

# Nestlé defends buying milk from Mugabe

Nestlé Zimbabwe yesterday, 28 September 2009, defended its decision to buy milk from Gushungo Dairy Estate, a formerly white-owned farm taken over by Grace Mugabe, wife of President Robert Mugabe.

"In early 2009 Nestlé was forced to purchase milk on the open market from a wide variety of suppliers on a non-contractual basis," spokesman Ravi Pillay said.

"This includes milk from the Gushungo Dairy Estate, which today accounts for between 10% and 15% of Nestlé's local milk supply."

The company said it had witnessed the collapse of the country's dairy industry in the past few years. By the end of last year eight of its 16 contractual suppliers had gone out of business. It was therefore forced to buy milk on the open market, with Grace as one of its suppliers.

"Despite the ongoing crisis in Zimbabwe, Nestlé has not considered moving its operations out of the country," it said.

"Had Nestlé decided to close down its operations in Zimbabwe, the company would have triggered further food shortages and hundreds of job losses among its employees and milk suppliers in an already very difficult situation," it said.

Grace reportedly took over six of the country's most valuable white-owned farms in 2002 and sells about a million litres of milk a year to Nestlé, her largest single customer.

*Source: Sapa*

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