

26 June 2026

NERSA inquiry validates AgriSA's concerns over electricity tariff reforms

AgriSA welcomes the publication of the National Energy Regulator of South Africa's (NERSA) Draft Market Inquiry Report into fixed charges and Eskom's Retail Tariff Plan (RTP), indicating the findings confirm the concerns the organisation has consistently raised regarding the disproportionate impact of recent tariff reforms on agriculture.

The inquiry concludes that while the move towards more cost-reflective tariffs is appropriate in principle, implementation has produced unintended consequences for sectors such as agriculture. It specifically recognises that irrigation-intensive farming operations have limited ability to shift electricity demand and that changes to the Time-of-Use (TOU) tariff structure have materially increased production costs.

The findings closely mirror the evidence submitted by AgriSA and its members, SA Canegrowers and Grain SA, during the inquiry. This demonstrated that a typical 250 kVA irrigated farming operation experienced an increase in annual electricity costs from approximately R408 000 to R539 000, a 32% increase in a single season. Electricity has consequently become the second-largest input cost after labour.

"The inquiry confirms what farmers have been experiencing for months," said Jolanda Andrag, Chief Operating Officer of AgriSA.

AgriSA welcomes the inquiry's recommendations to:

- strengthen customer-class impact assessments before tariff changes are implemented;
- undertake detailed customer bill simulations;
- review Time-of-Use tariffs for sectors with limited operational flexibility, such as agriculture;
- reassess capacity charge design to reflect customer utilisation profiles better;
- introduce affordability safeguards and transitional measures; and
- improve transparency and stakeholder engagement throughout the tariff reform process.

"These recommendations provide an important foundation for developing a fairer electricity pricing framework that supports both the sustainability of the electricity system and the competitiveness of South African agriculture," said Andrag.

AgriSA would like to express its gratitude to Eskom and Nersa for their spirit of collaboration and commitment to transparent, robust engagement on this important matter.

AgriSA will study the draft report, participate fully in the public consultation process, and continue engaging with NERSA and Eskom to ensure the final report translates into practical reforms that protect food production, rural economies, and South Africa's long-term agricultural competitiveness.

Enquiries

Jolanda Andrag, AgriSA Chief Operating Officer
+27 (0) 82 457 9937
info@agrisa.org.za