

The co-existence of waste and hunger or the political economy of food in South Africa

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THERE IS A FOOD CRISIS IN contemporary South Africa, and it is marked by the co-existence of waste and hunger. It is deeply implicated in the existing crisis-prone, global neoliberal regime. As Susan George writes, 'Food stands squarely at the crossroads of the ecological, social and economic/financial crises and provides a graphic example of how they reinforce each other.' In both global and national terms, the neoliberal food regime is a catastrophe benefitting only the corporations who dominate it. Intense market concentration means that some forty transnational corporations effectively control the global food regime, and they are making spectacular profits. Just three transnational corporations — Monsanto, DuPont and Syngenta — control over half the world's seed market. 'The world's top ten food processing companies control 28% of the global market, with Nestle far and away the largest single company followed by PepsiCo and Kraft Foods,' says John Hilary.

South Africa's globalised accumulation model demonstrates the same pattern in the corporate-dominated food system's tightly controlled supply chains. A small number of corporations determine the availability, price, quality and nutritional value of all the food consumed.

Dominance of large corporations: the case of bread

IN SOUTH AFRICA, THIS DOMINANCE IS illustrated by the way wheat-to-bread commodity chain has been globalised and marked by a concentration of ownership and control all along the chain from wheat production, storage, milling, baking and retail, since the deregulation of agriculture. The deregulation included the scrapping of the Wheat Board in 1996 and the rescinding of the bread subsidy in 1992. Deregulation has resulted in wheat becoming far more responsive to global trends. The local market is affected as never before by fluctuations in the rand/dollar rate, international commodity prices for wheat, as well as commodity speculation. State support to farmers and tariffs on agricultural commodities were dismantled with deregulation, leaving farmers at the mercy of state-subsidised competition from the EU and the USA, as well as currency variations. With increasing urbanisation, maize consumption is decreasing relative to wheat, and bread is becoming a staple food, particularly in informal settlements where people lack access to sources of energy.

The price of bread has increased 80% in the last three years, which is devastating for the working class. This increase is partly a result of the fact that South Africa is now a net importer of wheat,

which it gets largely from Argentina and Germany. The price of wheat is fixed on the Chicago commodities exchange, and is subject to speculation and currency fluctuations. But the price rise is also a result of price fixing among four corporations that dominate milling and baking in South Africa, and the market power of three companies that dominate food retail.

Farm ownership has become increasingly concentrated as well, and the total area of land planted to wheat has decreased by 50% over the last twenty years. South Africa now has between 5 000 and 6 000 wheat farmers, located mainly in the Western Cape, Free State and Northern Cape. Farm workers are among the lowest paid workers, and their number has declined, with a strong trend towards replacing permanent, full time employees with casual and seasonal workers. Farm ownership highly concentrated and dominated by large corporations, and just three grain storage companies dominate the field. Only two seed companies supply wheat seed to commercial farmers. About 80% of South Africa's milling industry is controlled by four companies: Pioneer Foods (which produces Sasko, which in turn produces Blue Bird, Uncle Salie and Natural Harvest), Tiger Brands (which produces Albany), Premier Foods Genfoods (which produces Blue Ribbon and BB), and Foodcorp (which produces Sunbake). These four companies - Pioneer Foods, Tiger Brands, Premier Foods and Foodcorp - own their own bakeries and produce most of the bread consumed by South Africans.

The formal retail sector is also highly concentrated, with effective domination by three supermarket chains, Shoprite, Pick n Pay, and Spar. The trade union Solidarity has criticised these three retailers for making huge profits despite falling input costs and decreasing food inflation. Inequality is deeply embedded in at every node in the wheat-to-bread chain. This is glaring in the case of Shoprite, South Africa's largest retailer by market value. In 2010, its chief executive, Whitey Basson, earned R627 million in salary and perks including R594 million for cashing in his share options; meanwhile, the average wage for fulltime Shoprite workers was R3 600 a month. In the first six months of 2014, Basson was paid R49.9 million, almost as much as he earned (R50 million) for all of 2013. This makes his pay 725 times that of his average employee. Profiled on the cover of Financial Mail in 2008 as a 'genius for profit', Basson was described in the magazine as 'an incredible disciplinarian, very bright, massively hard-working and probably the most underestimated CEO in South Africa.'

'The politics of bread demonstrates the wrongs of the food system,' said a participant at the 2014 Feminist Table workshop in Johannesburg. These 'wrongs' include the fact that modern corporations show a total disregard for the moral consequences of their pursuit of profit - as illustrated by the collusion and price-fixing at almost every point in the wheat-to-bread chain. In 2007, for example, Tiger Brands was fined R98.9 million after admitting that it had colluded with rivals (Premier Foods, Pioneer Foods and Foodcorp) to raise the price of bread by 30 to 35 cents a loaf. Four senior executives of Tiger Brands cashed in R44 million worth of share options just as the Competition Commission was beginning its investigation into bread price-fixing. The Competition Tribunal upheld the finding of collusion but, according to Anne Crotty, 'The fine was easily absorbed by Tiger Brands' attributable earnings of R2.2 billion that year.' Shortly afterwards, Tiger Brands increased prices by 40c more per loaf for Albany bread (citing higher wheat prices, not the fine) and was followed by the other three food giants. The Competition Commission criticised this increase, saying: 'The blatant profiteering is an insult to the nation, particularly the poor.' Later, in an agreement with the Competition Commission, Pioneer Foods committed to pay R250 million as an administrative penalty to the National Revenue Fund to create an Agroprocessing Competitiveness Fund that would be administered by the Industrial Development Corporation. The aim of this fund is to promote competitiveness, employment and growth in food value chains. The Fund will provide finance on favourable terms to small and medium enterprises. It is unclear whether this money has been spent. Other examples of collusion and price fixing abound. In 2009, Sasol was fined R250 million by the Competition Commission for collusive behaviour on fertiliser prices. The Competition Tribunal has

heard allegations of anticompetitive behaviour by grain traders against the largest trader, Senwes. The Competition Commission has also investigated the dairy industry, accusing some of the largest dairies in South Africa – Clover, Parmalat, Ladysmith Cheese, Woodlands Dairy, Lancewood, Nestle SA and Milkwood – of anti-competitive behaviour, including price fixing. The result of this corporate dominance is that the food regime in South Africa is deeply unjust, ecologically unsustainable and unsafe.

Injustice: the ‘slow violence’ of food insecurity

THE INJUSTICE IS MOST EVIDENT IN THE coexistence of waste and the ‘slow violence’ of food insecurity. Violence is usually understood as an event or action that is immediate in time, and explosive in space. However, ‘slow violence’ can also inflict significant damage that extends over time. Slow violence is, as Rob Nixon says, ‘insidious, instrumental, undramatic, accretive and relatively invisible’.

Food insecurity involves a form of slow violence because its damaging effects on the human body are relatively invisible, and because its erosion of human capacities and potentials occurs gradually over time. This is now evident in the number of children showing signs of stunted growth (both physical and intellectual) due to chronic malnutrition. Based on a sample of 10 000 households, the South African National Health and Nutrition Examination Survey found that almost half of all South Africans are either presently experiencing hunger or at risk of going hungry. The survey found that 45.6% of the population is ‘food insecure’; 26% experiences hunger; a further 28.3% is at risk of experiencing hunger; and one quarter of children under the age of three show signs of moderate to severe stunted growth due to malnutrition. A child fed on the basic calories available from bread or maize porridge can be active, but, according to Leonie Joubert, ‘the absence of key elements like vitamin A, vitamin B, zinc or iron means the system is perilously corroded on the inside. The motor keeps running, but it is performing way below optimum.’ There is broad consensus in the medical community that irreversible physical and cognitive harm occur if a child does not receive the required nutrition in the critical formative months between conception and the age of two.

‘Perhaps a start in addressing hunger is to call it by its name and describe what it means for real people, and not disguise or distance it behind technical terms such as “food security”,’ says Oxfam. The children of poor black families are the most obvious casualties of this slow violence. At the same time, estimates are that 31% of annual food production in South Africa — that is, 10 million tonnes of food — is lost to waste in some form or other across the supply chain, from an estimated 31 million tonnes of food available. This waste occurs at five points in the food supply chain: agricultural production, post-harvesting handling and storage, processing and packaging, distribution and retail, and consumer behaviour. Food waste is highest for fruit and vegetables, where over 50% of produce is wasted along the supply chain.

The market has become the main source of food for the majority of households in South Africa, so the key issue in terms of access to food in these households is affordability. In South Africa (as is the case globally), food prices have soared in recent years. For example, the cost of maize meal recently rose by 30%, white maize by 73% and white and brown bread by nearly 13%. Food inflation rose by 9.9% between September 2013 and September 2014, according to Stats SA. With increasing unemployment, outsourcing and casualisation, household incomes are falling. Food insecurity/hunger is therefore at the centre of two realities: low incomes and high food prices. Low incomes mean that here, as for many people throughout the world, good nutritious food is unaffordable. The urban poor often spend 70-80% of their resources on food, and are highly vulnerable when food prices increase.

Food prices are expected to continue to rise further in South Africa, mainly due to seven factors:

- Rising costs of the inputs of industrial agriculture such as water and electricity. Electricity prices have risen by over 200% since 2010. Fluctuating oil prices. Increases in the price of oil raise the cost of oil-based fertilisers, pesticides and long-distance transport.
- Climate change. Prices of staple foods will double by 2030 due to climate change (according to a 2011 Oxfam report). The more extreme weather events such as droughts and floods, particular in Sub-Saharan Africa, are especially damaging to crops.
- The use of arable land for biofuels and for mining. In South Africa, agricultural land is being diverted to soya and sorghum intended for biofuels production. Almost half (46.4%) of South Africa's high-potential arable land is in Mpumalanga, which has already lost 26% of its high-potential arable soils due to current mining activity; some 42 new coal mines are planned for that province. The Bureau for Food and Agricultural Policy Report of 2012 estimates that the loss of maize production from mining activities could lead to a 14% increase in maize prices.
- Price fixing and collusion by corporations organised into powerful cartels (as described above).
- Commodity speculation. Several analysts have concluded that the main reasons for the 2008 increase in global food prices were commodity speculation and the push for biofuels. This crisis pushed millions of people into poverty. As Susan George points out, the food crisis was not bad news for everyone: 'In the last three months of 2007 one of the three major transnational cereals corporations, Cargill, increased profits by 86%.'
- Liberalisation of agricultural trade over the past three decades. International negotiations promoting agricultural trade liberalisation benefit rich countries, which gain markets in both the global North and South. Small farmers in developing countries are at a disadvantage. In South Africa, deregulation and liberalisation of the agricultural sector mean that farmers are exposed to international competition, commodity speculation, increased retail power and the withdrawal of many forms of state support (such as marketing boards, guaranteed prices and markets).

Ecological unsustainability

IN ADDITION TO THIS pattern of injustice, in which corporate pursuit of profit means unaffordable food prices for the poor, the current food regime is ecologically unsustainable. Industrial agriculture is responsible for 11% of South Africa's carbon emissions; the figure is higher if the cost of transporting food ('food miles') is included. Industrial agriculture is heavily dependent on the availability of two factors of production: non-renewable fossil fuels and water. Water shortages will increase with climate change and so will the costs of energy. Both will increase the cost of producing and transporting food, especially given the reliance on oil-based fertilisers and pesticides. Food insecurity at the household level will increase as food prices rise and food production falls due to climate change.

Declining food safety

THE FOOD REGIME IS ALSO characterised by declining food safety. There are rising levels of toxic chemicals in food produced by agro-industry, especially in highly processed foods, and serious nutritional deficiencies in diets composed of 'junk foods' and 'fast foods'. Globally, epidemics are increasingly caused by fast-mutating viruses and antibiotic-resistant bacteria, resulting especially

from factory farming. Because many livestock farmers routinely dose their animals with antibiotics, pathogens such as salmonella are becoming more resistant to antibiotics and thus harder to kill. According to Michael Pollan, 'The more a food is processed, the more profitable it gets to the large corporations that dominate agro-industry.'

As regards Genetically Modified (GM) foods, the long-term health risks are unknown. GM technology is profitdriven and it gives big corporations unprecedented control over the food chain. 'The capitalist motivation in promoting GM crops is clear, because farmers incorporated into GM agriculture are dependent on corporate sales for the seeds and accompanying agrochemicals,' argues John Hilary. The African Centre for BioSafety has exposed the high levels of Monsanto's GM soya in South Africa's popular white bread brands. As a spokesperson of the research organisation said: 'GM soya plantations are sprayed with liberal amounts of the herbicide glyphosate and residues of this make their way into the bread. Most brands of white bread have between 21% and 91% levels of GM soya; glyphosate has been linked to numerous health risks, including increased risk of chronic kidney disease, birth defects in humans and animals and spontaneous abortions.' GM wheat is currently being developed.

The neoliberal food system: the poisoned root

HUNGER IS AN ASPECT OF POVERTY AND powerlessness. It is a problem of a lack of access to income, and to productive resources such as water and land. It is the outcome of unscrupulous employers and traders operating in a neoliberal food system that is increasingly unjust, unsafe and ecologically unsustainable, dominated by large corporations that are driven by profit rather than social needs. The power of these corporations is grounded in the process of neoliberal, global restructuring that has involved the incorporation of South Africa in a financialised capitalist system. This system threatens all our survival, but it has particularly devastating impacts on the working class.

The wide-ranging nature of the food crisis provides many different entry points into fighting for an alternative eco-socialist development path. Such a path would be based on 'food sovereignty, meaning the right to healthy, sustainably produced food that is democratically controlled, and an approach to agroecology that involves working with rather than against nature. We have to do this. 'We cannot afford to sit in a burning house while the flames lick the rafters and singe our brows, and question whether a new house is possible,' Bertolt Brecht said. 'We must abandon the old structure and seek to build a new one.'

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P.S.

* "The political economy of food on South Africa". Amandla Issue 37 & 38. March 9, 2015:
<http://amandla.org.za/the-political-economy-of-food-in-south-africa/>

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(Johannesburg: Wits University Press, 2007).