

## Agbiz media statement

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### **Agbiz continues to engage with government and Eskom on load-shedding challenges**

The severe load-shedding has increased food security risks in South Africa, and financial pressures on farmers, agribusinesses and the value chain role players. Whilst the risk is great, statements on food security should only be made from an evidence base. As such, Agbiz conducted a survey this past week across all the sectors and the results are currently being analysed by a joint team of experts. Insights will be shared as soon as possible. The survey will also be used to inform possible interventions that government and private sector representatives are formulating to ensure a sound approach. The results of the survey will help enrich the response approach for the sector. Agbiz has also been engaged in various meetings with the Department of Agriculture, Land Reform and Rural Development, and Eskom to find ways to ease the pressure on agribusinesses. These engagements are ongoing and will benefit from the results of the survey.

In the near term, Agbiz has urged for less severe load-shedding in areas under irrigation, and food-processing facilities. In crucial field crops, roughly 20% of maize, 15% of soybean, 34% of sugarcane and nearly half of the wheat production are produced under irrigation, which faces severe challenges due to persistently hot and dry conditions, coupled with constrained ability to irrigate. Fruits and vegetables also heavily rely on irrigation and thus face similar challenges.

Similarly, in the dairy industry, aquaculture, red meat, poultry, animal feed manufacturing and piggeries, there are also concerns that load-shedding beyond stage two makes operations and planning challenging, as these industries all require continuous power for their usual activities. Agribusinesses face similar challenges in various downstream processing activities, such as milling, bakeries, abattoirs, wine processing, packaging, and animal vaccine production.

This means that continued engagements with Eskom to lobby that load-shedding does not exceed stage two or three is critical for the near term, and to develop contingency plans that allow greater predictability should outages be unavoidable so that companies may plan their operations around a more predictable schedule. The sector will also explore the path for renewables, and this might need government assistance, subsidies

and revisions to the regulatory framework. These are all key points that Agbiz will continue to voice in endearment with the authorities.

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