



Local Potato Industry Appeals for Support Amidst Major EU Dumping Threats

The battle between the local potato industry and global importers has a longstanding history, with South Africa being considered a prime destination for dumping frozen processed potato products. With the recent lapse of anti-dumping duty protection, there is a significant risk that the increased volume of below-cost frozen French fries that land on our shores from the Netherlands and Belgium will cripple South African farmers and producers.

Expressing concern for the local potato industry and pleading for local support, Willie Jacobs, CEO of Potatoes South Africa (PSA), shared, "South African producers have been experiencing many challenges brought on by Covid-19, the cost-price squeeze, rising input costs and most recently, the riots in parts of the country. Furthermore, our producers don't benefit from the financial support afforded to EU farmers by their governments, and simply cannot compete with below-cost products being dumped in our country. With less demand for local produce, there will be a ripple effect on livelihoods and job-losses, not to mention the effect on the economy."

The South African potato industry provides employment to an estimated 45,000 permanent and seasonal labourers and is worth approximately R7,5 billion at primary level, and R26 billion at secondary level. On average, the industry plants between around 50,000 hectares of potatoes, with the crop accounting for 45% of the total vegetable crops produced in the country. This equates to a contribution of around R8,5 billion to the South African economy.

As just one example, McCain Foods South Africa supports in excess of 6,800 full time jobs and procures potatoes from more than 100 local farmers, who plant in excess of 4,500 hectares of potatoes annually. The company's Managing Director, Unathi Mhlatyana, echoes Jacobs' sentiments, "The negative financial impact of the Covid-19 pandemic and other prevailing socio economic and market conditions on local farmers and producers has been catastrophic. Further threats in terms of both demand and cost, may force local growers and processors out of business. Supporting the local agricultural sector is the most powerful and promising measure of combating the effects of agricultural dumping, which directly threatens our economy and livelihoods."

The South African agricultural sector, and more particularly, the local potato industry, depends on the collective efforts of consumers, businesses, and our government to embrace and support local growers and producers.

The environmental benefits of buying local produce are obvious, with the protection of South Africa's natural ecosystem, a smaller carbon footprint associated with the distribution of the product, and the knowledge that locally produced products are also typically linked to more environmentally friendly practices. More than that, by buying and selling locally, we will ensure that the revenue remains within South Africa, allowing us to drive and sustain our local economy, secure and promote jobs, and ultimately rebuild our country.

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About Potatoes South Africa

Potatoes South Africa (PSA) is a non-profit organisation under the Companies Act, 2008 (Act 71 of 2008). The organisation's main objective is to serve as the custodians of the potato industry in South Africa – while also providing fresh quality product throughout the year to South Africa and targeted export countries. The company plays a pivotal role in representing the role players in its value chain, particularly those who have the development and competitiveness of the industry at heart. The mission of the organisation is to provide strategic industry support services towards a dynamic industry, thereby enhancing the sustainability of potato producers in South Africa as it spearheads towards its vision of “together towards excellence in the potato industry.”