

# Food prices: Food crisis

By [Andy Du Plessis](#), issued by [FoodForward SA](#)

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*Time for a different approach*



While many of us were hoping that by now we would see some glimmer of hope to the end of Covid-19 restriction and its severe impact, it seems like we have a long way ahead before its demise. Furthermore, it is concerning that the on-going Russia/Ukraine conflict is having a detrimental effect on the rest of the world. Rising global food and fuel prices, low economic growth, escalating inflation, and supply chain disruptions to name a few, are causing worldwide panic and a scramble for resources.

Countries with deep pockets have more leverage, and are in a better position to negotiate preferential treatment. That leaves developing and under-developed countries to fight it out for what's left, which artificially increases the prices of these commodities, because demand is greater than the supply.

The World Economic Forum's (WEF) Global Risk Report 2022 has warned that inflation expectations globally for the near future are high, and there are negative perceptions worldwide that things are not going to get better anytime soon. The report also cautioned that the world is facing its worst level of food insecurity in recent history, with global hunger literally doubling to over 200,000,000 people worldwide.

The National Income Dynamic Study (NIDS) Wave 5 Report released in May 2021 estimate that nearly 15 million South Africans were affected by hunger in the 7 days preceding the survey conducted in April/May 2021. Given the poor performance of the economy, combined with a high unemployment rate, we estimate that around 30 million people experience food insecurity each month. This situation is likely to worsen in the coming months, as food prices increase, following the recent hefty fuel price increase.

FoodForward SA's food price comparison review conducted between 2021 and 2022 show that basic food prices have increased by 12,9% in the past year. Here are some food categories that have gone up substantially: Cereals: 23%; Fresh fruit: 62%; Fresh Vegetables: 9,3%; Grains: 12,2%; Spreads: 34,5%.

Rising food prices are a clear indication that access to basic foods is worsening for those with limited or no income – commonly referred to as money-metric poverty. This also means that poor people will not be able to afford nutritious foods, which has several health and economic implications.

It will take years for our economy to grow and create much-needed jobs. In the meantime, unless we urgently address the food security crisis we are in, we will start to see increasing social instability, similar to the riots we witnessed in KZN in July 2021.

It's time for a different approach to addressing food insecurity. There is a relatively untapped opportunity in terms of using quality, edible surplus food – food that is good for human consumption, but because of supply chain dynamics, liability issues, and market forces, this good food is either dumped in landfills or incinerated, causing a negative impact on the environment.

For the past 13 years, FoodForward SA has been implementing a model called FoodBanking, whereby we timeously intercept good quality surplus food from our supply chain partners - farmers, manufacturers, and retailers. We use this good food to address food insecurity nationally, by redistributing it to nearly 2,500 registered non-profit organisations that undertake crucial work in under-served communities - education, care for orphans and vulnerable children, skills training, youth development, and care for abused women. Our cost per meal is just R0.68, making our model the most effective food security solution.

According to the CSIR's May 2021 Technical Report on Food Loss and Waste, over 10 million tons of good quality food throughout the supply chain is lost or wasted annually, due to supply chain dynamics. This accounts for a shocking one third of all the food produced in South Africa, which is an enormous wasted opportunity.

FoodForward SA, along with the Global FoodBanking Network (GFN), the Consumer Goods Council of South Africa, and the Harvard Business School, are working on a Food Donations Policy Atlas for South Africa. The draft outline suggests model legislation for South Africa in three areas relevant to food donations: (1) food safety for donations; (2) liability protection for food donors; (3) tax incentives and government grants. We will in due course present this draft to the Office of the president for consideration, as a viable solution to address food insecurity at scale.

Gross inequality, extreme poverty, a weak economy, escalating starvation, and extreme weather patterns necessitate that we do things differently if we are going to weather the storms ahead. We must start this preparation work by feeding all our people – the most basic of human rights.

## ABOUT THE AUTHOR

Andy Du Plessis is the managing director of Food Forward SA.

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