



competition commission
south africa

Press Release

For Immediate Release

04 August 2020

**COMPETITION TRIBUNAL CONFIRMS AN ORDER AGAINST CAMBRIDGE FOODS
FOR EXCESSIVE PRICING OF 25KG MAIZE MEAL**

The Competition Commission (Commission) welcomes the decision of the Competition Tribunal on 28 July 2020, that confirms as an order the consent agreement between the Commission and a KZN based company Cambridge Food Jozini, a division of Cambridge Food (Pty) Ltd, and subsidiary of Massmart Holdings Limited. (Cambridge Food Jozini).

In terms of the order, Cambridge Food Jozini has agreed to reduce its gross profit margin on the 25 kg top white maize meal for the duration of the state of the national disaster.

Cambridge Food Jozini has also agreed to donate essential goods to Siyaphambili Qondile Home Based Care Project 1 to the value of R24 947.00 (Twenty-four thousand nine hundred and forty-seven rand).

This follows a complaint received in April 2020 indicating that Cambridge Food Jozini had increased its gross profit margins on the 25 kg top white maize meal during April 2020 in contravention of the Competition Act read together with Regulation 4 of the Consumer Protection Regulations.

The Commission's investigation established that prior to the declaration of a national state of disaster, Cambridge Food Jozini was selling the 25 kg top white maize meal at far lower prices. It was found that in April 2020 the price of the 25 kg top white maize meal was increased by Cambridge Food Jozini from around R129,99 to R159,99 without a corresponding increase in costs.

To date, the Commission has referred and settled 30 COVID-19 related cases to the total value of R15 380 849.58 of which R5 573 380.88 has been donated to the Solidarity Fund. There have also been donations of essential goods to affected communities to the total value of R 551 886.70.

The Commission urges firms to comply with the Competition Act during the state of national disaster and desist from exploiting consumers.

[ENDS]

Issued by:

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