

# Spar's successful Rural Hub initiative poised for growth

Spar's Rural Hub business initiative aims to help address the food insecurity, unemployment and skills shortfalls that continue to plague rural areas across South Africa. The Rural Hub model forms part of the retailer's drive to support and empower small-scale local farmers, create jobs and sustain local economies by creating an ecosystem that provides affordable, nutritious food for all.



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First started in Mopani in the Limpopo province in 2017, with a dedicated packhouse established to buy the product directly from local farmers, future hubs are now being planned. Hectares planted, farmers trained and mentored, and people employed are all on the rise.

All the participating small-scale farmers receive the following support interventions: grants and loans, mentorship, market readiness, market access and leadership. All the participating small-scale farmers have been trained in financial management, land preparation, planting, integrated pest and disease management, fertilisation, irrigation and harvesting.

“To us, food safety is non-negotiable and we’re proud to report that all of our Mopani rural farmers achieved the LocalGAP Intermediate level in 2019 and will be Global GAP certified in 2020 – a great achievement,” says Spar risk and sustainability executive, Kevin O’Brien.

The Mopani Rural Hub packaging facility is, furthermore, assessed in accordance with the Global Food Safety Initiative (GFSI) Global Markets Programme and received a letter of recognition in March 2020.



We have enough food to feed everyone, yet the food deficit is widening

Andy Du Plessis 17 Nov 2020



## Expanding opportunities

O’Brien says the success of the programme will see Spar grow the concept at scale nationally.

“We are seeing some of our farmers becoming fully-fledged commercial farmers in their own right, as yields reach commercial farming quality thereby opening up more opportunities to sell their produce. We see that as a fantastic achievement,” he says. As an example, in 2020, the programme’s farmers supplied a range of products under the Freshline Brand for the first time.

Smaller producers have traditionally struggled to enter value chains in the past – but the Spar Rural Hub is designed to overcome this hurdle, as Spar creates markets for the products. This contributes to job creation, income generation, infrastructure development, skills transfer and empowerment. It is supported by a nutrition campaign to improve health and wellbeing.

A ringing endorsement of these achievements came when Spar Rural Hub won the Rural and Township Development Award and the Overall Winner Award at the prestigious Absa Business Day Supplier Development Awards, an award for the company that stands out as the leader in supply development in South Africa.



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15 Oct 2020



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## Addressing societal challenges

Spar states that its purpose-driven strategy is aimed at addressing real South African challenges such as food security, nutrition, job creation and transformation.

“Sustainability goes far further than the environment but must include the role business can play in addressing the big issues society faces. The success of the Rural Hub as one among many of our transformation support initiatives shows that true transformation with purpose can have an impact on the ground,” says O’ Brien.

“The key is to determine the barriers to growth and then commit to collaborative actions to develop long-term development success. It takes more than an idea or paying lip service to the problem, but high levels of innovation and efficiency. We now look forward to developing and expanding this concept even further so that more communities and people benefit. This forms part of Spar’s sustainability pledge to create authentic shared value and to continue creating a new future together,” O’ Brien concludes.