



So far so good

By Willie Jacobs, CEO, Potatoes SA

Current deliveries to the potato market are significantly lower than in previous years, but it has come to be expected. The culmination of the past 18 months of turbulent economic events is clear in the results we are seeing.

Factors such as the significant increase in input costs, erratic weather conditions in key planting seasons (the Eastern Free State) as well as harvesting seasons (the Southern Free State, Northern Cape, parts of Limpopo and the Sandveld) led to a considerable negative sentiment among potato producers.

The import duty battle

The fact that the industry battled to get the import duties confirmed again also played to reservations among key processors to increase processing capacity.

With already constrained processing capacity now a reality, the supply of French fries was significantly challenged by the onset of consistent load shedding which impacted not only the availability of fries, but also facilitated and exacerbated a build-up of raw material and subsequent wastage increase.

Taking the bull by the horns

It will take the potato industry some time to recover from these setbacks but, as we have come to expect of the most resilient farmers in the

world, we are soon to be on track again. Producers experiencing severe strain due to load shedding have made a significant investment in back-up power capacity.

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The cost of running these alternative energy sources would have been detrimental to the industry if some of the other negative influencers did not subside. However, it seems as though there is some relief in respect of certain key inputs such as fertiliser and chemicals, while the cost of fuel is also showing glimmers of beneficial movement.

Hats off to the end user

Consumers have shown us that they really and truly treasure the humble

spud by spending significantly more on potatoes at the average price than in the past number of years. All in all, this has been beneficial to the potato industry in its entirety. Not only did their support improve the value proposition for potato cultivation, but it is also making it a competitive option in the production plan of the hesitant producer.

Re-establishing our markets

And, finally, discussions are well underway to set up the first joint management agreement on a municipal market, in this case Tshwane Market. This will allow members of the Institute of Market Agents of South Africa (IMASA) to gain some insight into and contribute towards the budget planning and spending of this key industry asset.

This development is a significant step in the right direction to re-establish sustainable markets and price discovery for all fresh fruit and vegetables.

Let's take on the next phase of recovery with excitement and energy! 🍌

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VOL 37 NO 4 • JULY / AUGUST 2023

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