



competition commission
south africa

Media Statement

For Immediate Release

14 June 2017

MEAT SUPPLIERS IN THREE PROVINCES RAIDED ON SUSPICION OF PRICE FIXING

The Commission is this morning conducting simultaneous search and seizure operations at 13 premises belonging to seven meat suppliers in three provinces, as part of an ongoing investigation into the alleged fixing of prices and trading conditions.

The Commission is probing alleged contraventions of the Competition Act by Karan Beef (Pty) Ltd (Karan Beef), Sparta Foods (Pty) Ltd (Sparta), Chalmar Beef (Pty) Ltd (Chalmar), Beefmaster Kimberley (Pty) Ltd (Beefmaster), Morgan Beef (Pty) Ltd (Morgan), Beefcor (Pty) Ltd (Beefcor), and Fabvleis (Pty) Ltd t/a Midland Meat (Fabvleis).

The companies - operating from Gauteng, the Free State and Northern Cape - are meat suppliers which are also known as feedlots. They purchase weaner calves from farmers in order to bulk feed them in preparation for slaughtering in the production of beef. They also sell beef to wholesale and retail customers.

The meat suppliers are alleged to have entered into an agreement and/or engaged in concerted practices to fix the prices and trading conditions when purchasing weaner calves from farmers. They are also alleged to have an agreement to fix the prices at which they sell meat to wholesale and retail customers.

The meat industry forms an important part of the food sector which is one of the Commission's priority sectors. The Commission remains committed in its quest to fight collusion in the food sector as a whole, as higher prices of food affect the most vulnerable and poor households who spend a disproportionately high percentage of their income on food.

The search and seizure operations are conducted with due regard to the rights of all the affected persons. The Commission obtained search and seizure warrants from the High Court Gauteng Division, Pretoria; the Northern Cape Division, Kimberley; and the Free State Division in Bloemfontein in terms of section 46 of the Competition Act.

Issued by:

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On behalf of: The Competition Commission of South Africa

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