

Load shedding: SA needs urgent electricity sector reforms

Agri SA is deeply concerned by the negative impact that load shedding can have on the primary agricultural sector, the food value chain and the South African economy.



Image source: [Gallo/Getty](#)

"Eskom implemented Stage 2 load shedding from Wednesday, catching the South African economy off guard," says Nicol Jansen, Agri SA Chairman: Economics and Trade Centre of Excellence. "More advanced warning could have made a big difference for farmers and businesses to adjust their planning accordingly."

Disrupting irrigation-reliant industries

Load shedding has an impact on irrigation-reliant and energy-intensive industries like the horticulture, dairy, poultry, grains and agro-processing industry. Irrigation, irrigation scheduling, the application of fertiliser, processing and shipment are all negatively affected by the unplanned load shedding disruptions. Over 25% of the country's food is produced by irrigation-reliant and energy-intensive industries.

"The burden of load shedding is unacceptable. We need our economy to grow and uplift all South Africans. The unreliability of electricity supply is a major constraint on our economy and the outlook for economic growth. In addition to rising electricity tariffs, the occurrence of load shedding disrupts business activity and is accompanied by direct and indirect costs."

Urgent governmental action required

While the cabinet's recent approval of the Integrated Resource Plan (IRP) 2019 is a step in the right direction, more urgent government actions are needed to mitigate the electricity sector crisis.

These include (but are not limited to):

- The appointment of an Eskom CEO with proven leadership capability.

- Restructure Eskom, considering a holistic review of the energy sector and the electricity supply industry.
- Manage future electricity tariffs in a transparent and predictable manner.
- Take decisive action on debt relief and the refinancing mechanism.
- Encourage broader private sector participation, for example, small-scale embedded generators (SSEGs) in agriculture, eliminating administrative constraints.

In the short-run, Eskom will have to give more consideration to its customers, giving advanced warning of load shedding disruptions.

For more, visit: <https://www.bizcommunity.com>