

Local potato industry appeals for support amidst EU dumping threats

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 South Africa's shores from the Netherlands and Belgium will cripple South African farmers and producers.



Source: Supplied

Expressing concern for the local potato industry and pleading for local support, Willie Jacobs, CEO of Potatoes South Africa (PSA), says: "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."

Socio-economic, market impact

The South African potato industry provides employment to an estimated 45,000 permanent and seasonal labourers and is worth approximately R7,5bn at primary level, and R26bn 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 R8,5bn to the South African economy.

As an 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."

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