

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

CHIPS

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Transport issues under the spotlight

By Max Braun, Max Braun Consulting Services

As the second quarter of 2021 dawns, potato producers are plagued by ongoing cost increases, of which diesel and other transport-related operating elements are strongly in evidence. The wholesale inland price of diesel was, at the time of writing, just below R15/litre, before adding the transport differentials. The cost per kilometre for vehicles typically used by producers or the contractors they engage to transport their harvest to local municipal markets, and others catering for bulk buyers, is now R20/km or more.

Fuel usage for large vehicles will be at least R8/km, depending how well the vehicle is driven and maintained. Should the Covid-19 pandemic become more manageable, especially in major continents such as Europe, there is likely to be an increase in the production of crude oil in anticipation of more demand as economies reopen, allowing goods to move quicker and in larger volumes.

Don't disregard hidden expenses

Locally, as the South African rand improved during the end of March along with a weakening of the United States (US) dollar, the price of oil softened during the review period. Sadly, however, the increase

in fuel levies and the Road Accident Fund bumped up the price at the pump. In addition to the rising fuel price, toll fees, vehicle licences, and the cost of delays and traffic congestion must be noted.

Following the impact on international logistics and freight movements resulting from worldwide lockdowns, many ports across the globe, including those in South Africa, are suffering major log jams that result in massive build-ups of both loaded and empty containers. This is costing shippers, importers, and exporters huge amounts of money, which is already being felt by way of price increases in any number of products and produce. This includes vehicle replacement parts, raw materials such as iron and other metals, as well as food prices.

Gain control over operating costs

As new vehicle sales start to recover, several vehicle manufacturers are battling to replace inventories. Since there is no certainty about when trading conditions will return to more predictable conditions, it would be wise to give thought to replacing vehicles once they have reached their designated lifespan.

The following is based on market-related road transport owning and operating cost benchmarks as at April 2021, for a typical large vehicle covering 180 000km per annum on

national and provincial roads, and capable of transporting a payload of up to 36 tons, including the mass of pallets:

- Current capital cost (purchase price) is R2 900 000.
- Estimated total operating cost benchmarks for working 286 days a year are R3 300 000, excluding administration costs.
- Fuel costs are at least 40% of the total, depending on the region.
- Standing costs per day are R4 700 (costs incurred when the vehicle is stationary).
- Cost per kilometre is R20 or more, depending on timely maintenance and responsible driving.
- Driver and assistant wages including medical aid, pension and other employment benefits are R325 000 for a full year, depending on the region.

Simple steps such as keeping tyres properly inflated, responsible driving (no harsh braking or excessive acceleration), limited or controlled engine idling, timely maintenance and scheduled replacement are essential to gain sustainable control over operating costs. It is, however, possible to achieve more, especially in terms of the amount of fuel burnt day by day. This lies in monitoring fuel efficiency when expressed as 'specific fuel consumption' (SFC),

with the conventional method being litres per kilometres or the number of kilometres travelled per litre.

These metrics provide a record of fuel used and needs to be properly recorded and kept up to date. Payload utilisation and the time taken to complete trips and average speed travelled are not considered. A more meaningful measurement is to monitor litres per hour or litres per ton-kilometres (this could be expressed in pallets, crates or whichever is relevant to a particular business).

Engine and vehicle manufacturers determine SFC via controlled dynamometer and on-road tests. The results of such tests are usually expressed in grams of fuel per kilowatt-hour (kWh). The tests depict the specific fuel consumption based on the average demand for sufficient power at different speeds. The demand for power is expressed as a percentage of the available maximum kWh of the engine.

The engine with the lowest SFC is the most fuel efficient. I acknowledge that this is a difficult concept to follow. The manufacturers of the vehicles you use, or are about to purchase, can provide you with the SFC as determined by their tests.

Potatoes South Africa (PSA) is familiar with the TruckScience program which enables simulated tests to be undertaken on specific routes according to desired average speeds. Conservative projections indicate that savings of three litres or more an hour can be achieved.

AARTO, at last!

Following its long history of being poorly communicated, misunderstood, and irresponsibly reported by ill-informed journalists, it seems to finally be coming off the Road Traffic Infringement Agency's (RTIA) backburner.

The presentation, *The Impact of the Administrative Adjudication of Road Traffic Offences (AARTO) Act*, by the Transport Forum, was well attended by senior members of the RTIA and a significant and comprehensive representation of senior personnel from the Southern African Vehicle Rental and Leasing

Association, the Southern African Bus Operators Association, the Road Freight Association, and taxi associations.

Restating the purpose and objectives of the *Administrative Adjudication of Road Traffic Offences Act, 1998 (AARTO, Act 46 of 1998)*, the RTIA reiterated that the focus is on saving lives and reducing injuries, thus reminding us that it can only succeed if the regulations are implemented, and drivers change their attitudes to become more responsible and accountable.

Should you have any doubt about the veracity of this statement, I recommend taking note of the latest published statistics by Zurobi, a driver education establishment based in the United Kingdom:

- 57.5% of fatalities on our roads involve alcohol.
- 31% of drivers do not wear seat belts.
- Road crashes account for 25.9 deaths per 100 000 citizens. Between 2010 and 2019, 132 503 people died in road crashes on SA roads. The statistics for 2020 are not yet available.

South Africa is a signatory to the international commitment to reduce road deaths by 50% by 2030. We need to minimise the carnage.

Driver behaviour prioritised

Discussions at the forum were more balanced and indicated an all-round willingness to work together. The RTIA wants drivers to accept and comply with all factors of traffic regulations. In restating the objectives of AARTO, the focus will be on safety rather than infringements. The formulation of an AARTO Tribunal will seek to resolve points of concern and to finalise and implement the Act by 1 July.

Concerns articulated by the various delegates focussed on the lack of communication, especially as it refers to relying on technology when serving notices of infringements, as it goes beyond the vehicle owner's ability to have control of this aspect. Vehicle rentals and leasing are examples of this. Additionally, it is the

lack of reliable response as it refers to eNatis, which is said to be unreliable and not always up to date. In other words, it is not practical.

This is important in shifting the emphasis of the AARTO regulations from chasing infringements to improving driver behaviour and reducing road crashes and injuries or fatalities. In summary, large fleet owners express disappointment and frustration flowing from the lack of communication in terms of the planning and enforcement of regulations. It is expensive due to the impact it has on achieving compliance with regulations and important business strategies.

In response, the RTIA voiced its views and a way forward to ensure drivers are trained, coached and motivated to improve their behaviour and accountability. The question we should ask is, how do we drive when no one is watching? Some basic disciplines need to be followed if we are ever to succeed in achieving a meaningful and sustainable reduction in road deaths and injuries.

Here are a few don'ts:

- Don't drive an unregistered vehicle.
- Don't drive without a licence.
- Don't drive without a licence disc displayed.
- Don't drive an unroadworthy vehicle.
- Don't drive without wearing your seat belt.
- Don't text or talk on the phone while driving.

The forum ended on a positive note with the RTIA and attending delegates agreeing to work together in a determined effort to resolve the concerns and reach an amicable conclusion. We will wait with keen anticipation to watch how the AARTO Tribunal progresses in taking steps that lead to improved road safety and fewer deaths and injuries. 🗣️

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