SOUTH AFRICA RETAIL POLICY BRIEF

2026

TOWARDS HEALTHIER FOOD ENVIRONMENTS:

REGULATING SOUTH AFRICA'S FOOD RETAIL SECTOR

ATNi NUTRITION MARKETS IMPACT

KEY MESSAGES

1. South Africa faces a triple burden of malnutrition: nearly one-third of children are stunted, while 37% of adults are living with obesity–the highest prevalence in the Sub-Saharan African region. The expansion of modern retail has accelerated the shift toward convenient, ultra-processed packaged foods, which now dominate household food purchases.

2. Only 30% of private-label products would not be required to carry an on pack warning label under the South African nutrient profiling model (NPM) (Draft R3337). Retailers also prioritize less healthy options in their biweekly catalogues, with fewer than one-quarter of advertised products categorized as healthy.

3. Implementing Draft R3337 presents a major opportunity to reshape South Africa's food retail environment by introducing: 1) mandatory front-of-pack (FOP) warning labelling for processed packaged foods; 2) stricter regulation of 'healthy' claims based on a NPM; and 3) measures to restrict marketing to children.

INTRODUCTION

South Africa faces a triple burden of malnutrition, with persistent undernutrition and micronutrient deficiencies, alongside rising levels of overweight and obesity. Undernourishment in the general population increased from 3.3% in 2004–06 to 10.0% in 2022–24.[1] At the same time, the 2023 South African National Food and Nutrition Security Survey (NFNSS) estimates that 57.4% of adults aged 18 years and older are living with overweight or obesity.[2]

Shifts in dietary patterns towards increased consumption of processed, energy-dense foods high in fat, salt, and sugar have contributed to this trend. Only 23% of adults consume the five food groups typically recommended by national dietary guidelines, with key gaps in fruit and vegetable consumption highlighted by the 2023 NFNSS.[2,3]

Reduced consumption of healthier foods has been accompanied by a sharp rise in the intake of highly processed foods, with notable increases in soft drinks, sauces, snacks, and processed meats.[3] A 2024 study of low-income adults in Cape Town found that ultra-processed foods (UPF) accounted for 39.4% of total calorie intake. Sales data reflect these trends, with UPFs accounting for 63.6% of total food and beverage sales in 2023.[4]

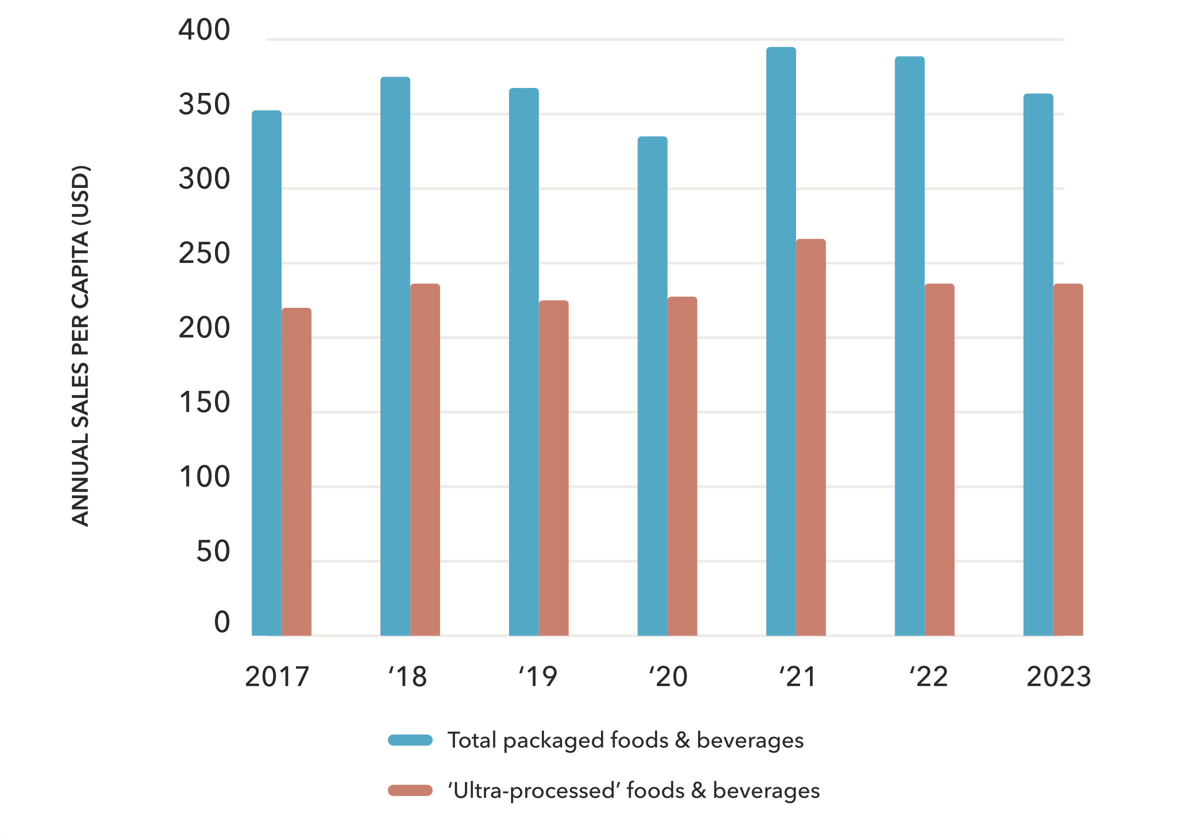
These dietary shifts are closely linked to the expansion and growing influence of modern retailers. South Africa has the largest modern grocery retail market in Africa, with modern retail accounting for 80% of grocery sales. Modern retailers are projected to steadily increase their market share at a compound annual growth rate (CAGR) of 3.3% between 2024 and 2029. South Africa's three largest retailers and their trading brands–Shoprite, Pick n Pay and Spar–account for 66% of the modern retail market. Shoprite, the largest retailer, represents 33–35% of grocery sales.[5]

Through their trading brands, these retailers target different income groups. Since the 1990s and 2000s, modern retailers have expanded into low-income neighbourhoods and rural areas previously without supermarkets, providing consumers with greater access to both healthier foods and energy-dense processed products.[6]

Choices made by retailers play an important role in the availability, accessibility, affordability and desirability of nutritious food.

FIGURE 1

PACKAGED FOOD AND BEVERAGE SALES AND UPF CATEGORY GROWTH IN SOUTH AFRICA IN ANNUAL SALES PER CAPITA (USD), 2017–2023.



Source: Food Systems Dashboard

ABOUT ATNi'S RETAIL ASSESSMENT 2025

The South Africa Retail Assessment was carried out by ATNi, a global foundation headquartered in the Netherlands that actively challenges the food industry, investors, and policymakers to shape healthier food systems.

ATNi's South Africa Retail Assessment highlights the contribution of the country's largest modern retailers—Shoprite, Pick n Pay and Spar—to healthy food environments. The assessment examines their nutrition strategies and commitments, the healthiness of their private-label products, their promotional practices, and the affordability of a healthier food basket.

For more information about ATNi, visit our website. Find more details about the research findings underpinning policy brief here.

ATNi'S SOUTH AFRICA RETAIL ASSESSMENT FINDINGS

Retailers lack specific time-bound nutrition targets

South Africa's leading retailers broadly recognize the importance of nutritious food within their environmental, social and governance (ESG) strategies. Retailers have introduced some initiatives to promote healthier choices or reformulate private-label products, such as Pick n Pay's 'Live Well Club', and its front-of-pack logo.

At the same time, retailers have failed to set clear, specific, and time-bound nutrition targets, or report transparently on nutrition commitments. This limits accountability for how nutrition strategies are implemented.

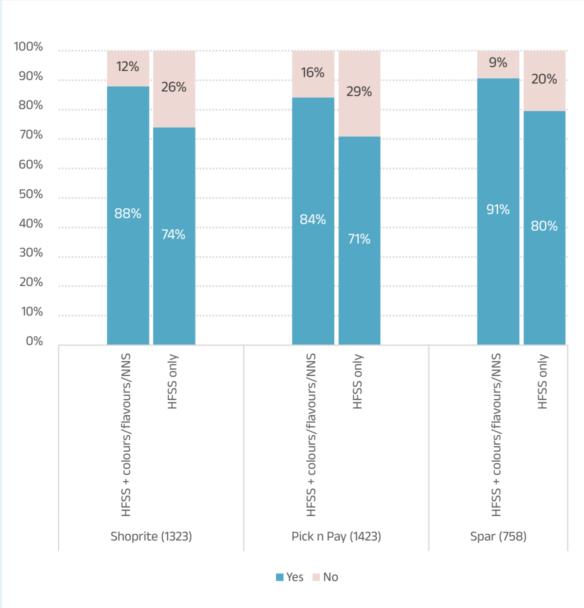
Most private-label products sold by leading South African retailers are unhealthy

An analysis of 3,496 private-label products across South Africa's leading retailers indicated that most products do not meet nutritional criteria to be considered healthy. Assessments using the South African NPM for front-of-pack (FOP) labelling (under Draft R3337) revealed that only 30% would not require a warning label for high levels of fat, salt or sugar. Levels of healthier private-label products were similar across the three retailers: 32% of products for Shoprite and Pick n Pay, and 22% of Spar products would not require a FOP warning label.

Similarly, when assessed using the Health Star Rating (HSR), only 37% of products across the retailers met the threshold of 3.5 and above to be classified as relatively 'healthy'.

Lastly, when assessed using a combined approach–identifying products high in fat, salt, and sugar (HFSS) and those containing markers of ultra-processing (colours, flavours, or non-nutritive sweeteners (NNS))–almost all private-label products were classified as 'unhealthy' (87%).

FIGURE 2
PROPORTION OF PRODUCTS CLASSIFIED AS HFSS AND/OR CONTAINING UPF MARKERS



Products promoted by retailers are generally unhealthy

Analysis of 1,194 food products from two biweekly flyers from Shoprite, Pick n Pay and Spar showed that each retailer dedicated the majority of flyer space to unhealthy products. Spar had the highest share of unhealthy items (67%), followed by Shoprite (62%) and Pick n Pay (53%).

The prominence of less healthy items in retailers' promotional flyers mirrors in-store marketing patterns. A 2024 study of six major supermarket chains in Cape Town found that snack products were frequently displayed in checkout and other high-traffic areas, while marketing strategies such as branded displays, special offers, and combo deals frequently featured ready-to-eat snacks–particularly sweet baked goods, chips, chocolate, and sugar-sweetened beverages.[7]

INDUSTRY SELF-REGULATION OF ADVERTISING AND CURRENT LABELLING LEGISLATION

Though the South African Consumer Protection Act (2008) provides the legal framework for addressing misleading marketing practices, it does not specifically prohibit the marketing of unhealthy foods to children. The industry relies on self-regulation through the Advertising Regulatory Board (ARB), which enforces the Advertising Code of Practice (Food & Beverage (F&B) Appendix) among its members.

The ARB F&B Appendix commits members to restricting the marketing of F&B products that are not part of 'healthy dietary choices' or a 'healthy lifestyle' to children under the age of 12. However, the Code does not apply a fixed NPM, instead deferring to 'established scientific standards'. Both Pick n Pay and Shoprite have publicly committed to the ARB Code of Practice, while no documented evidence of a comparable responsible marketing commitment was identified for Spar.

The ARB F&B Appendix falls far short of WHO recommendations to protect children from the marketing of unhealthy products. Key gaps include the absence of a government-endorsed NPM to define unhealthy products, a lower age threshold (12 rather than 18 years), and limited coverage of marketing channels and techniques, particularly point-of-sale and digital marketing.

Globally, voluntary, and industry-led measures to restrict the marketing of unhealthy food have been shown to be ineffective. Policymakers have great opportunity to address these gaps through mandatory measures.

R3337: CLOSING POLICY GAPS IN MARKETING AND LABELLING FOR HEALTHIER FOOD ENVIRONMENTS

Draft R3337 builds on Draft R429 (2014), which proposed amendments to R146 (2010). Although Draft R429 was released for public comment, it was never enacted.

Draft R3337 includes proposals for:

- A NPM to regulate nutrition and health claims
- Stronger regulation of F&B marketing, particularly to children (defined as individuals aged 18 and younger, aligned with WHO definitions)
- Mandatory front-of-pack (FOP) warning labels

A recent study (2025) by the DSTI-NRF Centre of Excellence in Food Security (CoE-FS) found that the majority (80.16%) of products analyzed would require warning labels under Draft R3337 due to HFSS levels. Similarly, ATNi's research found that 70% of retailers' products would be required to carry a FOP warning label due to high levels of fat, salt or sugar.

FIGURE 3
PROPOSED FOP WARNING LABELS FOR PRODUCTS HIGH IN SUGAR, SALT, SATURATED FAT AND CONTAINING ARTIFICAL SWEETENERS

Source: Government Gazette, April 2023

RECOMMENDATIONS TO POLICYMAKERS

1 Implement Draft R3337 labelling regulations without further delay

- A mandatory FOP labelling system covering all nutrients of concern can empower consumers to make healthier choices and guide retailers and F&B manufacturers in product reformulation.
- Public comment on Draft R3337 closed on 21 September 2023; however, the current status of the proposal remains unclear. Continued delays in implementation reduce public health benefits and hinder progress in related policy areas.

2 Harmonize and extend Draft R3337 with complementary policy measures

- Encourage companies to increase transparency and accountability by reporting the percentage of sales derived from 'healthier' products, using the proposed NPM.
- Use the proposed NPM to determine which products should be targeted for fiscal policies (such as health taxes) and for marketing restrictions.
- Restrict the sale of products carrying FOP warning labels in and around schools.

CALL TO ACTION

South Africa's leading food retailers play an important role in shaping the nutrition and health status of the population. Mandatory measures–including regulation of 'healthy' claims, FOP warning labels, and restrictions on unhealthy food marketing, as outlined in Draft R3337–are urgently needed to support healthier diets, and address rising rates of non-communicable diseases. Further delays to R3337 risk limiting potential public health benefits and may contribute to confusion and resistance among industry actors.

Retailers can lead through early adoption and alignment with R3337's standards, using the regulation's NPM to guide marketing practices, price promotions, and reformulation of private-label products, as well as by setting specific targets and reporting on sales of 'healthier' products. Retailers can also leverage their position within supply chains by providing guidance and support to F&B manufacturers and suppliers. Civil society can advocate for improved transparency, stronger industry accountability, and consumer education regarding the new FOP labels. Coordinated action and increased political commitment are needed to ensure that food retail actively promotes healthier diets, making nutritious choices more visible, accessible, and affordable for all South Africans.

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