



**competition commission**  
south africa

**Media Statement**

**For Immediate Release**

**15 February 2023**

**COMMISSION PUBLISHES FINAL TERMS OF REFERENCE FOR THE FRESH PRODUCE MARKET  
INQUIRY**

On Tuesday 14 February 2023, the Competition Commission (“Commission”) published the final terms of reference for the Fresh Produce Market Inquiry (“FPMI”) in the Government Gazette in terms of section 43B of the Competition Act 89 of 1998 (as amended). This follows public consultations with industry participants and stakeholders on the draft terms of reference that the Commission published in March 2022.

In terms of section 43B (2) of the Competition Act 89 of 1998 (as amended) (“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 purpose of the FPMI is to examine whether there are any features in the fresh produce value chain that impede, restrict, or distort competition in the market.

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

The Commission has identified three themes 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.*** This theme stems from concerns that the value chain, particularly at the level of the fresh produce market facilities (or “NFPMs”) is inefficient and uncompetitive. A specific focus will be around the competition dynamics prevalent at NFPMs and other contracting means (such as direct contracting by processors, wholesalers, and retailers) which affect competitive dynamics;

- **Market dynamics of key inputs and its impact on producers.** Specific aspects relating to key inputs (such as seeds, fertiliser, and agrochemicals) that will be considered under this theme are concentration levels, price discrimination, buyer power, and exclusivity. This theme is focused on the upper end of the production value chain; and
- **Barriers to entry, expansion, and participation.** Special consideration will be given to the barriers faced by small, medium, and micro enterprises and firms owned or controlled by historically disadvantaged persons. In this regard, and where required, this may include consideration of specific pieces of legislation and the work of other regulatory/governmental bodies within the scope of the inquiry.

In line with section 43B(2B) of the Act, the market inquiry will be chaired by the Deputy Commissioner, Mr. Hardin Ratshisusu.

Further details on the market inquiry will be communicated at the commencement of the inquiry. The Government Gazette notice is available at <https://tinyurl.com/2p83v4w8>.

**[ENDS]**

**Issued by:**

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