



What is the “township food economy”?

The ‘township food economy’ refers to economic activity related to food and beverage production, distribution and retailing located within the geographic boundaries of a particular township.

Township food economies are deeply interconnected with the wider agri-food system, with many of the dynamics at township level influenced by competition and concentration in the wider economy. So, for example, the majority of township enterprises are in the retail sector; often distributing food products mass-produced in South Africa’s core economy (see *CSP Township Economies Series 1*). Yet the importance of the food economy within townships provides a basis for innovation and new opportunities.

In this study we define a ‘township food enterprise’ on the basis of where the **benefits** of that enterprise are located, rather than just where the enterprise itself is located. So for example, branches of national food-retailing chains located in a township are not considered to be township food enterprises in the same way that a food-related business owned by a township resident would be.



Township food economies and urban food security

In townships, the majority of local enterprise activity is food-related; so is most local expenditure. This places the food economy at the centre of any strategy for township economic development.

At the same time, the township food economy is critical to the ability of poor urban households to feed themselves. It makes a significant contribution to urban food security; with the livelihoods derived from food-related enterprises contributing to food security also.

How effectively the township food economy performs makes a difference to the food security of township residents, in a context in which many

people in South Africa go to bed hungry at night; and although household food insecurity **rates** tend (somewhat counter-intuitively) to be higher in South Africa’s rural areas, the **numbers of people** who are food insecure is in fact far higher in urban areas – and in the cities in particular.

Well-thought out strategies to support the development of the township food economy have the potential, therefore, to strengthen both social and economic development outcomes – while poorly thought-out interventions can undermine them. This edition of the CSP series on township economies explores what this means.

Food insecurity in South Africa is an important urban issue, requiring solutions grounded in urban development strategies and policies.

How do township households access food?

The ways in which poor households access food is limited by the nature and size of their incomes, by where they are located, and by the reality of their daily lives. These factors inform their food provisioning strategies – which in turn determine what foods the household actually eats and whether this is a healthy diet, or not.

Provisioning strategies are divided into cash-based strategies (i.e. food that is purchased) and non-cash-based strategies, with the latter often involving coping strategies such as borrowing or sharing food from friends and neighbours. Own production of food is a partial solution for only a very small number of township households, due to land constraints, the costs and availability of inputs such as water and the risks of losses: from multiple causes including theft – and rats.

In the average township household, cash purchases from the formal retail sector only make up a small portion of food purchases, with the bulk of purchases made from spaza/house shops and street traders.

Food purchases are determined not only by how much income households have to spend on food, but also by the nature of that income – and how predictable it is. People with monthly-paid formal-sector jobs tend to concentrate their food purchases in bulk monthly shopping at formal retailers. But most low-income households have much less predictable income, outside of a monthly social grant.

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They thus tend to buy a limited number of items once a month at a formal retail outlet, but for the remainder of the month they buy food on a daily or weekly basis as they can afford to do so. Most of these purchases take place at enterprises that are within walking distance, since it is too expensive to travel by public transport to a formal retail outlet to purchase a tiny amount of food. Purchasing small amounts of food at regular intervals also addresses the difficulties of storing perishable items.

Many township households consume a significant amount of readymade foods (such as vetkoek, cooked meat and kotas) rather than buying fresh food and cooking it at home. In most cases this reflects their lived reality: a woman who gets up at 4:30 in the morning to go to work and who returns at 7:30 at night is unlikely to be able to cook regular meals, and both she and her family tend to consume readymade food as an alternative – yet another side-effect of spatial inequality in urban areas.



Do township food economies 'work' for township households?

The food economy in townships responds to the food provisioning needs of township residents in the following ways:

- The dispersed spatial structure of the township food economy suits households that have to access food within walking distance. Home-based food enterprises are typically located throughout residential areas at regular intervals.
- Township food enterprises often sell very small units of food (such as individual tomatoes or portions of loaves of bread) which fit limited budgets and which formal retailers may not sell.
- They often extend credit to customers that they know, which helps the latter to maintain their access to food.
- Certain food items are cheaper and/or of better quality in the informal township food economy than they are in formal retail outlets in townships. This is particularly true of fresh fruit and vegetables, and some varieties of ready-made food.



Links to small farmers

Small and marginal as many of the enterprises selling fresh produce in townships may be, they constitute a large market in combination. A National Agricultural Marketing Council study has found, for example, that informal traders make up more than 60% of the demand at the Joburg Fresh Produce Market (FPM): some buyers on-sell to smaller township traders, while some township enterprises have organised themselves into buying groups trading on the FPM floor. The Joburg FPM in turn provides a market access point to over 5,000 farmers from all over the northern part of South Africa. The bulk of these are smaller farmers, and – in a context in which larger retailers generally by-pass the FPMs, contracting directly with large farmers instead – the FPMs are a critical market access point for them. This link further underscores the importance of the township food economy in the wider agricultural system.

60%

Informal traders make up more than 60% of the demand at the Joburg FPM

5000

The Joburg FPM provides a market access point to over 5,000 farmers from northern RSA

- A wide variety of cheap cooked and readymade food is available.

Yet there are also limitations within township food economies:

- Township households pay the price for spatial inequality. It may cost more to travel to the nearest formal retail store to buy a few items, but mark-ups for small units in local shops can also be high.
- The high incidence of nutritional deficits – especially for items such as dairy – indicates inadequate diversity of affordable choices through current provisioning strategies.
- Many ready-made foods are not healthy choices.
- The current logistics of distribution within the township creates costs and barriers.
- Many enterprises in the food economy are informal, and face costs and risks which can limit their scope for efficiency and growth.
- Strategies that enhance affordability and access through the development of shared approaches or economies of scale are often under-developed.

The policy challenge is to build on what does work in township food economies, to strengthen livelihoods and enterprise activity on terms that also enhance food security and food provisioning choices. Getting this right requires an approach to **urban food governance** that explicitly joins up these issues.

What is 'urban food governance'?

Many cities in the world have realized that in the same way as they need to plan access to water, sanitation and shelter, access to affordable food requires a level of urban planning. So in Bela Horizonte in Brazil, supporting food security and livelihoods is now part of urban planning; in Toronto, Canada, the City Council voted to make the city food-secure and in the US, the existence of 'food deserts' in cities has been identified – places where access to affordable food is not in walking distance for residents. The challenges faced by all these cities are different, but the central insight is that food security is an urban planning issue: and that urban planning interventions – such as zoning – can negatively affect it.

SPLUMA, spatial justice and food security

The Sustainable Livelihoods Foundation argues that for the owners of spaza/house shops in townships and the poor households who depend on them for food, the commitment to "spatial justice" in the Spatial Planning and Land Use Management Act (SPLUMA) must include some right for those businesses to remain and not to be closed down in the interests of 'modern' or 'organised' land use zoning requirements. Much the same applies to street vendors of food, especially those who are located adjacent to formal retail outlets. In the interpretation of 'spatial justice' who has privileged access to space – and who has access to public space?

Most importantly, there does not seem to be any clear conceptualisation in either SPLUMA itself or resulting local government regulation of the strong spatial component of household food insecurity, or of the importance of incorporating that issue into spatial planning. Just as most Integrated Development Plans (IDPs) are completely silent on the issue of food planning, so almost all SDFs ignore the food system entirely, beyond the notion of urban food production, which is highly constrained in its ability to contribute to food security at the required scale.

'Once again, it is worth pointing out the paradox of legislation that aims to promote social justice, while ignoring the single biggest socio-economic challenge – food – faced by poor households.'

Ledger 2018

How can we support and grow the township food economy? Here are some ideas on where to start...

First – do no harm

It is important not to disrupt the current operation of the township food economy, including its spatial configuration – the fact that people can access food sources in walking distance from their homes. For example, the common policy of moving traders to designated trading spaces or zoning to exclude business activity in residential areas is often not in the best interests of either household food security or livelihoods. Rather support infrastructure development that supports existing spatial configurations.

Grow the food economy

With a majority of township enterprises in the food economy and with food being the single biggest expenditure item in most township households, the township food economy offers a unique platform for innovation, growth and new multipliers: how to engage with stakeholders to unlock these?

Understand the dynamics of concentration in the agri-food system

This series emphasizes the importance of understanding how concentration in the economy impacts on opportunities. In the case of food value chains, growing concentration in supermarkets has gone hand in hand with a growing gulf between farm-gate prices and retail food prices. How might new forms of economic co-operation and new linkages between producers, distributors, township retailers and consumers take advantage of this gap – and enhance food security in townships?

Unlock local spending

Increasing the circulation of money *within* townships – rather than it flowing straight out of them – would create local multiplier effects. For example, for people with SASSA cards, withdrawing cash is expensive; but paying with the card is not. Yet payments with the card can only happen in formal outlets – which incentivises spending outside the township. How might technology overcome this?

Link social programmes to opportunities in the food economy

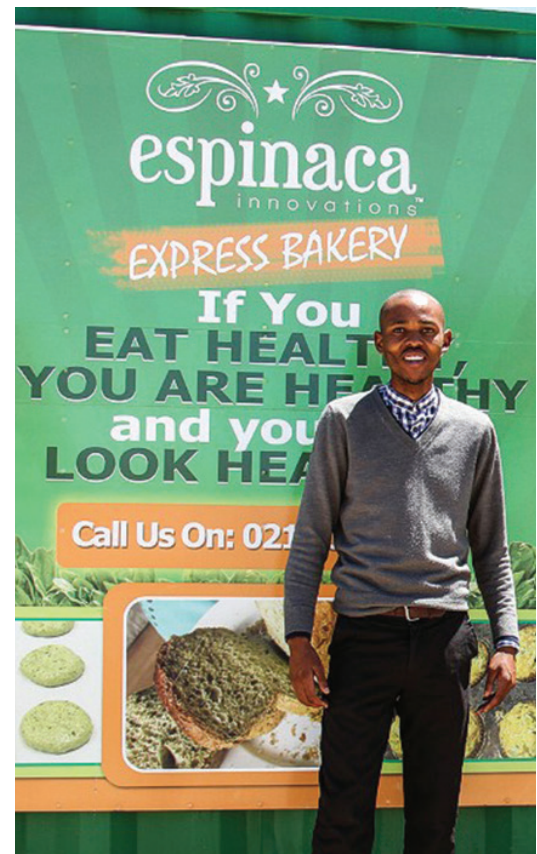
In every township, there are school feeding schemes and ECD Centres. What are the provisioning strategies for these programmes? What economies of scale might enable better access to nutritious food for children – and address the widespread lack of dairy in many of their diets, for example? What food preparation opportunities might be combined with this? With what new local economic opportunities created?

New markets: different challenges

Not all township residents are poor; some have disposable incomes that open new opportunities for niche products and services. In addition, township enterprises do not have to limit their horizons to township markets alone – as craft beer Soweto Gold has illustrated (*with lessons in this regard a focus of a future edition of this Township Economy Series*).

Township food as a branded opportunity

Growing national and global interest in indigenous and traditional foods offers new opportunities for food products locally – and for food tourism. Insofar as this potential is realized,



Lufefe Nomjane, Khayelitsha's 'Spinach King' started baking spinach bread in a home oven but has grown big enough to franchise his concept.

the risk then arises that the benefits accrue elsewhere, making it necessary to consider 'Protected Designation of Origin' status – in the way that 'Karoo Lamb' now has such status – to capture the benefit of township heritage for township entrepreneurs.

Integrate food planning into urban planning

Finally, consideration needs to be given to how and where food planning might best be institutionalized in the planning system. As a start, consider establishing a township food economy reference panel, made up of both experts and stakeholders, in order to advise and consider the possible food security and livelihoods impacts of interventions prior to implementation.