



17 December 2020

Welcome to this our last Trade Tatler of 2020 – that year we all hoped would bring in a new decade and a new dawn, and then... well, we don't need to remind you how it went. We finish off though with some interesting and inspiring stuff down below from SPAR, building a sustainable supplier base among the small farmers of Limpopo and further afield, from Clicks, Shoprite and Pick n Pay, readying themselves to partner with the government for the rollout of the COVID vaccine, and from Carrefour, investing in the youth of the banlieues. Retail has a major role in building a more resilient future, a future we hope will begin to emerge sooner rather than later. Bring it on 2021. Enjoy the read.

RETAILERS AND WHOLESALERS

Checkers

Star struck

Global coffee behemoth Starbucks has just opened its first two “store within a stores” at Checkers in Rosebank Mall and in Stellenbosch, in a partnership between local Starbucks parent, Rand Capital Coffee, and Shoprite. Sounds like a win-win: for Starbucks it's a quick and easy way to gain footprint here in the Beloved Country, with as many as 50 stores taking root in the next two to three years, and for Checkers it's a question of footfall and the unmistakable cachet that a global brand like Starbucks will lend to the outfit – Checkers already stocks the “Starbucks at Home” retail range of coffee beans and capsules. Starbucks currently has 24 outlets up and running in SA, but is excited at the prospect of smaller stores, in partial fulfilment of its strategy to make the product a necessity rather than a luxury.

Comment: Shoprite has long proven itself the king of collabs and the store within a store. This one looks like a corker.

[Tatler Reporter 09/12/20](#)

Clicks

A vaccinating subject (No. Ed)

In what would be a coup for the business and a great service to the people of Mzansi, Clicks is apparently in talks with the government to distribute the COVID-19 vaccine when it hits these shores. All of the current vaccines on offer require refrigeration; Clicks has, it says, the requisite cold-chain compliant distribution capacity to transport and store the vaccine via UPD, its pharmaceutical wholesale and distribution arm. Clicks also has a network of 585 pharmacies and 195 in-store clinics, each with the capacity to store and, in the case of the latter, presumably to administer the vaccines. It should be noted that Clicks is not alone in this initiative: Shoprite and Pick n Pay have also offered to assist in the distribution. Medirite, says Shoprite, already distribute the flu vaccine through its 144 outlets.

Comment: We've long had a vision of our world-class grocery retail and distribution network becoming a formal partner for government in initiatives which require reach and resources in the service of all South Africans.

[Business Insider 08/12/20](#)

SPAR

A growing concern

SPAR's Rural Hub initiative is aimed at bringing smaller agricultural producers into the grocery value chain. The first one was established in Mopani in the Limpopo province in 2017, with a dedicated packhouse established to buy the product direct from local farmers, who are also given support in the form of grants and loans, mentorship, and training in market readiness, market access, and leadership. All the current participants have been trained in financial management, land preparation, planting, integrated pest and disease management, fertilisation, irrigation and harvesting. Importantly, they've also been accredited in the critically important area of food safety: all of them achieved the LocalGAP Intermediate level in 2019, and all will be GlobalGAP certified this year. Future hubs are planned, to build on the success of the first one, some of whose participants are achieving commercial scale, and have supplied SPAR's Freshline brand with produce.

Comment: Another amazing homegrown initiative that demonstrates the potential for social development and enterprise to complement each other.

[Supermarket.co.za 11/12/20](#)

International Retailers

To the bunker!

Tesco are apparently going full prepper in the run-up to the spectacular own goal that is Brexit, stockpiling long-life goods in preparation for possible supply disruption at the end of the transition period as the parties seem poised for a no-deal arrangement. It's also spreading its imports across a number of UK ports to avoid bottlenecks and mitigate delays. In some locations, imports are already +20% up in anticipation of disruptions. Over the pond, French retailer Carrefour is doing its bit against the COVID crash, hiring 15,000 young workers next year in France, 50% more than usual, and with half of them coming from underprivileged neighbourhoods. The jobs will be both long-term contracts and apprenticeships. Back in blighty, in the meantime, Walmart subsidiary Asda paid a £1.15bn dividend to the big feller just seven months before Walmart sold it off to owners of a petrol station chain and private equity group, TDR Capital, in October.

Comment: Nice work, Carrefour, and in keeping with our general theme this week of the greater role retailers have to play in the societies that sustain them.

Tatler Reporter 15/12/20

MANUFACTURERS AND SERVICE PROVIDERS

Cannabis

High hopes

Last week, the Black Farmers Association of South Africa (BFASA) joined the Delft Chamber of Business, the Rastafari United Front, the Rastafari Ganja Council Western Cape and 10 affiliated associations in a march in Cape Town to protest the exclusion of indigenous people from the burgeoning and already highly lucrative cannabis industry here in the Beloved Country. One of the demands in the petitions handed to representatives from the Office of the President, the Premier of the Western Cape and the Judge President of the High Court was that all cannabis licenses issued to white-owned pharmaceutical companies by the South African Healthcare Products Regulatory Authority (Sahpra) be revoked, and all cannabis products removed from the shelves of businesses like Clicks, Dis-Chem and Canna Africa until more inclusive legislation was drafted to govern the industry.

Comment: The specific demands aside, cannabis and hemp have the potential to transform the global economy. This is like being in on the ground floor of the booze and tobacco industries, if booze and tobacco also had health and nutritional benefits and could also be made into comfortable, hardwearing apparel. There has to be room for everyone, including and especially the original producers and users of the commodity.

IOL 14/12/20

Nestlé

All the meat in China

China consumes 27% of the world's meat by volume. Which explains – bear with us here – why Nestlé is keen to sell it ... erm ... not-meat. They're taking six variants from their plant-based meat alternative products, Harvest Gourmet range, into the monstrously large market, initially through Alibaba's Tmall online platform and its Hema supermarket chain in Beijing and Shanghai before a broader rollout. The options include kung pao chicken and braised meatballs. Nestlé's fortunes in the Forbidden Kingdom have flagged of late, with sales declining in categories like porridge and formula. The move into meatless seems canny: it has done very well in that brave new category, with double-digit growth in global sales of vegetarian and plant-based products for the nine months through September, and successful launches of its Garden Gourmet brand in Europe and Sweet Earth in the US.

Comment: A word to South Africa's meat producers: Kodak.

Business Day 09/12/20

TRADE ENVIRONMENT

Consumer Spending

A Blue Christmas?

The pandemic has impacted incomes in 2020 and as a result gift-giving budgets have been revised. South Africans are still looking to keep the holiday cheer this year, however, according to our informal survey among 80 Trade Intelligence family and friends. Those numbers then: 73% of respondents say their income was impacted in 2020, with 74% saying that this will impact their gift purchases this year. While 20% of survey respondents say they plan to spend the same amount on gifts this year as they did last year, half plan to spend less. Gift spend will also go down: In 2019, average budget per gift was in the R201 – R500 bracket for 42% of respondents, while in 2020 this bracket accounts for just 38% of those surveyed. And the most popular gift types? Clothing and vouchers, with 48% and 40% of respondents opting for these, respectively. And as has been the case over the past 10 months or so, online shopping is going to trump visits to brick-and-mortar stores – while 80% of respondents preferred the argy-bargy of shopping for their gifts at the mall last year, this year only 50% will still make trips to physical stores.

Comment: Could be worse than, it seems. But whatever your budget and plans are for spending this festive season, please just stay safe. And here's hoping that 2021 can only bring better and brighter things.

Tatler Reporter 15/12/20

THE WEEKLY GURU

“May God Bless South Africa and protect her people.”

President Cyril Ramaphosa

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