

Portfolio Committee on Agriculture: Transformation in the Potato Industry

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potatoes

SOUTH AFRICA

pure potato passion

A large, stylized green leaf graphic dominates the right side of the slide. Inside the leaf, a globe of the Earth is visible. The background of the slide is a photograph of a lush green potato field under a dramatic, cloudy sky.

FUELLING THE **FUTURE**
TOWARDS SUSTAINABILITY

Potatoes South Africa and our Potato world

- Section 21 company, statutory funded.
- Pure Potato Passion.
- Core focus = triple bottom line = People, Planet and Profit
- Potato industry perspective:
 - 650 commercial growers.
 - More than 3 000 subsistence/small farmers.
 - 50 000 ha, 82% under irrigation.
 - Cost avg. R 100 000/ha to produce under irrigation.
 - Between 50 000 – 75 000 farm employees.
 - 2 million tons produced, avg. 40 ton/ha.
 - Farm gate value = R 6 billion.
 - Consumer value = R 15 billion.
 - Increased production by over 23% over last 10 years on 6% less land.
 - Use just more than 70 liters of water to produce 1 kg of potatoes.
 - Per cap. consumption = 34 kg, urbanization to our benefit.
 - 70% fresh, 20% processing, 10% seed.
 - 3rd Biggest in Africa

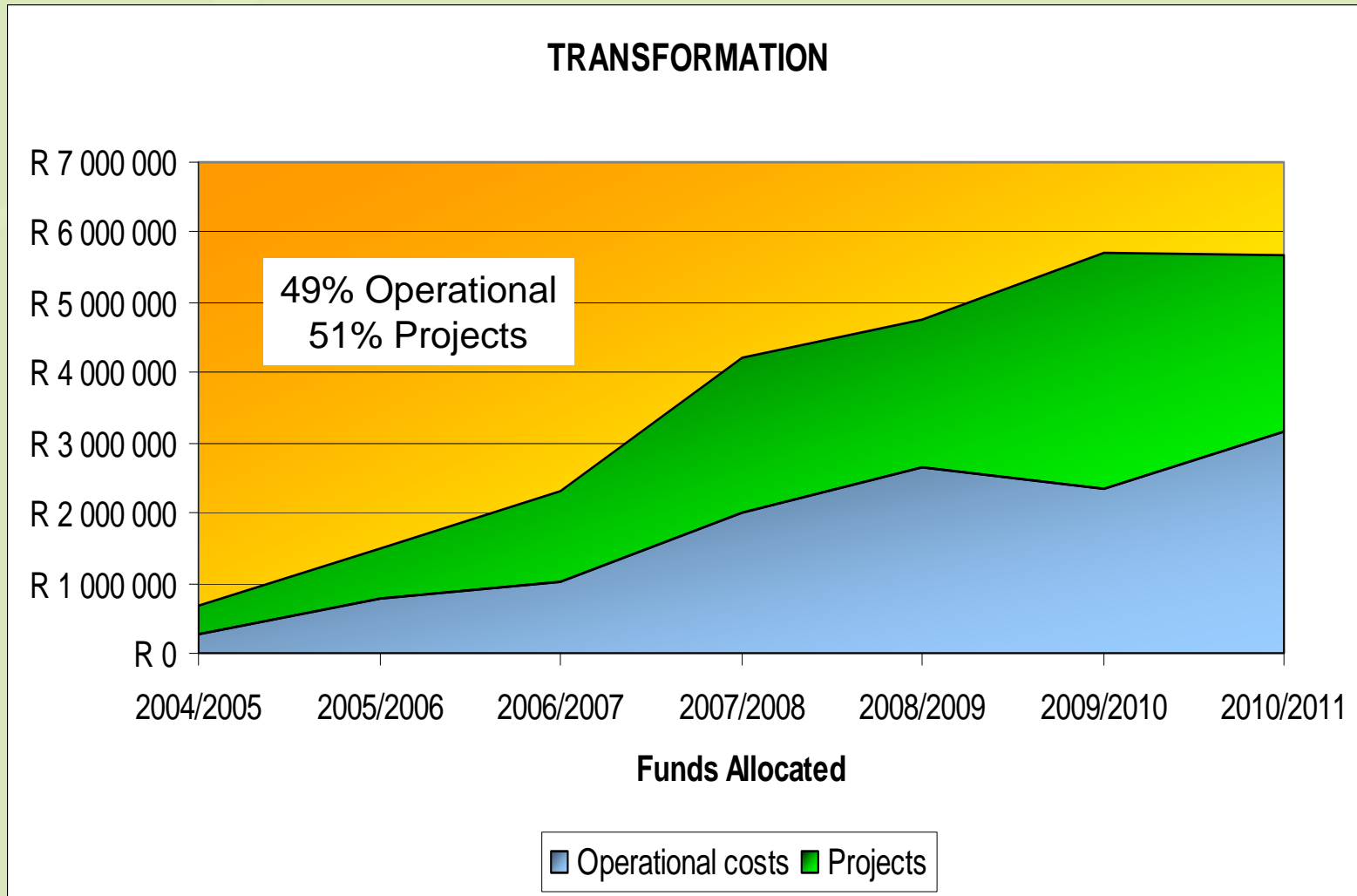
Transformation and Potatoes

- **Our Journey:**
 - Value chain focus
 - Networking /Relationships / Intent /Trust.
 - Pioneers, innovation – no copy paste!
 - Programs maturing from softer inputs to hard core results!
- **Our Strategy:**

Focus on

 - Skills Development Pipeline
 - Socio-Economic contribution
 - Enterprise development
 - Equity partnerships
- **Our Commitment:**
 - Resources: People and financial
 - Networks/Partners

PSA Transformation Budget allocation





Results:

Skills Development Pipeline

Challenges:

- Human Capital development, lack in off the shelf products!
- Farming/agriculture not a career of choice, agriculture isn't Ayoba!
- Lack in black people with the passion for agriculture (where's our agricultural schools?)
- Retention of key talent issue!
- Failures in transformation not attractive to young students.
- Perceptions

PSA Approach:

- Two pronged approach – developing young and current talent.
 - Undergraduate programme- 16
 - Internships and workplace experience-15
 - Post graduate- 10
 - Farm base training- Ceres area has perfected the programme. Career paths are matched with learning paths. The result is amazing development of people.

Results:

Socio-Economic contribution

FUELLING THE FUTURE TOWARDS SUSTAINABILITY





The A- team

FUELLING THE **FUTURE** TOWARDS SUSTAINABILITY



Results:

Socio-Economic contribution

Challenges:

- Food security/jobs/poverty in rural areas.
- Database on subsistence farmers, communal gardens, etc. very poor.
- Lack in technical support footprint (extension) in rural agriculture.
- Lack in potato specific technical expertise on regional level.

PSA Approach:

- Fund and plant over 65 trial sites in KZN/NEC over last 5 years.
- 2 Information days per site, avg. of 150 people attend/day.
- Base for practical skills development and technology transfer in rural areas – teaching them to fish!.
- Partnered with e.g.. Dept. of Agric KZN for dedicated extension officers to projects.
- PSA training course for extension officers.
- Base for new small commercial farmers selection.

Enterprise Development

Please meet our Potato heart transplanter.....
Solly Ratjomane





The Super Jockey !!

FUELLING THE **FUTURE** TOWARDS SUSTAINABILITY





Results: Enterprise Development

Challenges:

- More potatoes from sustainable Black owned enterprises.
- Human capital availability.
- Access to irrigation land, ownership vs. security.
- Access to finance – infrastructure, production – access to cheap money.
- Technical support – extension, mentorship, PSA.
- Potatoes = expensive and high production risk crop.
- Market access and development.



Results:

Enterprise Development

PSA Answer:

- PSA board commitment: establish at least 6 sustainable small commercial black potato growers per year!
- Multi-disciplinary approach
- Rather build on success than building success.
- PSA is involved in subsidising potato seed for these projects.
- PSA will play a role in creating access to finance for the new growers.
- PSA involved with mechanization of small projects.
- Partnerships are crucial to the success. Surround new growers with expertise!
- Western-Cape DoA commodity approach applauded.
- Huge focus on technical support footprint to mitigate production risk.
- Think minimum upwards, not commercial downwards.
- Competitive production cost, not inflated! Co-ops?
- ID training needs of project leaders.
- Assist in developing market access where possible.

Enterprise Development

FUELLING THE **FUTURE** TOWARDS SUSTAINABILITY

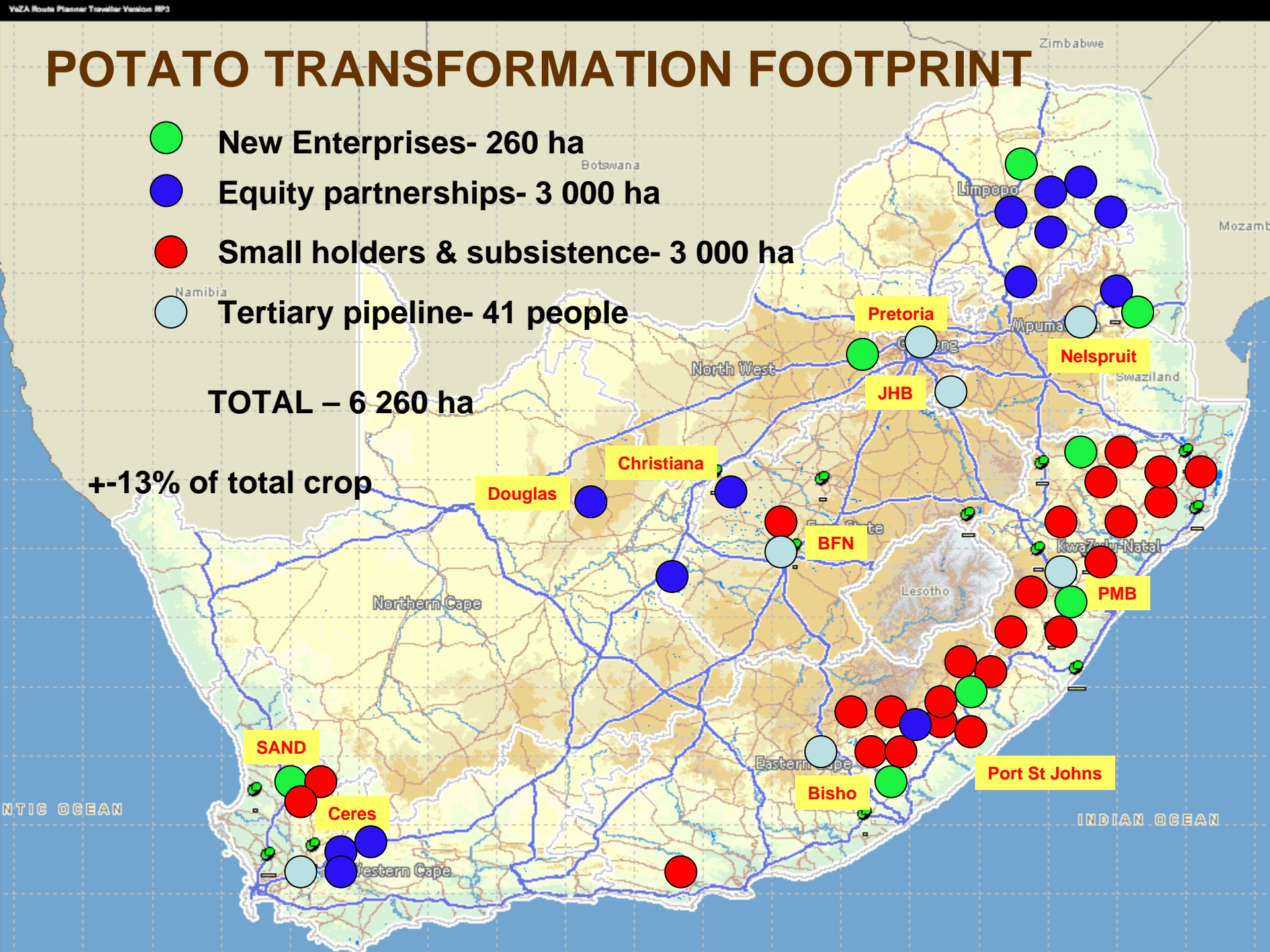


POTATO TRANSFORMATION FOOTPRINT

- New Enterprises- 260 ha
- Equity partnerships- 3 000 ha
- Small holders & subsistence- 3 000 ha
- Tertiary pipeline- 41 people

TOTAL – 6 260 ha

+13% of total crop



Thus, we need:

- More and accurate data/information about resources available.
- Jockey selection
- Access to land and water
- Market development.
- Farmer development.
- Technology transfer: Mentorship, extension, etc.
- Building of Infrastructure.
- Partnerships.
- Access to finance, must be cheap!
- Integrated Centre of excellence between industry bodies for generic transformation objectives.



Transformation is a **“Heart”** thing!!

“Obstacles are those frightful things you see when you take your eyes off the goal”

“Change will not come if we wait for some other person or some other time. We are the ones we’ve been waiting for. We are the change that we seek”

Barack Obama

“It always seems impossible until it is done”

Nelson Mandela



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