

Competition Commission spreads tentacles in fruit and veg crackdown

The Competition Commission has extended its search and seizure operation involving fresh produce market agents to premises in Cape Town and Durban.



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This follows a [search and seizure operation](#) carried out at premises of nine fruit and veg agents in Pretoria and Johannesburg on Thursday. The agents, which serve as intermediaries between farmers and buyers of freshly produced fruits and vegetables in South Africa, are suspected of being involved in cartel conduct in contravention of the Competition Act. The search and seizure operations are part of an investigation into alleged cartel conduct which was reported by the Department of Agriculture, Forestry, and Fisheries.

In Cape Town, the commission is raiding the premises of Subtropico, RSA Group, and Fine Bros.

In Durban, the commission is also executing a search and seizure warrant at premises of RSA Group, Wenpro KZN, and Delta Market Agents.

The nine alleged colluders raided in Pretoria and Johannesburg are Botha Roodt Group, Subtropico, RSA Group, Dapper Market Agents, DW Fresh, Farmers Trust, Noordvaal Market Agents, Marco Fresh Produce Market Agency, and Wenpro Market Agents.

Price fixing and discrimination

"The commission has reasonable grounds to believe that the agents entered into an agreement and/or engaged in a concerted practice to fix the price and trading conditions for the supply of freshly produced fruits and vegetables in South Africa. "The alleged colluders also make decisions on the timing of price increases. They are further suspected of reserving certain fresh produce grades for particular buyers. It is alleged that they practice price discrimination based on the identity of the buyers, the commission said, adding that this conduct is alleged to be ongoing.

"The commission is concerned with the prevalence of collusion in the food sector, as higher prices of these commodities affect the most vulnerable households," said Commissioner Tembinkosi Bonakele on Thursday.

"The poor spend a disproportionately high percentage of their income on food. Also, cartel activities in this sector serve to keep out (of the market) emerging black farmers and agents."

Source: Fin24

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