Astral Foods Going It Alone

Perspectives: February 21st, 2025

I attended the Astral Foods AGM near Lanseria Airport in late January. It was a special occasion, as long-serving and respected CEO, **Chris Schutte**, was retiring after 40 years at the business. This was Chris's last AGM - an ideal opportunity to shake his hand, thank him for his long-term contributions, and to wish him rest and good health in an exceedingly long retirement.

Chairperson Theunis Eloff then publicly acknowledged, during the formal segment of the AGM, that Astral's significant and costly efforts to try and engage, support, and work with government over the past 10 years has basically failed. Going forward, Astral will increasingly invest to self-provide critical services and inputs to its business, thereby further reducing its reliance on government - to the extent they are able to.

Astral's ability to try things, learn from them, pivot, and adapt accordingly, is a great case study of why we aim to put our faith and our fund investors' capital only into proven credible entrepreneurial businesses and leaders with significant skin in the game.

It speaks volumes that such a sincere effort was made to engage with an important stakeholder, and that incredible patience was shown, but also that Astral could reach the point where they realized their approach did not yield the required results, and produce a new plan and way forward. They are acting sensibly to protect and grow the business for the durable benefit of its *truly* long-term constituents – employees, customers, suppliers, community, environment, country, debt funders, and long-term equity owners.

From the perspective of a private sector business, corporate and employee taxes are meant, in large part, to be invested by government to build and maintain essential infrastructure in the national interest of all its citizens – ports, railways, roads, water, electricity, and personal safety. If any government in the world fails in its primary deliverables, every private sector business operating in that country has only two choices – adapt, or die.

Thinking about this more, I am not surprised by their ability to adapt, because I expected that of them as I do of any good business and leadership. The two things that does surprise me is their decision and willingness to first try to engage in a supportive manner with government, and to then be so patient about it despite persistent and deteriorating underperformance. The question that I still grapple with is whether such an engaging, patient approach is not perhaps naïve and futile?

Our work continues...

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