



# Hold on tight ... we're in for a rough ride

By Willie Jacobs, CEO, Potatoes SA

The Potato Industry Forum (PIF) convened on 25 April 2023 to discuss issues pertaining to the theme 'Generating energy in the potato industry'. As is always the case, we took the issue head on and with the benefit of a knowledgeable panel, learned about improved photo voltaic cells, significant improvement in solar system efficiencies, alternative energy storage, and microgrids as a way to exchange or share generated energy or capacity – to name but a few!

This came amid an expected and most drastic reduction yet in the area planted to potatoes, along with the first actual possibility of seasonal shortages mostly due to risk mitigation by irrigation farmers, a situation caused single-handedly by load shedding. This situation has urged industry to take stock and make strategic changes. Once we came to realise that the current position of governmental service provision is what it is, and that we should not consider any form of restoration in the comfortable power supply position we used to enjoy, the doors start opening to all kinds of opportunities.

During the PIF discussions the message was clear: Reliable energy sources and storage not only serve to counter load shedding, but it also makes economic sense. As Faure van Schalkwyk put it: "When financial institutions start to support proper funding mechanisms behind it, the fruits are ripe for the picking."

### Start investigating opportunities

While several technologies already offer a long-term pay off, they may soon become redundant at the rate at which new solutions are coming

on line faster than the speed of data growth.

Private power generation is already exceeding public services in most countries. Did we misread the signs? Or maybe ignore it? Locally, there have been countless arguments by private power generators who have already developed solutions and who state that they are getting stonewalled by regulations to allow them to supply power to the grid. Essentially, this means that a significant release on the supply network will become available by doing a few simple revisions to regulations.

From an organised agriculture point of view, alongside other major industries, we have to let the voice of business, commerce and economic sustainability rise above the noise of bureaucracy and self-preservation for the privileged few. The industry is slowly making progress on issues like poor service delivery, and I believe the first significant breakthrough will be at the Tshwane Market by way of the IMASA consortium. Efforts similar to this long-running battle to regain control of the efficiencies of the market system, can be replicated

in moving the colossus called Eskom into the true commercial 21st century. Our speed of energy reform will be determined by the speed of governmental reform.

### Come to the party

Financial institutions also need to come to terms with the risk of these technologies and find proper funding models to assist in moving investment to critical mass. The business case has been made. Security models need to be amended to allow for funding of these solutions. Once security is replaced by expense and risk substitution, a lot more funding can flow to this sector.

While the potato industry is still forging ahead with plans to find solutions for short-term market imbalances, such as the proposed potato chip (fries) factory, these solutions now go way beyond stabilising supply, but also towards the point of market-leading, innovative water and energy solutions that will render our rural areas feasible and create livelihoods where once was believed to be limited opportunities.

Let's unite as business and take the country out of this policy doldrum. 🇿

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# CHIPS

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