



PEOPLE'S COALITION

People's Assembly, 21 April 2020 **Food Working Group** **Proposals on the Role of Food Corporates**

After public health, and the capacity of the healthcare sector to cope with a coronavirus outbreak, the key focus has been on food. The crisis has highlighted a number of issues that to date have been practically invisible to policymakers:

- The extreme food precariousness of a significant percentage of the population: the inability to earn income for even a relatively short period of time will result in widespread hunger.
- Related to the previous point: the critical role of markets in household food provisioning. To date, food security policy has been dominated by productionist narratives – i.e. how much food the country produces. Coronavirus has revealed (1) that what is critical is how households actually obtain food and (2) that the cost of food determines food outcomes.
- The importance of the non-corporate food retail sector: despite the fact that it receives next to no support from the state and is often directly undermined by the state, events over the past week have shown the importance of what we could term the “shadow food economy”; for supporting livelihoods, for supporting long supply chains back into agriculture, and for actually getting affordable food onto people's tables. This contradicts both official policy and common discourse that the corporate sector is the “best” and cheapest means of food provision.
- Corporate goals (profit maximisation) are fundamentally at odds with the goal of universal food security

Together with government's statement that it will investigate predatory pricing on basic grocery items (many of which are food), the current environment offers us the opportunity of a fundamental policy restructuring in respect of the food provisioning system (i.e. how households access what food at what cost) and the food economy (i.e. who benefits from that economic activity).

At present, the key issues that we will focus on are the following:

- (i) **Open a debate around food pricing**, based on the data from the PMEJDG. Julie and I are working on an article around these issues. In the longer term, focusing on the negative impacts of the corporate food model including the retail – farm gate price gap (from that to linkages with rural poverty and farm worker wages). Anecdotal evidence suggest that many farm gate prices are falling, while retail prices are increasing. It will take a few months for the data picture to become clearer. The Competition Commission has long considered the idea of a retail grocery enquiry, and our task will be to ensure that this happens.
- (ii) **Increase general awareness of just how precarious the food situation of many households is**: Mervyn's work will be key here – we would like to push this idea of what you can actually eat for R120 a week, plus the negative externalities of that on broader society.
- (iii) **Debunking the myth that corporate food is the only path to food security**, and lobbying for an accompanying change in governance that supports them – particularly spatial planning and by law regulation in local government.
- (iv) **Highlighting that government is actually helping to push money into the corporate sector**, at the expense of livelihoods in the informal sector and small farmers. How can we insure that any increase in social grants supports these beneficiaries?

An important point is this: it is largely pointless to directly engage the corporate sector on the details of their model, save in respect of predatory pricing. Instead, our goal should be to demonstrate that a corporate model – by its very nature – is not delivering what is required, cannot deliver what is required, and thus needs to be replaced.

This is a longer-term project to gather momentum when the lockdown is over.

Short-term outputs:

1. Op-ed on the fractures in the food system (with PEJDG)
2. Working/position paper – lack of food planning in local government (would link to right to food litigation?)

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