

# ANNUAL REPORT



potatoes  
aartappels SA



2019/2020

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# ABOUT PSA

Potatoes South Africa is a Non-profit Company ((PSA (NPC)) under the Companies Act 71, 2008 (Act 71 of 2008).

01

## VISION

Together towards excellence in the potato industry.

02

## MISSION

To provide strategic support services to a dynamic industry, thereby enhancing the sustainability of potato producers in South Africa,

By providing the industry with industry-strategic knowledge and management support and support services with regard to South Africa's potato consumption.

Providing producer development support services and business excellence.

03

## VALUES

Proactive

Integrity

Objective

Service Excellence

Partnering

Collaboration

# CHAIRPERSON'S REPORT

People say that in their lifetime they have seen great changes in the world. Seldom in the history of the world has it been recorded that a virus has changed human conduct on a global scale in a matter of weeks.

In the South African agricultural industry, and more specifically in the potato industry, the 2019/2020 financial year has had its challenges, but none as devastating as the impact of COVID-19. Looking back at the year under review, potato producers and other key role players in the potato value chain have shown remarkable tenacity in keeping abreast with the ever-changing scenario caused by the pandemic. In this, PSA (NPC) performed a crucial role not only in safeguarding its employees but by continuously disseminating information that would assist potato producers in making decisions to help keep their businesses viable.

On 01 July 2019 PSA (NPC) entered the 1st year of the 5th Statutory Period. This is an encouraging indication of the trust that the NAMC places in PSA (NPC) to fulfil its mandate as an industry association to provide an institutional framework to implement national, regional and workplace strategies and to provide a framework for the functioning of a voluntary representative autonomous national organisation for the potato producers of the Republic of South Africa.

The level at which PSA (NPC) demonstrates due diligence in managing the statutory funds is reflected by the measure of satisfaction expressed through the PSA Board and the Potato Industry Development Trust (PIDT).



JF van der Merwe



On 17 and 18 September 2019 PSA (NPC) hosted a high calibre Seed Potato Growers' Forum and Congress. Renowned national and international experts addressed aspects pertaining to quality plant material as the foundation of a competitive potato industry and gearing up for a changing environment to ensure a sustainable potato industry.

A new PSA Board was elected for the period 2019 – 2021. We extend our deepest appreciation to Bernhardt du Toit, Joseph Bantom, Siseko Vikilahle and Gift Mafuleka who selflessly served the potato industry on the Board. Welcome to new members Gert Bester, Egan Duminy, Vuyani Kama, Enos Mahwai and DC Schellingerhout. Thank you for your willingness to share your expertise in shaping the future of PSA (NPC).

Appreciation is extended to the PIDT for ensuring that the structure and any business activity or service of PSA is such that financial interests and results are transparent and are made available to all interested parties independent of PSA (NPC).

A special word of "thank you" to Dr Freek du Plooy who stepped down on 23 June 2020 after serving on the PIDT since his prime. Dr Freek, you made valuable contributions in shaping the landscape of potato production in this country. Welcome to Dr Ben Pieterse. May your tenure in the PIDT be fruitful.

The Core Businesses of PSA (NPC), namely Research and Development, Information, Transformation and Marketing, continuously hone their activities to generate viable and relevant outputs specifically to the benefit of potato producers and the wider potato industry. In this they were guided through the leadership of the CEO, Dr André Jooste and the Chief Operations Officer, Bernice Manana. Supporting these functions are the Finance Department, Secretariat and Communication Division.





As a Team, these people strive for the systematic development and environment-friendly outlook of the potato industry, including, inter alia, the preservation of the soil and water resources, the maintenance and improvement of the fertility of the land improvement of production and marketing methods. A Team with these responsibilities must have a dynamic character and as such 2019/2020 brought about various staff changes.

New employees were appointed while other members of staff resigned or retired. Then there were also transfers within PSA (NPC) as well as interns who successfully completed their period of experiential learning in the company.

My sincere appreciation goes to the serving and former employees of PSA (NPC) for your diligence. You believe in the organisation and are living its values.

You are the core of the mechanism that keeps the potato industry embedded in agriculture. To our partners in the potato industry who have lost loved ones, our heartfelt sympathy and condolences. I want to encourage the other role players in the potato industry to hold on to their value as key gears

in the drive to keep the industry viable. When circumstances in the country again allow for a Potato Industry Forum to be held, I invite you to participate. Remember that your voice is important.

As price determinant in the potato industry, it is essential that the National Fresh Produce Markets (NFPS) operate optimally. Through Project Rebirth, the functionality of the NFPMs is a priority of PSA (NPC) into which dedicated hard work and effort is invested.

I must express my deepest gratitude towards the potato producers. This has been an extremely challenging year. Many producers are still enduring dire straits due to continuing drought in certain production regions. On top of that came the unpredicted catastrophic impact of COVID-19 on the economy. Despite these challenges, our South African potato producers still produce enough potatoes. The slogan of "FEED THE NATION" is certainly carried out and we make an important contribution to food security and job creation in South Africa.

To our producers, we salute you...

**JF van der Merwe**  
Chairperson

# CHIEF EXECUTIVE OFFICER'S REPORT

During the past few months the COVID-19 pandemic has caused serious disruptions in the normal way we do things.

We had to adapt very quickly to bring about some level of normality to our daily lives, but some things will never return to the way it was prior to the pandemic. For example, we have been forced to adopt new technology to engage with each other to ensure that business can continue within the limits allowed by regulations.



Dr André Jooste

The current reality is, however, that economic activity has been severely hampered and it will probably take several years to recover.

One cannot deny that protecting human health is vitally important, but equally important is that livelihoods must also be protected.

Thus, while regulations have been put in place to ensure that human health is protected, the very same regulations have brought about many unintended consequences.

It is understandable that to reduce interaction between people that restrictions had to be implemented to reduce such interaction. The temporary closure of restaurants and quick service outlets is one such example. However, this precautionary measure disrupted the whole fresh produce value chain. Many people have lost their jobs, while an important marketing channel has been closed, some of these outlets permanently due to lack of financial reserves.



The impact is evident throughout the fresh produce industry where an industry operates through various complex linkages. The market for large potatoes has collapsed and impacted negatively on potato producers' margins – given the high cost of production, this can make the difference between making a profit or a loss.

Processors of frozen French fries must now store product at very high costs that they will find very difficult to recover from consumers who are already under economic pressure. It will also influence the procurement of potatoes in the short to medium run.

Potatoes that would normally have gone to processing will now be channelled to the fresh produce markets, which in turn increase volumes and thus put additional pressure on potato prices.

Another threat is the potential soaring in input costs, amongst others, due to the depreciation of the exchange rate. In 2008/09 input costs escalated significantly due to the global economic crisis and which resulted in a sharp reduction in the number of hectares planted with potatoes. The downgrading of South Africa by international ratings agencies will also impact on access to finance.

Profit margins of potato producers are already under pressure and hence improved productivity will become even more important – in short, there is no margin for error.

With input costs at R150 000 per hectare, it will require R15 000 000 to plant 100 hectares of potatoes. Using the national average yield per hectare of 47 tons, it means that a minimum price of R32 per 10 kg bag is required just to cover variable costs. If the price drops by R2 to R30 per 10 kg bag, a loss of R900 000 will be realised based only on the variable cost to produce potatoes.

Policy makers need to understand the risks taken by our producers to ensure that South Africans have access to affordable food. It is in times of crises like the one we are currently experiencing, that our producers bring stability by ensuring food security. PSA (NPC) is committed to potato producers in South Africa and serving their best interests. In these extraordinary challenging times, PSA (NPC) ardently applies its smart and efficient business model to ensure service delivery to producers and other industry stakeholders. Producers' needs direct priorities of the research strategy and funding of research projects. Timely research and the answers provided by it, is an investment both now and for the future.



Market intelligence forms the backbone of decision-making and PSA is therefore constantly seeking to better align the sources and range of information with the needs of the industry.

PSA (NPC) is dedicated to transformation projects. The shift in focus from number of farmers to sustainable expansion of hectares of New Era farmers is bearing fruit. The Transformation Core Business carried on forging partnerships with other stakeholders to advance its goals of successfully settling New Era farmers. PSA's Marketing Core Business is to aid potato growers to promote and sell potatoes. Generic Product Promotion (GPP) function focuses on the local marketing environment and aims to stimulate demand as well as increase per capita consumption. The Market Access & Development (MAD) function looks at product innovation, development and strives to facilitate a seamless trading environment for producers.

PSA (NPC) is guided in the implementation of these functions to the benefit of the potato industry and, to potato producers in particular, through the dedicated inputs of the Board of Directors of PSA (NPC) and the PIDT. We appreciate the invaluable involvement of members of these bodies.

To the potato producers of South Africa, we are grateful for your perseverance in potato production whilst facing daunting economic challenges. You and your farm workers ensure food security to a severely economically restrained society.

We honour you!

Potato regards  
Dr André Jooste  
Chief Executive Officer



# CHIEF OPERATIONS OFFICER'S REPORT

This report provides an overview of PSA (NPC) operational performance regarding:

## CORPORATE GOVERNANCE & POLICIES

A number of key policies were reviewed to ensure that policies are aligned to legislation, the strategic and operational intent of PSA (NPC). The policies that were reviewed are:



- The Leave Policy under the regulations of COVID-19
- The Travel and Accommodation Policy – Overseas Travel
- The Bursary Policy
- The Supply Chain Policy
- The Asset Policy
- The delegation of authority for operational effectiveness

Processes to ensure that existing policies as well as the reviewed policy embedded, were developed and communicated continuously to ensure that high standards are upheld. Key to the processes introduced were the development of plans required by legislation such as:



- The Occupational Health and Safety Plan
- The Employment Equity Plan
- The PSA COVID-19 Workplace Plan

The Board of PSA approved the delegation of authority to enhance operational effectiveness in the day to day business.

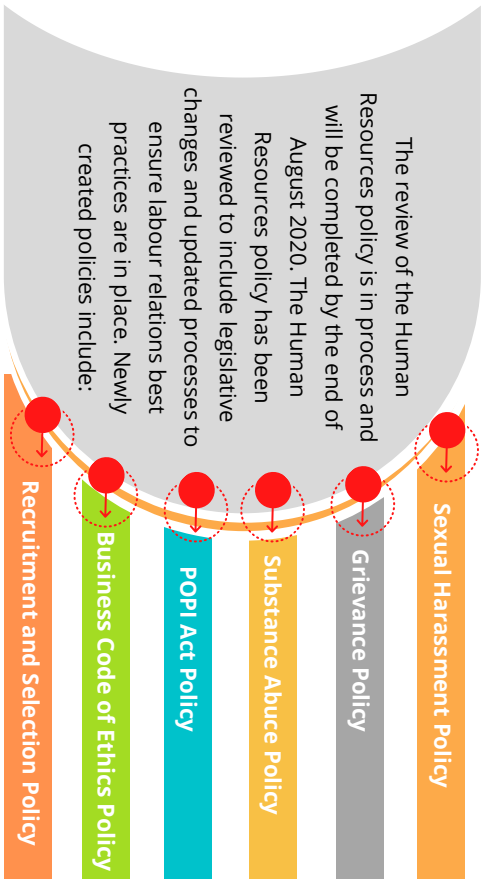




## MANAGEMENT AND OPERATIONS

- Each core business developed an annual implementation plan that was aligned to the approved budget and projects. These plans were reviewed monthly and quarterly to ensure that the highlights and challenges of each core business were reported in time. The monthly business review was introduced to enable core businesses to review their progress against their annual plans. These reviews further enhanced the statutory reporting by each core business.
- A supplier database has been developed and the procurement process has been reviewed to ensure compliance with the supply chain policy. Preferred suppliers are vetted upfront to eliminate any conflict of interest and process flaws in the supply chain process.
- An organisational Risk Register was developed and is reviewed quarterly to ensure that controls remain effective.
- Cost-saving initiatives were introduced, such as electronic meeting packs to save on courier and paper costs.
- A new IT plan was set up and the partial migration to the cloud with a smaller server was implemented at the beginning of 2020.
- Virtual meetings have been introduced and are being embedded, with the first virtual board meeting held in May.
- To ensure business continuity during the lockdown period, each core business documented business continuity plans for their respective businesses to ensure that staff remained productive and engaged. A culture of collaboration among core businesses is being developed to ensure that business resources are used effectively.

# HUMAN RESOURCES



There has been a huge focus on performance management and all managers attended performance management training to ensure that PSA inculcates a high-performance culture among staff. Key Performance Area (KPA) contracts are contracted upfront and reviewed quarterly with a focus on performance improvement, development, and coaching. Staff were supported to work remotely during the lockdown period and were continuously briefed on the lockdown regulations and the PSA COVID-19 workplace plan.

# STAKEHOLDER MANAGEMENT

Our sponsors have contributed to the success of Congress, while stakeholders and partners remained key in project implementation and PSA's contribution in the industry.

## COVID-19 MEASURES FOR EMPLOYEES SAFETLY

Since national lockdown was announced on 23 March 2020, the following measures were taken to safeguard employees:



- 1
- 2
- 3
- 4
- 5
- 6

Staff Awareness & Safety precautions

Procedure for coming to the office & rotation schedule

PSA Workplace Plan COVID-19: Risk phased approach

CIPC Certificate & Traveling Permits

Procedure for Self -Isolation, Quarantine and Leave

Virtual Monthly Staff Meetings

# STAFF MOVEMENTS

In the past financial year, the following personnel movements took place:



## JOINED PSA

Jason van der Merwe  
(Information Intern)  
Joined 01/03/2020

Patience Similela  
(Marketing Intern)  
Joined 10/02/2020



## RESIGNED FROM PSA

Xolisiwe Potelwa  
(Marketing Specialist)  
Resigned 30/11/2019

Elsabé Els  
(Company Secretary)  
Resigned 31/08/2019



## TRANSFER WITHIN PSA

Rotondwa Rathogwa  
(Transformation  
Regional Officer)  
transferred to  
(Transformation  
Administrator) on  
01/12/2019

Laryssa van der Merwe  
(Information  
Administrative  
Officer) transferred to  
(Senior Executive  
Administrative  
Secretary) on  
01/03/2020



## RETIRED FROM PSA

Terence Brown  
(Regional Manager)  
resigned 31 Jan 20209



## INTERNSHIPS COMPLETED PSA

Rachichi Marokane  
(Transformation Intern)  
completed 31/12/2019

Mea Botha  
(Communication  
Intern) completed  
31/12/2019

# STAFF E-COMMUNICATION

Informal platform for Staff:  
"This group is created to distribute information to PSA staff via WhatsApp. Please do not leave the group, you will miss out"

PSA SPUD Report



Initially created for PSA Management, now includes all staff. To keep each other informed of where we are and other important information to be forwarded to producer WhatsApp groups

PSA Where we are



## POTATO INDUSTRY DEVELOPMENT TRUST

### POTATO INDUSTRY DEVELOPMENT TRUST



Ernst Yzel (Chairperson)

\*Dr Freek du Plooy

Martin Fourie

Shadrack Mabuza

Deon van Zyl

- *Dr Freek du Plooy retired on 24 June 2020 and was replaced by \* Dr Ben Pieterse*



# BOARD OF DIRECTORS

## PSA BOARD / NATIONAL COUNCIL

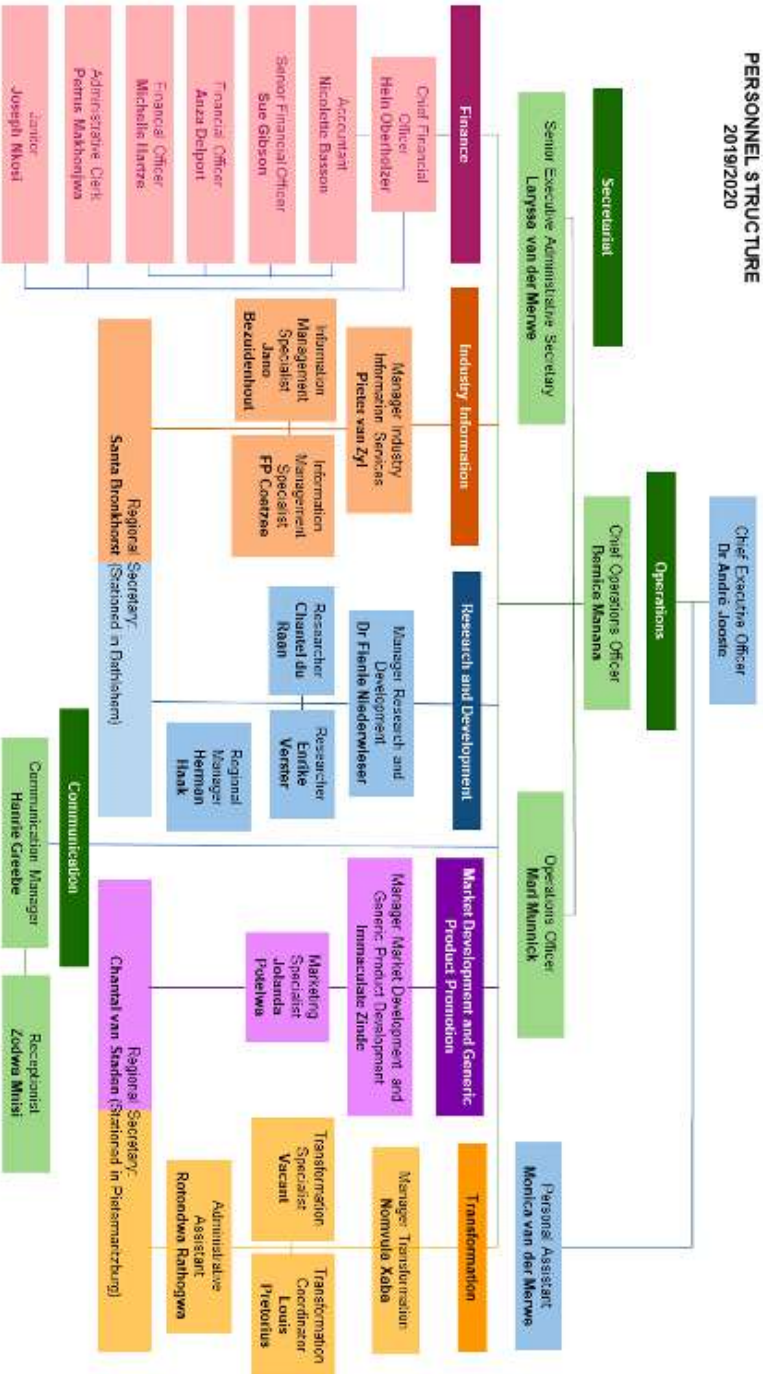
BOARD OF DIRECTORS 2019 - 2021		
	Name	Representing
1	J F (JF) van der Merwe (CHAIRPERSON)	Independent / Non-Aligned
2	J R (Rudi) Heinlein (VICE-CHAIRPERSON)	Northern Region ( <b>Limpopo</b> , Mpumalanga, Gauteng, Loskop Valley)
3	GF (Gert) Bester	Audit Committee member
4	A S (André) Coetzee	Western Region (Western Free State, <b>North Cape</b> , Northern Cape, South West)
5	J I (Izak) Cronjé	Western Region ( <b>Western Free State</b> , North Cape, Northern Cape, South West)
6	E (Egan) Duminy	Southern District (Western Cape, Sandveld, Ceres, Southern Cape, South)
7	M J (Mike) Green	Eastern Region (Eastern Free State, <b>KwaZulu-Natal</b> , North Eastern Cape)
8	J C (Johan) Holtzhausen	Northern Region (Limpopo, <b>Mpumalanga</b> , Gauteng, <b>Loskop Valley</b> )
9	V (Vuyani) Kama	South Eastern District (North Eastern Cape, Eastern Cape)
10	N J (Nicolaas) Lourens	Eastern Region ( <b>Eastern Free State</b> , KwaZulu-Natal, North Eastern Cape)
11	Enos Mahwai	Central District (Limpopo, Free State, Gauteng, Mpumalanga, North West)
12	N R (Rodney) Mbuyazi	Eastern District (Kwazulu-Natal)
13	P G J (Gerhard) Posthumus	Chairperson: National Seed Potato Committee
14	DC Schellingerhout	Southern Region (Sandveld, <b>Eastern Cape</b> , Ceres, Southern Cape, South)
15	W A (Wouter) van Amstel	Northern Region ( <b>Limpopo</b> , Mpumalanga, Gauteng, Loskop Valley)
16	J P J (Jan) van Zyl	Southern Region ( <b>Sandveld</b> , Eastern Cape, Ceres, Southern Cape, South Western Cape)

In terms of the Memorandum of Incorporation of the company, the Chairperson of the Audit Committee will be a non-executive and unattached qualified person. During the year under review, Mr J H du Plessis of the chartered auditing firm, Geysers and Du Plessis, again served as Chairperson of this Committee.





# PERSONNEL STRUCTURE



# FINANCE

PSA is a non-profit company (NPC), incorporated in terms of the Companies Act, 2008 (Act No. 71 of 2008), established to serve, protect and promote the interests of the South African potato industry. It operates as an organisation with an integrated structure that comprises a network of industry-orientated forums and committees on which participating role-players and individuals have a seat. This structure ensures that the organisation executes its mandate to render a comprehensive service to the potato industry as a whole.

## FINANCIAL MATTERS

The activities of PSA (NPC) are funded by a statutory levy on potatoes, held in the PIDT. As the appointed administrator, PSA (NPC) collects the levy on behalf of the PIDT and applies to the PIDT for funds to finance its activities and administration. In accordance with the ministerial guidelines, the funds are appropriated as follows:

On 30 June 2020 PSA (NPC) the first year of the fifth statutory period concluded. Every year an amount in the form of bridging capital is transferred to the next year. This is simply done to continuously maintain a positive cash flow as the PIDT continuously have a high debtors' book. This is the result of the inevitable time lag for bag manufacturers to recover the levy from their debtors (producers).



To address this issue, for the potato industry as well as other industries, the National Agricultural Marketing Council (NAMC) decided on 29 May 2018, during its Council meeting, to adopt a guideline that when making recommendations to the Minister of Agriculture, Forestry and Fisheries regarding carry-over funds, depending on the merit of each case, a maximum of two months of levy income in a relevant industry, be used to cover running expenditure of organisations that operate as a going concern over a levy cycle. The remainder, if any, can still be used for transformation projects.

The past financial year has been characterised by a moderate growth in volumes and therefore levy revenue resulted in better than budget, but with a significant underspending on projects. This underspending can be attributed to savings on operational costs and COVID-19 Pandemic and the associated restraint measures that resulted in projects not being able to be executed. This resulted in an increase in carry-over funds that amounted to R20.71 million. Except for the bridging capital, the extra funds will form part of a decision to carry over funds of the said projects to the new financial year to complete the relevant projects. PSA (Voluntary) also has non-statutory funds available that are supplemented by sponsorships and combined project funding.

These funds are used to fund projects and functions in the interest of potato producers in particular and the potato industry in general. Approval for the appropriation of such funds lies with the National Council of PSA (Voluntary).



# STATUTORY INCOME & EXPENDITURE - PSA (NPC)

PSA (NPC) as an administrator, collected R49.5 million on behalf of the PIDT in statutory levies during the 2019/2020 financial year. This amounts to 100% of all levies recovered that were invoiced by bag manufacturers. A further R462 833 was received in interest on investments.

The 2019/2020 budget of PSA (NPC) as approved by the PIDT amounted to R51.14 million of which R44,94 million was appropriated. The underspending of R6.2 million (12.1%) was attributable especially to personnel costs in light of vacancies which were not filled, as well as savings on other operational costs. There was also an underspending on certain projects due to the Covid-19 Lockdown situation which prevented certain projects from being carried out at institutions, as well as public meetings/symposia that could not take place. Capital in the PIDT transfer capital account started off with R15.41 million at the beginning of the statutory period on 1 July 2019, which was carried over as per Ministerial approval, and accumulated to R20.24 million on 30 June 2020 and will be transferred to the 2020/2021 financial year, with the necessary approval. The funds that could not be spent due to the Covid-19 regulations were transferred to the 2020/2021 financial year with the approval of the Potato Industry Development Trust.

As set out in Figure 1, PSA (NPC) managed to meet the prescripts given by the Minister. According to a PSA Congress decision, equal funds had to be allocated to the two core businesses Research and Development, and Market Development and Generic Product Promotion.

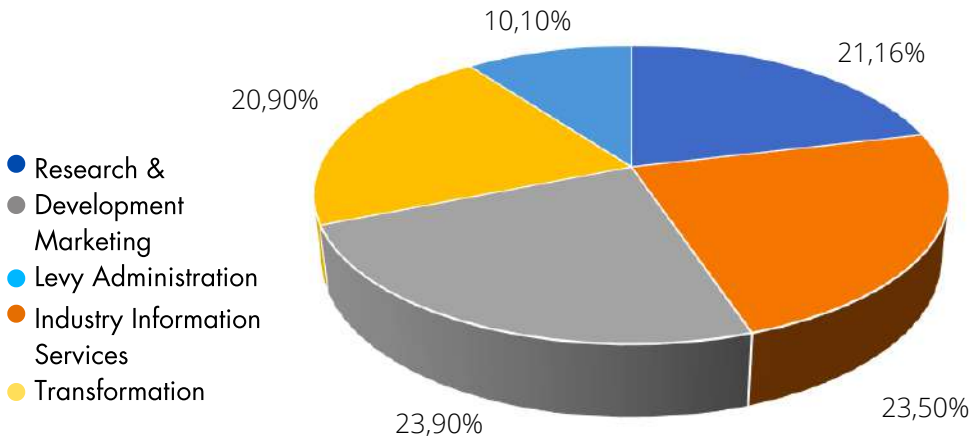


Figure 1: PIDT Appropriation of funds

The marginal deviations in respect of the above were due to work still in progress in the Research core business. This gave rise to funds being transferred to the 2020/2021 financial year, but still utilised in the relevant core businesses. The decision was taken that a ratio of about 60%:40% between operational and project costs should be maintained. In this regard PSA (NPC) succeeded. The expenses of approximately R44.94 million was utilised as shown in Figure 1 (rounded off).

## STATUTORY INCOME & EXPENDITURE - PSA (Voluntary)

PSA (Voluntary) funds are mainly supplemented by the following

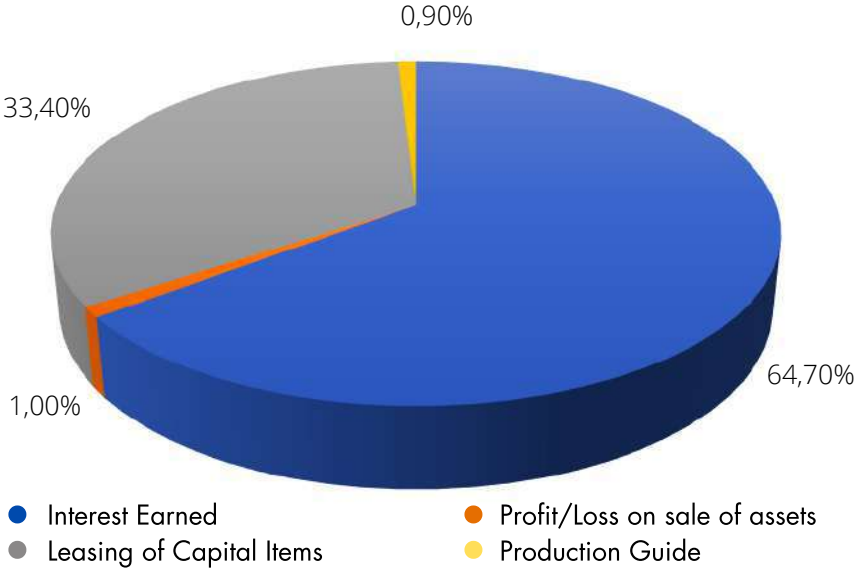
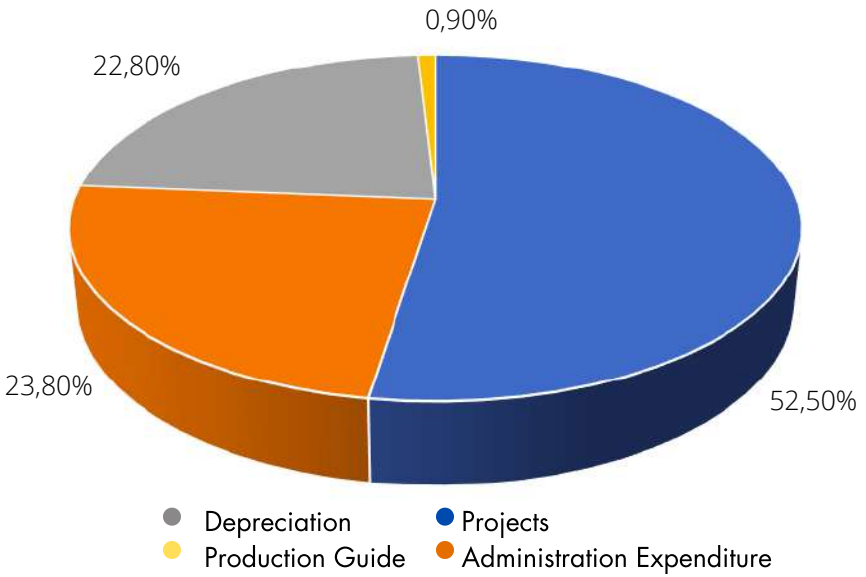


Figure 2: Income PSA (Voluntary)



**Figure 3: Expenditure PSA (Voluntary)**

Expenses related to the normal income as mentioned below are depreciation of assets R292 987, auditing and audit costs R39 220, administrative costs R175 789, corporate and other project costs R675 357 (refer to Figure 3). The Symposiums and Regional Meetings were funded in total by additional income received from sponsors during the year under review.



**Total funds and reserves amounted to R13 676 120. Property and movable assets, based on book value amounted to R937 853 and investments and loans to R12 388 584.**

## FINANCIAL POSITION

The allocation to projects could be adjusted upwards to optimize the value added to the industry. Tally and control measures are continuously reviewed and tightened to restrain operational costs and thereby ensuring a healthy balance between operational costs and the appropriation in respect of projects.

PSA (NPC) received a clean audit report with one administrative adjustment.

PSA (NPC) has been retained by the PIDT as administrator to manage the statutory measures which includes the collection and management of the statutory levies. As part of its managerial responsibilities, PSA (NPC) is also responsible for the implementation and management of the core business projects accepted by PSA's Board of Directors and approved by the PIDT.



# RESEARCH AND DEVELOPMENT

Funding of research projects is determined by priorities of the research strategy compiled through input from producers and consolidated by the Research Committee. Research is carried out by scientists at universities, the ARC and Provincial Departments of Agriculture.

Yield potential is determined mostly by the genetic potential of potato cultivars, hence new cultivars are evaluated in production regions on farms and in co-operation with 6 seed houses. Thirteen trials were carried out in 10 production regions and results are presented during the annual Research Symposium.

## RESEARCH HIGHLIGHTS

The causes of corky cracks, an emerging problem has been identified: *Rhizoctonia solani* AG-3, a new *Streptomyces* species and herbicide residue.

- Nematode workshops KZN & EFS. Powdery scab workshop in Sandveld determined research priorities for 2020 – 2023.
- On-farm training in irrigation scheduling to enterprise farmers in Limpopo.
- Five information days in different regions.
- Research Symposium attended by 210 role players.



Tuta absoluta feeds on potato leaves and may become a problem in the absence of an insecticide spraying programme. Larvae do not enter dormant tubers through the skin, but they can cause damage by entering the sprouting tuber through sprouts.

Powdery scab can only be managed through an integrated programme. The tolerance of commercial cultivars to powdery scab and root galling was determined and possible non-hosts plants and a trapping crop has been identified. Greenhouse and field trials to confirm the results are to follow.

30 formal projects were approved by the PIDT for 2019/2020



# CONTRIBUTION OF RESEARCH PARTNERS (76% PROJECTS)

## Research focus areas



- Evaluation of cultivars
- Water use efficiency
- Soil health
- Soil-borne diseases
- Nematodes
- Virus and aphid control
- Insect pests
- Plant nutrition
- Quality
- Foliage diseases
- Knowledge transfer

## Funding

- Research projects: R4.6 million
- Workgroup trials: R200 000
- Fact sheets: R100 000
- Farmers courses: R100 000



## Technology Transfer



### Final reports

- Tuta absoluta: pest status on potato (ARC)
- Fertilisation guidelines (UP)
- Management of powdery scab (UP)
- Management of root-knot nematode (ARC)
- Packaging and cultivars effect on post-harvest rot (TUT)

### Chips articles

- 12 work group reports
- 18 technical articles

### Fact sheets

- Groundwater guidelines
- Eelworm pests
- Late blight

## Industry Challenges in the future



- Climate change
- Soil-borne diseases
- Improved productivity and resource use efficiency
- Consumer demand for safe and nutritional food
- Consumer preferences



# RESEARCH PROJECTS

Project Title	Description	Impact
<p><b>Water use and quality</b></p>	<p>Irrigation water is of cardinal importance to the potato industry. Although potatoes is one of the most efficient crops to convert water to food and income, it is not drought tolerant. To maximise yield and quality, water must be available to the plant throughout the growing season. Therefore, research on water use and quality enjoys a very high priority in PSA's research strategy. We monitored the ground water level and quality for the past 16 years in one of the biggest production regions, the Sandveld; assisting farmers to implement irrigation scheduling and support research to determine the water and nutrient use efficiency in regions with sandy soil.</p>	<p>Monitoring of the ground water for the past 16 years in the Sandveld has shown that water level and quality generally follow the rainfall pattern in catchment areas (Piket, Winterhoek and Ceder Mountains). Monitoring allows farmers to manage extraction and it also made it possible to identify hotspots (specific boreholes or specific areas) where water levels or quality is affected by extraction. Several such boreholes are not used anymore. This information contributes to the conservation of the only source of water in the Sandveld.</p> <p>Ground-breaking research measured water use efficiency and the leaching of water and nutrients into soil below the root zone on farms in the North West and Sandveld. Results showed that water use efficiency is generally good and that there is a potential for leaching of water and nutrients during winter (the rainy season) in the Sandveld. The results additionally serve as guideline to individual farmers to improve use of irrigation water.</p>

Project Title	Description	Impact
<p align="center"><b>Cultivar maintenance and evaluation</b></p>	<p>Of all the factors affecting yield, quality and damage by pests and diseases, the biggest contribution is made by the genetic characteristics of potatoes. For this reason, research to continuously identify cultivars with adaptability and high yield, and resistance to diseases (currently soft rot and fusarium), enjoys high priority. Funding also ensures that industry has access to open cultivars and that modern gene technology is available to identify tissue culture nuclear plant to avoid mixing of cultivars.</p>	<p>Through co-operation between PSA, farmers and 6 seed houses in South Africa, new cultivars are continuously evaluated on farms in 10 production regions. The results are valuable for the seed houses as cultivars not suitable to the climate and production practices in South Africa can be eliminated from their system at a relatively early stage. Farmers on the other hand can have peace of mind that new cultivars are extensively tested before they are planted. Despite availability of many new, modern cultivars, some of the old, open cultivars for example BP1, Up-to-Date and Hertha remain in demand. By supporting in vitro maintenance, disease-free and true to type nuclear material remains available to industry.</p>
<p align="center"><b>Nematode management</b></p>	<p>Plant parasitic nematodes have been described as the assassins of the health of potatoes. In the past, they were controlled by application of hard chemicals. However, nematicides are increasingly withdrawn from the market due to its detrimental effect on the ecology. Although there are currently numerous nematicides available, research must pro-actively identify and develop alternative strategies to manage plant parasitic nematodes in South Africa. The focus of this work is currently to determine how crops used in rotation with potatoes affects nematode populations, and to screen numerous cover crops for tolerance to species of</p>	<p>the two most destructive plant parasitic nematodes, viz root-knot- and lesion nematodes. Study on the nematodes in the soil of an Eastern Free State farm over a number of years indicates that the population of nematodes are higher after a season of growing sunflower and that tillage can reduce the nematode populations compared to soil that is not tilled. Observation over the next few years will confirm these preliminary results, but they may indicate that planting of sunflowers in fields where nematode is a recurrent problem, should be avoided.</p>

Project Title	Description	Impact
<p style="text-align: center;"><b>Insect pest management</b></p>	<p>Potato leaf miner (PLM) is the most damaging insect pest in South Africa. Focus is currently on the source of infestations and to find ways to reduce these sources before populations become too big to control.</p> <p><i>Tuta absoluta</i> (<i>Tuta</i>) is a relative of the potato tuber moth. When it entered the country in 2016 the pest status of <i>Tuta</i> on potatoes was uncertain. This insect is also known to develop resistance to insecticides in a shorter period than potato tuber moth. The aim of research is to ascertain whether <i>Tuta</i> causes damage to potatoes and whether the population that entered the country was already resistant to insecticides.</p>	<p>Studies in the summer and winter rainfall regions indicate that the source of new infestations of PLM is pupae of the PLM left on the soil surface after potatoes have been harvested during the previous season. Two nematodes which feed on the pupae of PLM have been identified. Field research needs to be carried out, but this indicates an exciting possibility to reduce the source of new infestations and therefore improve the farmers' ability to manage the pest.</p> <p>Our observations showed that <i>Tuta</i> does mine in potato leaves like potato tuber moth (PTM). However, insecticides used to control PTM, also control <i>Tuta</i> in the field. <i>Tuta</i> does not attack dormant tubers in the field like PTM does. However, once tubers start to sprout, <i>Tuta</i> is able to enter tubers through the sprout tissue in the same manner as PTM.</p> <p>Preliminary results indicate that <i>Tuta</i> in South Africa is susceptible to all registered insecticides. The impact of these results is that <i>Tuta</i> can be controlled in the same manner as PTM and is not as devastating to potatoes as on tomatoes.</p>

Project Title	Description	Impact
Soil- and tuber-borne diseases	<p>Soil- and tuber-borne diseases are by implication very difficult to control. In the past, fumigants and hard chemicals were available and affordable enough to control the diseases. Farmers also had access to virgin soil. The situation has changed in recent years and soil-borne diseases are regarded as one of the biggest threats to potato production in South Africa in the medium to long term.</p> <p>Aspects of management of the following pathogens are being studied currently: <i>Verticillium</i> causing wilt; <i>Ralstonia solanacearum</i> causing bacterial wilt, <i>Spongospora</i> causing powdery scab and root galling, soft rotting bacteria, and the disease complex causing premature dying in Limpopo during spring.</p>	<p>By using conventional and modern molecular techniques it was confirmed that <i>Verticillium dahlia</i> only occurs in the Sandveld. Most crops currently planted in rotation with potatoes are alternative hosts of <i>V. dahliae</i> or can harbour <i>Verticillium</i> in dead tissue. The results highlighted the need to evaluate other crops, including cover crops and green manure crops for use as rotation crops.</p> <p>More information regarding the management of powdery scab became available through research. The susceptibility of commercial cultivars to powdery scab and root galling has been determined. Most cultivars have moderate tolerance to both diseases. Planting of susceptible cultivars are recommended only if the risk for powdery scab is low. The host status of crops used in rotation with potatoes has been identified. Soybean has been identified as having potential of a trapping crop to reduce the infestation levels of soil. Field trials are needed to determine the practical application of this finding.</p>

Project Title	Description	Impact
<b>Foliar disease management</b>	<p>Although late blight is the most destructive foliar potato disease worldwide, leaf blight (early blight and brown spot) caused by <i>Alternaria</i> species, is the most troublesome in South Africa. Application of fungicides and planting of tolerant cultivars are two of the most effective elements of an integrated management strategy. Research in other countries found that several <i>Alternaria</i> species can cause leaf blight and that <i>Alternaria</i> is able to develop resistance against fungicides. The objectives of the current project are: 1. To determine whether <i>Alternaria</i> species other than <i>A. solani</i> and <i>A. alternata</i> cause leaf blight, and 2. To classify commercial cultivars regarding their tolerance to <i>Alternaria</i> species, and 3. To determine whether the species involved already developed resistance against fungicides.</p>	<p>A study on more than 300 isolates from leaf blight collected in 6 production regions, showed that at least two <i>Alternaria</i> species other than <i>A. solani</i> and <i>A. alternata</i> cause leaf blight in South Africa. This partly explains why it is often difficult to identify symptoms on leaves. Work to describe the symptoms caused by the 4 different <i>Alternaria</i> species so that they can be distinguished, is in progress.</p> <p>The effectivity of five different fungicides on isolates of <i>A. solani</i> and <i>A. alternata</i> from the different regions have been tested.</p>
<b>Virus and aphid management</b>	<p>Various species of aphids are the vectors that transmit virus from one potato plant to another. These vectors are sometimes present in a field and the environment around a field, or they can migrate from far away fields to infect a field of seed potatoes. This project has put in place 9 suction traps in seed production regions to monitor the number of vectors carried by wind currents to seed potato fields.</p>	<p>Weekly reports enable seed growers to control aphids timeously. The next step in the project is to use long term data to determine how aphid flights are affected by climate.</p>

Project Title	Description	Impact
<p>Knowledge transfer</p>	<p>Research is carried out by specialists and when they report their results, they often use technical jargon and a language that many farmers and agriculturists neither understand nor appreciate. The objective of this project is to make knowledge generated through local and other scientists' research, available in various forms so that it can be adapted by industry to make a difference. Outputs of these efforts include final project reports, fact sheets, symposia &amp; workshops, ad hoc desktop studies and popular articles.</p>	<p>Final reports of projects funded by the potato industry are available to other researchers and agriculturists. Fact sheets are popular scientific publications, the latest ones being on eelworm, late blight and groundwater management.</p> <p>Verbal progress reports are delivered to industry during the annual research symposia. In 2019, the symposium was attended by 220 delegates, with guest speakers (2), reports (30), posters (7). Topic or problem specific workshops are arranged when required. In 2019/2020 eelworm workshops were held in KZN and the Eastern= Free State, and a powdery scab workshop in the Sandveld.</p> <p>Ad hoc desk top studies are carried out on specific topics: the effect of high temperature on virus in potatoes; endogenous contaminants in tissue cultured plants and the effect of glyphosate on potato tubers were carried out in 2019-2020. These studies summarised the state of knowledge on the specific topic and it often guides industry to new research topics.</p>





## RESEARCH COMMITTEE 2019/2020

RESEARCH COMMITTEE 2019/2020	
Name	Representing
André Coetzee (Chairperson)	Northern Cape, South Western Free State, North West
Gerhard Posthumus	Seed Potato Growers, South Western Free State
Johan Holtzhausen	Loskopvallei, Mpumalanga, Gauteng
Gavin Hill	Seed Potato Growers, KwaZulu-Natal, North Eastern Cape
Ross Bergh	Sandveld
Inus Oosthuizen	Ceres, Southern Cape, South Western Cape, Eastern Cape
Rudi van Deventer	Limpopo
Gert Bester	Eastern Free State
Ineke Vorster (co-opted)	Processing Industry (French Fries)
Frank Osler (co-opted)	Processing Industry (Crisps)
Marieta Botha (co-opted)	Plantovita
Sanette Thiar (co-opted)	Potato Certification Service
Dr Freek du Plooy / Dr Ben Pieterse	PIDT
Dr André Jooste	Chief Executive Officer (PSA)
Dr Fienie Niederwieser	Manager: Research and Development (PSA)
Chantel du Raan	Researcher (PSA)
Enrike Verster	Researcher (PSA)
Elsabé Els / replaced by Laryssa vd Merwe	Company Secretary (PSA)

# INDUSTRY INFORMATION

Primary objective: To make information available to producers and thus empower them to make strategic and tactical decisions in order to optimise the sustainability of their potato divisions.

## INFORMATION DISTRIBUTION PROJECTS

1. Market information & intelligence
2. Crop estimates
3. Consumer price intelligence
4. Monthly down-grading on markets
5. Build & sustain database

## PRODUCTION RELATED PROJECTS

1. NDVI performance indicators
2. Effective management of energy and water
3. Optimum production
4. Pack-house project

Secondary goal: The information generated is also used for various other purposes, for example, to influence policy/regulations.

## MODELLING RELATED PROJECTS

1. Industry Model
2. Farm level modelling and production cost
3. Agri Benchmark
4. Transport Cost

## PROJECT TITLE

## MARKET INFORMATION & INTELLIGENCE

### INFORMATION DISTRIBUTION PROJECT

#### **Objective:**

To gather price and volume information from markets and to disseminate not only raw sales, but also intelligence.

#### **Planned Activities:**

- Receive: Daily Market statistics from service providers.
- Disseminate: Daily and weekly market reports.
- Update database: excel files and webpage.

#### **IMPACT**

Role players can make market-related decisions when planning production and marketing activities.

#### **Outcomes:**

- Morning, afternoon and weekly reports (email).
- Daily SMS in the afternoon.
- Monthly market comment.
- Articles and presentations: historic and current trends in the marketplace and production
- Updated database: numerous years of information.

#### **IMPACT**

- Role players have daily access to information on the supply of and the demand for potatoes as well as prices and quality.

## PROJECT TITLE

## CROP ESTIMATES

### INFORMATION DISTRIBUTION PROJECT

#### **Objective:**

To provide the industry with estimates of the total potato crop.

### **Planned Activities:**

- Traditional method: Regional officers make use of phone calls and farm visits to compile harvest reports for the 16 production regions (determine hectares planted and size of harvest per region). Summaries of reports are submitted to Regional Management Committees for approval and distributed to producers.
- Satellite technology: Determine the hectares planted. PSA supplies reference points to the service provider beforehand. Field actuation is conducted by PSA to verify the accuracy of the service provider afterwards. (Only an estimation of hectares planted, no yield).

### **IMPACT**

- Role players can make market-related decisions when planning production and marketing activities.

### **Outcomes:**

- Harvest reports per region (updated database).
- Articles and presentations: historic and current trends in plantings and size of the harvest.
- Satellites: In the process, lessons learned, streamline the process.
- Monthly crop report (new)..

## **PROJECT TITLE**

## **CONSUMER PRICE INTELLIGENCE**

### **INFORMATION DISTRIBUTION PROJECT**

#### **Objective:**

To build and maintain a database on consumer prices (formal and informal).

#### **Planned Activities:**

- Receive price information (monthly) from service providers.
- Build and maintain database: informal and formal consumer prices.

### **IMPACT**

- Create awareness on request.
- Use total consumer spending in negotiations with government and NGO`s.

#### **Outcomes:**

- Identification of price trends.
- Use in the calculation of total consumer spending.

## PROJECT TITLE

### MONTHLY DOWNGRADING AT MARKETS

#### INFORMATION DISTRIBUTION PROJECT

##### **Objective:**

To build a database on monthly downgrading at markets:

- Volumes delivered by respective production regions to the different markets.
- Volumes delivered per class – per region (Class 1, class 2, class 3 and lowest class).
- Volumes downgraded and reason.

##### **Planned Activities:**

- Receive information: monthly.
- Add to database.

##### **IMPACT**

- Intelligence on quality assessment.

##### **Outcomes:**

- Trends on downgrading are available: Producers can benchmark themselves.
- Presentations and WhatsApp messages:
  - Trends and current situation at markets.

## PROJECT TITLE

### BUILD AND SUSTAIN DATABASE

#### INFORMATION DISTRIBUTION PROJECT

##### **Objective:**

To develop a user-friendly database to retrieve information and statistical data for PSA and other role players: one-stop service information tool.

### **Planned Activities:**

- Further development of the platform to streamline current activities of disseminating reports. Sending reports via cell phone when not in the office.
- PSA will be able to directly collect data from markets.
- Correction of area codes.
- Website to be more user friendly.
- No mobile App anymore, rather mobi-site.

### **IMPACT**

- Updated in-time information is available to any stakeholder.
- More intelligence is available for individual role players.

## **PROJECT TITLE**

### **NDVI PERFORMANCE INDICATORS**

#### **PRODUCTION RELATED PROJECT**

#### **Objective:**

To generate intelligence on the production and production conditions in the regions by analysing vegetative indices over time.

#### **Planned Activities:**

- Obtain coordinates of pivots in regions. Send to service provider. Image on App. Weekly index values in excel file (NDVI). Generate index graphs.
- Compare and analyse the NDVI index graphs: planting months, seasons, regions, cultivars and participating fields. Generate intelligence regarding the growth of the crop in the region.
- Evaluate other vegetative indices as well: case studies.
- Investigate certain issues regarding vegetative indices (NDVI), as highlighted during 2019 (Limpopo).

### **IMPACT**

- Introduction of satellite technology to the potato producer. Satellite imagery comes in handy for producers who apply precision farming techniques. Can use vegetative indices to benchmark crop.
- Using and analysing indices over time, objective and real-time industry information can be generated. Producers can make better informed decisions when planning production and marketing activities.

### **Outcomes:**

- By analysing vegetative indices, more information is being accumulated regarding production and production conditions in a region. Objective and real-time information.
- Articles and presentations: Value and usability of vegetative indices used in comparing i.e. seasons, planting months, participating fields, cultivars and regions.
- Lessons learnt and issues identified.

### **IMPACT**

- Updated in-time information is available to any stakeholder.
- More intelligence is available for individual role players.

## **PROJECT TITLE      EFFECTIVE MANAGEMENT OF ENERGY AND WATER**

### **PRODUCTION RELATED PROJECT**

#### **Objective:**

To evaluate 4 different irrigation systems in Limpopo in terms of water and energy use efficiency.

#### **Planned Activities:**

- Objective evaluation and comparison of 4 irrigation systems in Limpopo. 12 pivots. Install equipment. Retrieve data in 3-week cycles from dataloggers. Evaluate systems.

### **IMPACT**

#### **POTENTIAL IMPACT:**

- 80% of potatoes in SA are under irrigation. Three new irrigation systems will be evaluated against the well-known pivot irrigation system. Determine if this new irrigation system is more efficient in terms of different performance indicators (water use efficiency, energy use efficiency, the initial outlay of systems, annual maintenance costs and management requirements).

#### **Outcomes:**

- Report on different irrigation systems: case studies done.

## PROJECT TITLE OPTIMUM PRODUCTION

### PRODUCTION RELATED PROJECT

#### **Objective:**

To generate production efficiency norms.

#### **Planned Activities:**

- Obtain production data from co-workers:
  - Seed, fertilization, chemicals, yield.
- Analyse data.

#### **IMPACT**

- Generate production efficiencies and benchmarking (norms) for producers in a specific region.

#### **Outcomes:**

- Individual reports for co-workers, articles and presentations.
- Use data as input in the following projects:
  - Agri Benchmark and Production cost projects.

## PROJECT TITLE PACK-HOUSE PROJECT

### PRODUCTION RELATED PRODUCT

#### **Objective:**

To improve the overall efficiency of pack-house and marketing activities on potato farms.

#### **Planned Activities:**

- Recruit co-workers. Weigh bags in pack-houses and remove from premises (2020). Use checklist:
  - Labour efficiency,
  - Weight of bag (2020),
  - Mechanical damage,
  - Uniformity of tubers,
  - Size-grouping.



### **Planned Activities cont:**

- Weigh after 7 days. Feedback to the farmer. Government regulation.
- Weekly WhatsApp: comparing market prices per cultivar and per size – same region.
- Regular market visits.

### **IMPACT**

- Norms (for benchmarking purposes) for pack house and marketing efficiency are being established and published.
- Producers can take corrective actions while visiting pack-houses. Small changes in pack-house activities can easily result R5.00 more income per bag.

### **Outcomes:**

- Analysis of pack-house efficiencies: labour, packaging and market prices per production region.
- Analysis of weight loss in production regions. Compare with government regulation in terms of weight of bags - report per production region.
- WhatsApp: feedback and market prices
- Chips articles and presentations: results on the project.
- Market visits and feedback to producers.

## **PROJECT TITLE POTATO INDUSTRY MODEL**

### **MODELLING RELATED PROJECT**

#### **Objective:**

To gain a better understanding of the potato industry by using scenario analysis.

#### **Planned Activities:**

- Updating of model (quarterly). Discussions with BFAP. Evaluate baseline, test what-if scenarios on industry and regions, evaluate different regions.

### **IMPACT**

- The baseline and scenarios provide an indication of current and future directions into which the industry may head. In addition, which external factors could have an influence on the industry? Use in submissions to government, NGOs and other role players.

## IMPACT CONT.

- The BFAP model is nothing more than a planning tool that stimulates strategic thinking and provides support in decision making.

### **Outcomes:**

- Presentations and articles where certain issues (scenarios) will be highlighted, as discussed during regular meetings.
- Getting a better understanding of the underlying fundamental drivers/factors that could affect the potato industry (and/or different regions) over the next few years.

## PROJECT TITLE

## FARM LEVEL MODELLING AND PRODUCTION COST

### MODELLING RELATED PROJECT

### **Objective:**

To integrate production cost models with farm level and industry models that enable the simultaneous analysis of alternative future scenarios at both farm and industry level.

### **Planned Activities:**

- Update production cost models for respective production regions.
- Test with producers in regions.
- Integrate production cost models with FinSim model: test farm level scenarios.

## IMPACT

- Production costs and scenario analysis done: Provide an indication of the current and future sustainability of potato farming.
  - Use in presentations / submissions to government and NGOs.

### **Outcomes:**

- Updated regions' production costs.
- Presentations indicating cost trends.
- Articles: scenario analysis on farm level.

## PROJECT TITLE

### AGRI BENCHMARKS

#### MODELLING RELATED PROJECT

##### **Objective:**

To benchmark local potato farms against European potato farms, using a standard method of comparison. Compare costs, yields, income and production efficiencies.

##### **Planned Activities:**

Annually collect financial and production data from co-workers in 4 regions. Update of models - 4 typical potato farms (Limpopo, Eastern Free State, Sandveld & KZN). Process the data. Discussion of results with co-workers. Submit data to BFAP.

#### IMPACT

- South Africa does not necessarily compete in the export market, but information regarding our producers' competitive advantage is known.

##### **Outcomes:**

- Articles in CHIPS to benchmark local farms against European potato farms. Compare costs, yields, income and production efficiencies. Presentations.

## PROJECT TITLE

### TRANSPORT COSTS

#### MODELLING RELATED PROJECT

##### **Objective:**

To gain a better understanding of key transport costs as they apply to potato logistics.

##### **Planned Activities:**

- Do detail cost and scenario analysis for the transportation of potatoes.
- Transport consultant to write regular articles on transport issues and the potato industry.

## IMPACT

- Transport costs are the second to third highest cost item, depending on the region and circumstances, for potato producers. Producers can now benchmark their own transport activities.

### **Outcomes:**

- Presentations and articles: current costs and trends in costs of transportation

## INFORMATION COMMITTEE

**INFORMATION COMMITTEE 2019/2020**

Name	Representing
Jan van Zyl	Chairperson
Wouter van Amstel	Limpopo, Mpumalanga, Gauteng, Loskop Valley
Wessel du Randt	KwaZulu-Natal, Eastern Free State, North Eastern Cape
Charl Nel	North Western Cape, Northern Cape, South Western Free State, Western Free State
Louw Smit	Sandveld, Eastern Cape, Ceres, Southern Cape, South Western Cape
MC Venter (co-opted)	Limpopo
Johan Holtzhausen (co-opted)	Mpumalanga
Rolands Buys (co-opted)	KwaZulu-Natal
Dr André Jooste	CEO (PSA)
Pieter van Zyl	Manager: Industry Information (PSA)
Janó Bezuidenhout	Information Specialist (PSA)
FP Coetzee	Information Specialist (PSA)
Elsabé Els / replaced by Laryssa vd Merwe	Company Secretary (PSA)




# TRANSFORMATION

The role of Transformation within commodities is viewed as being of utmost importance. PSA has, for years, been involved in transformation projects and results are becoming visible. The number of hectares of potatoes planted by Black farmers is on the increase and there are farmers who are already identified as having the potential to farm commercially. These farmers currently receive support from PSA. The Transformation Core Business carried on forging partnerships with other stakeholders to advance its goals of successfully settling New Era farmers.


Collaboration with processors will, for example, ensure that farmers who do not have packhouse facilities are able to get a market for their potatoes. This year also saw the core business embarking on compiling training DVD's which will be distributed to all the farmers.

## THE PROGRAMMES IN THE TRANSFORMATION CORE BUSINESS CONSIST OF THE FOLLOWING:




ENTERPRISE DEVELOPMENT

01




SMALL GROWTH PROJECTS

02



FARM BASED TRAINING

03

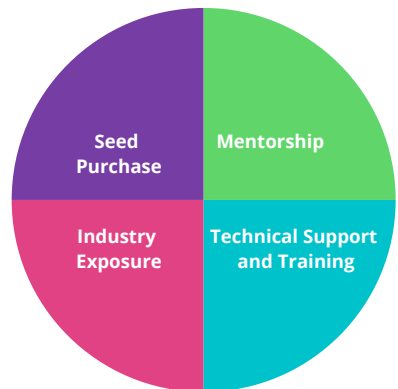


TERTIARY SKILLS DEVELOPMENT PIPELINE

04

### PSA Enterprise Development Strategy

- Choose participants based on feasibility studies and business plans
- Expand hectares of deserving producers
- Regional meetings to disseminate information



# Provision of seed: PSA (NPC) Contribution



## ENTERPRISE DEVELOPMENT

**GOAL:** To develop Black farmers to grow and produce potatoes commercially in a sustainable way.

# 01 Funds for the Enterprise Development Programme

2010/2011	R883 969	7 Farmers
2014/2015	R4,45 million	16 Farmers
2016/2017	R5,5 million	30 Farmers
2018/2019	R6,01 million	21 Farmers
2019/2020	R4,3 million	14 Farmers

### Rural development

- Service level agreement between PSA and Rural Development-National signed
- PSA partnering with the Limpopo Department of Rural Development

### Kagiso / Afgri / PSA

- Memorandum of Agreement signed between PSA, Kagiso Trust and Afgri.PSA
- To fast-track commercialisation of the new era farmers.
- Partners assess projects presented for funding
- Can source funds from other financiers

## Partnerships to assist participants

- Collaboration with the Western Cape Department of Agriculture
- PSA is member of the Vegetable Commodity Projects Allocation Committee (CPAC)
- One project supported to plant 12 ha of potatoes for Simba.
- PSA provided seed and mentorship support to this project

## PSA Actions

PSA provides support in the form of seed purchase, mentorship, pre feasibility studies and business plans for New Era farmers. The seed is provided on a four (4) year 25% sliding scale. This is to ensure that at the end of the four-year support period, farmers can stand on their own and run a sustainable venture.

## SMALL GROWERS DEVELOPMENT

**02** Focus on food security, rural development and job creation **Over 800 participants during past financial year**

**Small Grower Development Programme funds for 2019/2020: R 70 000**

**Information Days with attendees:**

- Bizana (45)
- Mthatha (58)
- Tugela Ferry (60)



**Enables communities to be food secured. Support ranges from 0.2 ha to 1 ha**

15 Projects	Demonstration Trials	Attendance	Yields
<ul style="list-style-type: none"> <li>• KZN</li> <li>• Eastern Cape</li> </ul>	<ul style="list-style-type: none"> <li>• Different cultivars to assess yield and suitability</li> <li>• Sprayed and unsprayed</li> <li>• Dryland vs Irrigation</li> </ul>	<ul style="list-style-type: none"> <li>• 55 Community members per project.</li> <li>• Reaching over 800 community members</li> </ul>	<ul style="list-style-type: none"> <li>• 45 tons dryland</li> <li>• 65 tons irrigation</li> </ul>

## FARM-BASED TRAINING

**GOAL:** To uplift the skills of Black producers with technical and business skills.

**03**

**Skills Development funds for 2019/2020: R 400 500**

Research core business provided training on Irrigation and Powdery Scab to farmers.

Training provided to labourers of commercial farmers:

- North Eastern Cape
- North West
- Free State
- Cape Town
- KZN



## TERTIARY SKILLS DEVELOPMENT PIPELINE

**04**

10 Internships and workplace experience  
17 Postgraduate students  
10 Undergraduate students

Tertiary Skills Development Pipeline funds for 2019/2020: R 502 000



## PROJECT TITLE

### ENTERPRISE DEVELOPMENT

#### DESCRIPTION

The aim of the Enterprise Development programme is to assist in setting up, supporting, and growing viable new black-owned potato producing enterprises. This is done through the provision of seed, mentorship, training, technical support and industry exposure.

#### IMPACT

Through the support provided under the Enterprise Development Programme, the number of black farmers planting potatoes is increasing.

This project has created a few commercial farmers. Several participating farmers plant an average of 10 hectares, with a significant potential for growth.

Through the provision of mentorship and training, there is an improvement in the quality of potatoes produced, proven by increased tonnage.

## PROJECT TITLE

### SMALL GROWER DEVELOPMENT

#### DESCRIPTION

The small grower development programme involves farmers who plant potatoes mainly for food security with the remaining crop sold to the immediate community. This programme involves disseminating production and business information through demonstration trials. It provides farmers with practical training on good potato production practices.

## IMPACT

This project managed to reach over 5000 different community members and thus playing a big role in addressing issues of food security in South Africa.

It also promoted the use of best practices when planting potatoes

## PROJECT TITLE

### TERTIARY SKILLS DEVELOPMENT PIPELINE

## DESCRIPTION

This project aims to develop the technical capacity for the farming enterprise by offering bursaries to qualifying students. It enables students to acquire technical tertiary education so that they can add value to the farming enterprises. It also ensures that students' skills are enhanced through internships and workplace programmes.

## IMPACT

Through the induction programme provided, a high interest in the potato industry has been created amongst funded students. Students can make informed decisions about their career choices based on exposure and experience.

## PROJECT TITLE

### FARM BASED TRAINING

## DESCRIPTION

This project aims to uplift the skills of farmworkers and to develop potato farmers' technical and business skills. It enables them to farm profitably and to improve the quality of potato production by increasing the knowledge base of potato producers.

## IMPACT

Farm-based training ensured a skilled workforce who assist in improving the efficiency of the farming operations.

# PROJECT TITLE

## COMMUNICATION

### DESCRIPTION

Communication within the Transformation Core Business involves liaison with industry stakeholders, communicating Transformation success stories and also to include farmers into the potato industry.

### IMPACT

Partnerships with stakeholders that strengthens the Transformation programme.

Access to opportunities across the Industry.

TRANSFORMATION COMMITTEE 2019/2020

Name	Representing
Rodney Mbuyazi (Chairperson)	Eastern District (KwaZulu-Natal)
Vuyani Kama (Vice-Chairperson)	South Eastern District (North Western Cape, Eastern Cape)
Egan Duminy	Southern District (Western Cape, Sandveld, Ceres, Southern Cape, South Western Cape)
Enos Mahwai	Central District (Gauteng)
Mike Green	Potato producer (appointed by the National Board of PSA (Voluntary)
Jakkie Mellet	Seed potato producer (as nominated by the National Seed Potato Growers' Committee)
BM Mpyana	National Agricultural Marketing Council (NAMC)
Nomfundo Mthimunye	Association of Veterinary and Crop Associations of South Africa (AVCASA)
Stanford Manthata	Department of Agriculture and Rural Development (LDARD)
Shadrack Mabuza	Potato Industry Development Trust (PIDT)
Dr André Jooste	Chief Executive Officer (PSA)
Nomvula Xaba	Transformation Manager (PSA)
Louis Pretorius	Transformation Coordinator (PSA)
Elsabé Els / replaced by Laryssa vd Merwe	Company Secretary (PSA)

# MARKETING



Figure 10: PSA's Strategic Marketing Model

The purpose and existence of PSA's Marketing Core Business is to aid potato growers to promote and sell potatoes both locally and outside the Republic of South Africa. The Marketing core business performs two fundamental strategic functions: Generic Product Promotion (GPP) as well as Market Access & Development (MAD).

The GPP function focuses on the local marketing environment and aims to stimulate demand as well as increase per capita consumption. The MAD function looks at product innovation, development and strives to facilitate a seamless trading environment for producers within and outside South Africa.

The marketing division strives to bring excellence in the potato industry through the incorporation of powerful, innovative solutions. It is against this backdrop that a PR/Media campaign is sought, to help the organisation strive towards its mandate to provide support services with regard to South Africa's potato consumption – as well as to reach the collective vision of ***"together towards excellence in the potato industry."***

The Marketing core business perceives its strategic vision as to inform, inspire & educate the South African general public about the positive biological, natural and fun attributes of potatoes. Through this vision, the core business will endeavour to fulfil its strategic mission, which is to attract new customers, retain current consumers of potatoes and lastly, grow the market share of potatoes

During 2019/2020 the Marketing core business was presented with new opportunities; challenges were faced, and lessons learned. These enabled the core business to reflect on some actions and revise methodology. A project category that the Division carries out with consistency and attentiveness, is that of “Market/Trade Intelligence”.

Through this project category, the Marketing division is able to pull resources together to assess the market environment in respect of factor and forces that affect the organisation’s ability to develop and sustain a thriving South African potato industry that is loved and endorsed by all South African consumers. Every four to five years, a national attitude and usage study is commissioned to gauge and better understand the psyche of the nation on product use and overall attitudes and perceptions.

The results are benchmarked against previous studies, to determine shifts, gaps, opportunities, and threats. As such, the core business has revised its marketing strategic course, fully endorsed by the Marketing Committee of Potatoes South Africa as depicted in Figure 10.

A first, in the year under review for industry, is the completion of a nationwide informal sector study. The study, as with any research study, was successful in testing, confirming, and refining what is already known about the South African informal sector. The “bakkie trade” is a well-known phenomenon in the potato industry and the study found that this sector is still growing. Given that there is no recorded official information on the phenomenon, a decision was taken by the Marketing Committee to advance the informal sector study to a region focused intelligence gathering exercise where the true “DNA” of this remarkable way of trading can be peeled, diced and transformed into a strategic tool for novel market access and development.

# MARKET AND TRADE INTELLIGENCE

## INFORMAL SECTOR STUDY: SOME KEY FINDINGS



78% of informal traders procure potatoes from a fresh produce market; 9% from farm-gate. Procurement from farm-gate was predominant in the Free State and Limpopo. 6% sourced from resellers; 7% purchased from retail stores, fellow informal traders (hawkers), and greengrocers.



44% of respondents ranked quality as the most important factor due to shelf life. 32% considered price as one of the most important purchase decisions; 19% of respondents cited size of potato as a key decision maker on purchasing.



92 % of respondents procure with cash. Only 10% of respondents preferred EFT.



More than 60% of informal traders do not have access to information (prices, defining quality, market dynamics, etc.). Limitations are due to a lack of resources, education, language, distance to access information, mobility and internet connection.

## ATTITUDES AND USAGE STUDY: SOME KEY FINDINGS



In a world where people are time-starved, innovation & product development ought to play a critical role to meet consumer demands coupled with carefully crafted communication messages emphasising convenience in respect of quick and easy to prepare and consume.



When consumers think food, and more specifically potatoes, one word comes to mind: indulge. Like beauty is to beauty products, tasty & delicious can be a product feature used to appeal to targeted consumer segments.



Consumers worry about health; 44% stated a need for nutritious dishes from potatoes. Contradictory to this, fried chips were voted the preferred method of consuming potatoes by majority of respondents. This necessitates reinventing the strategic positioning of potatoes as a tasty, versatile and value for money food.



People remember that which they are repeatedly exposed to – good and/or bad. Consumers want to see more potato advertising on radio, television, and social media.

# CONSUMER AND TRADE EDUCATION



There are two critical support functions performed under this project category:

Recipe Development

Health & Nutrition

Projects are executed to generate and enhance content for product promotion and marketing. In 2019/2020 PSA achieved the following:

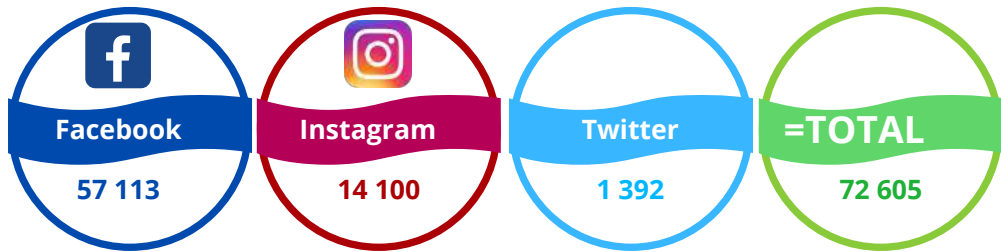
- Successful endorsement of potatoes by Heart & Stroke Foundation of South Africa (HSFSA)
- Successful development of 70 recipes stills and 24 motion recipes
- Development of 20 HSFSA approved heart healthy recipes
- Development of leadership pieces on the state of health & nutrition amongst the middle class consumer

## TELEVISION AND RADIO

PSA launched a successful television and radio campaign, which resulted in Twitter going ablaze with dialogue on the efforts of the organisation. Two television bursts and four radio bursts were put out in the year under review, with two of those specifically tailored to inspire hope by industry to South Africans at the onset of COVID-19.



## FOLLOWERS ON SOCIAL MEDIA



### Social Media/Digital Marketing

Provides numerous platforms for consumers to actively engage with PSA thereby enhancing the organisation's social and brand currency.

## MEDIA AND PUBLIC RELATIONS

Multiple PR activations were implemented between October 2019 and February 2020. As a result of these activations, PSA secured free media exposure to the value of R1.2 million in mainstream and quality broadcast, online and print media. The return on investment on the project is calculated at 1:16. That is, for every rand spent by the organisation on the project, was a return of R16. A clear indication that well thought out interventions are highly sought and shared by media houses with their fellow consumers.



# STRATEGIC MARKET DEVELOPMENT

## REBIRTH OF NFPM

Numerous interactions with both ailing and stable national fresh produce markets such as:

Kei Market which has improved significantly since the intervention of the steering committee of Project Rebirth in respect of service standards and operations. The Buffalo City Market is on a positive upward trajectory and continues to exhibit steady growth and full control over all critical aspects of market operations. Tshwane Market has been on the spotlight for the greater part of the 2019/2020 fiscal. Several engagements have been held with different stakeholders, including the office of the Executive Mayor of Tshwane, Market Agents and Market Masters, producers and the Agricultural Business Chamber who have lobbied on a political and agribusiness economic level.



APPROVED AS PART OF  
THE HEART AND STROKE  
FOUNDATION EATING PLAN

## HEART MARK ENDORSEMENT

To tap into untapped markets and to expand market share (e.g. people living with heart conditions)



## POTATO STANDARDS

To ensure relevance, enable adherence to the APS Act and improve the sale of potatoes locally & outside RSA

- NEW regulations were published on 1st March 2019
- Export Regulations were promulgated on 18 October 2019

## FOREIGN MARKET DEVELOPMENT

Identifying new markets for the export of potatoes outside RSA:

- South African Vegetable Industry Value Chain Round Table
- Desktop studies: South African Value Chain Analysis, Alternative Markets Study, Egypt Market Attractiveness Study



### **STRATEGIC MARKETING CHALLENGES**

- Working with the entire population continues to be a strategic challenge for potato marketing in South Africa.
- Product perceptions and attitudes towards potatoes have improved for the better with 7% more of the sampled population citing more positive product attributes than in 2014.
- The 2019 consumption and usage study found that 9% more of the consumers stated potatoes as their preferred option for lunch. However, bread still reigns supreme.
- The consumption and usage study of 2019 revealed fried chips as the favourite potato meal. This threatens efforts to de-stigmatise negative product associations.

### **STRATEGIC MARKETING OPPORTUNITIES**

- Nationwide consumer attitudes and usage gave rise to revised four-year strategy effective for implementation on 1 July 2020
- Some key findings reveal that potatoes continue to be one of South Africa's number one loved vegetables
- A big revelation of the study is that, though health and nutrition remain an aspirational priority for most; convenience, versatility and the indulgent factor of food is the main driver of consumption and purchase decisions.



### DESCRIPTION

In the 2019/2020 financial year, three projects were carried out under the Market & Trade Intelligence project namely:

- Import/Export Monitoring
- Informal Sector Study
- Comparative Consumer Study

Market and Trade intelligence pertains to information integral to an organisation's markets and trade. On the market side information gathered relates to trends, competitors and customers. On the trade side, the focus is on the distribution channel as well as enabling a business environment for producers to thrive and remain sustainable. The gathering and analysis of market and trade intelligence serves the purpose of providing precise and reliable decision-making in areas such as market opportunity, market penetration and market development.

### IMPACT

In respect of regularly monitoring tariff code HS 2004.10.20, there was a decline in the dumping of frozen French fries, mainly due to COVID-19, coupled with trade remedies currently in place to protect the local industry from material injury of dumping. The total number of frozen fries "dumped" in South Africa from July to June is 21 million kilograms which is 4 million less than in the 2018/2019 period.

The Marketing Division launched and completed the industry's first-ever informal sector study aimed at unpacking the essential attributes, characteristics and drivers of informal trade in the fresh produce sector. The results have led to a follow-up study adopted and endorsed by the Marketing Committee of PSA. Phase 2 of the study will be regionally based and seek to untap the potential and opportunities of the phenomenon of fresh produce "bakkie trading". The comparative consumer study results served as catalyst to review the generic potato product promotion strategy. Between 2020 and 2024 the Marketing Core Business will implement the strategy which has a clear action agenda and associated measurables.

## DESCRIPTION

The main purpose of this project is to capacitate both consumers and trade to make informed decisions when purchasing/selling the industry's product offering. The division generates well-researched content in close working with professionals in the culinary as well as health and nutrition spheres that is used across all generic promotion campaigns to inform, educate and inspire targeted audiences with sound product-related features and benefits. This project category is divided up into three main sub-projects as follows:

- Recipe development
- Health and nutrition
- Promotion material

## IMPACT

A total of 74 potato-based recipes were developed, 32% of which were videos. All recipes have been uploaded on PSA's consumer website: [www.potatonation.co.za](http://www.potatonation.co.za) and YouTube channel: potatoesZA. Many of the recipes received acclaim through Potato Nation's social media platforms.

A registered dietician developed 2 articles which were published in the Jan/Feb and May/June editions of Chips 2020.

In addition, 20 heart-healthy recipes were developed.

Both the articles and the recipes were reviewed and endorsed by the Heart & Stroke Foundation of South Africa.



## DESCRIPTION

Generic promotion is the cooperative effort to increase demand for products which are similar. The strength of generic promotion lies in its ability to benefit all producers as opposed to brand promotion that only increases the share of the market for only a select few. The Marketing Core Business uses a subset of the marketing mix – the promotional mix. The promotional mix is used by marketers to communicate with identified consumer markets in order to fulfil organisational goals and objectives.

- The division deploys the promotional mix elements of:
- Media and Public Relations
- Television and radio
- Digital Marketing (consumer website and social media)

## IMPACT

The Marketing Core Business implemented a total of four focused PR campaigns between October 2019 and February 2020. During this period free media exposure to the value of R1,2 million was generated – this only with an investment of R200 000. The return on investment is calculated at 1:16 – for every Rand PSA spend on media and public relations, R16 was received back.

In the year under review two successful television campaigns were broadcasted on SABC 1 and 2 during September 2019 and March 2020. Four radio campaigns were launched, 50% of which were tailored to express the industry's compassion to those affected (directly and indirectly) by COVID-19.

With more people forced to spend time at home during the #SALockdown, the time was opportune to utilise digital platforms more to remain relevant and top of mind. In the months April to June PSA's Instagram following grew by 20.4% and reached over 300 00 consumers through strategically chosen communication messages.

The consumer website had an increase of 5% on-site traffic during the period under review.

## PROJECT TITLE

### TRADE / INDUSTRY RELATIONS

#### DESCRIPTION

PSA has been an active member participant in Project Rebirth since its inception. Project Rebirth was established to improve the standard operations and effective management of national fresh produce markets. A key success of the project was the development of the Codes of Best Practice which have seen ailing markets such as East London rise to the top five of best performing markets.

#### IMPACT

In the current financial year, the relentless efforts of member organisations continued, leading to the development of a draft Bill for all national fresh produce markets. The Bill was presented to state attorneys for an expert and legal opinion to proceed. In early 2020, the draft Bill was found to contain aspects that are contradictory to current legislation around the management and ownership of municipal markets. The National Steering Committee is reviewing the Bill to ensure that it is aligned to legislative measures.

## PROJECT TITLE

### MARKET ACCESS / DEVELOPMENT

#### DESCRIPTION

The project category market access and development focused efforts on monitoring and seeking remedial actions in industry-related issues such as the dumping of French fries on the South African market. As such the key focus areas in the year under review were combating any measures that hampered fair trade, crippled producer profitability and impede industry growth.

## IMPACT

Certain Companies in Belgium and the Netherlands continued to increase exports of frozen fries to South Africa. PSA, in collaboration with members of the Processing Forum have pursued a Sunset Review (SSR) application for the anti-dumping duties for Belgium and the Netherlands. Due to COVID-19, ITAC's investigation into the matter has been slowed down. On the upside, the current anti-dumping duties remain intact while the SSR is being investigated.

MARKETING COMMITTEE 2019/2020	
Name	Representing
Rudi Heinlein	Chairperson, Limpopo
Jannie Basson	Sandveld, Eastern Cape, Ceres, Southern Cape, South Western Cape
Nicolaas Lourens	KwaZulu-Natal, Eastern Free State, North Eastern Cape
Johan Holtzhausen	Mpumulanga, Gauteng, Loskopvallei
Werner du Plessis	North West, Northern Cape, Western Free State, South Western Free State
Gerhard Posthumus	Chairperson: National Seed Potato Growers
Deon van Zyl	Institute of Market Agents South Africa (IMASA), Potato Industry Development Trust (PIDT)
Tutti Rudman	South African National Consumer Union (SANCU)
Mathilda van der Walt	National Agricultural Marketing Council (NAMC)
Elvis Nakana	Department of Agriculture, Land Reform and Rural Development (DALRRD)
VACANT	SA Informal Traders Association (SAITA)
André Young	SA Union of Food Markets (SAUFM)
VACANT	Consumer Goods Council of South Africa (CGCSA)
Rudolf Badenhorst	Processors' Forum
Dr André Jooste	CEO: (PSA)
Immaculate Zinde	Manager: Marketing and Genetic Product Promotion (PSA)
Elsabé Els / replaced by Laryssa vd Merwe	Company Secretary (PSA)



# COMMUNICATION

The Communication Division of PSA facilitates internal communication and knowledge transfer between the organisation and role players in the potato industry. Communication platforms include the following:

- PSA website [www.potatoes.co.za](http://www.potatoes.co.za), which is a document library with more than 3000 documents in various formats.
- CHIPS magazine, the only magazine for the potato industry, offers a platform for advertisements, a free subscription and is available electronically on [www.potatoes.co.za](http://www.potatoes.co.za)
- PSA Annual Report Reflects performance of PSA according to budget - cost-effectively
- only published electronically.
- Electronic monthly PSA Newsletter has a broad-based readership both nationally and internationally – free subscription.
- Ad Hoc electronic PSA Newsflashes conveys urgent news and notices applicable to the potato industry.
- Through media monitoring analytics the potato industry received R8 142 234 worth in Advertising Value Equivalent (free exposure) during 2019/2020.
- On the PSA Self Help Portal and Mobile App subscribers can manage their own profiles and potato information preferences.

## COMMUNICATION PROJECTS

01

### CHIPS

**The only magazine for the potato industry**

- 6 editions pa
- Opportunity for advertising
- Free subscription
- Electronically available on
- [www.potatoes.co.za](http://www.potatoes.co.za)

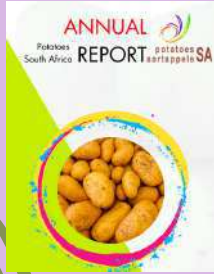




02

## PSA ANNUAL REPORT

- Environmentally friendly, published electronically on [www.potatoes.co.za](http://www.potatoes.co.za) once Audit Report is released



03

## NEWSLETTER

- Monthly potato industry related information



### Newsletter / Nuusbief 19 June 2020

#### Potato prices (monthly): Comparison



\* April & May 2020: Lockdown (Level 5 & 4)  
 † Relatively low water volumes (one week) affect all potato prices.

#### May 2019 Market Commentary

- Cumulative number of 10 kg bags sold: different years
- Movements in average market prices
- Regions filling potatoes
- What may happen during the next few months?

[Read more](#)

04

## NEWSFLASH

### Urgent legislation related to ad hoc information



Newsflag/ Nuusflits 06 June 2020

#### COVID-19 Leningswaarborgskema: Wat u moet weet COVID-19 Loan Guarantee Scheme: What you need to know

**Geagte Aartappelprodusente:** Volgens Statistiek van Suid-Afrika is die COVID-19 aanvalsgesondheidsgevaar groot en die aanvalsgesondheidsgevaar groot. Dit kan tot 'n groot deel van die land se produksie van aartappels tot staan kom.

**Dear Potato Producers:** According to Statistics South Africa, the COVID-19 health emergency is a major one and the health emergency is a major one. It could result in a significant portion of the country's potato production being halted.

**Watter tipes leningswaarborg?** Die NRC se leningswaarborg, die details van die NRC se leningswaarborg, is beskikbaar op die NRC se webwerf. Die NRC se leningswaarborg is beskikbaar op die NRC se webwerf.

**What types of loan guarantee?** The NRC's loan guarantee, the details of the NRC's loan guarantee, is available on the NRC's website. The NRC's loan guarantee is available on the NRC's website.



05

- Smartphone friendly
- Features include
  - Document Library
  - Regional Information

[www.potatoes.co.za](http://www.potatoes.co.za)

## WEBSITE



06

## SELF HELP AND MOBILE APP

- Smartphone friendly
- Features include
  - Document Library
  - Regional Information

[www.potatoes.co.za](http://www.potatoes.co.za)



07

## MEDIA MONITORING

Monthly potato industry related information, etc.

- Upgraded publishing platform
- Data reports on users
- International and national readership

### OVERVIEW/ALL MEDIA

#### OVERALL SUMMARY

Date From



2019-07-31

Date To



2020-07-30

Total Item Count



770

Total AVE



R 8 142 234,00

Total Reach



34458978





potatoes  
aartappels SA

## CONTACT US...



Tel: +27 (0) 12 349 1906



Email: [info@potatoes.co.za](mailto:info@potatoes.co.za)

Web: [www.potatoes.co.za](http://www.potatoes.co.za).



Potato House | 6 De havilland Crescent | Persequor

Technopark | Persequor Park | Pretoria | 0020

Private Bag X 135 | Pretoria | 0001

