

Commission launches Fresh Produce Market Inquiry

The Competition Commission (Commission) has launched the Fresh Produce Market Inquiry (FPMI). The launch follows the publication of the final terms of reference for the FPMI in the Government Gazette on 14 February 2023, in terms of section 43B of the Competition Act 89 of 1998 (as amended).



Source: KamranAydinov via [Freepik](#)

In terms of section 43B (2) of the Act, the Commission must publish these terms of reference in the Government Gazette announcing the establishment of the market inquiry at least 20 business days before the market inquiry commences. The Commission has since determined that the FPMI will officially commence on 31 March 2023.



COMPETITION LAW

Commission publishes terms of reference for inquiry into fresh produce market

Clara Hansen and Angelo Tzarevski 16 Feb 2023

The purpose of the FPMI is to examine whether any features in the fresh produce value chain impede, restrict, or distort competition in the market.

"The food and agroprocessing sector has been a priority for the Commission since 2008 due to its significant contribution to the economy broadly and its potential to serve as a driver of inclusive growth in the South African economy.

"It is for these reasons that the Commission, through the FPMI, intends to conduct an inquiry into the fresh produce value chain, in order to understand its functioning and the features, or combination of features, that may be impeding competition and participation," says Commissioner Doris Tshepe.

The market inquiry will focus on particular issues at each layer of the value chain, including the sale of fresh produce by the farmer to the customer (the retailer, processor, or export market).

Three themes have been identified that cover the entire fresh produce value chain. **The themes are as follows:**

- Efficiency of the value chain, with an emphasis on the dynamics around fresh produce market facilities.
- Market dynamics of key inputs and their impact on producers.
- Barriers to entry, expansion, and participation.

Deputy commissioner Hardin Ratshisusu, who will be chairing the inquiry, says: "The main objective of the FPMI is to identify features, or combination of features, that inhibit or distort competition and participation in the fresh produce value chain.

"Where there are competition and/or public interest issues, the FPMI will provide recommendations to foster competition & ensure equitable and meaningful participation in the value chain for the benefit of all stakeholders as well as consumers in the economy."



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Dominique Arteiro 20 Feb 2023



For the purposes of the inquiry, the FPMI will focus on selected fruits and vegetables that are representative of the fresh produce value chain. The identified fruits and vegetables account for at least 70% of the production and sale of these products throughout South Africa. **They are:**

- Five fruits - apples, citrus, bananas, pears, and table grapes.
- Six vegetables – potatoes, onions, carrots, cabbage, tomatoes, and spinach

The Commission has also published the following important documents for the FPMI: Statement of Issues (SOI), guidelines for participation, and the administrative timetable. Members of the public and stakeholders interested in participating in the FPMI are encouraged to visit the Commission's [website](#) to access the abovementioned documents.

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