South Africa:

Load shedding: Looming crisis in agriculture

“Eskom has implemented stage 6 load shedding from 18:00 to 22:00 on Monday evening, catching the South African economy off guard,” says Nicol Jansen, Agri SA’s chair of the Centre of Excellence: Economics and Trade. “The latest round of load shedding comes at a very important and busy time for producers and agribusinesses.”

Load shedding has a negative impact on energy-intensive and irrigation-dependent agricultural industries, throughout the entire chain from farm gate to the consumer's home. The maintenance of the cold chain is critical to ensure food quality and shelf life.

The table grape and the fresh produce commodities are specific examples where load shedding in peak season have dire consequences for agriculture.

“All packhouses and cold stores are dependent on electricity,” says Willem Bestbier, the CEO of the South African Table Grape Industry (SATI), a member of Agri SA’s Commodity Chamber. “The product is highly perishable, and maintenance of the cold chain and a cold temperature regime form part of formal and legally binding international phytosanitary measures. Temperature breaks in phytosanitary shipment protocols can disqualify products for export and thousands of jobs and gross export earnings in excess of R7 billion at farm level are at immediate risk.”

“Fruit is currently in different stages of ripening and optimal water management is critical,” says Jacques Jordaan, CEO of the Canning Fruit Producers' Association (CFPA), a member of Agri SA's Commodity Chamber. Power outages have a direct impact on water management practices in orchards and in many cases water shortages cannot be corrected later. As a result, smaller fruits are produced that results in a loss of revenue for the entire value chain.”

Furthermore, load shedding will have a negative impact on GDP growth, as was seen earlier this year. Considering Eskom’s recent RCA tariff application (R27 323 million), the burden of load shedding is even more unacceptable.

“We need our economy to grow and create job opportunities for all South Africans,” says Jansen.

Agriculture is prepared to work with the government to implement plans for the benefit of the South African economy.

“We have a variety of green energy solutions in agriculture and would like to see Eskom work with us to diversify the generation opportunities that includes solar and wind energy,” says Jansen.

It is in the interest of the whole country to resolve the energy crisis in the short, medium and long term.

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