

## Farmers want food price probe

By <u>Sashni Pather</u> 30 Apr 2009

Farmers' organisation Agri South Africa has called for a thorough investigation to explain dramatic food price hikes, encompassing all levels of the value chain from fuel suppliers to retailers.

This follows a survey by trade union Solidarity that showed that South Africa's major retailers have increased their food prices by 5.5% since January.

Dr Theo de Jager, deputy president of Agri SA, said the problem lay with profit margins at each stage of the chain.

"That includes suppliers of fuel, fertiliser, feed, equipment, and extends to retailers. Farmers are the price takers, not price makers," he said.

"Farmers are shocked at what retailers pay in comparison to what they get for their produce."

De Jager said that during winter, fruit and vegetables had to be transported from frost-free provinces like Limpopo and Mpumalanga.

"Because of the number of toll gates, transport of fresh produce becomes more expensive," he said.

"Previously, agricultural co-operatives belonged to farmers, but now it's in the hands of big business and they are chasing profits."

De Jager said 15 years ago there were 120,000 farmers and now there are fewer than 40,000 who grow food to feed more than 60 million people.

Cosatu spokesman Patrick Craven questioned why food prices are increasing here while worldwide food prices have come down.

"Farmers are being paid less, consumers are paying more. Someone is milking the consumer," he said.

Competition Commission spokesman Nandi Mokoena said the body would investigate if there was "anti competitive conduct by retailers".

Source: The Times

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