ANNUAL

Potato Certification REPORT





2018/2019





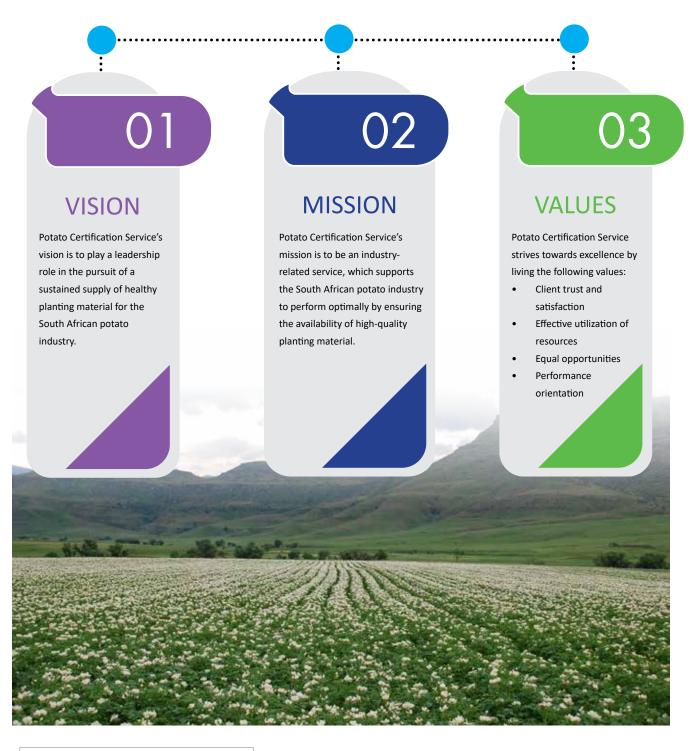
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ABOUT PCS

Potato Certification Service (PCS) is a Non-Profit Company (NPC) under the Companies Act 71, 2008 (Act 71 of 2008), without members, established in 1995, with the mandate to certify seed potatoes and is contracted as service provider of the Independent Certification Council for Seed Potatoes (ICCSP), appointed as authority in terms of the South African Seed Potato Certification Scheme (Scheme) by the Minister of Agriculture, Forestry and Fisheries (DAFF). PCS is audited by the DAFF, since PCS performs the functions and duties in terms of a statutory scheme. The Scheme is promulgated in terms of the Plant Improvement Act, 1976 (Act No. 53 of 1976).



CHAIRPERSON'S REPORT

Potato Certification Service had a great year and I would like to highlight a few points. We have entered and certified 10 750 hectares, conducted around 5 000 field inspections and approximately 2 500 tuber inspections. Our certification officials travelled a total of 450 000 kilometres, of which the most was 65 000 kilometres for a single certification official.



In the reporting year, we had two resignations, two new appointments, and four certification officials fully qualified on all aspects of certification. Having enough fully qualified certification officials to perform the functions of the Scheme is very important. Despite PCS having a flat structure and I think we succeed reasonably well to retain more expertise within the business.

Sanette Thiart, our Managing Director, who was at the World Potato Congress in Cuzco in Peru in May, also attended the United Nations Economic Commission for Europe (UNECE) Working Party on Trade in Seed Potatoes in Geneva, Switzerland in March. The UNECE is about aligning different schemes in the world and setting standards for trade in seed potatoes. It is very important for us in South Africa to be involved in events like this so that we

ensure that our Scheme and what we do in South Africa, is in line with the rest of the world.

As you all know we have a per hectare tariff in South Africa and we are currently in the fortunate position where our hectares are in an upward curve. So, we were able to pass only a 5% and a 0% increase in certification tariffs in the last two years. Along with that, we have enough reserve funds for difficult years. So, all in all, the finances are looking good.

In our new structures, we now have a smaller board of directors composed of the different regions and I think it functions very well, also because Attorney Les Kügel, Chairperson of the ICCSP, attends these meetings and ensures that we do our work as outsourced to us by the ICCSP.

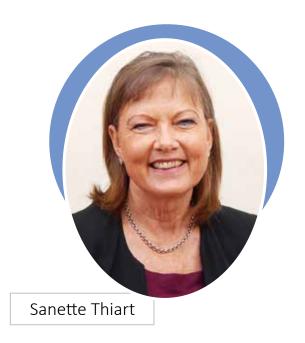
This year we also had a systems audit within PCS that was conducted directly by the Directorate of Inspection Services and we passed the audit with flying colours. I would like to thank Sanette Thiart and her entire team for the professional way they run this business, and everyone involved in the system to enable us to provide such a good business and service to our potato farmers in South Africa.

Gerhard Posthumus

Chairman of the Board of Directors of Potato Certification Service

MANAGING DIRECTOR'S REPORT

The active seed growers are all the growers who have for the past 4 years registered plantings for the certification of seed potatoes under the South African Seed Potato Certification Scheme (Scheme). Currently there are 159 active seed growers, of which 119 have registered plantings under the Scheme in the reporting year. The seed growers are our clients without whom, we would not have a business. Thank you for persevering despite huge challenges that have to be overcome.



I commend the staff of PCS as an amazing team that does not shy away from hard work and walking the extra mile. Staff pick up the extra work where there are resignations and we have taken the PCS Database to a new level. I would especially like to thank André Wessels, Technical Manager, and Rolindie de Klerk, Data-Administrator, for their hard work in this regard. Management and the Certification Officials are seen on the farms and various platforms in the potato industry, but we would not be able to function at this high level without the support of the administrative staff. Thank you for always supporting us and strengthening our hands.

Thank you to the various Directorates of Department of Agriculture, Forestry and Fisheries (DAFF) for your interest in the seed potato industry and your support in our mission to supply high quality planting material to the potato industry. Noteworthy are the roles of Ms. Joan Sadie, Registrar of the Plant Improvement Act under which the Scheme is promulgated and that of Mr. Mediroe and the Potato Quarantine Pest Committee. The seed potato industry is proud to have you on board.

PCS's financial position is healthy, and PCS has the necessary reserves to carry the company during a less favourable period.

A special word of appreciation goes to the Executive Committee, the Board of Directors and the ICCSP Chair, Adv. Kügel, for your continued support and assistance. Sharing your vast knowledge and expertise with the seed potato industry and especially our company is commendable.

Plant only certified seed potatoes!

Sanette Thiart

Managing Director

Independent Certification Council for Seed Potatoes (ICCSP)

The ICCSP has an independent, unattached Chairman, with industry representatives consisting of the Chair of Potatoes South Africa, the Chair and Vice-Chair of the National Seed Potato Committee representing the seed potato growers, a third member from the National Seed Potato Committee representing the table potato producers, the Forum for Nuclear Material Producers (NUMPRO) and processing industry, as well as technical representative from Potato Laboratory Services (PLS), the Managing Director of PCS as well as the Research and Development Manager of Potatoes South Africa. The independent chairman was appointed by the seed growers serving on the ICCSP. Three representatives of the Department of Agriculture, Forestry and Fisheries (DAFF) attend Council meetings but do not have voting rights.

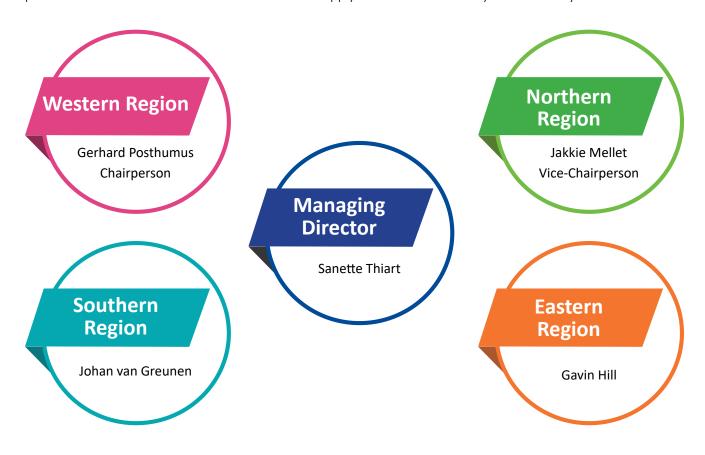
Council Member	Position	Representative for:		
Adv. Les Kügel	Chair	Independent		
Industry representatives				
JF van der Merwe	Member	Potatoes South Africa - Chair		
Gerhard Posthumus	Vice-Chairman	National Seed Potato Committee - Chair		
Jakkie Mellet	Member	National Seed Potato Committee - Vice Chair		
IB Oosthuizen	Member	National Seed Potato Committee - Additional member		
Technical representatives				
Dr. Niederwieser	Member	Potatoes South Africa - Research and Development Manager		
Marieta Botha	Member	Potato Laboratory Services		
Sanette Thiart	Member	Potato Certification Service - Managing Director		
DAFF Representatives				
Ms. Joan Sadie	Registrar	Plant Improvement Act - Directorate of Plant Production		
Mr. Gilbert Mediroe	Assistant Director	Agricultural Pests Act - Directorate, Agricultural Product Inspection Services		
Ms. Rorisang Mahlakoana	Scientist Production: Pest Risk Analysis	Agricultural Pests Act - Directorate: Plant Health		



BOARD OF DIRECTORS

The Board of Directors consists of the four Regional Chairpersons of the Seed Potato Growers, namely Gerhard Posthumus (Western), Jakkie Mellet (Northern), Johan van Greunen (Southern) and Gavin Hill (Eastern) as non-executive directors, with Sanette Thiart, Managing Director as the executive director. Gerhard Posthumus was re-elected as Chairman with Jakkie Mellet as Vice-Chairman.

The Chair of the ICCSP, Adv. Les Kügel, attends the Board meetings to ensure that PCS as the ICCSP's service provider has the human and financial resources to apply the Scheme efficiently and attainably.



HUMAN RESOURCES





STAFF THAT WERE TRANSFERRED

- Jamie Jansen van Vuuren was transferred to Douglas as Regional Manager of the Northern and Eastern Cape production areas as of 1 December 2018.
- Leon Zietsman joined him from 1 February 2019.

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STAFF THAT WERE PROMOTED

Regional Manager



 Jaco Botes had been promoted to Regional Manager of the Christiana office responsible for Western Free State, Northwest and the Eastern Free State as from 1 December 2018.

Fully qualified

- Leon Zietsman, Certification Official 11 August 2018
- Leonard van der Walt, Certification Official 20 February 2019
- Michael Schulze, Certification Official 20 February 2019
- David Steyn Certification Official 20 February 2019

Tuber inspection

• Ngwedi Legodu, Trainee Certification Official – 11 July 2019

Sampling

• Tristan Pillay, Trainee Certification Official – 13 February 2019.

FINANCE

The financials for PCS for the period 1 July 2018 to 30 June 2019 are briefly discussed.

PCS ended the financial year with a net surplus of R3 396 049 before tax instead of the budgeted deficit of R582 116. This result is an improvement of R3 978 165. The budgeted hectares for the reporting period were 10 500 and 11 026 realized in total, which were 525 more than expected.

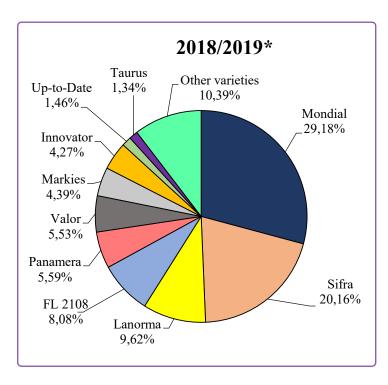
PCS's financial position is healthy, and PCS has the necessary reserves to carry the company during a less favourable period.

REGION	12 MONTHS	BUDGET	ACTUAL	DIFFERENCE
Southern	344	344	402	+58
Sandveld	241	241	306	+65
Ceres	59	59	43	-16
Southern Cape	44	44	53	+9
Eastern	2317	2317	2161	-156
KwaZulu-Natal	1355	1355	1301	-54
North-Eastern Cape	487	487	462	-25
Eastern Free State	475	475	398	-77
Western	7317	7317	7687	+370
Northern Cape	1380	1380	1607	+227
Western Free State	4933	4933	5149	+216
North West	884	884	761	-123
Eastern Cape	120	120	170	+50
Northern	523	523	776	+253
Mpumalanga	225	225	535	+310
Limpopo	296	296	241	-55
Gauteng	2	2	0	-2
TOTAL	10 500	10 500	11 026	+525

SEED POTATO PRODUCTION

In the year under review, approximately 11 000 hectares were registered for seed potato production under the South African Seed Potato Certification Scheme, with \pm 5,9 million bags of seed potatoes certified for the year to date.

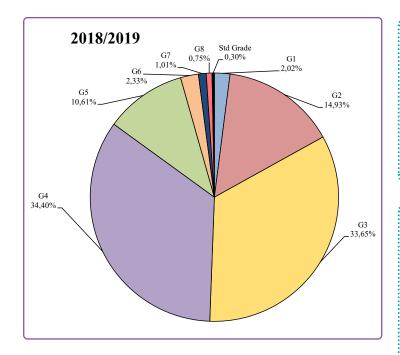
	2016/2017		2017/2018		2018/2019*	
Production Area	Plantings (Hectare)	Yield (25 kg Bags)	Plantings (Hectare)	Yield (25 kg Bags)	Plantings (Hectare)	Yield (25 kg Bags)
Ceres	65	33 438	34	36 799	39	25 140
Eastern Cape	132	44 300	138	59 956	170	17 991
Eastern Free State	366	274 294	380	267 446	396	180 910
Gauteng	1	17	1	-	-	-
KwaZulu-Natal	1211	962 814	1344	906 848	1294	945 196
Limpopo	217	168 656	272	181 973	247	156 432
Mpumalanga	330	286 023	419	287 987	481	267 945
North West	717	1 213 028	865	992 371	737	814 995
North Eastern Cape	630	256 977	485	282 494	462	199 061
Northern Cape	1273	719 792	1469	682 646	1615	701 605
Sandveld	27	63 787	107	23 404	63	9565
Sandveld (R)	201	102 732	197	78 404	215	17 092
Southern Cape	66	52 578	60	43 046	48	30 794
Western Free State	5195	2 994 347	5247	2 941 638	5163	2 618 032
RSA	10 431	7 172 783	11 018	6 785 012	10 930	5 984 758



Variety Distribution

- Mondial is still the leading variety with regards to number of 25kg bags
- Ten years ago, Mondial was 44.44% of all certified seed potatoes.







Generation Distribution

- Generation 1 to 4 make up 85% of all seed potatoes certified
- 0,3% is certified as Standard grade

Approximately 83% of seed potatoes were certified according the original generation for seed production. During tuber inspections on seed lots, the tuber count and the weight of the bags are verified randomly. The findings are recorded on the PCS Database, and where deviations occur, growers are informed. The average weight of bags was found to be 25.5kg.



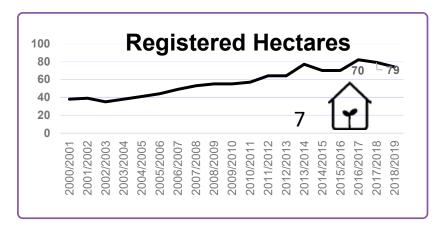
MINI TUBER PRODUCTION

5 ICCSP Approved *In vitro* multiplication facilities:

- Rascal Seed Research Laboratories
- Ceres Potatoes
- Super Spuds
- Ruvalabs
- Agricultural Research Council Roodeplaat

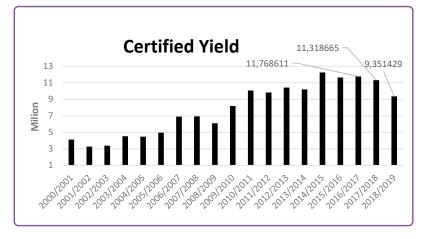
7 ICCSP Approved Greenhouse Facilities for mini tuber production:

- Rascal Seed Research Laboratories
- Ceres Potatoes
- Potato Seed Production
- Super Spuds
- Advanced Potato Propagation
- GWK Limited
- Maluti Mini Tubers









CERTIFICATION OF SEED POTATOES



Registrations

• A total of 2 392 units had been registered in the 2018/2019 planting season Registrations per Regional Office

Christiana	1 373
• Douglas	264
• Lydenburg	222
 Piketberg 	117
 Pietermaritzburg 	416





Field Inspections

• A total of 2 392 units had been inspected in the 2018/2019 planting season

Inspections per Regional Office

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	Registrations	1st Field inspection	^{2nd} Field inspection		
 Christiana 	1 373	1 352	1 306		
 Douglas 	264	262	262		
 Lydenburg 	222	214	212		
 Piketberg 	117	109	87		
 Pietermaritzburg 	416	415	415		





Sampling

- Field, as well as store samples are taken for virus detection.
- Bacterial wilt field samples are taken.
- For mini tuber production, leaf or tuber samples are taken.
- Post-Control samples for variety purity and virus content are taken at tuber inspection





Tuber Inspections

 A total of 2 112 tuber inspections had been conducted in the 2018/2019* planting season (*Incomplete)

•	Christiana	1 054
•	Douglas	243
•	Lydenburg	220
•	Piketberg	45
•	Pietermaritzhurg	550



Causes for downgrading or rejection during the certification process

Based on the tolerances for the generation planted of the respective deviations, PLRV (Field Sample Virus), Black Dot / Silver Scurf (Tuber Inspection) and PVY (Field Sample Virus) were the biggest causes for rejection or downgrading.











Risk Management

- Where Post-Control samples exceed the maximum tolerances for PVY (15%), PLRV (5%), TSWV (15%) or total virus infection (15%) it is investigated by PCS Head Office and growers are informed in writing where they are requested to inform the buyers.
- Where high infections occur, the grower will be requested to inform the buyer in writing and a copy of the notification be supplied to PCS.
- During 2017 / 2018 season, 66 post-control samples taken from certified seed lots exceeded the maximum tolerance for PLRV and 3 samples for PVY.
- Variety mixing in post-control samples was detected in only 0,45% of bags certified.

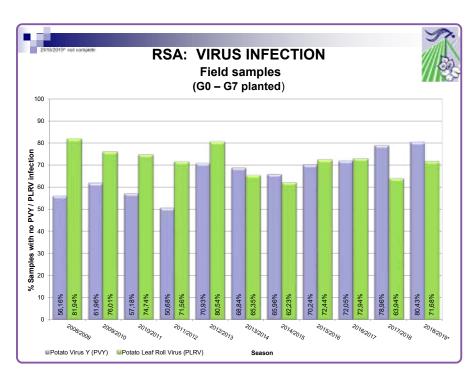


PHYTO-SANITARY ASPECTS

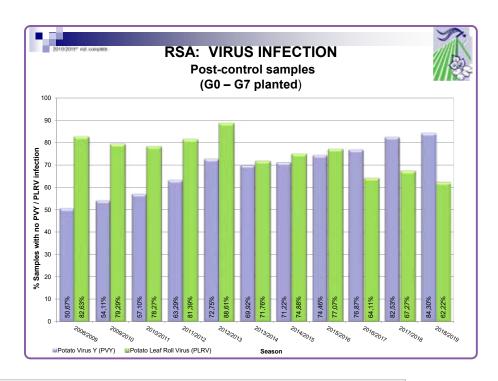
Based on the Generations planted and their respective tolerances, 92% of samples submitted to testing facilities complied with the tolerances according to the Scheme, 7.2% exceeded the respective tolerances, while 0.47% exceeded the maximum tolerance of 15%.

There was an increase in number of field samples with no Potato Virus Y (PVY) infection, from 57% during 2010 / 2011 to 78% in 2017/2018. From seed lots presented for certification, 80% had no PVY-virus infection, 94% complied with the respective tolerances, 6.4% exceeded the tolerance and 0.1% exceeded the maximum tolerance permissible.

Unfortunately, there was a decrease in field samples with no Potato Leaf Roll Virus (PLRV) infection, from $\pm 73\%$ during 2016 / 2017 to 63% for 2017 / 2018. 78% of samples submitted for testing complied with respective



tolerances, 12% exceeded the respective tolerances, while 10% exceeded the maximum tolerance of 5%. From seed lots presented for certification 71% had no PLRV-virus infection, 82% complied with the respective tolerances, 15% exceeded the tolerance and 2.8% exceeded the maximum tolerance permissible.



PROHIBITED ORGANISMS



Ralstonia Species Complex

 Seed production units infected with the Bacterial Wilt-causing organism have decreased from 35 in 1994 to none or perhaps one or two in the last 6 years, with none to report in the 2018/2019 planting season.

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Golden Cyst Nematode

- No seed production units had been infected with Globodera rostochiensis for years.
- The last units where cyst forming nematodes had been found were identified as Globodera capensis, which is not a prohibited organism.
- DAFF has ongoing surveillance for this pest and all units registered for export are sampled and laboratory tested for the presence of the organism.

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Wart Disease

- Synchytrium endobioticum was last found in South Africa in the 1920's.
- DAFF has ongoing surveillance for this pest and all units registered for export are sampled and laboratory tested for the presence of the organism.

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CONTACT US



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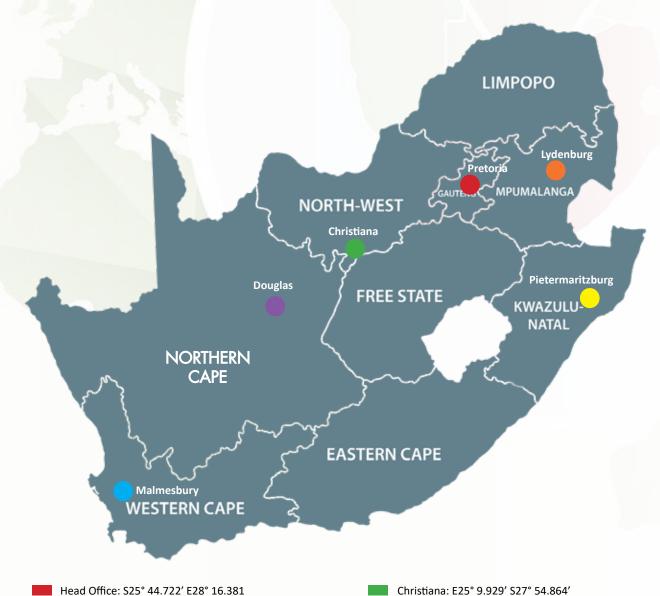
GPS Coordinates: \$25° 44.722′ E28° 16.381

Physical Address: Potato House | 6 De Havilland Crescent | Persequor

Technopark | Pretoria | 0020

Postal Address: Private Bag X 135 | Pretoria | 0001





Malmesbury: E18° 43.459′ S33° 26.825′

Douglas: E23° 46.287' S29° 3.233'

Christiana: E25° 9.929′ S27° 54.864′

Lydenburg: E30° 28.262′ S25° 6.311′

Pietermaritzburg: E30° 25.059′ S29° 39.415′

