



**Improving market access for
Cape Town urban farmers**

1 Main Insights

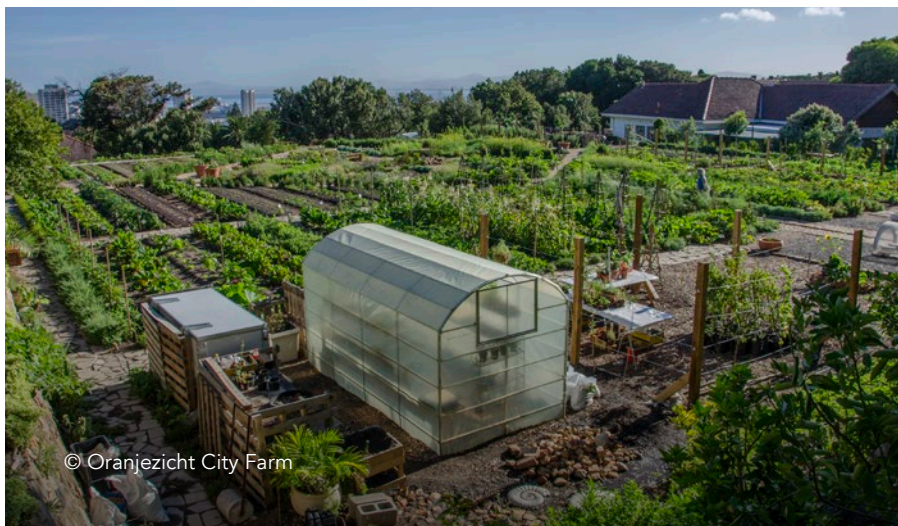
- a) The growth of urban agriculture in Cape Town can have compounding benefits for the food system and the agricultural value chain.
- b) Greater adoption of green technologies can only be realised when urban farmers have better financing options and consistent revenue streams.
- c) Urban farmers in Cape Town need to expand their traditional market options and take advantage of innovations that can expand their market access.
- d) The promotion of market access for farmers requires support from all players within Cape Town's food system, particularly consumers, government and non-governmental organisations.

This document is targeted towards:

- Urban farmers who want to expand their market access.
- Cities looking to support the growth of their urban agricultural sector.
- Members of Cape Town's food system interested in greater localisation of food production and the pathways for sustainably expanding market access to be inclusive of urban farmers.

2 Context

Cape Town's food system is occupied by many role players such as food producers, food processors, distributors and wholesalers, fresh produce markets, consumers etc. Urban agriculture can lend a hand in supporting the food system, in ensuring that the most vulnerable in the City of Cape Town (CCT) always have access to food, even in times of economic, social and/or environmental shock (for example, the lockdown due to the Covid-19 pandemic, or the Western Cape drought of 2015-2018). While the most popular examples of urban agriculture cited are of food gardens at home and schools, commercial urban agriculture should also be supported as a key sector for the promotion of resilience and the stimulation of growth in the City.



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The growth of commercial urban agriculture (UA) can realise a number of social and economic benefits, particularly within vulnerable communities. These are:

Viable economic sector: Commercial urban agricultural production can stimulate economic activity. It creates job opportunities and also promotes the growth of enterprises along the agricultural value chain (e.g. producers of farming inputs such as fertilisers, compost, seed etc., agro-processors, marketing, packaging and others).

Resource efficiency: The proximity of urban farms to market has an obvious advantage of reducing the distance produce must travel to arrive at the consumer, resulting in reduced transport costs and carbon emissions. Another possible opportunity UA offers is for cities to take a circular approach to managing food waste and support initiatives that process organic waste from local communities into compost that can be sold to urban farmers.

Food and nutrition security: The urban production of fresh produce leads to greater access for the most vulnerable people to food with greater nutritional variety.

Social and environmental benefits: There are a number of interpersonal benefits UA can have such as community cohesion, urban greening, intercommunity networking etc. These are resilience building benefits. Where UA is located in well-frequented communal land such as schools and parks, they can serve an educational role in teaching community members about agriculture, food diversity and the importance of biodiversity. Additionally, urban farms established on land previously used as a dumping site can serve as a method of ameliorating urban areas.

In order for commercial UA to grow and become a viable economic sector, it must be able to access markets that can sufficiently absorb farm output at prices that allow farms to maintain profitability. Market access serves as an incentive for farmers to increase production, contributing to household income and food security. However, the current system of accessing markets (e.g. obtaining market information and intelligence, farmer organisations, retail offtake agreements etc.) is not responsive to smaller players, making it difficult for them to participate [1].

3.1 Content

UA contributed R2.66 billion to the total gross value added (GVA) of the Cape Town metro in 2019 as well as providing 22 284 job opportunities [2]. UA can be seen as an opportunity for cities to build resilience through promoting greater food security, encouraging job creation and economic activity. However, this requires an expansion in how urban agriculture is typically viewed – from a solution to food security to a viable economic activity that provides opportunities for income generation and job creation.

Some barriers to (the growth in commercial) UA highlighted by stakeholders in Cape Town are:



A clear business case: Although urban agriculture has the potential to expand income generation and job creation in Cape Town, the business case hasn't been clearly articulated, especially for the different business models of urban farming. This means that key stakeholders within the food system such as government, consumers, input suppliers, retailers etc. often don't expand their programmes and systems to be inclusive of urban farmers as the value of this sector is not clearly communicated to them. This, in turn, undermines the sustainability of commercial urban production.



A lack of market access: Economies of scale, research linkages, complex input use and high investment requirements in the agricultural sector continue to favour large-scale farmers and ultimately, lock small urban farmers out of market [1]. While urban agriculture lends itself to niche markets (e.g. organic produce, high value/low volume produce), local industry stakeholders lament that the current market for premium produce is relatively small in South Africa's retail sector.



An enabling administrative environment: Aspects such as zoning, water allocation and tariffs, as well as electricity tariffs play a role in developing or limiting the UA sector.



Lack of specialised skills and knowledge: Emerging farmers often lack proper working knowledge of markets, business and financial management systems to intensify production and quality of yields.

Common Business Models for Urban Farming/Smallholder Farming

South Africa's agricultural sector is highly stratified, with large commercial farmers dominating in terms of agricultural output and income [3], [4]. In the Western Cape (WC), the agricultural sector is heavily export-orientated: the WC accounts for 21% of national agricultural production but takes 45% share of agricultural exports [5]. The Western Cape Department of Agriculture (WCDoA) differentiates between different farmers using the categories described in **Table 1**.

Table 1: Adjusted categories of farmers utilised by WCDoA [3]

CATEGORY	SUBSISTENCE FARMERS		SMALLHOLDER FARMERS		COMMERCIAL FARMERS		
Sub-categories	Community projects	Household projects	Lifestyle/smallholder farmers	Smallholder farmers with commercial potential	Small	Medium	Large
Classification	Household producer (vulnerable)	Household producer (subsistence)	Smallholder producer	Smallholder producer	Commercial producer	Commercial producer	Commercial producer
Annual Income	No income	< R50 000	< R50 000	R50 000 – R5 million	R50 000 – R5 million	R5 million – R20 million	> R20 million

Although categories of farmers vary widely between very small, subsistence farmers to very large farmer/agribusiness types, the concept of the “small-scale” is still mischaracterised as non-productive, non-commercial agriculture [1]. This is a problem for UA, where the size of farms does not adequately represent the size of the operation and land is constrained by competing demands for social housing, resources and economic activity. The definition of “small scale” really only describes when the scale of operations is “too small to attract the provision of services needed to be able to significantly increase productivity” [6]; by this definition, small-scale farming is neither unproductive nor inefficient, but simply too small to attract traditional agricultural support that can be used to support productivity such as government grant funding, logistic support for the transportation of goods and packaging and marketing materials [1].

In the CCT, UA largely falls under the mandate of food security, with government support of urban farming directed through food garden/feeding scheme programmes. However, it is important to realise that different business models for urban farming can exist along the spectrum of social and commercial pursuits. In fact, the expansion of support and financing instruments to include urban farming can stimulate economic activity in communities that need it the most. **Figure 1** below, describes the different models of urban farming most commonly seen.

Socially-driven			Commercially-driven			
	SCHOOL GARDENS	HOME GARDENS	COMMUNITY SUPPORTED AGRICULTURE	SMALLHOLDERS	SOIL-BASED FARMERS	CONTROLLED ENVIRONMENT AGRICULTURE
Description	Small food gardens, operated by a school or NPO, located next to schools with the intention of being used in school's feeding scheme	Small food gardens, located and operated by a household with produce used for self-consumption and extra produce sold for additional income	A community-supported farming scheme where individual members farm small allotments of land for self-consumption	Small landholdings with mixed agricultural production, primarily worked by a single family supported by farm income (and minimal additional workers)	Small-medium landholdings located in peri-urban agricultural areas with single or mixed agricultural production and a formal production team	Soilless production located in urban areas, particularly in underutilised industrial areas such as rooftops, vacant buildings etc.

	SCHOOL GARDENS	HOME GARDENS	COMMUNITY SUPPORTED AGRICULTURE	SMALLHOLDERS	SOIL-BASED FARMERS	CONTROLLED ENVIRONMENT AGRICULTURE
Producer profile	Community projects	Household projects	Lifestyle farmers	Smallholder farmers with commercial potential	Small-medium commercial farmers	Small-medium commercial farmers
Production capacity	Micro-producer	Micro-producer	Low-capacity	Low-capacity	Mid-capacity	High-capacity
Capital availability	Low	Low	Medium	Low	Medium	High
Market channels	Self-consumption	Self-consumption, direct customers	Self-consumption	Direct customers, agri-hubs, physical markets, suppliers, agro-processors	Direct customers, agri-hubs, physical markets, suppliers, agro-processors, retailers, high-end markets	Retailers, high-end markets
Value addition	None	None (limited packaging for direct customers)	None	Packaging	Packaging, pre-processing	Packaging, pre-processing (agro-processing, commodity-specific)
Physical infrastructure	Shade netting	None	Irrigation; shade netting	Shade netting	Irrigation; shade netting/ greenhouses; small pack-house	Hydroponic/ aquaponic system; greenhouse; automated fertigation
Revenue streams	Grants	Grants, direct sales	Allotment rent, direct sales	Grant, direct sales	Direct sales	Direct sales

Figure 1: Spectrum of urban farming business models [3], [7]

The viability of the business models described above is intrinsically linked with their ability to support production by accessing a market well suited for their agricultural outputs. Analysing market access of these urban agricultural business models is a key primary step in identifying methods of improving their market penetration.

3.2 Tracking Market Access

3.2.1 Determinants of Market Access

Market access is most commonly described using the following four terms: commercialisation, market orientation, market access and market participation. The terms can then be broken down further into different determinants specific to production, logistics, public infrastructure and markets themselves. In this way, market access can be analysed not only through the lens of farmers who might need to shift their production to respond better to market needs but also through the lens of other food system players, who can expand their systems to be more inclusive of urban farmers.

3.3 Smallholder Market Access Tracker

The Smallholder Market Access Tracker (SMAT) tool was developed by the National Agricultural Marketing Council (NAMC) as a tool for tracking the integration of smallholder farmers in South Africa's formal agricultural value chain. One of the founding objectives of the NAMC is to increase market access for all participants and the composite index serves a tool to measure progress towards the achievement of "market access for all participants [in the agriculture sector]" and in particular, market access for smallholder farmers in South Africa.

Table 2: NAMC's Smallholder Market Access Tracker tool

	COMMERCIALISATION	MARKET ORIENTATION	MARKET ACCESS	MARKET PARTICIPATION
Description	Commercialisation occurs when enterprises increasingly rely on the market for the sale of their produce and acquisition of production inputs, including labour [8]. At a farm-level, this looks like a greater proportion of produce being grown for sale at market, instead of own consumption.	Market orientation focuses on the creation of superior value for consumers. It is an important lens through which enterprises learn about the needs of the market [9].	Market access is defined as the ability of farmers to seize available market opportunities [1].	Market participations is defined as the percentage of output from total farm production that makes it to market due to the various activities that encourage the sale of produce.
Metrics	• Size • Scale of production (and productivity) • Inputs procurement • Level of organisation • Credit worthiness	• Competitive advantage • Degree of allocations of resources • Household characteristics • Inputs, equipment and technology	• Cost of searching for trading partners • Cost of screening potential candidates • Obtaining and verifying market intelligence • Cost of transferring product • Communication infrastructure	• Proportion of crop produce sold • Diversification or specialisation • Increased quality of produce • Value addition • Compliance with market requirements



The NAMC has been able to use this tool to create baseline assessments of the market access for smallholder farmers in a number of different commodities, most notably citrus and poultry. While this framework has a quantitative model, it was used qualitatively in **Table 3**, evaluating market access of the commercial UA business models described in **Figure 1**.

Table 3: SMAT Analysis [1]

		COMMUNITY SUPPORTED AGRICULTURE	SMALLHOLDINGS
Commercialisation	Common size	> 1 000 m2 with smaller allotments parcelled out to individuals.	> 10 000 m2
	Scale of production	Small.	Small.
	Inputs procurement	Allotments often share inputs purchased; however, the total size of CSA farms still means that farmers cannot benefit from economies of scale that can result in lower prices.	Size also results in farmers paying higher prices for inputs as they cannot benefit economies of scale that can result in lower prices.
	Level of organisation	High level of organisation required to manage the equitable allotment of land and protection of produce for individual community members.	Production led by household, low levels of organisation in comparison to other business models.
	Credit worthiness	CSAs with more formal structures have access to credit.	Smallholders often have no access to credit due to uncertainty around land tenure, in formal offtake agreements etc.
Market Orientation	Competitive advantage	The primary revenue stream of CSAs is not retail sales but allotment rent, which reduces market access challenges such as verifying market information, packaging and distribution costs etc.	Smallholders are able to convert small spaces (home backyards, ECD centres, school grounds, dumping sites) into productive space.
	Institutional services	None.	Food security grants offered by municipalities, non-profit organisations offering training.
	Inputs, equipment and technology	Little investment in infrastructure and equipment due regular rotation of leasees.	Little investment in infrastructure and equipment due to low capital availability.

		COMMUNITY SUPPORTED AGRICULTURE	SMALLHOLDINGS
Market Access	Cost of searching for trading partners	Allotment leasees are the primary trading partners in CSAs. Cost of CSAs attract potential leasees are directly related to the use marketing tools like advertisements, word-of-mouth, social media etc.	High transaction costs, particularly in finding a market able to provide an offtake agreement at a reasonable price. Farmers may directly sell to customers, usually these are customers who live in close proximity to the farm.
	Screening potential candidates	Potential leasees are screened by providing deposits to guarantee their allotment. Very little screening is conducted in terms of leasees' proficiency in farming.	Screening of potential customer is minimal; customers are often prioritised according to their own market and price points
	Obtaining and verifying market information	N/A	Farmers are reliant on market agents for information or word-of-mouth from other farmers.
	Bargaining	CSAs are able to set their own prices. CSAs are often non-profit, thus prices tend to be reasonable.	CSAs are able to set their own prices. CSAs are often non-profit, thus prices tend to be reasonable.
	Transport, storage and road access	Allotment leasees are responsible for harvesting, storage and transport of produce farmed on their allotment.	Allotment leasees are responsible for harvesting, storage and transport of produce farmed on their allotment.
	Communication infrastructure	CSAs benefit from greater network connectivity, a necessary feature for maintaining communication between the CSA and leasees.	CSAs benefit from greater network connectivity, a necessary feature for maintaining communication between the CSA and leasees.
Market Participation	Proportion of crop produce sold	All produce is consumed by leasees.	All produce is consumed by leasees.
	Diversification or specialization practices	Level of diversification directly controlled by leasees – generally high diversification due to leasees choosing multiple produce for home consumption. Most common specialisation practice is the use of organic farming.	Level of diversification directly controlled by leasees – generally high diversification due to leasees choosing multiple produce for home consumption. Most common specialisation practice is the use of organic farming.
	Increased quality of produce	Use of organic farming practices increases value of produce.	Use of organic farming practices increases value of produce
	Value addition	None.	None.
	Compliance with market requirements	No compliance required.	None or Participatory Guarantee System



		SMALL-SCALE SOIL-BASED FARM	CONTROLLED ENVIRONMENT AGRICULTURE
Commercialisation	Common size	10 000 – 100 000 m2	500 m2 – 30 000 m2
	Scale of production	Medium	Medium - large
	Inputs procurement	Size also results in farmers paying higher prices for inputs as they cannot benefit economies of scale that can result in lower prices	Specialised inputs necessary due to novelty of the growing system.
	Level of organisation	High level of organisation	High level of organisation
	Credit worthiness	Small-scale farmers don't have access to much credit, mostly due to agricultural financing favouring large farms, able to benefit from economies of scale.	High capital costs of soilless growing system requires investors with access to significant amount of credit
Market Orientation	Competitive advantage	Organically-farmed produce from small-scale farms can attract affluent direct customers who are conscientious about carbon footprint and sustainability.	The ability of CEAs to control farming variables such as temperature, humidity, lighting etc. allows such farms to produce novel, high-value commodities with shorter growing times and reduced use of resources such as water.
	Institutional services	Extension services offered by DoA; input grants offered by municipalities	None
	Inputs, equipment and technology	Farmers with secured land tenure invest particularly in infrastructure such as packhouses, shade netting, automated irrigation etc.	CEAs invest heavily in high-tech systems with some level of automation that regulates light, oxygen, temperature and irrigation.



		SMALL-SCALE SOIL-BASED FARM	CONTROLLED ENVIRONMENT AGRICULTURE
Market Access	Cost of searching for trading partners	High transaction costs, particularly in finding a market able to provide an offtake agreement at a reasonable price. Farmers may directly sell to customers, however, this requires additional marketing to raise awareness	Due to the high-value of their products and sophistication of production, CEAs are usually able to easily find customers. However, CEAs looking to export have high transaction costs as it pertains to obtaining permits, logistics support etc.
	Screening potential candidates	Screening of potential customer is minimal; customers are often prioritised according to their own market and price points	Screening of potential customer is minimal; customers are often prioritised according to their own market and price points
	Obtaining and verifying market information	Farmers are reliant on market agents for information or word-of-mouth from other farmers.	CEAs typically obtain market intelligence from industry associations.
	Bargaining	Farmers who supply to physical markets are often at the mercy of market agents who set prices. Farmers can set prices when supplying retailers or private consumers but pricing must remain competitive against other suppliers.	CEAs typically set prices when supplying retailers or private consumers but pricing must remain competitive against other suppliers.
	Transport, storage and road access	Relatively close proximity to market means transport costs are low. However, urban farms which produce highly-perishable goods could benefit from cold storage. However, cold storage facilities are a significant investment, due to them being capital intensive in both installation and operation.	Close proximity to market means transport cost are low. The ability to control temperature also means that, often, cold chain is maintained from harvest to delivery.
	Communication infrastructure	Urban farmers benefit from greater access to network – however, high data and mobile costs can constrain the ability of farmers to engage fully and consistently with market.	CEAs benefit from greater network coverage and this is necessary for their production where automation is central to successful operations.
Market Participation	Proportion of crop produce sold	Farmers who primarily use markets and online stores run the risk of harvesting more produce than the markets can absorb. Poor investment in cold storage and logistics also can result in high food losses, especially highly perishable goods	CEAs with offtake agreements see the majority of their produce sold. Greater control of production variables and cold chain management results in minimal food waste.

		SMALL-SCALE SOIL-BASED FARM	CONTROLLED ENVIRONMENT AGRICULTURE
Market Participation	Diversification or specialization practices	Small-scale farmers with minimal capital availability have low levels of diversification and specialisation. Those with high capital availability, can afford to invest in diversification of commodities, or specialisation in higher-value commodities	CEAs specialise in higher-value commodities, due to high capital demands of set-up and production. CEAs have minimal diversification and tend to produce a limited number of commodities.
	Increased quality of produce	Lack of access to cool chains and logistics can impact on the quality and guaranteed purchase of produce.	Greater control of production variables and cold chain management results in high yields and minimal food waste.
	Value addition	Minimal processing: drying and cutting	Minimal processing: drying and cutting
	Compliance with market requirements	SAGAP or GlobalGAP	SAGAP or GlobalGAP

a

3.4 Key opportunities for improved market access

Table 3 provides a comprehensive description of market access for different business models of UA and notes the barriers within certain metrics that undermine the ability of urban farmers to access their desired market. This section seeks to highlight key interventions already available to urban farmers that can help them leapfrog over the identified barriers.

b

3.4.1.1 Commercialisation

Commercialisation describes the transformation of a farmer from subsistence production to a mainstream economy participant [10]. It must be noted that various stakeholders often note lack of market readiness as the primary obstruction in market access for urban farmers, often citing insufficient production scale and lack of commercial and financial management systems to meet compliance requirements as high barriers to entry [3]. Urban farms can increase their degree of commercialisation by intensifying production through investment in technologies detailed in the Industry Brief: Green technologies for urban food production. Moreover, urban farms should set up food safety production measures that can allow farms to access more formal markets such as retailers.

c

3.4.1.2 Good farming practices and traceability

Good farming practices are standards put into place to promote better productivity at farm-level whilst mitigating against undesirable outcomes such as food loss, contamination etc. These practices go hand in hand with the traceability, which is key to ensuring product safety. As such, farmers looking to supply retailers or agro-processors must have detailed records of products, processes and inputs used, as a means of ensuring that produce is fit for human consumption [11]. There are a number of standards that have been developed to help farmers establish good farming practices; however, different standards will have different applicability to different farming models.

Table 4 lists the three most common accreditations for farmers who want to implement measures for traceability and good farming practices.

Table 4: Primary production farming practices accreditations

DIR	PARTICIPATORY GUARANTEE SYSTEM	LOCALGAP/SAGAP	GLOBALGAP
Description	Locally focused quality assurance systems where producers peer-review each other's production methods as opposed to verification by a third-party [12].	A capacity-building tool that can be applied as a local standard for agricultural supply chains especially in developing economies and emerging markets.	A certification system with more than 40 standards and programs promoting responsible farming practices. Most widely accepted private sector food safety certification.
Applicability	Smallholder	Soil-based	Soil-based and soilless
Advantages	• Most equitable access to training and technical support • Low administrative cost • Reduced paperwork	• Most cost-effective accreditation to gain access to formal local and regional markets	• Only accreditation that allows for access to export market
Disadvantages	• No third-party accreditation • Limited recognition from formal markets e.g. retailers, exports • Lower standard of documentation and record-keeping	• Not recognised in export markets	• Highest administrative cost



3.4.2 Market Orientation

For any farming operation, the key to financial feasibility is the ability to participate in markets well aligned to their operating model. As stated previously, the limited size of urban farms is often restrictive in terms of entering offtake agreements with retailers. Urban farms can work around this through two different means: aggregating their produce by entering into co-operatives or targeting smaller, niche markets (i.e. high value, low volume markets).

3.4.2.1 Joining formal co-operatives

It has been previously stated in this brief that economies of scale, research linkages, complex input use and high investment requirements in the agricultural sector continue to favour large-scale farmers and ultimately, lock small urban farmers out of market [1]. But an opportunity in overcoming this disadvantage is for farmers to set up formal co-operatives – using co-operatives to aggregate output as well as leverage economies of scale to access governmental support and benefit from bulk-buying. The operations of co-operatives are guided by seven principles; namely [13]:

- 
- 1 • Voluntary and open membership
 - 2 • Autonomy and independence
 - 3 • Education, training and information
 - 4 • Concern for community
 - 5 • Democratic member control
 - 6 • Member economic participation
 - 7 • Co-operation among co-operatives

However, co-operatives in South Africa are prone to failure – a study in 2016 showed that of 22 030 formally registered co-operatives that were active in 2010, only 2 644 were still functional [1]. The most cited reasons for failure were: i.) lack of/poor management; ii.) conflict among members due to lack of transparency, accountability and/or uneven participation of some members; iii.) insecure property tenure; iv.) lack of/low education; v.) insufficient/inadequate funds; vi.) market access & marketing skills; and vii.) subsistence nature of farming [13]. As such, it is important for urban farmers to establish clear objectives and democratic structures right at the start of registration in order to reap the rewards of the benefits of co-operatives.

Case study

Izandla zoLuntu is a co-operative of 3 young urban farmers – Tando Magwaza, Babalwa Mpayipeli and Sophumla Ntoyabo – situated in Khayelitsha. By forming a co-operative, their production profiles expanded to have a combined farm space of three hectares, with the potential to produce over 500 kg of produce weekly. As a result of forming this co-operative, they are able to supply bulk vegetable purchases to customers such as restaurants, hotels etc. as well as delivery of seasonal vegetable boxes to households.



3.4.2.2

Developing local, physical markets

Most food production in Cape Town exists in peri-urban areas – areas of low economic activity, poverty and high unemployment. As such, urban farmers looking to sell their produce that can't access retailers (especially organic farmers looking to get a premium on their produce), often have to search for markets outside of their immediate community at great cost to themselves. However, there is a good argument to be made for urban farmers developing markets within their communities, particularly due to the sustainability of supplying local markets. Moreover, the reduced transaction costs associated with finding customers and delivery logistics can offset whatever reduction in prices farmers might experience in not supplying lucrative markets.

There are two models for developing local, physical markets:

- **Farm stalls:** Urban farmers situated on paths with high foot traffic could benefit from setting up their own stalls and selling directly to passing customers. This is particularly beneficial in significantly reducing the transaction costs of finding customers and delivering produce.
- **Agrihubs:** Urban farmers in co-operatives or non-profit organisations supporting urban farming can establish agrihubs at sites with high foot traffic. Agrihubs are a particularly useful for smallholder farmers, who battle with accessing markets due to their smaller outputs.

Case study

Nazeer Sondag, an urban farmer in the Philippi Horticultural Area, had historically been selling his produce via a WhatsApp order system. At the beginning of 2022, he decided to open up a physical stall outside of his farm that is situated on a road with consistent traffic. Within a week, he was able to sell out of his produce daily and generate sufficient sales to cover the salaries of his employees [17].

3.4.3 Market Access Branding

3.4.3.1 Branding

Effective branding can raise the value of farm, boosting consumer awareness and giving it an edge against other competitors whilst maintaining customer loyalty. Individual branding is most effective for CSAs, small-commercial farms and CEAs, whereas smallholder farmers should consider developing the brand of their co-operative to leverage economies of scale.

Case study

The Western Cape Department of Agriculture has a **Market Access Programme (MAP)** designed to identify gaps and areas of interventions as it pertains to market access [3]. MAP does significant work in identifying market linkages, facilitating connections between farmers and off takers, capacitating farmers in food safety and compliance programmes such as SAGAP and identifying marketing opportunities within branding, web-hosting, exhibition stands etc. Directors at the Market Access Programme did highlight that urban farmers would be able to maximise on the benefits of the programme by engaging as co-operatives, particularly when it comes to branding and the provision of packaging.

Urban farmers, particularly CEAs, should take advantage of the support MAP provides when it comes to marketing/ brand promotion, marketing materials (e.g. banners, brochures, flyers, barcodes, labels etc.) and website development.

3.4.3.2 Accessing online marketplaces

Online marketplaces are a good alternative for urban farmers unable to set up their own markets, access other centralised markets or make enough direct sales. Online marketplaces like the [Khula! Agriculture App](#) and [HelloChoice](#) can directly link urban farmers to prospective buyers at reduced cost of searching for customers. These platforms also offer farmers greater transparency in price setting, giving urban farmers more bargaining power and ability to aggregate their produce through crowd-sourcing with other small-scale and smallholder farmers.



Case study

Abalobi is a South African-based, global social enterprise seeking to elevate small-scale fishing communities through fisher-owned data and to contribute towards a thriving, equitable and sustainable small-scale fishing community through the development of Technology for Good. At the onset of the national lockdown due to COVID-19, Abalobi saw a drastic decline in orders from restaurants, who made up 90% of Abalobi sales. They were able to pivot to expand their market to individual customers, retailers, wholesalers, traders and distributors by developing the Abalobi Marketplace App. Subsequently, Abalobi was able to show that fishers who used the Abalobi Marketplace earned approximately four times more per month than they did prior to participating in the programme [18].

3.4.4 Market Participation

Market participation describes the percentage of agricultural output from total farm production that makes it to market due to the activities that encourage the sale of produce [1]. It is also described as the integration of producers into the inputs and output markets of agricultural products, with the aim of boosting their income level [14].

3.4.4.1 Better cold chain/logistics management

According to the CSIR, 5.1 million tonnes of food is lost at the primary production, post-harvest handling and storage stages of South Africa's agricultural supply chain – out of the 37.5 million tonnes of food consumed annually [15]. Eliminating food waste has immediate economic benefits for any agricultural enterprise [16]:

1

INCREASED PROFITABILITY

Reducing food loss results in better financial profitability i.e. the costs of inputs such as water, labour, fertiliser, energy that each commodity consumes during production is not recouped through sales, and that loss eats at overall profits.



2

REDUCES OVERHEADS

Reducing waste lowers the costs associated with disposal – either by paying third-parties to take on waste or the long-term environmental costs of on-farm disposal.



3

DIVERSIFIES REVENUE

Better management of waste can result in the extraction of valuable commodities such as soil ameliorants and energy through processing of waste streams, ultimately unlocking greater productivity on farm.



3.5 Key measures for unlocking market access

Although there are a number of opportunities readily available for urban farmers to improve their market access, UA will still struggle to grow if certain measures are not put into place, such as:

01

Technical support: many urban farmers do not lack awareness of the opportunities listed in this brief, but lack the knowledge and support required to implement them. Technology providers need to engage proactively with farmers in not only helping them engage with their technology, but also provide opportunities for farmers to participate in the design process and co-develop solutions better suited for the end-users' specifications.

02

Access to micro-financing & micro-credit: Emerging farmers can often be caught in a catch-22 situation where they want to expand production to access markets but do not have the capital to make the investments required to expand production. Development finance institutions and other financing institutions should be engaged with to identify funding sources that can be leveraged to finance start-ups under an urban agriculture incentive programme in Cape Town.

03

Common platform for engagement: Ultimately, for UA to grow, all role players within the food system must engage with farmers and co-create clear pathways for urban farmers to achieve greater market access. There are a number of different online groups that engage vigorously in understanding Cape Town's food system and the greater inclusion of urban farmers in these groups has the potential of creating opportunities for members to work synergistically in promoting food security in Cape Town.

4

Next steps



For further information and support on any of the content provided here, please contact GreenCape's sustainable agriculture sector desk: agri@green-cape.co.za



Additional resources on improving resilience in urban agriculture are available from: sibusisiwe@green-cape.co.za

References / Useful Resources

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