



Media Statement

For Immediate Release

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PROCESSED BEEF COMPANIES TO BE PROSECUTED FOR COLLUSIVE CONDUCT

The Commission has referred to the Competition Tribunal for prosecution beef processing companies, Irvin & Johnson (I&J) and Karan Beef (Pty) Ltd (Karan Beef) for cartel conduct.

The two companies have been charged with dividing markets in the supply of processed beef products such as beef burger patties, steak sizzlers, crumbed beef steaklett, viennas and boerewors.

This follows an investigation initiated by the Commissioner in September 2017, against Karan Beef and I&J for dividing markets by allocating specific type of goods and customers in the supply of processed beef products in contravention of section (4)(1)(b)(ii) of the Competition Act.

The Commission's investigation found that from 2000 until recently, Karan Beef and I&J entered into a manufacturing agreement in terms of which Karen Beef will stop producing certain processed beef products for its own account and produce on behalf of I&J. The agreement further entailed that Karen Beef should not sell certain of its processed beef products to certain customers which were reserved for I&J. This conduct amount to division of markets by allocating specific type of goods and customers which contravene section (4)(1)(b)(ii) of the Competition Act.

Karan Beef has admitted guilty and settled with the Commission, and paid an administrative penalty of Two Million Seven and Hundred Thousand Rand (R2 700 000.00).

The Commission has asked the Tribunal to impose an administrative penalty of 10% of I&J's annual turnover.

[ENDS]

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