

COMPETITION

Market Inquiry: South African Fresh Produce Market

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The Competition Commission of South Africa (“the [Commission](#)”) has published the draft Terms of Reference regarding its intended market inquiry into the Fresh Produce Market. Interested parties have until 25 April 2022 to submit written submissions to the Commission.

The Commission is of the belief that the Fresh Produce Market may have features that impede, distort, or restrict competitiveness within that market. As such, it intends to investigate the whole value chain of the fresh produce industry from the input level to end-user consumption. This includes role players such as –

LEVEL IN VALUE CHAIN	EXAMPLE
INPUTS	Seed & fertilizer companies; farm equipment suppliers; agrochemical companies
PRODUCERS	Large scale producers and small scale growers
WHOLESALE	Produce Markets (national fresh produce markets)
INTERMEDIARIES	Exporters and processors
WHOLESALE RETAIL	Distribution centres
RETAIL	Formal and informal traders
CONSUMERS	Local consumers and foreign market consumers

Part of the Commission’s concerns centres around the cost of fresh produce (i.e., price) and barriers to entry for fresh produce farmers (especially small scale and emerging farmers). On a broad level, the Commission deems it necessary to canvass the following –

- the efficiency of the value chain;
- market dynamics and impact of key inputs for growers;
- small and HDP growers and participation; and
- barriers to entry in relation to the regulatory environment.

Consequently, the comment period presents an opportunity for role players in the fresh produce industry to participate in this process and help shape the focus of the South African Fresh Produce Market Inquiry. In so doing, the eventual thinking and understanding of the issues that the Commission will be investigating can also be shaped.

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