

Feeding the nation

Retailers are harnessing the power of their supply chains to achieve food security

BY ROBYN MACLARTY

COVID-19. RIOTS. FLOODS. Junk status. Intensified load shedding. Infrastructural decline. The past few years have seen more challenges visited on South African society than ever before in its near 30-year democracy – affecting, as ever, the most vulnerable citizens, in particular those living in poverty, especially women and children.

Yet recovery is progressing, with positive fourth-quarter growth in 2021 thanks to trade, manufacturing and agriculture, while mining registered growth of 11.8% in 2021, recovering production to almost pre-COVID levels. Improvement in the retail sector began steadily in June 2021 and hit a high note

in January this year with increased sales of 7.7% year-on-year.

While macro-economic growth lays the foundation for national recovery, prodigious efforts are still required from public, private and NGO organisations to plug the gaps in access to nutrition, education, healthcare, basic services and jobs. When it comes to the first – nutrition – SA's major food retailers are uniquely positioned to address hunger and access to basic goods thanks to their nationwide networks of stores and outlets.

In 2020, almost 23.6% of South Africans were affected by moderate to severe food insecurity, while close to 14.9% experienced severe food insecurity.

Even before the pandemic, the Consumer Goods Council of South Africa (CGCSA) – an industry member association that represents more than 12 000 businesses in the retail, wholesale and manufacturing sectors – recognised the need to harness members' infrastructure and supply chains to address food insecurity.

In September 2020, after consulting with the departments of Trade, Industry and Competition, and Forestry, Fisheries and the Environment, it launched the Food Loss and Waste Voluntary Agreement. Signatories to the agreement are obliged to report their food waste savings and achievements to illustrate how the food sector is working collectively towards achieving the UN goal of halving food waste by 2030.

'As SA's retailers sell about 80% of the food consumed in the country, they sit at a critical point in the value chain to influence changes to reduce some of the food wasted annually,' writes the CGCSA's food security initiative executive Matlou Setati in Business Live.

'Reducing food loss and waste has become a moral and food security imperative, requiring a collaborative approach by all involved in the food value chain: from farmers and manufacturers to retailers and policymakers.'

Major signatories to the agreement include all of SA's 'top five' food retailers – Shoprite (Checkers), Pick n Pay, Spar, Woolworths and Massmart (the parent company of Game, Cambridge Foods and Makro, among others) – as well as packaged-foods giant Tiger Brands.

In addition to committing to the CGCSA Agreement, each of the retailers

has its own strategy for CSI spend and upliftment in collaboration with the government and NGOs close to the ground.

'Retail has a very important role in supporting humanitarian needs, not only from a CSI or sustainability perspective, but also from a pure business perspective, as social stability and cohesion are needed for business to operate successfully and profitably,' says Andre Nel, GM of sustainability at Pick n Pay.

'I believe partnerships are key to meet the huge and growing humanitarian need, as partnerships between business, NGOs, PBOs [public benefit organisations], industry bodies and government are able to unlock efficiencies and speed of response that any individual organisation is not capable of. This was highlighted during the pandemic, but also during the KZN riots and recent floods in KZN, where partnerships allowed food and other relief to reach people in need within hours and not weeks.'

At the onset of the COVID pandemic, Pick n Pay launched the Feed the Nation campaign, which funnelled donations to Joint Aid Management, FoodForward SA and Afrika Tikkun. The campaign has since become a fully fledged foundation – the Feed the Nation Foundation – raising more than R165 million for food relief to communities in need, and distributing more than 37 million meals.

'An important focus of the partnership is the support of child-headed households,' says Nel. 'Food hampers worth more than R10 million have already been provided nationally to 15 879 child-headed families in 100 Pick n Pay School Club schools.'

Rather than a simple CSI budget, Pick n Pay has an integrated programme that is aligned with the UN's Sustainable Development Goals and focuses on building more ethical and inclusive supply chains, introducing increased efficiencies in energy and water consumption, decreasing food waste and packaging, promoting healthy living, and supporting education through the Pick n Pay Schools Club and a range of community empowerment initiatives.

One of the biggest impacts of the pandemic on how retailers – indeed, all major public-sector organisations – approach not only their business, but also social investment, is a far more agile, purposeful response to change.

'The pandemic has not changed our strategy, but it has shown the importance of having an integrated programme that allows the business to respond quickly to both social and environmental change,' according to Nel.

'COVID has created an awareness that change can happen very quickly. The world changed in less than two years. I expect there will be a growing requirement from stakeholders to deliver change in shorter time lines and have clear, transparent shorter-term targets, where a long term target is set.'

Another impact, for Woolworths, has been the broadening of its CSI strategy. 'It has reinforced to us the need to include more projects that empower and assist communities to grow more food so that they can have a reliable food source, sell surplus and be resilient when disasters strike, as well as work on sustainable solutions for a zero-hunger future, which

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is the cornerstone of our CSI strategy,' says Zinzi Mgolodela, Woolworths' director of corporate affairs.

Over the past 19 years Woolworths has donated about R7.2 billion in cash and product to alleviate hunger, and its pandemic response was guided by its long-term disaster relief partner, Gift of the Givers. 'Over the last two years, 20 600 food care parcels have been donated to 32 communities in need, which equates to around 2.8 million meals,' says Mgolodela.

Similarly, Shoprite has donated more than R100 million worth of food since the start of lockdown, while Massmart donated 500 tons of food, representing about 2 million meals, to FoodForward-SA in 2020, as well as 20 tons of food to at-risk early childhood development centres across SA and Botswana.

'Our COVID-19 response has continued to evolve through the pandemic and when vaccination registrations opened,

Massmart provided vaccine-registration services at our stores to assist customers,' says Alexander Haw, Massmart's group sustainability VP.

'When vaccines became available, we partnered with the Department of Health in six provinces and set up temporary vaccination sites at stores to increase vaccine access in underserved communities. Through these sites over 36 000 vaccines were provided to Massmart customers and, in collaboration with Clicks Group Ltd, we established temporary vaccination sites at our larger stores to help increase vaccination uptake rates among our staff.'

Tiger Brands, one of SA's largest food producers, is engaged in several food-donation initiatives – including its flagship university nutrition programme, Plates4Days, and the Tiger Brands Foundation, which provides breakfast for around 80 000 children. Its long-term focus, however, is on finding

solutions to broader issues such as unemployment and economic inequality.

'We see enterprise and supplier development as critical in our efforts to build an inclusive business where we can use the scale and reach of our supply chain to create more inclusive economic participation in the communities where we operate,' says Mary-Jane Morifi, chief corporate affairs and sustainability officer at Tiger Brands.

'Through our agriculture aggregator programme, we develop the operational and financial capacity of black-owned and black women-owned enterprises to become part of our value chain. Since its establishment in 2018, the agriculture development programme has supported 157 small black farmers and eight aggregators with more than R46 million in funding, and has created 834 permanent and seasonal jobs in the small-farmer sector,' she says. 'To manage this project at scale, Tiger Brands set up the Dipuno Fund and to date has invested R85 million in interest-free loan funding to support Dipuno's enterprise and supplier development programme.'

The International Fund for Agriculture Development estimates that there are 33 million smallholder farms across the continent and the farmers who live on these farms contribute up to 70% of the food supply, adds Morifi.

'By investing in smallholder agriculture, we not only have the potential to increase food production and improve food security but, importantly, we have the mechanisms to reduce poverty and build a more sustainable and more inclusive future for all.' ■