WORKING PAPER

POWER AND GOVERNANCE IN AGRI-FOOD SYSTEMS: KEY ISSUES FOR POLICYMAKERS

March 2016

Tracy Ledger

Trade & Industrial Policy Strategies (TIPS) is a research organisation that facilitates policy development and dialogue across three focus areas: trade and industrial policy, inequality and economic inclusion, and sustainable growth

Tracy Ledger is a TIPS Research Fellow

info@tips.org.za
+27 12 433 9340
www.tips.org.za

INTRODUCTION AND BACKGROUND

Public policy related to agriculture does not exist merely for its own sake: policymakers set certain normative goals, such as an increase in sustainable rural livelihoods and a reduction in poverty and inequality. The key feature of these is that they are *indirect* goals; that is, they cannot generally be directly implemented by government. Instead, policymakers aim to impact *indirectly* on these goals, via particular interventions. This is an important point, since it emphasises that the success or failure of a particular intervention should not be assessed on its own merit, but rather on its ability to **impact** meaningfully on a particular normative goal.

Policymaking is thus fundamentally about choice: the ability to prioritise policy options against the likelihood that they will have the greatest impact on the selected goals. This, in turn, requires that policymakers have a good understanding of how a particular intervention will "translate" into a particular outcome, via a set of (generally complex) causal linkages. This causal "translation" is effected within a **system**, and thus the most effective policy interventions tend to be those that are based on a solid analysis of the system in question, with a clear understanding of how and why there are certain outcomes rather than others.

The aim of this paper is to present an analysis of the dominant and growing agri-food system in South Africa, focusing on *power* and *governance* as two key factors that critically influence system outcomes. Current approaches towards agricultural development (including food security) tend to under-theorise these issues and thus they may not receive the necessary attention from policymakers.

1. CORPORATE AGRI-FOOD SYSTEMS

1.1. Introduction: Defining "agri-food systems[1]"

An "agri-food system" may be simply defined as the combination of activities and institutions around the production and consumption of a particular food item. These systems are complex, operating simultaneously at multiple levels of scale (from global to local) and time (particularly with respect to the timing of outcomes). Agri-food system activities include production, storage, processing, wholesaling and consumption. In addition to these activities, an agri-food system also includes a complex "web of institutional and regulatory frameworks that influence those systems" (IPES, 2015, p3). It is primarily through these frameworks that most policy interventions operate.

Most current approaches to policy around agriculture and food tend to focus on designated categories or activities, such as nutrition, land reform, food safety standards or agro-processing, neglecting the fact that all these activities are connected and impact on each other in multiple ways (Duncan and Hatt, 2010). Traditional forms of analysis tend to separate a particular part of a wider area for study, such as agro-processing, and to focus only on that part. Systems analysis considers instead how that part interacts with all the other parts and can thus generate "sometimes strikingly different conclusions than those generated by traditional forms of analysis" (Aronson, 1996).

The *agri-food systems approach* to policy development includes an assessment of how system *outcomes* are produced, rather than just their component activities. An agri-food systems based approach to agricultural development thus widens the policy focus from agricultural *activities* (such as increasing production and supporting new agro-processing ventures) to considering *outcomes* (such as employment, smallholder income and food security status). Different kinds of agri-food systems may generate very different kinds of outcomes. The challenge for policymakers is accurately to identify how and why this is the case. Therefore, the overarching aim of using a systems approach is to identify "the critical processes and factors" that influence particular social, economic and/or environmental outcomes (Ericksen, 2008, p238) to explain why one particular outcome, rather than another, occurs at a specified point in space and time. That is, the aim of systems analysis is to obtain insights into *causality*; on the basis that such an understanding is crucial to designing a successful policy intervention.

Agri-food system structures may be differentiated with respect to the relationships among different system actors (Ericksen et al, 2010) and, most particularly, with respect to the relative distribution of value among system participants created by those relationships, i.e. the winners and the losers. This distribution of value (economic rent) does not arise spontaneously; instead it is the result in large part of the overarching

[1] The focus of this paper is agri-food systems, although there are obviously a number of agricultural systems that are not based around the production of food. The food component has been explicitly included since it is the main output of the local agricultural sector and food security is an important overarching normative development goal. The principles of systems thinking described in this paper may be applied to any agricultural-based system.

system governance structure. This determines who in the system has power and who does not. A key part of effective policymaking is thus a good understanding of the linkages between system governance and system power distribution.

1.2. The global growth of corporate agri-food systems

In the most basic food systems, consumers either purchase their food directly from producers (mostly farmers), or produce their own. As economies develop, modernise and urbanise, corporate food systems become more prevalent. In these corporate food systems many intermediaries usually who join the basic system, as the share of processed food in total consumption increases and out-of-home eating increases. These intermediaries include processors (both basic and advanced), wholesalers, retailers and restaurants, and they stand between the food producer and the food consumer in a number of interlinked supply chains.

These agri-food systems are characterised by a significant transformation in the way in which food is accessed and distributed, although there have obviously been concurrent changes (particularly post-World War II) in the way in which food production takes place. The growth of the **corporate** agri-food system has been facilitated by rapid urbanisation and the resulting spatial detachment between primary producers of food and the consumers of food.

The most important features of a corporate agri-food system are the following:

- The growing share of processed food in overall food sales.
- A growing distance (both physical and virtual) between producers and consumers.
- The growth of large volume supermarket formats as opposed to other retail outlets.
- The dominance of big corporates in almost every part of the system.

There is a growing body of concern around the world of the effects of the corporate agri-food model on food security, rural livelihoods, the viability of small farmers and the environment.

The development of the corporate agri-food system has been marked by increasing concentration and market power for some participants but it has also been marked by a relative loss in market power for others. There is a growing body of concern around the world of the effects of this model on food security, rural livelihoods, the viability of small farmers and the environment (Clapp and Fuchs, 2009). The international literature suggests that the biggest losers have been smaller farmers, smaller retail outlets, smaller processors and, increasingly, consumers.

1.2.1. The global growth of supermarkets[2]

Capital concentration globally in agri-food systems has been particularly marked in the retail sector – in the growth of supermarkets. Although not the only part of the system that has become more powerful, supermarkets occupy a unique position in corporate agri-food systems, one that is not always apparent to policymakers, particularly in South Africa. Supermarkets are increasingly powerful relative to other system participants as they are the most important "gatekeepers" of consumer markets. They are thus usually the "lead firms" in agri-food supply chains, and as such are able to dictate terms and demands to other chain participants – such as farmers – further upstream (Gereffi, Humphrey and Sturgeon, 2005). The bargaining power associated with lead-firm status allows supermarkets to pass costs, such as those associated with labeling and transport, down the supply chain, and thus protect their margins (Qeqe and Cartwright, 2005).

The supermarket business model is based on volume growth – expanding market share – and pushing down costs to increase profits. This is the basis on which shareholder value is increased (Brown, 2005). To remain competitive, supermarkets require homogenous products across branches, continuous (just-in-time) delivery to ensure freshness, and high quality products. Supermarkets have embraced the principles of supply chain management (SCM) – the coordination, integration and management of their supply chains – as a critical business success factor (Van der Vorst et al, 2007). More and more, supermarkets derive their profits and their competitive advantage from how well they can "manage" (i.e. extract value from) their supply chains (Brown and Sander, 2007), by pushing down the cost of purchases and increasing sales (either through volume growth or a larger share of value-added products).

This does not mean that all the other supply chain participants are all in the same boat vis-à-vis supermarkets: power in agricultural markets is often depicted as an hourglass, with a large number of consumers and farmers at the top and bottom respectively, and a relatively small number of supermarkets and processors in the middle. Therefore, supermarkets have some power over processors, but both supermarkets and processors tend to have proportionately more market power over farmers (Murphy, 2006). In this model, farmers usually have the least market power of all participants, and if they want to stay in the chain they need to accommodate the demands of participants (both supermarkets and processors) further upstream.

The reality of the supermarket-led corporate agri-food system is that these systems are not cooperative arrangements among equals with shared interests. Instead, they are characterised by a "struggle for the appropriation and accumulation of value" (Cox et al, 2002 quoted in Vorley, 2003), which struggle policymakers are beginning to realise may result in a number of undesirable long-term socio-economic outcomes.

[2] Following the definition of Reardon and Berdegue (2006), the term "supermarkets" is intended to mean all the segments of the modern retail sector, and includes supermarkets, hypermarkets, superstores, convenience and forecourt stores, and "cash and carry" and discount stores. This aggregation is made on the basis that these different formats have similar procurement and supply chain management systems.

1.3. The growth of the corporate agri-food system in South Africa

Most South Africans do not produce any of their own food: even subsistence farmers generally only produce a small amount of their household's food requirements, as determined by a nutritionally balanced daily requirement. Nor do the vast majority of us access our food directly from the farmers who produced it. Instead we buy our food mostly from supermarkets, fast food outlets and informal traders. This separation between food producer and food consumer has coincided with the rise of the corporate agri-food system in South Africa. Supermarket expansion in the past 20 years in South Africa has been rapid, and even in rural areas that have a high level of agricultural activity most consumers access their food from supermarkets and not from farmers (D'Haese and Van Huylenbroek, 2005).

Supermarket expansion in the past 20 years in South Africa has been rapid, and even in rural areas that have a high level of agricultural activity most consumers access their food from supermarkets and not from farmers.

Food is big business: the South African agri-food system makes up about R150 billion of national GDP (Chikazunga and Paradza, 2012) and is growing each year. The biggest four supermarkets in South Africa are Shoprite, Pick n Pay, Spar and Woolworths. Pick n Pay originated the modern "self-service" supermarket format in South Africa in the late 1960s and the expansion of this business model since then has been rapid. Originally confined to higher-income (mainly white) areas, supermarkets are now expanding into lower-income and rural areas areas, although their presence in very remote rural areas, informal settlements and high-density poor formal urban areas is still limited. Supermarkets are also expanding into new formats, such as stores at petrol stations (Battersby and Peyton, 2014). Current estimates are that around 65% of all retail food sales, and 97% of all **formal** retail food sales, are estimated take place through one of the "Big Four". The estimated relative market share of each is indicated in Table 1.

Table 1: Formal retail food market share of leading supermarkets in South Africa

Supermarket	Formal Market Share[1]
Shoprite	38%
Pick n Pay	31%
Spar	20%
Woolworths	8%

[1] Pereira, 2014

In addition to retail maturity, most other parts of the South African food supply chain – including processing - indicate an advanced stage of consolidation (Louw et al, 2008), and are thus probably able to exert at least some power over farmers. An assessment of mergers and acquisitions in the food manufacturing sector over a 20-year period by the Competition Commission indicated growing concentration, particularly in the maize value chain (Kirsten, 2009). Table 2 shows the share of **total** packaged food sales in

South Africa by the six largest companies in this sector. Clearly the market share of each company in a particular product (such as maize meal or dairy products) will be considerably higher than their share of the total packaged food market. For example, Clover holds almost 32% of the fresh milk market and almost 40% of the butter market (Clover, 2013), three companies – Premier, Pioneer and Tiger – control just over 86% of the bread market (Tiger Brands, 2014) and Tiger Brands holds 75% of the local tomato processing sector (Louw, Vermeulen and Madeuvu, 2006).

Table 2: Packaged/Processed food company market share (2009)

Company	Share of total packaged food sales	Examples of Products
Tiger Brands	17.2	Maize meal, baked products, canned vegetables, processed meat, cereals.
Unilever	4.9	Margarine, spices, sauces, teas.
Parmalat	4.8	Dairy products, fruit juice
Nestle SA	4.6	Baby foods, cereals, confectionary
Clover	4.6	Dairy products, fruit juices
Dairybelle	4.0	Dairy products, fruit juices
Pioneer Foods	3.7	Cereals, dried fruit, biscuits, juices

Source: Igumbor et al, 2012.

The outcomes of this corporate agri-food system in South Africa may be summarised as follows:

- Declining farm incomes relative to other market participants, which impacts negatively on, inter alia, land reform beneficiaries;
- Increasingly difficult trading conditions for small farmers, which impacts negatively on rural livelihoods;
- Crowding out of small business in the food sector; and
- Rising retail food prices, contributing to food insecurity.

These outcomes are discussed in more detail in the following sections.

1.3.1. Declining farm share of the retail prices of food

Since 1947, South African farmers have faced declining terms of trade (Qeqe and Cartwright, 2005). A 2009 National Agricultural Marketing Council (NAMC) investigation into the dairy industry (Kirsten, 2009) showed that dairy farmer profitability since 1994 had been squeezed to such an extent that it had resulted in a sharp decline in the number of producers. At the same time, retail margins on milk (which ranged between 1% and 5% under the old Dairy Board) increased to between 15% and 30%. The investigation concluded that recent shortages in the milk market were caused in large part by a decline in the number of dairy farmers, unable to stay in business at prevailing producer prices. Retailers enjoy such strong negotiating power over dairy farmers that this same NAMC investigation found that the correlation between producer and retail milk prices runs from the latter to the former, and not the other way around as we might expect. This means that farmers have little or no ability to charge higher prices when their costs increase, but rather have to accept what supermarkets offer to pay. The NAMC investigation also concluded that the relatively low prices paid to dairy farmers constitute a significant barrier to entry for small and emerging farmers.

It is not only in the dairy sector that there is a considerable gap between farm gate and retail prices. Table 3 sets out the farm gate (FG) – retail price (RP) spread for a number of basic food items, as at July 2015.

Table 3: Farm gate – retail price spread of basic food items (July 2015)

Food Item	Farm gate price	Retail Price	FG as % of RP
Full cream milk – fresh 1 litre	R4.30	R12.19	35%
Fresh chicken (per kg)	R22.00	R39.96	55%
Pork (per kg)	R25.00	R69.25	36%
Beef (per kg) A class	R34.50	R65.00[1]	53%
Tomatoes – fresh (per kg)	R5.00	R17.45	29%

Source: NAMC (2015), Absa (2015)

[1] This is the average price for the *cheaper* cuts of beef, such as brisket and chuck, implying that the overall FG percentage of the RP is probably lower than indicated.

Maize meal and bread – the two most important staple foods for the poorest South African households – are processed food items, and it is a little more complex to determine how each participant in the value chain benefits. What is clear, however, is that the farm share of the final product is less than 50% and it is declining over the longer term. Traub and Jayne (2008) investigated the effects of market deregulation on the maize milling/retail margin in South Africa by examining that margin over the period from May 1976 to December 2004. The results indicated that the real margin increased by at least 20% after the retail price deregulation of 1991, and that the size of the margin was growing. This study could not identify the reasons behind these high margins, but the potential impact of increased consolidation in the retail sector cannot be ignored. The result is lower returns for farmers, accompanied by higher retail and processor profits.

Between 1998 and 2012 around 5 000 dairy farmers went out of business, with estimated farm worker job losses of 50 000.

Wheat producers' share of the retail price of bread was around 25% in 2007, compared to about 30% in the early 1990s, despite the fact that the costs of wheat production have generally increased since 2000, and that many producers operate at a loss (NAMC, 2009). Many small farmers find themselves in a position where they cannot earn enough from farming to feed their families, as the gap between what they can sell their produce for and the price that they must pay for the daily plate of food steadily increases. The farmer share of the retail price of milk is only a third of the consumer price, although minimal processing is involved, and the farmer carries all the costs of producing raw milk. Between 1998 and 2012 around 5 000 dairy farmers went out of business, with estimated farm worker job losses of 50 000.

1.3.2. Increasingly difficult trading conditions for smaller farmers

In addition to the declining farm share of the retail price of food, and associated falling farming margins, smaller farmers tend to be adversely affected in three ways by the corporate agri-food system in South Africa, two direct impacts and one indirect. In terms of direct impacts, first, the biggest supermarkets generally prefer to deal with bigger farmers, and second the increasingly onerous demands of supermarkets

(together with declining relative producer prices) make it very difficult for smaller producers to survive. The indirect impact works via the declining market share of fresh produce markets, which are an important market access point for smaller producers.

The big four South African supermarkets are increasingly using centralised and vertically integrated procurement systems, focused around their own distribution centres (generally located in metropolitan areas), and a relatively small number of suppliers (Chikazunga et al, 2007), although Spar does allow discretion to individual stores around the purchase of fresh produce and speciality deli items. This procurement structure allows the supermarkets to manage strict quality standards and reduce transaction costs – both important in maintaining a competitive advantage in consumer markets (Louw et al, 2008). As the supermarkets expand into lower-income areas, so the necessity to manage costs to protect margins becomes even more important.

The centralised procurement systems of Pick n Pay, Shoprite and Woolworths are mainly based on preferred suppliers and dedicated producers (Bienabe and Vermeulen, 2008), although details of their strategies vary: Woolworths buys only from a relatively small number of preferred suppliers; Pick n Pay purchases mainly from a small number of preferred producers, supplemented by "outside" purchases if necessary, and Shoprite uses its own in-house category manager (Freshmark) to purchase from a relatively large number of preferred producers, supplemented when necessary (Louw et al., 2008). When identifying these preferred suppliers, supermarkets look for those who can guarantee sufficient volumes and consistent quality (Louw, Vermeulen and Madeuvu, 2006). Many of the supermarkets' fresh produce suppliers (particularly fruit growers) are also producing for the export market (Weatherspoon and Reardon, 2003).

It is generally very difficult for smaller farmers to enter these chains, since the supermarkets prefer to deal with larger farmers because of the lower transaction costs associated with a fewer number of larger suppliers. As South Africa has a sufficient number of large commercial farmers, there is no real economic incentive for supermarkets to make a meaningful change to their procurement practices and incorporate large numbers of small farmers.

Like big supermarkets in foreign corporate agri-food systems, South African supermarkets use their market power to impose a number of demands on suppliers. Many of these were highlighted in the 2009 NAMC investigation into the local dairy industry, which suggested that large South African supermarkets tend to follow a very similar business model to their counterparts in the industrialised world and demand a range of extra costs and payments to be carried by suppliers. These demands imply additional expenses for suppliers, such as having to pack their own goods on supermarkets shelves (as opposed to the supermarket staff doing it); direct payments to supermarkets for optimum shelf space (so-called slotting fees); having to subsidise special offers; and liability for unsold perishables. In addition, suppliers often have to wait for long periods for payment. Imposing these practices on suppliers is possible because of a supermarket's buying power.

Although these procurement practices imply additional costs for all farmers, they are particularly bad news for small farmers: they can seldom afford to cover all the extra costs imposed by supermarkets, such as customised packaging and delivery to central warehouses. They are also not in a good position to manage long payment times. As a

result, the trend in farm sizes in South Africa reflects trends in other countries with a dominant corporate agri-food system model: farm sizes are increasing while the number of farming units is declining. Between 1950 and 1990, farming units declined from 116 848 to 62,084 (Tilley, 2002). From 1990 to 2007 the number of commercial farming units fell by a further 36%, to 39 982 (StatsSA, 2009) although the land under production only fell by about 10% over the same period. The average farm size in 2002 was 1 881 hectares, up 33% from 1 414 hectares in 1993. Despite the increase in farm size, the gross farming margin[3] fell from 27.1% in 1993, to 25.3% in 2007. Since 1995, the number of farm bankruptcies has also increased (Jacobs et al, 2008).

1.3.3. Food Insecurity

The main cause of undernutrition and hunger in South Africa is almost certainly the fact that poor people cannot afford to **buy** the food they need, rather than that the country does not produce enough to feed everyone. More than one third of children aged 10-14 who participated in the South African National Health and Nutrition Examination Survey (SANHANES-1) reported that they did not eat breakfast in the morning because there was insufficient food in the house. A 2009 study commissioned by the HSRC (Jacobs, 2009) indicated that only about 20% of South African households were currently spending enough on food to afford a basic, but nutritionally balanced basket of food, despite the relatively high share of food expenditure in the overall expenditure of the poorest households. Recent research by the Bureau for Food and Agricultural Policy (BFAP, 2013) suggested that a fairly modest, but still nutritionally balanced and calories-sufficient basket of food would cost R7 074 a month for a family of two adults and two children – almost R85 000 a year. A less nutritionally balanced basket, containing only about 60% of daily calorie requirements, would cost R2 308 a month for the same family size, around R27 700 a year. Based on Table 3, we could conclude that these food costs are about two to three times higher than the farm gate price.

What this research underscores is that the inability to afford sufficient nutritious food in South Africa is not confined only to the poorest South Africans or the long-term unemployed. Instead, it is clear that there are large numbers of households who would not be considered “poor” in terms of their household income, but who are still unable to afford to purchase the food that they require.

2.4. Conclusions

There is considerable empirical evidence to suggest that many of the actual outcomes of the dominant (and growing) corporate agri-food system in South Africa are at odds with normative policy goals around rural livelihoods, increased market participation of smaller and emerging farmers and small business, and improved food security. The key questions to be answered in this regard are: (1) what are the key system attributes that are contributing to these outcomes; and (2) how is system governance implicated in the creation and persistence of these attributes? That is, how might we best conceptualise **causality** from a governance perspective? This is an important issue, since the understanding of the problem informs to a very considerable extent the formulation of a response.

[3] Gross profit as a percentage of gross farming income, gross profit calculated as gross farming income less current expenditure and the purchase of animals, data source StatsSA (2009).

2. THE ROLE OF POWER IN AGRI-FOOD SYSTEMS

2.1. Inclusion and adverse inclusion

What are the key causal factors that drive the agri-food system outcomes described above? A better understanding of these factors is key to developing effective policy interventions. The notion of **adverse inclusion** (Hickey and Du Toit, 2007) is useful in interpreting how and why particular system outcomes are generated.

Much of economic development policy in South Africa, including that around agriculture and agro-processing, is (or appears to be) based on the assumption that poverty is caused in large part by **exclusion** from the mainstream economy. From this proceeds the related assumption that the redress for poverty is **inclusion** into that mainstream. This notion is generally presented uncritically. As a result, a considerable part of policy is focused on how to link agricultural producers to "modern" (i.e. corporate) supply chains, or how to support agro-processing ventures for new and/or smaller participants in such corporate agri-food systems. Thus the key to poverty reduction is conceptualised as "re-integration and inclusion" into the national and international economy (Du Toit, 2009). However, these approaches fail to account for all the ways in which market inclusion on exploitative terms can itself contribute to chronic poverty (Hickey and Du Toit, 2007). Such narratives generally fail to provide real explanations for either the persistence of poverty beyond inclusion, or the unevenness of that persistence (*ibid*).

These approaches fail to account for all the ways in which market inclusion on exploitative terms can itself contribute to chronic poverty. Such narratives generally fail to provide real explanations for either the persistence of poverty beyond inclusion, or the unevenness of that persistence.

The theoretical framework within which this assumption of the benefits of inclusion into the mainstream is critically examined is one of **adverse and differential inclusion.** This considers the possibility that inclusion may be a key causal factor contributing to chronic poverty, and thus agri-food system outcomes at odds with normative development goals. This framework is based on the understanding that there is an important difference between "residual" and "relative" conceptualisations of poverty, as described by Hickey and Du Toit (2007). *Residual* conceptualisations understand poverty as deriving from people's exclusion from "development" and thus the mainstream. This understanding is based on particular assumptions about the relationship between increasing development (generally defined as economic growth) and declining poverty, and thus encourages policy that is based on integration (*ibid*). This is the dominant approach in development in South Africa. In contrast, the *relative*

conceptualisation of poverty considers the ways in which development itself can both create and entrench poverty.

> ***The terms of inclusion into a particular system are often much more important in determining the outcome for a particular participant than the fact of inclusion.***

As Ponte (2008) points out, the terms of inclusion into a particular system are often much more important in determining the outcome for a particular participant than the fact of inclusion. This is clearly illustrated in the analysis presented in Section 1.3.. Where small farmers are included into a system which pays them only a fraction of the "value" of their produce and where they are required to cover a range of costs and carry a number of onerous buyer requirements, it is not hard to see that they may be worse off by being incorporated into, rather than excluded from, a particular system. What these farmers require is not inclusion *per se*, but rather inclusion on particular terms.

An important point is the notion of "unevenness": An adverse inclusion framework does not assume that inclusion into the mainstream economy is always disadvantageous, merely that it is often so. Key to understanding the causal processes that underpin poverty is understanding this variance in outcomes. As Ponte (2008) points out, whether or not integration into mainstream markets actually reduces poverty is dependent to a great deal on the wider structure of the system, with governance as a central factor determining the details of that structure. It is these "rules of the game" that determine winners and losers, that determine who has power and who does not. This implies that poverty is not shaped by either exclusion or inclusion *per se*, but by the terms of inclusion, and that these terms are set in large part by the governance structure and contextual location of a particular system. Analysis that aims to uncover the underlying causes of chronic poverty needs both to recognise this, and be based on a contextual analysis focused on uncovering the structural issues that contribute both to adverse and beneficial outcomes for different participants (Hickey and Du Toit, 2007).

2.2. Changing power relations in corporate agri-food systems

It is the allocation of **power** within a particular agri-food system that allows certain participants to set the terms of inclusion for others, and prevents the latter from challenging these in a meaningful way. Agri-food system structures may be differentiated in the relationships between different system participants (Ericksen et al, 2010) and most particularly with the relative distribution of power created by those relationships. The development of the corporate agri-food system (to the dominant model in many countries) has been accompanied by a shift in both the *distribution* and *location* of power (IES, 2015, my emphasis). This distribution of power does not arise spontaneously; instead it is the result in large part of the over-arching system

governance structure. Critical assessment of the linkages between governance, relations of power and system outcomes is thus a key determinant of effective policymaking around agri-food systems.

So who has power and who does not have power in contemporary corporate agri-food systems (as they have been documented above)? There is a considerable body of literature on this subject, most of which covers agri-food systems in Western Europe and North America. The similarities in the dominant business model between these countries and South African agri-food systems implies, however, that many of the findings of this research may be considered relevant in the South African context (Van der Heijden and Vink, 2013).

There has been a steady shift in power from producers to big retailers (and to certain large processors), and that among producers, the biggest losers have been small farmers.

Commonly used proxies for power in agri-food systems are share of total value (and trends in share of value) and the ability to impose demands on other system participants (*ibid*). On these two indicators there has been a clear trend towards power gains by large supermarkets and large processors, and power losses by farmers (particularly small farmers) and smaller processors and wholesalers, as well as smaller retailers. The data presented for South Africa in the previous section show quite clearly that there has been a steady shift in power from producers to big retailers (and to certain large processors), and that among producers, the biggest losers have been small farmers. There is also evidence to suggest that poor South African households have less power in the system than food retailers.

It is important to make the point that there is nothing spontaneous or inevitable about this inequitable distribution of power: it is the outcome of a particular governance structure, a structure that is the result of more than 20 years of policy decisions, as discussed in more detail in the following section.

3. THE GOVERNANCE OF AGRI-FOOD SYSTEMS

3.1. Introduction

Agri-food systems are embedded in, inter alia, "institutionalized relations of governance" and it is these relations that have a central role in determining the outcomes of a particular system, and who benefits (and loses) from those outcomes (Duncan and Hatt, 2010). System governance is a key factor in determining the allocation of power in a particular agri-food system, and thus the system outcomes. For the purposes of this discussion, "governance" may be defined as "the systems of rules, authority and institutions that coordinate, manage or steer society. Governance is more than the formal functions of government but also includes markets, traditions and networks, and non-state actors such as firms and civil society" (Liverman and Kapadia, 2010, p20). Including non-state actors in the definition helps to focus policymakers' attention on the growing importance of these system participants in setting the rules (ibid).

Policy (and associated research) in South Africa often tends to neglect the role that non-state actors play in agri-food system *governance*, as distinct from their roles as system participants in various activities. This reduces both the reach and the impact of policy, and is a key factor contributing to poor linkages between policy goals and actual system outcomes. As the lines between public and private governance become blurred, the private interests of a few system actors can (and do) become incorporated into public (state) governance systems (Barling, Land and Caraher, 2002). In some instances, such as crop research and development, the public sector has been replaced almost entirely by the private sector. Although the participation of the private sector in governance can leverage government resources and support economic development, the dominance of agri-food system governance by a limited number of vested interest actors has the potential to undermine severely the ability of public policy to achieve outcomes that are at odds with these system actors. This is a difficult balance for policymakers to achieve, and almost impossible if they do not start with a clear understanding of system dynamics, relationships and outcomes, and how these are connected.

The increase in the number of agri-food system participants, and the rising complexity of these systems have contributed to a concurrent increase in the complexity of their governance (Liverman and Kapadia, 2010). Importantly, agriculture (primary production) is no longer the most important activity in these corporate agri-food systems in value creation or employment. Instead, the leaders are the big retailers and processors (Ericksen et al, 2010). Private actors in a particular agri-food system obviously have a vested interest in influencing the rules of their own game (Clapp and Fuchs, 2009), but not all actors have the same ability to do so, due to significant imbalances in "power, authority and legitimacy" (ibid, p2).

There is considerable international evidence that the most powerful non-state actors in a particular agri-food system can, and do, influence policy. One example of this is the "productionist" approach to agricultural development, which encourages farmers to link

up with powerful lead firms in preference to other market options. Over the longer term this policy approach tends to benefits the lead firms to a much greater extent than participating producers, since they are now able to exercise greater leverage over suppliers through the threat of replacement with alternatives (IES, 2015). A similar example is trade policy with firms that have the greatest vested interest in cheaper imports are often able to dominate the trade narrative (ibid). Yet another example is the ongoing heated debate around the labeling of GM ingredients in food. The inability of many regulatory bodies to set a standard for GM labeling is a clear indication of the power that corporate interests have in what is a public food disclosure issue (Smythe, 2009).

One of the most important modes of private-sector governance in agri-food systems is the system of private standards established by retailers and imposed on suppliers. With the latter, retailers are appropriating governance space from public-sector actors such as those responsible for labeling standards, or environmental standards or even public health information. These private standards can (and do) have significant impacts on other system actors, and on the relationship between various actors.

3.2. A brief overview of agri-food system governance in South Africa

A high-level overview of the main relevant components of the corporate agri-food system governance structure in South Africa is presented in this section. This is not intended to be a comprehensive or exhaustive presentation of governance components, but rather to highlight key issues around the relationship between state and non-state actors, and how this has impacted the distribution of power among the various system participants.

3.2.1. State governance

Until the 1980s the state played a central role in the South African agricultural sector and almost every aspect of agricultural production and related activities was heavily regulated (Vink and Kirsten, 2000). This system greatly benefitted white farmers, while severely disadvantaging black farmers (almost all of whom had been relegated to the various bantustans). The country was consistently food secure on a national basis, as the growth in production was generally higher than population growth (ibid). However, this national data made invisible high levels of food insecurity, malnutrition, hunger and, in certain instances, starvation among black South Africans (Wylie, 2001).

Many black landowners were dispossessed of their land after the 1913 Land Act, and various other pieces of legislation also placed heavy restrictions on sharecropping and labour tenancy, further restricting access to land. In contrast, white farmers benefitted from a wide range of regulatory initiatives, including the following (Vink and Kirsten, 2000):

- The Land and Agricultural Bank;
- The Co-operative Societies Acts of 1922 and 1939 which supported inputs and marketing services;

- The Marketing Act of 1937, which provided for producer price supports, and made agricultural marketing a central focus of agricultural policy. This act eventually was replaced by the Marketing Act of 1968.

Both the 1937 and 1968 Acts were based on the assumption that it was beneficial for farmers to market their products as a collective, rather than individually, and generally prioritised the interests of farmers over other agri-food system stakeholders. The Marketing Act of 1968 listed a range of options available to control the marketing of an agricultural commodity. The Act also empowered the Minister to establish a marketing Control Board for a particular commodity, and 23 such Boards were established. The main role of the Control Boards was to facilitate collective marketing by farmers, and to ensure that farmers received a pre-determined minimum commodity price.

One of the main aims of agricultural policy prior to the early 1990s was complete national self-sufficiency in the production of food and certain other agricultural products. The government of the day determined that the best way to achieve that goal was through the support of farmers, in order to maximise production. White commercial farmers were supported through a number of subsidies, either direct, such as support for irrigation and other infrastructure, and subsidised inputs, or indirect, such as pricing policy and interest rate subsidies (Vink and Kirsten, 2000).

The Kassier Committee of 1992 was appointed to investigate the agricultural marketing regime in South Africa. It concluded that the 1968 Act had not been successful in achieving a number of desirable goals, such as efficiency in production, increased consumption of food, and stability of agricultural prices. The Committee argued that the Act had benefitted a few farmers at the expense of the wider population, and recommended a complete overhaul of agricultural marketing (Vink and Kirsten, 2000). This was supported by the ANC government-in-waiting, which took the view that a liberalised system would create opportunities for new black farmers to compete with their white counterparts on a more equitable footing. The idea seemed to be that the disbanding of the collective marketing schemes (via the various Control Boards) would both benefit the most productive farmers, and result in lower food prices for consumers.

The Marketing of Agricultural Products Act 47 of 1996 is the central piece of legislation for agricultural marketing in South Africa. It is based on the underlying assumption that reducing the role of government in markets is the most appropriate policy approach. It is thus extremely limiting in terms of when and how the state may intervene in the operation of these markets. Specifically, Section 2 of the Act effectively prevents state intervention in response to the kind of system outcomes that perpetuate poverty, which have become the norm in South Africa. This part of the Act stipulates that statutory measures are only permitted to address the following issues:

1 Increased market access for all market participants;

2 The promotion of efficiency in the marketing of agricultural products;

3 Optimisation of export earnings from agricultural products; and

4 Enhancing the viability of the agricultural sector.

The thinking behind the 1996 Act was based on assumptions that all farmers (black and white) would be able to compete freely, with benefits for the most productive and for consumers. Deregulation has had clear winners and losers, but this has not always coincided with these expectations. The winners are mostly large corporate interests, while the losers are mostly the poor, smaller farmers and the majority of farm workers (Greenberg, 2015). (It should be noted that, from 1993 to 2006, 40% of farm workers lost their jobs – Tregurtha and Vink, 2008).

In addition to a radical liberalisation of the collective marketing arrangements, most of the trade protection for South African agriculture was also dismantled, on the same understanding of the benefits of free trade. South Africa currently has the second-least protected agricultural sector in the world, after New Zealand. Although it appears that retailers and big processors have benefitted from access to potentially cheaper inputs, there is little evidence that consumers have benefitted from lower food prices to the same extent.

There have been some instances where the Competition Commission (which falls under the auspices of the Department of Trade and Industry – the dti) has acted on perceived uncompetitive practices in the corporate agri-food systems, such as collusion on fertiliser prices, the bread price fixing scandal, and agricultural bulk storage. However, the regulatory environment does not permit the Competition Commission to consider **vertical** aspects of unfair market practices, that is, the use of market power to behave in an abusive manner towards suppliers. This was an important change in the approach towards the conceptualisation of competition and illegal market practices instituted by the 2008 UK Competition Commission enquiry into the food-retailing sector. It resulted in legislation around the banning of a number of procurement practices that are common in South Africa.

3.2.2. Non-state governance

Agri-food system governance in South Africa in general, and the role of non-state actors in such governance in particular, has largely gone unresearched. The overview presented below is drawn from the limited references made in existing literature and a review of policy documents.

One impact of the 1996 Act was effectively to create a vacuum in the governance of agricultural markets, which vacuum has been filled by non-state actors. However, it is also clear that this has not happened in an equitable fashion. Instead, certain system participants have a vast amount of governance power, while others have relatively little. Big corporates are increasingly taking the lead in system governance – “in the formation of the norms, rules, and institutions that govern the … food system” (Clapp and Fuchs, 2009, p2). This was not an unanticipated development – the very focus on market regulation (rather than state regulation) recommended by the Kassier Commission was intended to facilitate such an outcome. Additionally, there appears to be a direct relationship between the amount of power that a particular participant has

in the corporate agro-food system and the amount of influence they enjoy over the governance structure, through their perceived importance by policymakers. The result is that the most powerful players have the greatest influence over the rules of the game. This effectively serves to reinforce and entrench the existing power structure, and its outcomes.

As discussed, supermarkets play a central role in the regulation of their supply chains through the setting of (private) standards. These standards have considerable influence on what is produced, how it is produced, and how it is processed and packaged for consumers. Supermarkets (and certain processors) will often specify the varieties to be grown by farmers, as well as production methods and the standards for "acceptable" produce. These kinds of standards are extremely important, since they may effectively create barriers to market entry by certain producers (as documented above), but also because production methods have crucial environmental impacts, and aesthetic standards have important implications for food wastage percentages. These are just two examples of how private regulation (through setting private standards) can have public implications, with no clear mechanism for reconciliation.

Private regulation – through the setting of private standards – can have public implications, with no clear mechanism for reconciliation.

3.3. Implications

The current agri-food system governance structure has two important implications:

(1) The most powerful vested interests have the greatest influence in setting the policy agenda, that is, they have an enormous influence on what is up for discussion and what is not. For example, the role of supermarket and processor power in either food insecurity or the failure of land reform projects is **never** on the policy agenda; and

(2) The most powerful vested interests have a much greater input into policy development than other system participants, with predictable results for system outcomes. Those that are disadvantaged by the current system have no opportunity to state their case, thereby ensuring that their point of view is often not incorporated into policy development.

While policymakers continue to privilege the input of those system participants that have the greatest vested interest in maintaining the existing system structure, the outcomes of that structure are extremely unlikely to change. Under these circumstances and within this governance framework it becomes difficult to build alterative systems that will have different outcomes, since these companies tend to be entrenched in the policymaking process, and do not have a vested interest in relinquishing their market gains.

4. CONCLUSIONS AND POLICY IMPLICATIONS

4.1. Key findings

The following are the key findings arising from this working paper:

- A systems approach to assessing the linkages between policy interventions and normative developmental outcomes has a number of crucial advantages over traditional, functionally fragmented approaches. Specifically, a systems approach highlights the ways in which system structure may prevent interventions from translating into desirable outcomes, by emphasising the importance of the relationships among various system participants, and the mediating role played by governance in such relationships.
- The systems approach highlights how a range of outcomes (farm incomes, exclusion of small farmers, food security) are not discrete, insulated events, but are all connected, through the relationships among the various participants in a particular agri-food system.
- There is a clear disparity between the outcomes of the corporate agri-food system in South Africa and a number of important normative socio-economic development goals of government. There is thus a need to focus on how these system outcomes are generated, and the role of governance in this process.
- The causal drivers of these particular system outcomes may be usefully understood as deriving from two phenomena, both of which are neglected in current policy approaches: the distribution of power among system participants and resulting possibility of adverse inclusion. Power and adverse inclusion suggest that the residual conceptualisation of poverty, which focuses on exclusion as a key driver, is an insufficient basis for policymaking. Instead, policymakers need to focus on the ways in which system inclusion drives poverty.
- The deregulation of agricultural markets in South Africa has failed to achieve many of the expected development outcomes, and in certain instances has greatly exacerbated the problems it was designed to address (such as the participation of black farmers and the lowering of consumer prices).
- The deregulation exercise has had (at least) two important negative implications for policymaking: first, it has greatly restricted the tools that are available to achieve better outcomes. This has been achieved largely through the 1996 Act, which makes it almost impossible for government to intervene in markets on the basis of socially inequitable outcomes. Second, it has created a "governance gap" which has been very successfully appropriated by vested corporate interests. This is a further impediment to pro-poor policy making.

4.2. Conclusions and policy implications

A systems approach towards policy development requires the kind of joined-up approach that the current government structure does not readily facilitate: Responsibility for various components of the system are allocated across various parts

of government, fragmented both horizontally and vertically. This does not imply, however, that embracing a systems-based approach to policymaking within these discrete will not add value.

Although no individual agency can be expected to take responsibility for the entire agri-food system, a systems approach towards problem identification and solution development will constitute a significant step in the right direction. A systems approach entails foregrounding the following issues in the development of policy and specific interventions:

a. Using a systems approach to focus on what outcomes are most likely to be the result of a particular intervention, rather than the activity of the intervention itself. For example, a proposal to build an abattoir in a rural location should focus its feasibility assessment on determining how (and how much) benefit will accrue to specified targets beneficiaries (such as local farmers) rather than the business case of the abattoir itself. This will highlight how benefits are (or are not) allocated, and provide a better basis for prioritising resources.

b. Using a systems approach to gain a bigger (and better) picture of what policy options are actually available. For example, considering the entire poultry agri-food system (rather than just a few of the participants and activities) would reveal that a critical issue for many smaller producers is the unequal distribution of power between themselves and processors and retailers, which is driving adverse terms of system inclusion. This assessment implies that there are far more policy responses to support poultry producers than just managing input costs.

c. Critically reconsider the notion that the aim of developmental policy is the facilitation of inclusion into corporate systems. The notion of adverse inclusion is particularly useful: what are the terms on which this particular agent will be incorporated into the system and what are the implications of those terms on livelihood and sustainability indicators. This will focus policymakers' attention on how those terms of inclusion may be improved, which may prove a much more effective approach.

d. Acknowledging the disproportionate role of corporate actors in system governance, and the possibility that this is very likely undermining the developmental goals of the state. It is important to emphasise the point that prioritising certain system outcomes over others is a normative exercise, and thus properly the result of a political process, rather than a corporate feasibility study. While still acknowledging the important of consultation, policymakers need to be much more conscious of how the unequal distribution of power within a system allows certain participants a disproportionate role in the governance of that system.

   It is also important for policymakers to take note of the limitations of the regulatory environment. Although there is a growing perception within government that market concentration is creating undesirable outcomes for rural livelihoods and food security, the current regulatory environment does not give the state many options to respond. This may require further investigation.

REFERENCES

Absa. (2015). *Agri Trends – 24 July 2015.* Absa Bank Limited

Aronson, D. (1996). *An Overview of Systems Thinking.* Available at http:// resources21.org/cl/files/project264_5674/OverviewSTarticle.pdf, accessed 09 October, 2015.

Barling, D., Lang, T. and Caraher, M. (2002). Joined-up Food Policy? The Trials of Governance, Public Policy and the Food System. *Social Policy and Administration 36 (6);* pp 556 - 574

Battersby, J. and Peyton, S. (2014). The Geography of Supermarkets in Cape Town: Supermarket Expansion and Food Access. *Urban Forum (25);* pp 153 – 164.

Bureau for Food and Agricultural Policy (BFAP). (2012). *Farm Sectoral Determination: An Analysis of Agricultural Wages in South Africa*. Bureau for Food and Agricultural Policy. Pretoria.

Bienabe, E. and Vermeulen, H. (2008). *Draft paper – New trends in supermarket procurement systems in South Africa: the case of local procurement schemes from small-scale farmers by rural-based retail chain stores.* Regoverning Markets Innovative Practice Series, IIED.

Brown, O. (2005). *Supermarket buying power, Global commodity chains and Smallholder farmers in the Developing World*. UNDP Human Development Report 2005: Occasional paper.

Brown, O. and Sander, C. (2007). *Supermarket Buying Power: Global supply chains and smallholder farmers*. International Institute for Sustainable Development, Canada.

Chikazunga, D. and Paradza, G. (2012). *Smallholder farming: A panacea for employment creation and enterprise development in South Africa? Lessons from the Pro-Poor Value Chain Governance Project in Limpopo Province.* PLAAS Working paper 27. Programme for Poverty, Land and Agrarian Studies. University of the Western Cape

Chikazunga, D., Jordan, D., Bienabe, E., Louw A. (2007). *Patterns of restructuring food markets in South Africa: The case of fresh produce supply chains.* Paper presented at African Association of Agricultural Economists Second International Conference, August 20-22, 2007, Accra, Ghana.

Clapp, J. and Fuchs, D. (2009). Agrifood Corporations, Global Governance, and Sustainability: A Framework for Analysis, in Clapp, J. and Fuchs, D. (Eds). *Corporate power in global agrifood governance.* Massachusetts Institute of Technology.

Clover. (2013). *Annual Report*. Clover Limited.

D, Haese, M. and Van Huylenbreok, G. (2005). The rise of supermarkets and changing expenditure patterns of poor rural households case study in the Transkei area, South Africa. *Food Policy* 30 (2005*)* pp 97 – 113.

Du Toit, A. (2009). *Adverse Incorporation and Agrarian Policy in South Africa*. Cape Town: Programme for Land and Agrarian Studies, University of the Western Cape.

Duncan, J and Hatt, K. (2010). *Food Systems: A multidisciplinary approach to analysis and learning*. Presentation to the Systems Dynamics and Innovation in Food Networks Conference, Innsbruck-Igls, Austria (February 2010).

Ericksen, P. J. (2008). Comceptualizing food systems for global environmental change research. *Global Environmental Change 18,* pp 234 – 245.

Ericksen, P., Stewart, B., Dixon, J., Barling D., Loring, P., Anderson, M. and Ingram J. (2010). The Value of a Food System Approach, in Ingram, J., Ericksen, P. and Liverman, D. (Eds). *Food Security and Global Environmental Change.* Earthscan. London.

Gereffi, G., Humphrey, J. and Sturgeon, T. (2005). The Governance of Global Value Chains, *Review of International Political Economy,* 12:1 February 2005: pp 78–104

Greenberg, S. (2015). *Corporate Concentration and Food Security in South Africa: Is the Commercial Agro-food system delivering?* Rural Status Report 1. Programme for Poverty Land and Agrarian Studies, University of the Western Cape.

Hickey, S. and Du Toit, A. (2007). *Adverse incorporation, social exclusion and chronic poverty*. CPRC Working Paper No. 81. Chronic Poverty Research Centre. Manchester.

Igumbor, E. U., Sanders, D., Puoane, T. R., Tsolekile, L., Schwarz, C., Purdy. C., Swart, R., Durao, S. and Hawkes, C. (2012). "Big Food", the Consumer Food Environment, Health and the Policy Response in South Africa. *PLoS Med 9(7):* e1001253. doi:10.1371/journal.pmed.1001253

IPES. (2015). *The new science of sustainable food systems: overcoming barriers to food systems reform.* International Panel of Experts on Sustainable Food Systems.

Jacobs, P. (2009). *Identifying A Target for Food Security in South Africa*. Unpublished Report, Centre for Poverty Employment and Growth, Human Sciences Research Council, Pretoria.

Jacobs, P., Aliber, M., Hart, T. and O'Donovan, M. (2008). *Review of Rural Development: 15 Year Review of Economic and Social Sector Programme.* Pretoria: Human Sciences Research Council.

Kirsten, J. (2009). *The Impact of Market Power and Dominance of Supermarkets on Agricultural Producers in South Africa: A Case Study of the South African Dairy Industry*. Pretoria: National Agricultural Marketing Council.

Liverman, D. and Kapadia, K. (2010). Food Systems and the Global Environment: An Overview, in Ingram, J., Ericksen, P. and Liverman, D. (Eds). *Food Security and Global Environmental Change.* Earthscan. London.

Louw, A., Jordaan, D., Ndanga, L. and Kirsten J.F. (2008). Alternative marketing options for small-scale farmers in the wake of changing agri-food supply chains in South Africa. *Agrekon,* Vol 47, No 3 (September 2008): pp 287 – 308.

Murphy, S. (2006). *Concentrated Market Power and Agricultural Trade***.** Ecofair Trade Dialogue Discussion Paper 1, August 2006.

National Agricultural Marketing Council (NAMC). (2015). *Food Price Monitor August 2015.* Markets and Economic Research Centre, National Agricultural Marketing Council. Pretoria.

NAMC (2009). *Report on the Section 7 Committee Investigation into the Wheat-to-Bread Value Chain*. Pretoria: National Agricultural Marketing Council.

Pereira, L. M. (2014) *The Future of South Africa's Food System: What is research telling us?* SA Food Lab, South Africa.

Ponte, S. (2008). *Developing a vertical dimension to chronic poverty research: Some lessons from global value chain analysis*. Chronic Poverty Research Centre: CPRC Working Paper 111, June 2008.

Qeqe, N. and Cartwright, A. (2005). *South Africa's Agricultural Commodity Markets*. Surplus People's Project.

Reardon, T. and Berdegue, J. (2006). *The Retail-led Transformation of Agrifood Systems and*

its Implications for Development Policies (Version 1). Rimisp-Latin American Centre for Rural Development.

Smythe, E. (2009). In Whose Interests? Transparency and Accountability in the Global Governance of Food: Agribusiness, the Codex Alimentarius, and the World Trade Organization, in Clapp, J. and Fuchs, D. (Eds). *Corporate power in global agrifood governance.* Massachusetts Institute of Technology.

StatsSA (2009). *Census of Commercial Agriculture 2007 (Preliminary).* Statistics South Africa (Statistical Release P1102).

Tiger Brands. (2014). *Tiger Brands produces solid earnings for year ended 2014*. Media Release – Tiger Brands Limited.

Tilley, S. (2002) *An Examination of Market-assisted Agrarian Reform in South Africa.* Report commissioned by the International Union of Foodworkers (IUF).

Traub, L. N., and Jayne, T.S. (2008). The Effects of Price Deregulation on Maize Marketing Margins in South Africa. *Food Policy*, 33(3): pp 224-236.

Tregurtha, N. and Vink, N. (2008). *Review of agricultural policies and support instruments: 1994 – 2007.* Presidency Fifteen Year Review Project. Office of the President. Pretoria.

Van der Heijden, T. and Vink, N. (2013). Good for whom? Supermarkets and small farmers in South Africa – A critical review of current approaches to increasing access to modern markets. *Agrekon* 52 (1).

Van der Vorst, J.G.A.J., da Silva, C.A. and Trienekens, J.H. (2007). *Agro-industrial supply chain management: Concepts and applications*. Rome: FAO (Agricultural Management, Marketing and Finance Occasional Paper 17).

Vink, N. and Kirsten, J. (2000). *Deregulation of Agricultural Marketing in South Africa: Lessons. Learned*. Sandton: The Free Market Foundation. FMF Monograph 25.

Vorley, B. (2003) *Food Inc: Corporate Concentration from Farm to Consumer.* UK Food Group.

Weatherspoon, D. and Reardon, T. (2003). The Rise of Supermarkets in Africa: Implications for Agrifood Systems and the Rural Poor. *Development Policy Review,* 21(3): pp 333–355.

Wylie, D. (2001). *Starving on a Full Stomach. Hunger and the Triumph of Cultural Racism in Modern South Africa.* The University Press of Virginia.