

Mondstuk van die Suid-Afrikaanse aartappelbedryf • Mouthpiece of the South African potato industry

CHIPS

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**MARKMONITOR: DIE EERSTE
/ DRIE MAANDE VAN 2021
OP VARSPRODUKTEMARKTE**

**POTATO TUBER MOTH
INSECTICIDES, MODES OF ACTION,
AND SENSIBLE USE**

**Mechanisation training for
Limpopo producers**

**PSA's roll-out of its
mass media campaign**

**Limpopo-kultivarproef
onder besproeiing: Dendron**

PIF shines the spotlight on value chain resilience

By Ursula Human

The Potato Industry Forum (PIF) hosted by Potatoes South Africa (PSA) took place on 5 April this year. A small face-to-face function was hosted at the Woodhill Country Club and was also attended by role-players online. Formal proceedings included the annual *Chairperson's Report of the Potato Industry Development Trust*, delivered by Ernst Yzel, chairperson of the trust, along with a business report delivered by Willie Jacobs, CEO of PSA.

Speakers of the day included Dr Justy Range from Freshmark Systems who discussed the impact of Covid-19 on the potato value chain, Joe de Beer from Stats SA who shared information on potato production and prices, and Francois Knowles from the Agricultural Produce Agents' Council (APAC) who took delegates through the ins and outs of the *Agricultural Produce Agents Amendment Bill, 2020*.

Importance of information in the value chain

Dr Range's address highlighted the importance of market information in the potato value chain. He said that in South Africa, market statistics and price information are openly available. This concept of openly sharing market information is unheard of in countries such as the United States (US) and the European Union (EU). The Johannesburg Fresh Produce Market continuously makes daily data available regarding price movements.

In many international markets, industry information is very closely guarded and produce prices are determined before planting.



Willie Jacobs, CEO of PSA, and JF van der Merwe, chairperson of PSA.

Although a free-market system, as is used in South Africa, means that prices are more volatile, it also implies more opportunity to make more profit. Luckily, market prices are also closely monitored by the Competition Commission, especially when it comes to price inflation of specific fresh produce. Daily potato prices can be found on www.potatoes.co.za.

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Other types of information that are readily available to the public are production volumes, sales

volumes, quality standards and grading specifications, as well as information relating to traceability and food safety. The Produce Price Index (PPI) and the Consumer Price Index (CPI) can also provide farmers and other role-players in the value chain with insightful price trends. It is thanks to such readily available information that the potato industry was able to navigate the unprecedented conditions faced during the pandemic.

Impact of Covid-19 on the potato value chain

Covid-19 caused disruptions to global and local trade in several ways. For one, supply and demand have never been disrupted at an international level at the scale observed during this pandemic. The potato industry was especially impacted, as the commodity boasts a highly industrialised food supply chain. The dependence on each node of a value chain that

has little diversification in the way the commodity is supplied, is not always a good thing, said Dr Range. For example, with disruptions in travel that affected the mobility of people and exports, it was clear that this type of trading system poses a high level of risk.

Except for market disruptions, he also discussed another important factor that came into play along with the pandemic, namely contagion. The industry had to ensure that trade could continue without spreading the virus. There was also a definite shift in consumer focus towards produce. Before the pandemic, the consumer's focus was very much on the farm-to-fork concept, but now it has become fork-to-farm. The well-being of the consumer has become a priority and the potato industry wants to ensure that both food quality and food safety are reliable.



A panel discussion with important role-players took place at the forum. From left is Ernst Yzel, chairperson of the Potato Industry Development Trust, JF van der Merwe, chairperson of PSA, and Dr Justy Range, Freshmark Systems. During the panel discussion, Yzel gave feedback on the important role that the potato industry plays in rural development. He said that crime in small towns tend to drop by as much as 50% when the potato packing season starts.

Despite all these changes, Dr Range said that the South African agricultural sector is a resilient industry. The local industry is used to facing many challenges that include

unpredictable crises such as irregular rainfall and logistical issues. This enabled the industry to adapt quickly to the many changes the Covid-19 pandemic threw its way. 📍

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