

## National

## Special report



A Nestlé supermarket boat in Pará state, northern Brazil, serving an estimated 800,000 people in isolated communities Photograph: Marie Hippenmeyer/Nestlé/Flickr

# Fat profits: health hangover as big brands woo world's poorest shoppers

Quest for new consumer markets brings fast food lifestyle problems to developing world, say activists

Felicity Lawrence

Nestlé is using a floating supermarket to take its products to remote communities in the Amazon. Unilever has a small army of door-to-door vendors selling to low-income villages in India and Africa. The brewer SABMiller has developed cheap beers in some African countries as part of a "price ladder" to its premium lager brands, and, as a leading Coca-Cola distributor, is aiming to double fizzy drinks sales in South African townships.

As affluent western markets reach saturation point, global food and drink firms have been opening up new frontiers among people living on \$2 a day. The world's poor have become their vehicle for growth.

The companies say they are finding innovative ways to give isolated people the kind of choices the rich have enjoyed for years and are providing valuable jobs. But health campaigners are raising the alarm. They fear the arrival of highly processed food and drink will exacerbate obesity, diabetes, heart disease and alcoholism, which are increasing at unprecedented rates in developing countries.

The South African minister of health, Aaron Mokoalele, gives a grim interpretation of what that means for his country: "Health budgets will break because of the cost of amputations, artificial limbs, wheelchairs and cardiac surgery."

A UN summit in New York in September confirmed the scale of the crisis. Nearly two-thirds of all deaths worldwide in 2008 were attributable to lifestyle diseases. By 2030 these non-communicable diseases (NCDs) are expected to be the cause of nearly five times as many deaths as the traditional, infectious scourges of poor nations such as TB, malaria and Aids.

Last year 39% of acquisition deals by consumer goods companies were in

emerging markets, compared with just 1% in 2008, according to the Grocer's OC&C Global 50 league table.

As diets and lifestyles in developing countries change, their patterns of disease are following those seen in industrialised countries. But for poor countries there is a double whammy: they have started suffering from high rates of NCDs before they have managed to deal with hunger and malnutrition.

In South Africa, about a quarter of schoolchildren are now obese or overweight, as are 60% of women and 31% of men. Diabetes rates are soaring. Yet, nearly 20% of children aged one to nine have stunted growth, having suffered the kind of long-term malnutrition that leaves irreversible damage.

Pushing through radical action on NCDs is of Mokoalele's priorities. He said: "When I was a medical student under apartheid, heart attacks were a rare thing for black people. That's no longer true. Africans are eating more and more processed foods instead of their traditional diet. My mother hardly went to the shop. I used to walk a long distance to school. My children hardly walk a metre from the car. Children are put in front of the TV and they eat junk in front of it. It's a globalised world; we can't expect to be left untouched."

He said he wanted to curb the marketing of tobacco and alcohol and regulate junk food, but expected a fight.

"It is like climate change. Are we going to do something about it when we are looking down the barrel of a gun and it is at its worst, when budgets have become unmanageable because of the sheer weight of disease? If those of us in power don't do something now, that is what will happen. Anybody who dilly dallies on non-communicable diseases will be forced to act when the situation is out of control."

The main obstacle to action was profit. "Industry is resisting very strongly. The only reason people are not doing enough is the bottom dollar."

The interests Mokoalele is taking on are powerful and quick to defend themselves. SABMiller, the largest brewer in South Africa, points out on its "alcohol responsibility" web pages that it supports 3% of the total employment in South Africa, and generates taxes - mostly from excise duty on its products - that account for 5% of the government's tax revenue. Kristin Wolfe, head of alcohol policy at SABMiller, said: "We market to our target consumer; we don't go after non-drinkers." The company points to its investment in projects to tackle alcohol harm and bring unlicensed outlets within regulation.

Thandi Puaane, a professor at University of Western Cape, has tracked the increase in NCDs since the end of apartheid. Fast-food outlets and imports of processed foods proliferated after sanctions against South Africa were lifted and markets re-opened following the 1994 election. Large numbers of people moved to townships.

"People coming here buy fatty, sugary food and drink because it's cheap and it feels a luxury not to cook," Puaane said. "Cooking fuel is expensive. They can buy from street vendors on credit. Fear of crime stops them taking exercise. They think they are happy because they are fat and when they go back to their rural areas people say, 'you must be doing well, you have put on weight'." Being thin and losing weight is associated with Aids and TB.

Khayelitsha, a township that sprawls for miles alongside the highway from Cape Town to the Cape flats, is one of the largest and fastest growing in South Africa. Unofficial estimates put its population at a million. Unemployment is nearly 60%, and 70% of residents live in



## Distribution

### Nestlé's floating supermarket

Nestlé's floating supermarket took its maiden voyage on the Amazon last year and has been distributing the company's products to around 800,000 isolated riverside people each month ever since. Christened Nestlé Até Você - Nestlé Comes to You - the boat carries around 300 of the company's processed lines, including ice creams and infant milk, but no other foods. The products are packaged in smaller pack sizes to make them more affordable.

The boat also acts as a collection point for the network of door-to-door saleswomen Nestlé has recruited to promote its brands. Targeting consumers from socio-economic classes C, D and E is part of the company's strategic plan for growth, it says.

Nestlé has also set up a network of more than 7,500 resellers and 220 micro-distributors to reach people in the slums of Rio de Janeiro, São Paulo and other major Brazilian cities.

shacks with no running water. Alcohol use and violent crime are high and many people are overweight, particularly women and teenage girls.

The faculty of public health at the university has pioneered health clubs to address the problem.

Lungiswa Tsolekile, a dietitian working on the health project, said access to affordable fresh food was limited. Street stalls sold cheap but often fatty foods, such as chicken skin. Retail giants have arrived, and Walmart has just taken over one of the large South African chains, but a taxi to the nearest supermarket for fresh fruit and vegetables costs four rand, more than many can spare.

The ShopRite supermarket we visited was packed with people pushing basket-sized trolleys - the average spend here is small by European standards. There was fresh food available, but a kilo of tomatoes cost more than a 2-litre bottle of cola. The checkout was stacked with sweets alongside "funeral plan pay-as-you-go" starter packs. "We use physical exercise in the health clubs as a vehicle to help with other aspects of health, including cooking sessions on how to prepare healthy food with traditional ingredients. We pick up a lot of hypertension, high blood glucose and diabetes," Tsolekile said.

Nestlé meanwhile sees itself as "providing products that are healthier, safe and affordable for consumers wherever they are". "Often in emerging markets, processed food appeals to consumers because it is guaranteed to be safe. It can also help address deficiencies," a Nestlé spokesman said.

Unilever believes its door-to-door sales network has helped lift people out of poverty. Trevor Gorin, its global media relations director, said: "It has essentially empowered people in rural communities, largely women, to become entrepreneurs, generating income - with all the concomitant benefits this income generates."