

# Tiger Brands minor shareholders want answers over recall

By Nqobile Dladla

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Two minor shareholders of South Africa's largest food producer, Tiger Brands, have written to the company requesting more details after it announced recalling 20 million canned vegetable products over a leak risk.



Source: Reuters/Siphiwe Sibeko

The owner of Jungle Oats and Ace maize meal said on Monday the recall was because some cans from the Koo and Hugo's canned vegetable range, including baked beans, may have defective side seam welds that could cause leaks.

The recall shaved close to R2bn from Tiger Brands' market capitalisation as the news dented confidence and raised questions around quality control, just three years after a deadly listeriosis outbreak that killed more than 200 people was traced to one of its factories.



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Millions of Koo and Hugo's canned veg products recalled

26 Jul 2021



Excelsia Capital, which did not reveal the size of its holding in Tiger Brands, said in a letter seen by Reuters it viewed the recall in a serious light, especially when taken into conjunction with the Listeria contamination.

"We are concerned that this may be an indication of a strategy that management has pursued to aggressively cut costs but possibly at the expense of quality and safety considerations," Excelsia Capital said in the letter.

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John Thompson, an analyst at Ninety One, which holds less than 2% of Tiger Brands shares, said the firm is in touch with the company and has a meeting scheduled with management to get a better sense of what actions Tiger Brands took and how they will mitigate the financial impact.

The cans the company is recalling are about 9% of annual production, with the financial cost estimated at R500m to R650m.

### ABOUT THE AUTHOR

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