NURTURE BRANDS

The Rand that stays

Buying Proudly South African

By Riël Mallan, Chairman & CEO - Nurture Brands

Nurture Brands just rejoined Proudly South African!

I asked our teams to picture two blocks of cheese on a supermarket shelf (a real-world example). One is made here (ours), in South Africa. The other is imported, and it costs nearly double.

Then I asked them to think through what's inside each one and what that means for us as a business and as a country.



What goes into a block of cheese?

Cheese has a yield of about fourteen percent, so roughly a litre of milk goes into a block of 150 g.

Behind the local block of cheese, there are people who earn wages & salaries. Farmworkers milked the cows. A driver was paid to bring the milk to the factory, where an entire team of South African cheese specialists turned it into cheese. A local supplier printed the label, and another made the wrapper. And someone invested years of time and money in keeping that factory running in this country. All this happened in South Africa.

The imported block has the same chain behind it. It's just paid someone somewhere else. To other people and other suppliers. All outside of our economy, and not benefitting anybody in our immediate sphere of influence. Imports fundamentally gut our own manufacturing capabilities and decimates employment in South Africa over the long term!

Where the money goes and gets re-spent

When a rand is spent on something made here, it keeps moving through our economy. The factory worker spends their wage at the shop down the road, and the shop owner pays their staff, who spend it again. Economists call this the "multiplier", and manufacturing sits at the top of that table because what we make circulates right here in our own economy.

It is estimated that every R1 spent in the following sectors has the following multiplier on our GDP:

2.39×	2.11×	1.87×	1.80×
Manufacturing	Agriculture	Services	Mining

1.90×	11.60×	1.70×
Construction	Trade	Finance & Business Services

So for every South African product bought, we are actually creating a ripple effect that fundamentally changes our own society for the better and grows our own economy – not someone else's.

A rand spent on an import pays another country's farmworkers and somebody else's factory. Nobody here sees it again.

I've watched this happen to a supplement brand that was conceptualised and manufactured right in South Africa. It was recently sold to a local company, but sadly and very disturbingly, the production is being moved offshore. It'll still sit on our shelves here in SA, and our consumers will still buy it, unaware that the money they spend on manufacturing will leave South Africa, and so will the jobs that made it.

This is partly why we are sitting at a 33% unemployment rate in South Africa. Our Government is not protecting local manufacturing – at all! One in three South Africans who want work can't find it. Soon, at this rate of unemployment growth, nobody will be able to afford anything on our supermarket shelves (imported or locally produced) because we are unemployed.

Not a level playing field

What also needs to be realised is that we are not competing in a fair fight.

Many exporting countries subsidise their exporting factories heavily, carrying a large share of the cost of building them. In the supplement sector, our own factories are accredited against the highest international criteria, while many of our offshore competitors are not held to them, or policed by our local authorities – yet these products stand next to our own on the shelves of retailers. Government doesn't seem to care that if companies that manufacture locally are not protected, jobs will go with every factory that closes.

Proudly South African, personally

This is exactly why we're putting Proudly South African on everything we make across the Nurture Brands group. We produce locally, we employ locally, we sell locally, and we grow our local communities and people. A logo on a pack won't change much on its own, though. It has to become a personal decision from every consumer that holds this country near and dear.

As Nurture Brands, we employ about a thousand people. Let's start by making this message real and relevant to ourselves. Then each of us needs to convince three others, and those three need to convince three more, and at some point, something starts to tilt.

The next time you're standing in front of two blocks of cheese, or anything for that matter, ask what's inside. Know that your decision makes the difference between sustaining a local job or a foreign one.

Be proudly South African, buy South African, and let's rebuild what we were before: the most industrialized country on the African continent.



