

## **MEDIA RELEASE**

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### **Commission withdraws case against Clover, Ladismith, Nestle and Parmalat**

The Competition Commission has withdrawn its case against Clover Industries Limited and Clover SA (Pty) Ltd, Nestle SA (Pty) Ltd, Parmalat (Pty) Ltd and Ladismith Cheese (Pty) Ltd, the remaining respondents in its long running prosecution of the milk processors that started in December 2006. This prosecution related to, among other allegations, price fixing conduct. Clover applied for leniency in respect of some of these allegations.

The Commission's withdrawal follows the Supreme Court of Appeal's ruling in September 2010 in which it upheld Woodlands Dairy (Pty) Ltd and Milkwood Dairy (Pty) Ltd's objections to the Commission's initiation and investigation. The Appeal Court ruled that the Commission's initiation of an investigation into anticompetitive conduct in the milk industry was unlawful because it did not specify allegations faced by each firm and was not based on a reasonable suspicion that all firms in the industry were engaged in such conduct.

The case pertained to conduct which existed until at least 2006. Dynamics in the milk market have changed since the investigation and referral of this case to the Tribunal. The Commission will continue to monitor developments in the industry to ascertain if there are any current competition concerns. To that end it has put together a team to conduct a scoping exercise to determine the current state of competition in the production and processing stages of the value chain.

ENDS

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