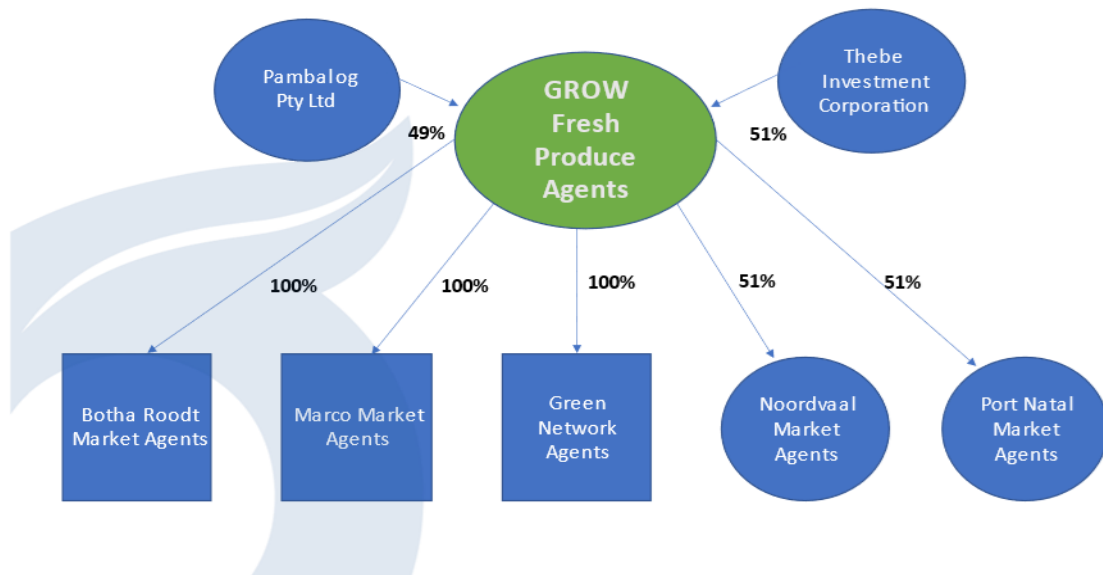


PART III: REQUEST FOR INFORMATION AND DOCUMENTS TO BE SUBMITTED

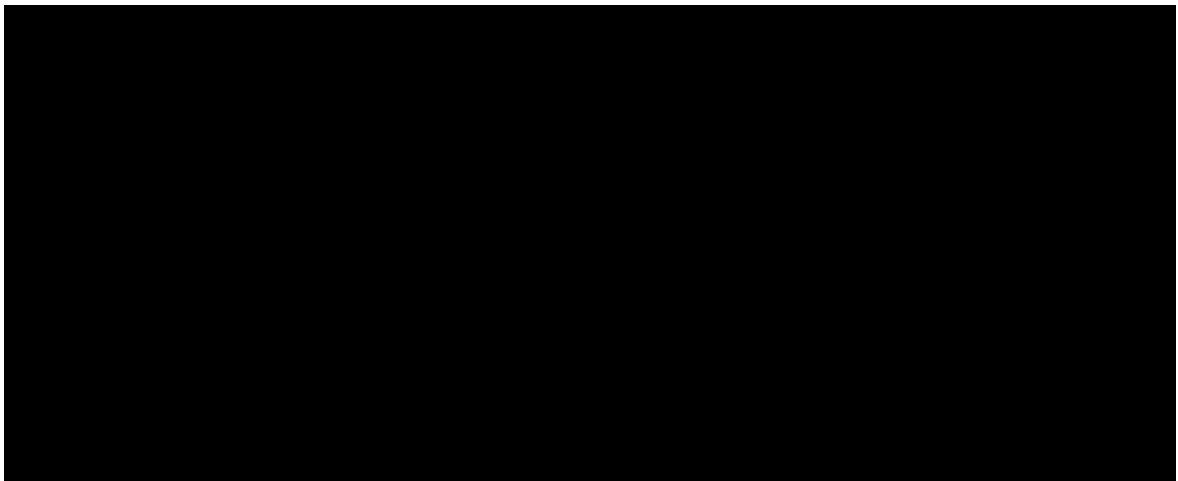
ACCORDINGLY, PLEASE PROVIDE THE FOLLOWING:

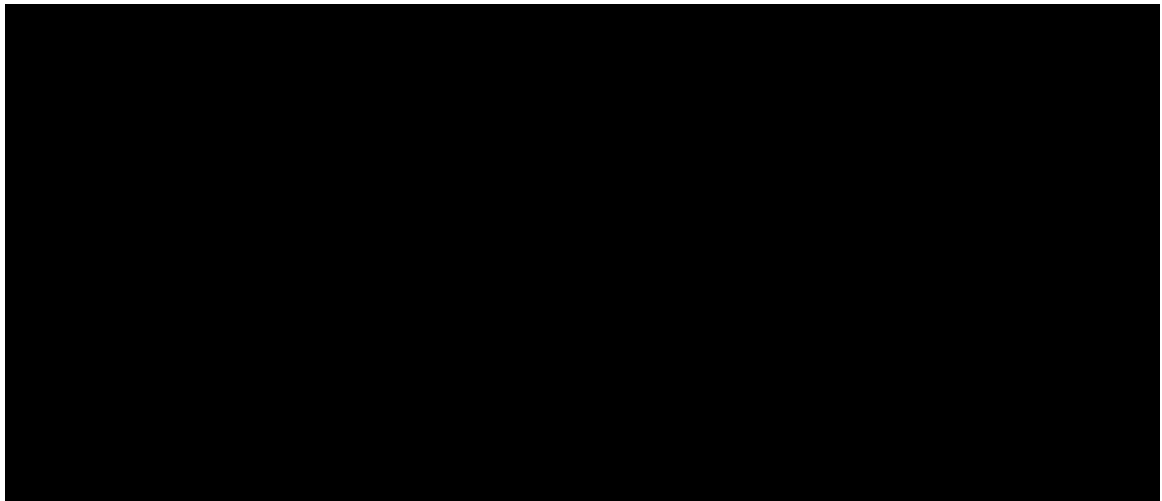
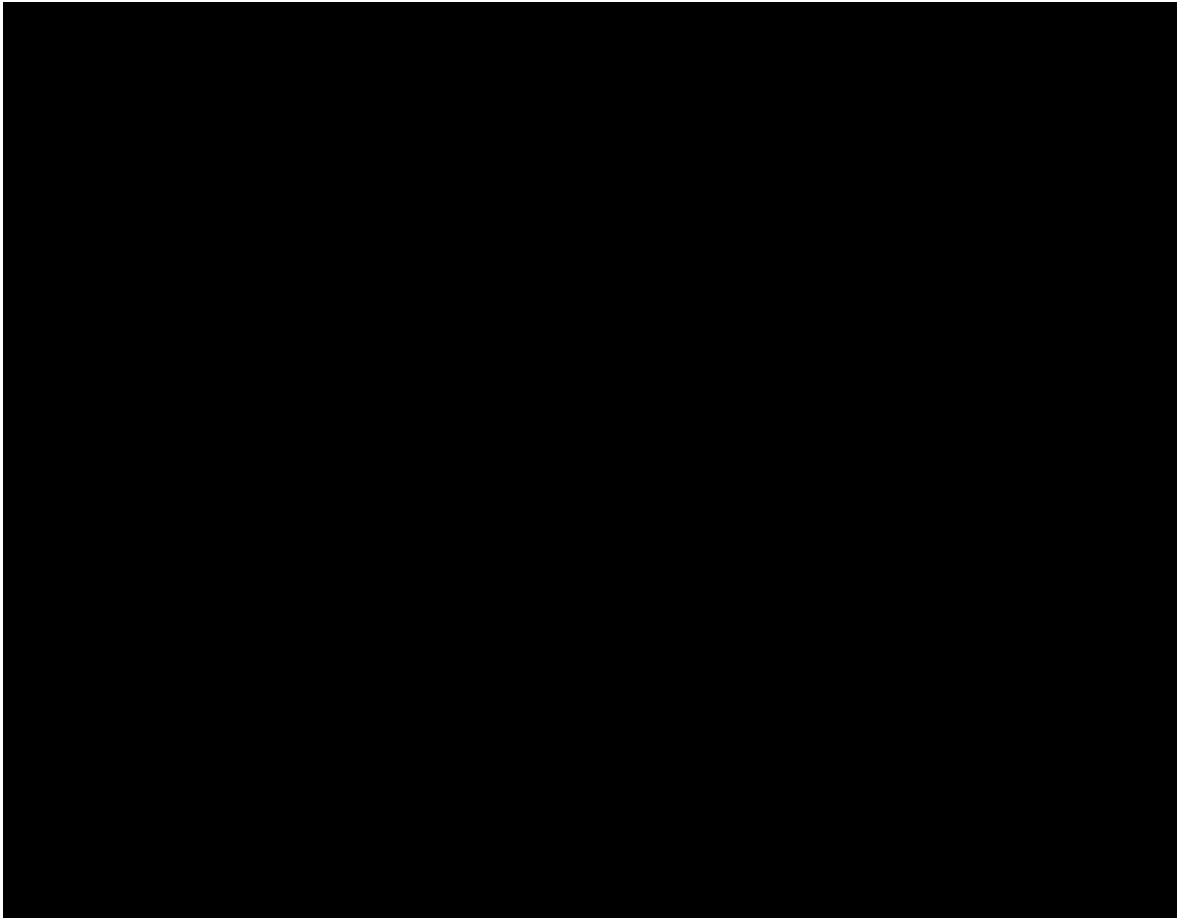
- 1.1. Provide the most recent organogram depicting the companies directly and indirectly controlled by Grow Noordvaal Fresh Produce Agents and all its subsidiaries.

GROW FRESH PRODUCE AGENTS COMPANY STRUCTURE



Grow Noodvaal Fresh Produce Agents does not hold any shares in any other company.



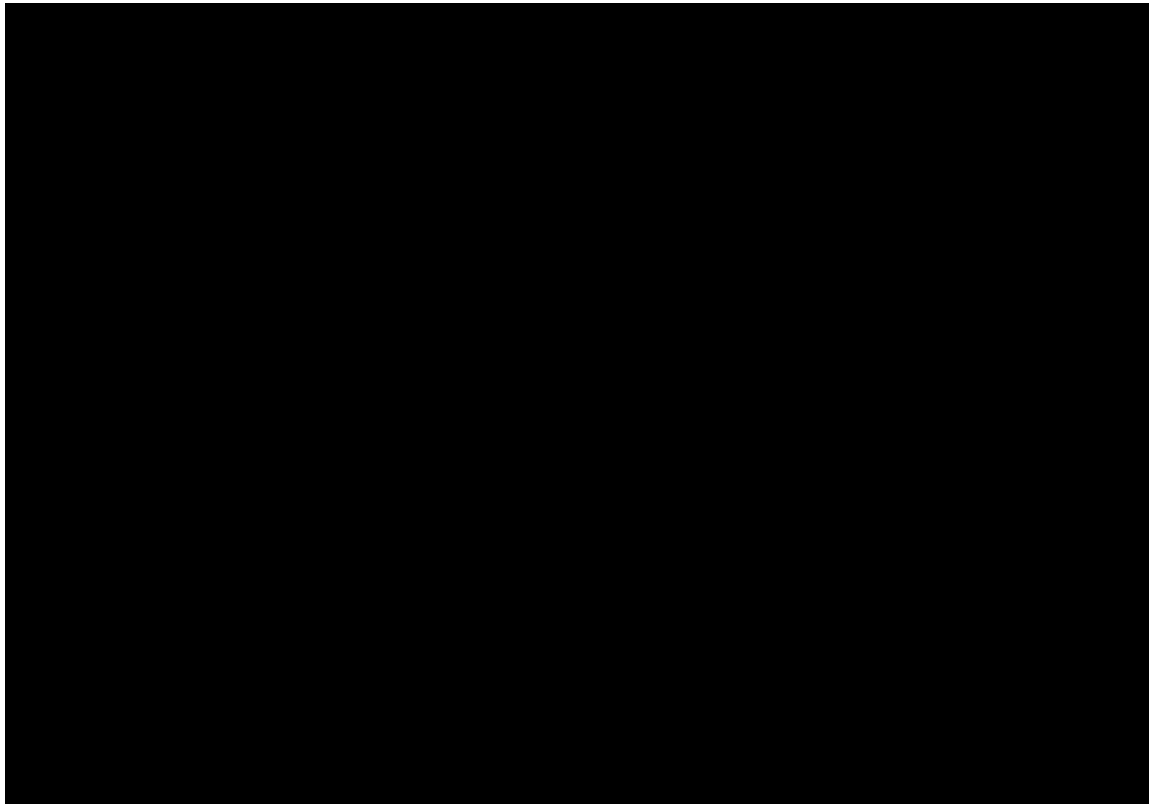


[REDACTED]

[REDACTED]

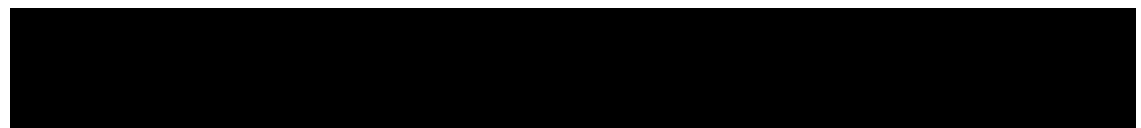
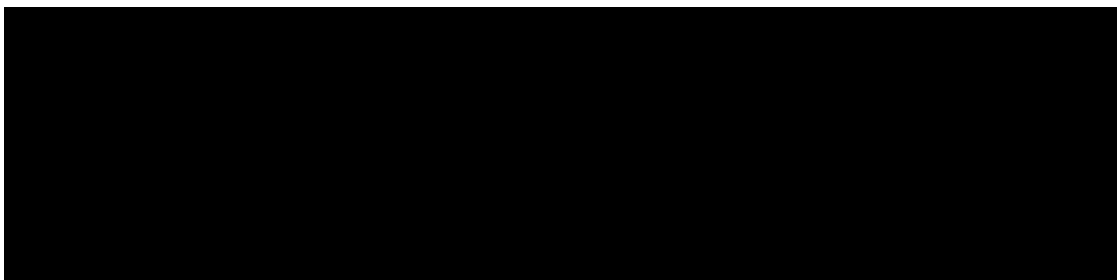
[REDACTED]

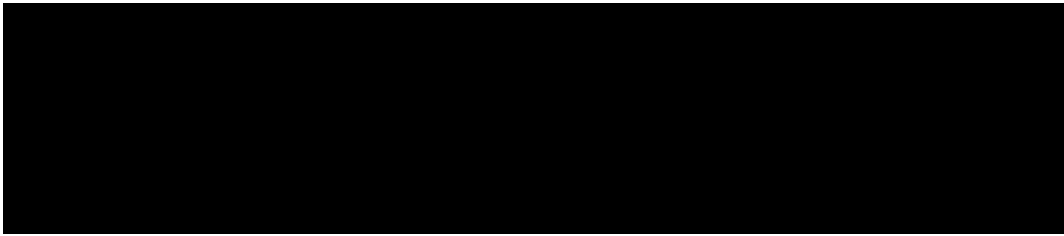
[REDACTED]



1.12. Provide all internally and externally commissioned research and/or studies conducted in the past three years on the consumer side of the business, and the market position of your business relative to competitors. If no such studies exists for the past three years, please provide the most recent study that exists which reflects, on the consumer side of the business, the market position of your business relative to competitors.

Not any of the Grow companies have ever commissioned any research or any studies on the consumer side of business or any studies with regards to our position relative to our competition.





1.15. Provide the pricing model applied by Grow Noordvaal Fresh Produce Agents (if any) including details and research that informs the pricing model.

- The pricing model has been established on the fresh produce markets since inception. This pricing model evolved from an auction model to an out of hand sales model based on supply and demand. This model is highly regulated through legislation, and all agents (Salesman) are registered with APAC and must obtain an APAC certificate through a training and examination process. All Grow Companies apply the same model and supply in house training and mentorship to its new and existing traders. There is no formal research in this regard.
- The pricing model for all agents are the same as price is determined by:
 - o Supply and demand.
 - o Quality of produce.
 - o Branding.
 - o Presentation.
 - o Time of the month, day of the week.
 - o Weather conditions.
 - o Experience of the salesman.

1.16. Provide documentation that shows how Grow Noordvaal Fresh Produce Agents determined its commission rate/fee between 2017 to date.

- o Commission charge is a % agreed with the producer.
- o The following default agreed commission structure is a broad guideline:
 - Palletized Vegetables 7.5%
 - Loose vegetables 8.0% to 9.5%
 - Fruit 7.5%
 - Onions 5.0% - 7.5%
 - Potatoes 5.0% - 6.0%
- o When product is delivered loose, etc. a truck load of 300 loose heads of cabbage arrived at the market:

- Agent needs to employ casual labor to offload.
 - Agent needs to have pallets available to pack the cabbage on.
 - Agent must have wrapping net available to secure the cabbage on the pallet.
 - All the above costs the agent money and therefore the higher negotiated commission is charged.
 - Because potatoes are the largest single commodity and represent 25% to 30% of all sales on markets, lower commission were agreed upon over the years.
- 1.17. Provide the actual remuneration and/or agency agreements between Grow Noordvaal Fresh Produce Agents and its principals as follows, per produce:
- 1.17.1. Provide agreements between Grow Noordvaal Fresh Produce Agents and its top 10 largest farmers; (ito revenue generated).
- Agents do not have any written agreements with their producers.
 - All agreements are verbal agreements and are based on a “Trust Relationship” between the agent and the producer.
 - The free market system in South Africa allows producers to send to any agent at any time at free will. Therefor there are no formal agreements between agents and producers, or agents and buyers.
- 1.17.2. Provide agreements between Grow Noordvaal Fresh Produce Agents and its bottom 10 smallest farmers (ito revenue generated).
- Agents do not have any written agreements with their producers.
 - All agreements are verbal agreements and are based on a “Trust Relationship” between the agent and the producer.
 - The free market system in South Africa allows producers to send to any agent at any time at free will. Therefor there are no formal agreements between agents and producers, or agents and buyers.
- 1.18. Provide research, models and methodologies Grow Noordvaal Fresh Produce Agents uses in the price discovery process.
- No research was done according to my knowledge.
 - The Methodology was explained in answers to earlier

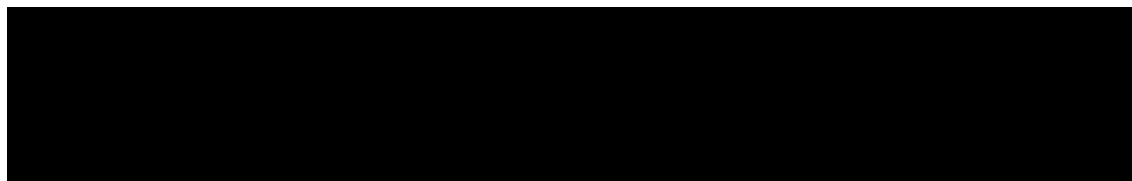
questions as price is discovered based on supply and demand principles. (see 1.15)

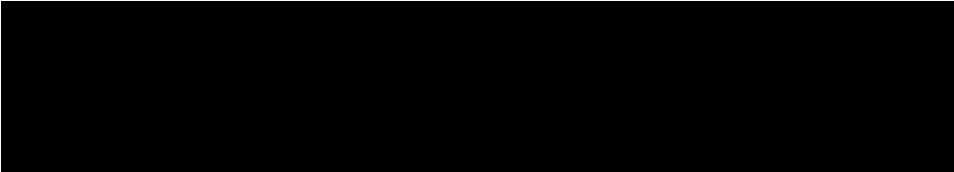
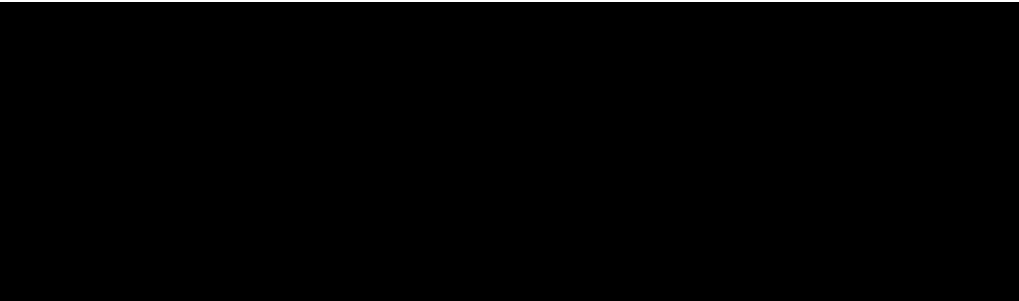
1.19. Provide volumes per commodity that you have sold from HDP owned farms and non-HDP owned farms that Grow Noordvaal Fresh Produce Agents have serviced. Please also provide actual remuneration and/or agency agreements between Grow Noordvaal Fresh Produce Agents and the HDP producers you have serviced as well as any supporting documentation.

- We do not and have never kept records of producers in terms of HDP and Non HDP producers and can therefore not provide the information as requested.
- Registering as a Grow producer does not include the disclosure of being an HDP or Non HDP producer.
- Providing the above information based on surnames would mean that we must make assumptions and would therefore not be accurate.

1.20. If Grow Noordvaal Fresh Produce Agents extends any financial support or credit to farmers/producers, provide the following information for the period 2017 – 2022 at each of the NFPMs where Grow Noordvaal Fresh Produce Agents is operational:

- We do provide financial support to producers in the form of advance payments, normally just before the producer begins with his first delivery to the market.
- These advances are then deducted from the proceeds of the sales of the produce consigned to our agency.
- The amounts we deduct from the proceeds is agreed with the producer in writing as part of the agreement to advance a certain amount of money.



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- 1.20.3. If Grow Noordvaal Fresh Produce Agents extends credit to producers/farmers, buyers and practice reserve buying, provide the rationale and benefits for these practices.
- It is common practice on the markets that buyers place orders for produce with the sales agents in advance.
 - It is important to note that these orders or so-called Reserve Buying is **an informal and verbal transaction** taking place between buyers and agents and is only formalized once the actual transaction is processed on the SPS or Freshmark System.
 - If these orders are seen as reserved buying, then we (Sales agents) do engage in reserve buying.
 - The rationale behind this is to accommodate buyers travelling from far to ensure that they get the product that they need and cover their travel costs,
 - The Further rationale is that a mere price indication is given upon receiving the order, but that the final price is only determined on the morning of the actual sale.
 - The benefit to the buyer is that he in a way secures the required produce.
 - The benefit for the agent is that he can communicate to his producers that he has orders for specific produce and therefore get producers to commit to delivery.

- 1.21. If Grow Noordvaal Fresh Produce Agents extends finance or credit to buyers, provide the following information for the period 2017 – 2022

at each of the NFPMs that the Grow Noordvaal Fresh Produce Agents is operational:

1.21.1. Names of buyers, amount of credit extended, volumes of produce bought, average price of produce, and finance charges (where applicable).

- We do provide credit to certain buyers on the market. It would however be an almost impossible task to provide the information requested due to a lack of resources in our company. The Competition Commission is welcome to send inspectors to our offices to investigate this practice.
- Certain buyers are given credit with specific verbal agreements in place. These agreements regulate their payment terms and normally, no interest is charged.

1.21.2. Provide information pertaining ONLY to the volumes and prices of produce for the same period for all other buyers to whom you did not extend credit or financial assistance.

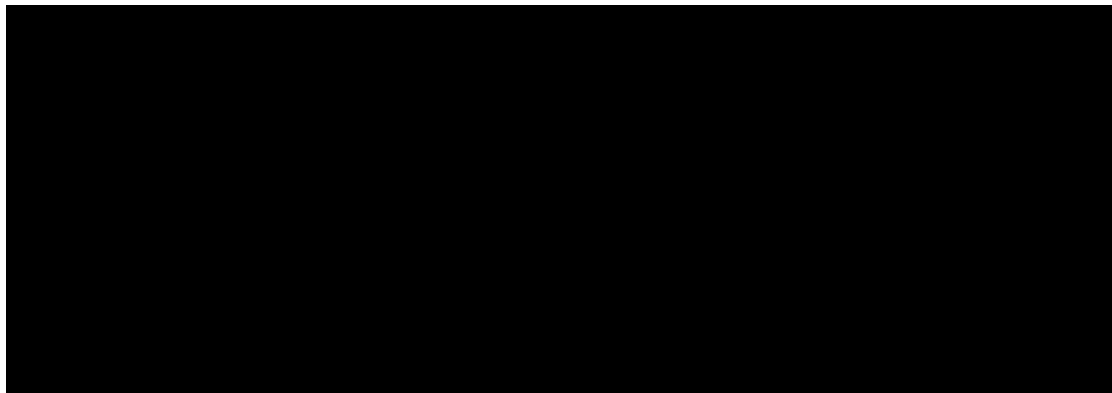
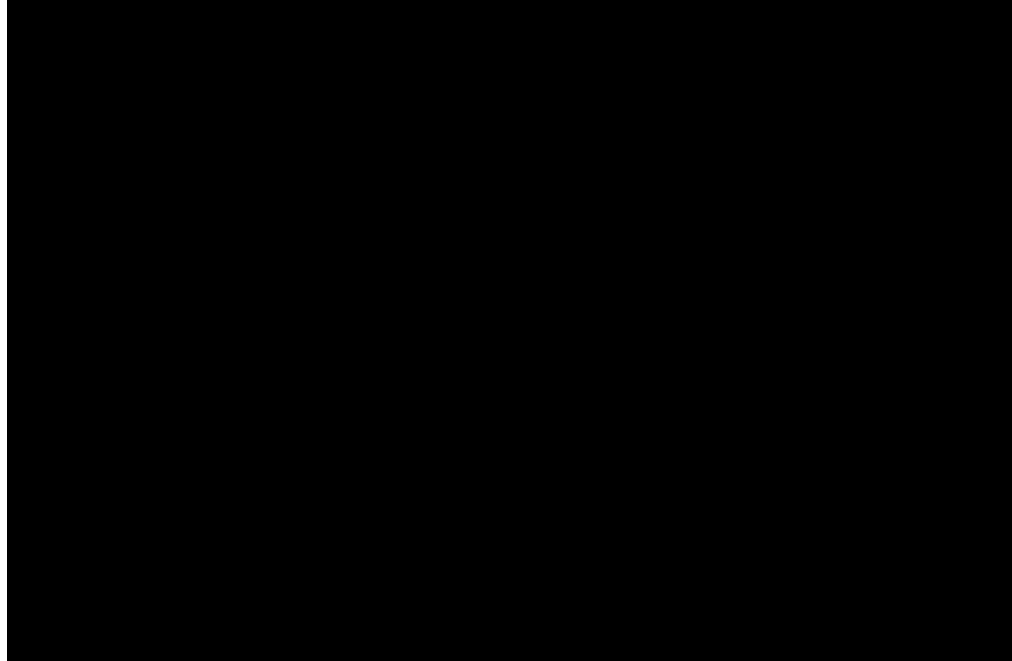
- See my answer under 1.21.1

1.22. If Grow Noordvaal Fresh Produce Agents practices reserve buying, provide the following information for the period 2017 – 2022 at each of the NFPMs that Grow Noordvaal Fresh Produce Agents is operational:

1.22.1. Names of buyers, volumes of produce reserved, names of producers and prices of produce.

- Please see detailed answer given under 1.20.3
- It is important to note that these orders or so-called Reserve Buying is an **informal and verbal transaction** taking place between buyers and agents and is only formalized once the actual transaction is processed on the Freshmark System.
- I can therefore NOT provide names and volumes as requested.

- 1.23. For the period of 3 months in 2021 (January to March), provide a daily log depicting the following information about how Grow Noordvaal Fresh Produce Agents handled the sale of tomatoes:



- 1.25. Provide all agreements concluded between Grow Noordvaal Fresh Produce Agents and retailers and wholesalers, including instances where Grow Noordvaal Fresh Produce Agents is involved in linking buyers (retailers) and growers (farmers) for the period 2017- 2022. In addition, provide documentation detailing:
- o Noordvaal has never entered into any agreements with retailers or wholesalers and has never been involved in linking retailers and growers.

- Noordvaal is an “On Market” market agent and does business on markets only with producers sending produce to the market and with buyers buying on the markets.
- 1.25.1. the identity of these buyers and growers;
See my answer under 1.25.
 - 1.25.2. the selection criteria and appointment process followed in entering into these agreements;
See my answer under 1.25.
 - 1.25.3. the nature and terms of these agreements include exclusivity and or volume commitments;
See my answer under 1.25.
 - 1.25.4. how prices of produce are determined in this arrangement and the role that Grow Noordvaal Fresh Produce Agents plays in this regard and the extent to which the price discovery process at the NFPMs is factored into this process.
See my answer under 1.25.
2. The terms of reference for the FPMI also notes as follows:

“4.28 The FPMI will inquire into the following specific aspects relating to the participation of SMME and/or HDP farmers, where not already covered in the other sections:

4.28.1 Market access;”

ACCORDINGLY, PLEASE PROVIDE THE FOLLOWING

- 2.1. Provide documentation which illustrates any policies/support mechanisms to SMEs and/or firms owned and controlled by historically disadvantaged persons.
 - We do not have any specific written policies or support mechanisms to illustrate support to SMEs or to firms

controlled by historically disadvantaged persons.

- We are however a subsidiary of Grow Fresh Produce agents and Thebe Investment Corporation holds a 51% share in Grow. Thebe therefore expects of us to transform and work towards better levels in terms of our BEE Scorecards every year.
- It is also part of our procurement process to make sure that we do our utmost best to make use of companies that are owned by previously disadvantaged persons.

2.2. Provide documentation which illustrates Grow Noordvaal Fresh Produce Agents' engagement with fresh produce market owners/managers regarding the allocation of floor space at any fresh produce market.

- Every fresh produce market has a "Floor Space Policy."
- In terms of this policy market management then engages with all the agent on that market as a collective, once or twice a year, to discuss calculations made in terms of the policy.
- Based on the performance of each company, in line with the relevant policy, floor space is re-allocated to each agency at that meeting.
- I attach the latest floor space policy for Tshwane market marked as: **11) Floor Space Policy Tshwane Market.**

The documents and information to be submitted in relation to this summons should cover the period 2017 to date, unless otherwise stated, and only pertain to Grow Noordvaal Fresh Produce Agents South African operations, unless stated otherwise.

You are required to produce the documents listed below to the Commission's registry at 77 Meintjies Street, Sunnyside, Pretoria, on or

before 14 DECEMBER 2023.