

# PepsiCo launches R600m fund to build sustainable, equitable food system in SA

Food and beverage giant PepsiCo has launched the Kgodiso Development Fund, a five-year, R600m investment with a goal to help transform the food system in South Africa. It will look to create 'shared value' solutions that ultimately help build a sustainable food system by creating local employment opportunities and increasing local procurement and supplier diversity.



Dale Tilo, executive director, Kgodiso Development Fund. Source: Supplied

“PepsiCo aims to play a bigger role in supporting activities that contribute to the long-term sustainability and resilience of South Africa’s food system,” says Tertius Carstens, CEO of PepsiCo sub-Saharan Africa (SSA). “The Kgodiso Development Fund will act as a catalyst to create local jobs, increase local procurement, build small businesses, support education and holistically contribute to black economic empowerment in South Africa.”

The fund has hopes to deliver a meaningful impact through its commitment to creating shared value solutions and transformation of supply and value chains. Although founded by PepsiCo it will be run as an independent fund, with an executive director and a board of trustees.

“The Kgodiso Development Fund will prioritise activities that support the growth and scaling of Black-owned emerging farming enterprises and SMME businesses, promote regenerative agriculture practices and encourage the adoption of innovation to revitalise local production within South Africa's agriculture sector,” explains executive director, Dale Tilo.

Tilo was appointed in early 2022, and brings with him a wealth of on-farm practical crop production experience, structured training and development, financing of agribusinesses and SMMEs across multiple sectors.

## R300m to assist Black-owned emerging farming businesses

The fund will allocate R300m to agricultural development to assist Black-owned emerging farming enterprises to upscale their businesses and ensure that they are provided with opportunities to integrate into the value chain. “This will help transform the country’s agricultural landscape by developing a new generation of sustainable farming enterprises,” says Tilo.

## R200m to training and upskilling

Additionally, R200m will support education to enable initiatives that provide appropriate training and upskilling – thereby enhancing the skills pipeline in the country. Carstens says, “This will assist in unlocking the immense potential of South Africa’s human capital by addressing key skills and knowledge gaps in the food system”. Within this pillar, PepsiCo launched a Graduate and Future Leaders programme in 2021.

## R100m towards SMME support

Finally, the fund will allocate R100m to SMMEs to provide incubation and technological support to those small businesses which can provide their goods or services to PepsiCo or its partners. “This investment looks to encourage unique innovation, increase competitiveness and drive economic inclusion by building a pipeline of suppliers and entrepreneur networks, and by providing them a route to market, business development support, funding and mentoring.”

## PepsiCo Positive

The fund is one of PepsiCo’s public interest commitments, made to government at the time of the [acquisition of Pioneer Foods](#). In addition it forms part of the newly launched approach to strategic end-to-end transformation called PepsiCo Positive. Sustainability is the driving force of how the company will create growth and value by inspiring positive change for the planet and people.



PepsiCo introduces initiative to drive sustainable transformation strategy

20 Sep 2021



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PepsiCo procures more than 1.5 million tonnes of local maize, wheat, potatoes, oats and raisins every year and employs approximately 13,000 people in 70 warehouses and 45 production facilities on the continent.

“The establishment of this fund, although independent, allows us to collaborate with like-minded partners, and develop solutions that address critical issues surrounding the region’s food security and hunger. We look forward to seeing the impact that these commitments have on helping us reach the shared goal of a thriving, resilient and sustainable food system in South Africa,” says Carstens.

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