

COVID-19 has prompted widespread discussion of the resilience of food systems and how efficiency and competitiveness have been previously understood. Recent decades have seen the growth of increasingly complex food value chains. These are underpinned by just-in-time delivery systems, a growing share of food products sold through supermarkets, and increasing concentration of ownership among powerful, large food manufacturers.

The pandemic has further emphasised the need for a more diverse and inclusive food system, in which small and medium sized enterprises (SMEs) play a key role.

As part of a larger project investigating challenges faced by agro-processing SMEs, we conducted qualitative telephone interviews with 16 SME maize milling and dairy firms during lockdown to gauge the effects of the pandemic.

As essential businesses, food manufacturers continued to operate through lockdown, and it might be assumed COVID-19's impacts on this industry were minimal. This was not the case. While aggregate production levels were maintained super maize meal output in April was 25% higher than the same month last year and consumer prices remained relatively stable, SMEs in these industries faced multiple disruptions throughout their supply chains.

There are still steps that can be taken to shield these enterprises from the worst effects of the pandemic. This should go beyond financial aid and improved access to credit to include, for example, supporting them in diversifying their routes to markets. Such support is critical because the exit of SMEs will exacerbate high levels of concentration and reduce diversity, with consequences for social inclusion and food system resilience. The implications for South Africa's food system would be far reaching.

Precarious

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SMEs still play a critical role supplying localised and under-served markets, providing rural employment. They are also important for linkages with other small businesses. Typically they avoid doing business with the big supermarkets due to onerous conditions. Instead they target independent wholesalers and retailers, buyer groups and informal spaza shops. They also sell directly to local communities, school feeding schemes and catering.

COVID-19 has reduced SME access to these

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