

SA's meat fraud and the betrayal of consumer trust

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Are we eating beef, or are we eating water buffalo brought into SA by criminal elements. Supermarkets have worked hard to differentiate their meat brands - they now need to do what's right to protect their equity and customer loyalty. By ORESTI PATRICIOS.

There's nothing more South African than throwing some sausages on the braai, eating a 'boerie' roll or biting into a fat burger. But nowadays, locals might think twice before chowing down on mince, sausages, burger patties, dried meats or deli meats.

That's because the SA meat industry has been engulfed by a meat scandal that goes right to the heart of consumer trust. Following the horse meat scandal that rocked Europe, research into local meat speciation was done by the University of Stellenbosch. Animal scientists at the academic institution procured mince, sausages, burger patties, dried meats and deli meats from butcheries and delis which was subject to testing. The results revealed that the majority of the 139 meat products tested contained other exotic meats like donkey, goat and water buffalo.

Beef only or chicken only products were found to contain pork, while undeclared plant material and soya was also present in the testing. The real shocker is that none of these items were declared on the product packaging or the food labels. The scientists didn't reveal which stores they obtained the meat products from, nor did they disclose the brands they tested.

"Our study confirms that the mislabelling of processed meats is commonplace in South Africa and not only violates food labelling regulations, but also poses economic, religious, ethical and health impacts," says Prof. Louw Hoffman on a Stellenbosch University blog, where the test results were announced.

"Our findings raise significant concern on the functioning of the meat supply chain in South Africa," Hoffman added. "Even though we have local regulations that protect consumers from being sold falsely described or inferior foodstuffs, we need these measures to be appropriately enforced."

The Consumer Goods Council was quick to issue a media release that "expressed confidence" that major retailers and independent suppliers that were a part of the organisation were committed to "ethical and legal meat practices". The council which represents companies in the retail, manufacturing and wholesale sector said the research was "a wake-up call", but warned that the report was tarnishing the whole industry.

The council is right because the problem with a meat scandal like this is that it not only hurts the products and brands that are 'named and shamed', but the secrecy that surrounds the brands in the university study casts a shroud over the whole SA meat industry. Further, the fact that there's been such high profile media coverage on the European horse meat scandal compounds the issue. Then there's the matter that watchdog consumer journalist Wendy Knowler of Independent did her own study, with scientific testing, and also got disturbing results. She found beef products with pork in them, and chicken sausages that were housed in pig casings.

The meat scandal is such a big issue that it has even been raised in parliament. On Thursday 28 February 2013 Trade and Industry Minister, Rob Davies, told the National Assembly in Cape Town that meat products sold local posed no health threat.

"And as far as we are aware, there is no threat to human health from any of the meat products which are on sale in South Africa," Davies said, adding: "However, South African consumers have a right to know what they consume, and we are going to make sure that information is provided."

But the scandal deepened when investigative journalist Jacques Pauw revealed that criminal syndicates were smuggling water buffalo into this country, and that the local market was being flooded with cheap but "potentially hazardous" meat.

South Africa already has extensive labelling laws in place, the problem is that they are not being applied uniformly and consistently. The net result is that criminal elements and producers who place profit before people put the whole industry at risk.

When customers walk into a retail store and buy a product, they trust that the product will contain what the packaging says it contains - nothing more, nothing less. This constitutes a 'sacred contract' that is part of the brand promise of big name retailers like Woolworths, Checkers, Spar and Pick 'n Pay.

Within this context supermarkets, meat markets and butcheries must realise that they're the consumer touch point and because meat has been such a commodities market to date retailers will bear the brunt of the scandal from a consumer loyalty perspective. When consumers step into a retailer they want the absolute assurance that the sacred contract between them and their chosen retailer hasn't been interrupted.

An indicator of what could happen to the reputations of local retail reputations is currently being played out in the UK, where the perception of supermarket brands affected in the horse meat scandal there has been bruising.

The [UK's MarketingWeek reports](#) that the perception of the brands "found to be carrying horse meat in their products has plummeted since news of the scandal broke last month and the crisis is tarnishing the reputation of the entire supermarket sector". Brand tracking research in Britain shows that Tesco, one of the first retailers found to carry products with horse meat, was the worst hit.

Back home, supermarkets have worked incredibly hard to create robust reputations and to promote meat as a point of difference, rather than a commodity. This is evidenced by Checkers' meat market ads and Shoprite Checkers' annual boerewors competition, or the promotion of Pick 'n Pay's 'lazy aged Angus beef'.

Woolworths seems to have pretty much set the 'gold standard' for meat with a great range of products and by working with its suppliers to ensure that the retailer's sources for all meat products is assured. The quality brand's arsenal to ensure integrity in the 'sacred trust' between the retailer and its consumers includes DNA testing and spot checking.

The good news for Woolies fans is that the supermarket chain is completely unaffected by the meat scandal because of their sound, sustainable procurement practices. The retail sector is one of the most fiercely contested markets in South Africa - which makes it surprising that not all retailers share the same attitude to quality control and product testing systems that would seek to safeguard their brand equity.

Consumers work very hard for their cash, inflation is at a high rate and the recession is biting deep, so one wonders why producers and retailers don't engage in sustainable business practices. Cheating your customers is never a viable business practice. It is corrupt and is a fraud that strikes at the very heart of brand building. It undermines the basic contract of supply and demand, because consumers aren't getting what they're paying for.

Retailers can't throw their hands up in the air either and say it is too expensive or impractical or difficult to police. Woolworths works hard to ensure sustainable business practices which have won it responsible retailer awards, while Pick 'n Pay said they too did DNA testing on products. The big question is why isn't this procedure an industry standard?

Given that meat is such a big part of the SA staple, retailers will need to get their house in order to ensure their producers honour the 'sacred contract' with customers, whilst the meat industry with its boards and associations also need to step up to the plate.

Already consumers in Europe are scaling back on their meat products and voting with their purses. The local meat industry needs to wise up, and realise that once consumer trust has been broken, it is fairly difficult to repair, and could hurt an

industry where margins are already quite tight. The only winners in this scandal will be those retailers who have integrity and who work with producers to guarantee the quality of their meat because that's where consumers will want to shop.

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