

South African power grid under immense strain as cold stores prepare for new EU orange protocol

The Western Cape Minister of Local Government, Environmental Affairs and Development Planning calls South Africa's national electricity supplier Eskom "a national risk" as South Africa is experiencing stage 6 loadshedding which means at least 6 hours of power cuts over a period of 24 hours, often during peak usage hours.

Loadshedding has only reached stage 6 once before. At the moment, the country is back on stage 4, but will move back to stage 6 tonight and over the weekend. Eskom has lost significant parts of the country's energy reserves because of an illegal strike at some of the Mpumalanga coal power plants.

Minister Bredell has written to national government asking for a coordinated disaster management planning approach regarding the current situation at Eskom, adding that for their part, they were liaising with municipalities and the City of Cape Town to ensure all backup systems and emergency equipment was ready for possible system emergencies.

At citrus cold stores, the cost of loadshedding is significant.

"We're running diesel generators all the time," says a KwaZulu-Natal cold store manager, "we cannot afford to interrupt the cold chain. We are operating at peak right now."

Managing with power cuts has become the norm, rather than exception, and the costs of coping with the new normal are mounting and this, at a time when the cost chain can barely absorb additional costs.

Cold store managers across the country have confirmed that they have not yet received final clarification on the implementation of the new protocols on South African oranges to Europe, which is due to start in two weeks.

Ambient loading of oranges is no longer an option; instead there is now mandatory precooling for all oranges to 5°C or lower (the 25 days and longer shipping regime option) or 2°C or lower (the second shipping regime option of 20 days and longer).

"It's been hanging over everyone for quite a while. Once we start doing it, we'll have a better idea of how the industry handles it. So it's probably going to cause some challenges with regards to congestion but let's see. None of us want to speculate."

Marketing shifts in South Africa's orange trade will be inevitable, industry sources indicate, a decision further supported by pricing levels in Europe this season.