

Competition body accuses fresh-produce agents of cartel behaviour

By [Robert Laing](#)

23 Mar 2017

The Competition Commission carried out a search-and-seizure operation at the premises of nine fresh-produce market agents on Thursday morning. According to the commission, SA has about 30 fresh-produce market agents, with about 80% of this market controlled by the biggest six players.



WindowsObserver via [pixabay](#)

The commission said it suspected the larger players of colluding to hold prices low until their smaller competitors ran out of fresh fruit and vegetables to sell, after which they sharply increased prices. "Thus, certain volumes of stock of fresh produce are sold during late hours of trading with the aim to manipulate prices," the statement said.

"They, by agreement, increase prices paid for fresh produce. It is also suspected that the agents reserve certain fresh produce grades for particular buyers. It is alleged that the agents practice price discrimination based on the identity of the buyers," the commission said.

"Given the sheer size of the suspects, the suspected [cartel's conduct] results in a large proportion of freshly produced fruits and vegetables being sold at much higher prices than the average daily selling price.

The nine suspects are:

- Botha Roodt Group

- Subtropico
- RSA Group
- Dapper Market Agents
- DW Fresh Produce
- Farmers Trust
- Noordvaal Market Agents
- Marco Fresh Produce Market Agency
- Wenpro Market Agents

Cartel behaviour

The search-and-seizure operation was part of an investigation into cartel conduct, which was reported by the Department of Agriculture, Forestry, and Fisheries, the commission said.

"The commission is concerned with the prevalence of collusion in the food sector, as higher prices of these commodities affect the most vulnerable households. The poor spend a disproportionately high percentage of their income on food," Competition Commission commissioner Tembinkosi Bonakele said in Thursday's statement.

"Also, cartel activities in this sector serve to keep emerging black farmers and agents out of the market. It is for these reasons that this sector ranks high on our priority list, and cartels, big or small, will be rooted out."

Source: BDpro

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