposes.

7. SIMPLIFIED TOMATO FOOD VALUE CHAIN

The simplified tomato food value chain diagram (see Figure 24) is referred to as a simplified model because numerous interconnections were omitted and the size, levels of control and importance of each of the links and flows could not possibly be shown in a single diagram. Also of note is that horticultural produce value chains have a similar structure. The following discussion will focus on the main segments of the tomato value chain i.e. wholesale, wholesale-retail, retail, processing and intermediaries.

Figure 25: Simplified tomato food value chain



7.1 Wholesalers

FPMs are the dominant player and form of wholesaling in the South African tomato and fresh fruit and vegetable (FFV) sector. However, other wholesale forms do exist including independent wholesalers, contract buyers, supermarket wholesaling subsidiaries, as well as farmer sales direct to retailers and to consumers.

Being the largest wholesalers, the FPMs have emerged as the FFV price-setters or, as nicknamed, the "fresh produce stock exchange. The prices at the FPMs are arrived at through a bargaining process mediated by market agents who have a dual objective to collect the best prices (and hence commission) for sales while ensuring that the highly perishable stocks are cleared. These prices are then used as reference prices even in private transactions outside the FPMs.

In the wholesale environment tomatoes are typically sold in bulk with a minimum of 10kg cartons and because price is negotiable, high volume buyers generally secure better deals than their small-scale counterparts.

7.2 Wholesale-retailers

These businesses operate in the niche between wholesaler and retailer format stores and are classified as wholesale-retailers because their clientele include both final consumers and smaller retailers and food outlets (e.g. restaurants and caterers). Wholesale-retailing is relatively new in FFV with examples including the Fruit and Veg City chain (established in 1993), Evergreens in Pretoria (since 1994) and FPM satellite markets. Being one of the top FFV lines, tomatoes form a major part of wholesale-retailers' businesses and are sold in a variety of packages from bulk packs to loose singles. Tomato sales here are at predetermined prices.

7.3 Retailers

South African tomato retailers exist in both the formal and informal sectors. In the former this includes formally registered retail chains, supermarkets and neighbourhood stores. The latter covers tuck shops (*sphaza*), and hawkers. In this environments tomato sales are at predetermined prices and typically individually or in small packages.

7.4 Processors

As explained in 2.6, processing of tomatoes consists of canning, freezing, dehydration and juice. Tomatoes are processed into whole pealed, tomato and onion bruises, pasta, shredded, puree and pasta concentrate. The leading players in the tomato processing industry are Tiger Brands, Nestle and Giants Canning.

There is also a set of further processors not captured in the group above. These entities use tomatoes (and tomato products) in food preparations. This includes caterers, hospitality and other institutions such as corporate, government institutions like hospitals, prisons, etc.

7.5 Intermediaries

Intermediaries occur throughout the tomato value chain and perform the important function of facilitating transactions. Prominent examples include export agents, van buyers, contract buyers and market agents. The common element in these businesses is that for a fee, they enable other market players such as farmers or restaurateurs to focus on their core functions (tomato production and food preparation in this case) rather than on the often complex processes of exchange or international trade.

8. STRATEGIC CHALLENGES

With the opening up of markets, tomatoes like all other commodities are influenced by international factors such as:

- Competing against subsidized products from the developed countries;
- The strengthening of the Rand against other major trading currencies like the Euro and the US dollar; and
- Poor climatic conditions over many tomato producing areas.

9. TRANSFORMATION

In Limpopo province, tomato farmers with the assistance of provincial department of agriculture have organized themselves successfully into Limpopo Tomato Growers Association (LTGA). LTGA is a business association committed in transforming small holder farmers to commercial producers for creation of wealth, employment and ownership of the industry. LTGA facilitates the growth and development of its members through unique training, mentorship programmes, access to finance, access to markets and business exposure.

10. RECENT DEVELOPMET IN THE TOMATO INDUSTRY

A Dusts-All Joy tomato processing plant was launch during 2016 in Greater Letaba municipality district. The factory is expected to assist in addressing the increased demand of tomato paste in South Africa while ensuring business for farmers. The factory intends to source 15 000 tons of tomatoes, but it has a capacity to receive 30 000 tons. Farmers have welcomed the processing plant as it has created a huge market for the tomatoes. Farmers can also increase their area of production, thereby creating more jobs

In a first for South Africa, ZZ2 and Rugani Juice have launched the country's first and only fresh produced tomato juice made from tomatoes that are grown in line with ZZ2's strict Nature Farming health philosophy. The ZZ2 100% Romanita Tomato Juice is made from fresh tomatoes that go directly from the fields into convenient juice boxes, available in ready to drink 330ml or family sized 750ml sizes. The ZZ2 100% Romanita Tomato Juice is not made from concentrate and is made hours from picking. The ZZ2 100% Romanita Tomato Juice provides health conscious consumers with bio-availability of carotenoids and lycopene, both anti cancer agents. The juice is available all year round and no sugars or taste-enhancers are added.

10. ACKNOWLEDGEMENTS

10.1 The following industries are acknowledged

10.1.1 Tomato Producers' Organization

Inkwazi Building
Block A
Embankment Street
1249, Zwatkop X7
Tel (014) 717 1194

10.1.2 National Department of Agriculture, Land Reform and Rural Development
Directorate: Statistics and Economic Analysis

Private X 246
Pretoria
0001
Tel (012) 319 84 54
Fax (012) 319 8031

10.1.3 Limpopo Tomato Growers Association (LTGA)

Chairperson: Mr. Walter Moketla
Tel (015) 305 3261
Fax: 015 305 3177
Cell No: 083 770 7878
Email: neotech1@iafrica.com

10.1.4 ZZ2

P.O. Box 19
Mooketsi
0825
Tel (015) 395 2040
www.zz2.co.za

10.1.4 International Trade Centre

www.trademap.org

10.1.5 Quantec Easy Data

www.easydata.co.za

10.2 TOMATO PROCESSORS

10.2.1 Tiger Food Brand Limited

P.O Box 78056
Sandton
Tel (011) 840 4000
Fax (011) 514 0460

10.2.2 Giants Canning
P.O Box 86406
City Deep
2049
Tel (011) 623 2929
Fax (011) 623 2986

10.2.3 Ashton Canning Company (Pty) Ltd
Private Bag x 3
Ashton
6715
Tel (023) 615 1140
Fax (023) 615 1992

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