

REGISTRATION FORM FOR WRITTEN AND/OR ORAL
SUBMISSIONS

Form FPMI 1

About this form

This is a registration form issued pursuant to the Guidelines for Participation in the Fresh Produce Market Inquiry.

The form is to be completed by parties making written submissions and parties wishing to make an oral presentation at a public hearing.

FPMI contact

Tel: 012 394 3200 / 012 010 5499

Email: freshproduceinq@compcom.co.za

Postal address:
The FPMI,
Private Bag x23,
Lynwood Ridge,
Pretoria
0040

Physical delivery:
The FPMI,
The DTI Campus,
Mulayo (Block C),
77 Meintjies Street,
Sunnyside,
Pretoria,
0002

Details of person making submission:

Name and Surname: JOHANNES TSOETSIS

Name of Organisation or Entity: Fresh produce Market Vereeniging

Email address: jothantsoetsis@ecdlibeng.gov.za

Contact number: 0829017591

Physical/Postal Address: Cnr Laaliest. & Beaconsfield

Vereeniging 1939

Could your submission adversely affect any other firm or individual?
Please provide details of such firm or individual:

NO

Does your submission contain any confidential information?

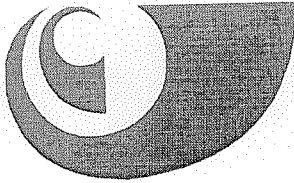
If yes, please also file Form CC7 & its annexure

Yes No

Do you require interpretation services?

Yes No

If yes, please indicate desired language: N/A



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Do you intend to make oral submissions in public hearings?

Yes No

If yes, please provide an estimate of the time required for a public oral presentation (minutes/hours/days): _____

Do you intend to make oral *in camera* (confidential) submissions at the public hearings?

Yes No

If yes, please provide an estimate of the time required for an oral *in camera* presentation (minutes/hours/days) separate from any submissions made in public : _____

N/A

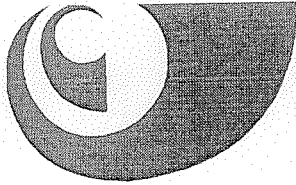
(Please note, the below does not replace written/oral submission and must be completed in addition to any written/oral submissions. The purpose of the below is to provide a brief summary of the main submission).

Main focus/topic of written submission:

NONE

Summary of the written submission:

NONE



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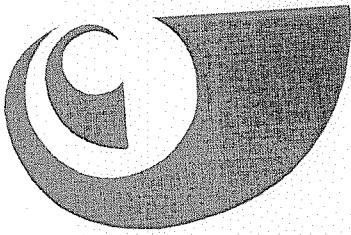
Physical delivery:

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The DTI Campus,
Mulayo (Block C),
77 Meintjies Street,
Sunnyside,
Pretoria,
0002

Main focus/topic of oral submission:

Summary of the oral submission:

Representative authorised to present at public hearings
(name, organisation, designation, contact details):



competition commission south africa

Form CC 7

About this Form

- This form is issued in terms of section 44 (1) of the Competition Act.
- The Commission must treat confidentially any information identified by you in this form, but may refer it to the Competition Tribunal to determine whether the information is confidential in terms of the Act. You will be notified if your claim is referred to the Tribunal.
- Until the Tribunal makes a decision about your information, it will be treated as confidential by the Commission, subject to any public notice requirements set out in the Act or Rules. Please see sections 44, 45 and 45A of the Act.
- Confidential information means trade, business or industrial information that belongs to a firm, has a particular economic value, and is not generally available to or known by others.

Contacting the Commission

The Competition Commission
Private Bag X23
Lynnwood Ridge
Pretoria 0040
Republic of South Africa
tel: 27 012 394 3226
fax: 27 012 394 0166
e-mail: ccsa@compcom.co.za

Confidentiality Claim

To: The Competition Commission and the Competition Tribunal

Concerning:

(Name and file number.)

NONE

On a separate sheet of paper, list the following information, and set out the facts and contentions supporting your claim that the identified information is confidential.

- Column 1 - name of the document that contains the confidential information.
- Column 2 - the page and line number at which the confidential information begins and ends.
- Column 3 - the name of the firm that owns the particular information.
- Column 4 - the nature of the economic value of the information.
- Column 5 - the existing restrictions on access to the information.

Statement of Confidentiality:

I, _____ compiled, or supervised the persons who compiled, the attached list. I believe that the information identified in that list is confidential information as defined in section 1(1) of the Competition Act.

Name and Title of Person authorised to sign:

Authorised Signature:

Date:

For Office
Use Only:

Commission file number:

Date filed:



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 Tel: 011 450 3982 / 01
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 Website: www.sedibeng.gov.za

Fresh Produce Market

To Competition Commission FPM Inquiry as it relates to National Fresh Produce Market (NFPM)
Att Adv Ruan Maré
From Johannes Tsoetsi
Date 08 May 2023
Subject Vereeniging Fresh Produce Market: Reference: 2022APR0051

SECTION C: QUESTIONNAIRE

1. DETAILS OF THE STAKEHOLDER Pg. 32

NOTE: All stakeholders must respond to this annexure if they make a submission in response to the Statement of Issues.

| QUESTION | RESPONSE |
|---|--|
| 1.1. Provide the name of your firm or organisation, a contact person and contact details. | Vereeniging Fresh Produce Market, Johannes Tsoetsi, johannf@sedibeng.gov.za |
| 1.2. Provide a brief description of the activities of your firm or organisation. | <ol style="list-style-type: none"> 2. To provide infrastructure and none infrastructure services to market stakeholders/users. 3. Financial Services. 4. Assurance System for effective consignment control. 5. Market Hygiene Services for effective food safety measures 6. Security services for people, property and products 7. Trade Support Services for effective cold chain management and banana ripening facilities. 8. Positive cash flow for farmers as farmers are required by the APAC Act to be pay within 5 days of the sales proceeds. 9. Price setting mechanisms – Price barometer. 10. Provide point of sale system by Fresh Mark System which most markers use is relatively able to perform all necessary sales functions and meet all requirements. |
| 1.3. Please indicate if you would like your identity to remain confidential and please fully explain the reasons for seeking anonymity. | No |
| 1.4. Explain your understanding of the fresh produce value chain (all levels and players) and indicate where your firm fits within the value chain. | The role played by Vereeniging Fresh Produce Market is to create a platform where sellers and buyers meet to conclude or close a deal on the sale of fresh produce offerings. |

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| | <p>From production areas produce is consigned to a market agent at a market accompanied by consignment delivery notes bearing the name of the producer with consignment numbers. On arrival at the market the market agent count and receives the produce then takes the delivery note to Market's consignment control officers who will then feed or book the stock into the "point of sale" system. Once the produce has been booked into the system the Market Agent can then start selling the produce to the customers, The buyer will book the produce from the market Agent. Before the produce is removed from the Agents' floor the buyer must first go and pay for it at the cash point provided by the Market Authority. From the cash point the buyer will be issued with a "removal note" to be presented to the Market Agents as proof that the produce has been paid for. The Market Agent will then dispatch the produce to the buyer and the produce will be removed from the market by the buyer</p> |
| <p>1.5. Provide a broad overview of the regulatory framework applicable to fresh produce.</p> | <p>As a fresh produce market all produce entering the market is subject to grading or degrading through inspection. Municipal Finance Management Act (MFMA). POPI Act. Market by-laws. Agricultural Produce Council Act of 1992 (APAC).</p> <p>Market by-laws: - These are a set of internal laws that governs the day to day market operation.</p> <p>Municipal Finance Management Act (MFMA): -The MFMA Act aims to facilitate compliance within the municipal environment in regard to municipal finance to ensure that municipalities' priorities, plans, budgets, implementation actions and reports are properly aligned. The Fresh produce Market as one the municipal revenue generation division forms part of municipal revenue collecting entity thus the ACT plays a role in safe guarding revenue collection at the market.</p> <p>Agricultural Produce Council Act of 1992 (APAC):- This act Also applies to all Agricultural products in South Africa. In fresh produce industry it regulates the Market Agents performances, market agent business conduct, Market Agents trust funds, Market Agents registration and training thereof</p> <p>POPI act: - The purpose of the Act is to protect personal information, to strike a balance between the right to privacy and the need for the free flow of, and access to information, and to regulate how personal information is processed. In the Market</p> |

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| | environment there is information that needs to be protected by all means. Information dealing customers finances and farmer as well. Cash that is handled and collected by the market authority. |
| 1.6. What is your experience in dealing with any regulatory body? Kindly provide details of the particular regulatory body/bodies and be as specific as possible | <p>All fresh produce market in South Africa are bound and compelled to observe the following acts: -</p> <ol style="list-style-type: none"> 1. The rules governing the conduct of producer, agents, buyers are Agricultural Product Standards (APS) Act, 1990 (Act 119 of 1990, the Agricultural Produce Agent Council Act 12 of 1992 and Market By Laws that is applied by the municipality to control total daily operations of the market 2. PROKON agency as assigned by DALRRD to perform grade verification inspections and have the authority to downgrade consignments to lower classes. Prokon is not mandated to upgrade a class. The role of Prokon at all national fresh produce markets is to apply the grading standards uniformly so that pricing of graded commodities is relatively uniform at all markets. 3. Inspection of food premises by Municipal Health Department Authority. All food premises including market agent's space and tenant's food premises on the market must have a valid Certificate of Acceptability issued by the Municipal Health Department. 4. (MFMA) the 5% commission charged to farmers on the value of produce sold and the agents charge the farmers 7.5% on the value of produce sold. |
| 1.7. Indicate which level(s) of the value chain is the focus of the submission (i.e. inputs, producers, processing, etc.) | The focus is forever on presenting the market as relevant and preferred distribution channel of fresh produce to potential consumers and producers. |

2. NFPMs AS A ROUTE TO MARKET Pg. 33

NOTE: These questions relate to issues associated with NFPMs. NFPMs, as a route to market, is the platform where trading takes places between producers/farmers and buyers, with various

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other market participants also playing a role.

| QUESTION | | RESPONSE |
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| 2.1. Indicate which level(s) of the value chain is the focus of the submission (i.e. inputs, producers, processing, etc.). | | Producers, processing agents, buyers/customers and upcoming commercial farmers |
| 2.2. Indicate the relative importance of NFPMs as a route to market for producers compared to other direct market platforms (direct contracting with retailers, wholesalers, and processors)? | | Competition for produce on offer is very high and price discovery at markets better suits the farmer and buyers. |
| 2.3. Identify the leading NFPMs as well as the basis for such grading or selection. | | Joburg Fresh Produce Market because of its value proposition on offer and tonnage volumes that are pushed through that Market. Durban FM, Tshwane FM both these market are great in terms of functionality as they are owned by Metro Municipalities that have financial muscles. |
| 2.4. Indicate to what extent wholesalers are operational at the NFPMs? In your response kindly refer to: | 2.4.1. Whether, according to your knowledge, any wholesaler is permitted to operate at the NFPMs and if so on what terms | Not applicable to Vereeniging Market as a small market. |
| | 2.4.2. Whether wholesalers are also mandated to purchase fresh produce from agents or whether they are permitted to buy directly from the producers/farmers | To my knowledge gathered over the years wholesalers are not allowed to source produce direct from producer they have to source produce from the market agent in that particular market they operating from. |
| 2.5. Who is responsible for the logistics costs (including but not limited to: storage, the cold chain, grading and selection, packaging, and transportation) incurred in getting the produce from farm gate to the NFPMs? | | Producers. |
| 2.6. Who is responsible for the logistics costs (including but not limited to: storage, the cold chain, grading and selection, packaging, and transportation) incurred in getting the produce from the NFPMs (after purchase) to the buyer? | | The buyer/ purchaser |
| 2.7. Explain the price setting mechanisms which pertain to the NFPMs. Kindly also address the role of agents in determining the daily spot price for fresh produce. | | The market price is set on a continuous base based on the prevailing supply and demand. The environment within which the price is set is made transparent through a central electronic system. All stock received, and sales transactions are captured and transacted through the central system. The absence of cash further enhances transparency. A cashless environment is created by regulating the deposit of all monies into a central buyer account. Buyers receive an RFID card that is then used to purchase products from the various |

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| | <p>agents. The agent receives and presents the stock within their dedicated sales areas. As the producer's representative, the agent is mandated to sell the produce at the best price possible.</p> <p>Buyers move through the market and engage with agents to purchase the products available. The buyer and agent will negotiate a price and quantity. If an agreement on price is reached, the transaction is captured on the system, and the product is then removed. Once the product is sold, the ownership of the product moves to the buyer. The above price-setting mechanism, as described, is conducted in an open and transparent environment that is fully auditable and traceable. A range of specific legislation, rules and norms governs the mandate and conduct of the agent.</p> |
| <p>2.8. Please explain the role of intermediaries operational at the NE-PMs in relation to grading and quality assurance checks, packaging, weighing, health and safety requirements and certifications, offloading and transportation services and onward logistics services. In your response also refers to the way in which the price of these particular services is determined</p> | <p>The core mandate, function and focus of the agent and the market as a whole is to sell the grower's produce optimally. There are secondary services that are provided to facilitate this mandate. These services range from logistical, standard enforcement, quality certification and value-added services (cold rooms and ripening). These services' extent and exact structure are governed not by rules but by commercial viability. Some of these services are provided by the agent, some by the market and some by intermediaries.</p> <p>Grading and quality assurance: This is performed by a regulatory-mandated entity (Prokon), and also by the internal quality assurance department of a market (if they provide that). The prices are regulated in the case of Prokon, Packaging/Weighing: Physical packaging is provided by third-party packaging material companies. The prices for these are constantly compared as packaging forms a significant portion of the final production costs. The packaging service costs may differ significantly based on the location, cold chain, and specific packaging method. For example, if produce is packed on behalf of a producer, the price of that service is negotiated with the relevant producer. - Health and safety requirements: Certified and registered health and safety professionals provide these services, and the costs are based on the industry norm. The relevant legislation sets the audit and compliance requirements. - Off-loading and transportation services and onward logistics: Agents offer an off-loading service that is generally included in the service fee (commission) charged to the grower. The produce might sometimes require specific manual labour (like off-loading loose produce); in those cases, an off-loading fee will be charged (generally in the form of a higher service/commission). Transportation logistics (to the facility) are generally provided by the producer</p> |

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| | or arranged through a third-party transporter. The rates are constantly compared as transport forms a significant portion of distribution costs. The buyer of the product typically provides forward logistics, but in certain instances, the agent might also deliver. Again, the rates are constantly compared and negotiated as transport costs directly impact the sales margins. Most of the above rates are adjusted on a case-by-case basis due to the cost-sensitive nature of the channel as well as the availability of multiple service providers. |
| 2.9. Do you have any concerns in relation to NFPMs as a route to market? Please explain fully. | None whatsoever |
| 2.10. If you have any concerns in relation to NFPMs as a route to market, kindly provide any potential remedies/suggestions that can address such concern(s) | None |

3. DIRECT CONTRACTING AS A ROUTE TO MARKET Pg. 35

NOTE: Direct contracting entails trading apart from the NFPMs where a producer/farmer produces fresh produce for sale directly to a buyer (usually a retailer, processor or wholesaler). These questions seek to understand the dynamics of such relationships.

| QUESTION | | RESPONSE |
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| 3.1. Indicate which level(s) of the value chain is the focus of the submission (i.e. inputs, producers, processing, etc.). | | Vereeniging Market can't respond to this question rightfully so because these types of transactions takes place outside market system |
| 3.2. Indicate, to your knowledge, the extent to which large scale buyers (such as wholesalers, processors or retailers) contract directly with selected producers for their supply of fresh produce (apart from trading at NFPMs). | | As a Market authority we know that other channels have come into play where produce is sourced from farmers outside market systems by contracting agents and this will be your big Retail chain stores and your private Markets. |
| 3.3. Provide a detailed explanation of the benefits and disadvantages of direct contracting over the use of the NFPMs platform from both the perspective of the buyer and the producer (farmer). In your response indicate: | 3.3.1. To what extent contracted buyers still purchase from NFPMs and under what conditions? | The disadvantage is that private contracting erodes business away from Markets and has taken place in a large scale in recent years because of quality. In the last 30 years or so, direct trading has increased significantly mainly due to the lack of capital investment into NFPM infrastructure and NFPM failure to meet industry requirements. The value chain above under point 3.3.1., shows that direct trading is larger than produce consigned to NFPM. Direct trading constitutes 24% of produce sold by direct contracting and NFPM is at 22%. Therefore direct trading has a negative impact on NFPM growth and sustainability. |

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| | | The benefit to some contracting agents who still buy/support the markets are who love the price discovery mechanism markets presents to them and nothing else. |
| | 3.3.2. To what extent contracted producers still sell fresh produce at the NFPMs? | They do supply markets but with reduced volumes. Their more focus is export markets because 1 st grade products is send outside the country where they getting more money because of the stronger currencies of those countries they exporting to. |
| | 3.3.3. The reasons why these buyers and powers have opted to no longer use the NFPMs platforms; | Most of the contracting buyers and growers they target export market. The rise of technology trading platforms in the world is perhaps at its highest point and the growth of this platform is inevitable, On-line platforms for purely fresh produce has been established in South Africa, however these platforms seldom have the complete fruit and vegetable basket and therefore the "order fulfilment" rate tends to be low to customers. Therefor buyers are still depended on NFFPM to purchase the complete fruit and vegetable basket. |
| | 3.3.4. What it will take for these contracted buyers and producers to consider using the NFPMs platforms for the buying and selling of fresh produce? | <p>Direct channels have different payment period from 30 days and above whereas most markets payment channels pays producers within 5 days thereby making a valuable contribution to the farmer's positive cash flows</p> <p>Markets to create conducive market environment, user friendly facilities, one stop shop for market users, electronic product display systems, Free Wi-Fi connection for market buyers. And well maintained top class facilities with restaurants.</p> <p>Consider market access for all agriculture commodities inside the market.</p> |
| | 3.3.5. Who is responsible for the logistics costs (including but not limited to: storage, the cold chain, grading and selection, packaging, and transportation) incurred in getting the produce from farm gate | This question is twofold. If the agreement from farm gate to the market it's the farmer but to distribution centres sometimes it can be the contracting agent or the farmer. |

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| | to the agreed destination (e.g. distribution centres); | |
| 3.4. Do you have any concerns in relation to direct contracting? Please explain fully | Yes, I do because that action by farmer and contracting agent has taken business away from the markets. In the last 30 years or so, direct trading has increased significantly mainly due to the lack of capital investment into NFPM infrastructure and NFPM failure to meet industry requirements. This degeneration of infrastructure at Market has triggered the erosion of business away from NFPM's. Therefore direct trading has a negative impact on NFPM growth and sustainability. That's when Markets started to see the mushrooming of private markets coming into existence. | |
| 3.5. If you have any concerns in relation to direct contracting, kindly provide any potential remedies/suggestions that can address such concern(s). | In today's times any oiled business must have a plan for "Business Continuity" and provide guarantees to its customers; If a market can temporarily closed markets should provide temporary remote access to the onsite REFRESH systems. Configuring markets and Agents staff to access systems remotely. This will allow for the continuation of business during short term or partial disruptions and in a situation where the market servers and connection to the outside are secure and stable. Long term disruptions or relocations in more extreme cases we would need to consider looking at a cloud based system. This allows for continuity, albeit with a disconnect from the "live" | |

NOTE: These questions seek to explore the dynamics at play in the provision of key inputs in the production of fresh produce. For purposes of the Inquiry and this questionnaire, key inputs are limited to seeds, fertilisers and agrochemicals (herbicides, pesticides and fungicides).

| QUESTION | | RESPONSE |
|---|--|--|
| 4.1. Explain your understanding of the value chain for agricultural inputs and the various activities of the key role players at the different levels. | | Can't response outside my scope of competency. |
| 4.2. Identify the leading manufactures and/or suppliers of the following agricultural inputs: seeds, fertilisers, agrochemicals (herbicides, fungicides and pesticides), including their relative size based on value of sales, volumes and revenues | | Can't response outside my scope of competency |
| 4.3. What are the barriers to entry for input suppliers? In your response, please refer to: (a) capital and infrastructure costs; (b)time required to recoup the costs of investment; (c) other sunk costs; and (d) scale economy advantages | | Can't response outside my scope of competency |
| 4.4. Provide a broad overview of the role cooperatives play in markets for fresh produce. In your response kindly refers to the ability of cooperatives to: (a) lower costs for small scale growers; (b) create access to markets for small scale growers; and (c) ensure better pricing and negotiating power with buyers. | | With my little knowledge in this regard small scale farmer find it hard to keep up with high cost of fertilizers and pesticides to produce quality produce for this highly competitive industry. |
| 4.5. In relation to producers/farmers as customers of agricultural inputs, to what extent has changes in climate conditions impacted on: | 4.5.1. The need to source more (or less) complex agricultural inputs; | Can't response outside my scope of competency |
| | 4.5.2. The increase/decrease in costs of agricultural inputs, particularly for small holder farmers; | Can't response outside my scope of competency |
| | 4.5.3. The extent to which access to improved seeds and intellectual property around seed varieties may have created market barriers and higher input costs for smaller farmers and growers; and | Can't response outside my scope of competency |
| | 4.5.4. The extent to which access to more | Can't response outside my scope of competency |

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| | advanced fertilisers, agrochemicals herbicides, fungicides and pesticides), and farming equipment may have created market barriers and higher input costs for smaller farmers and growers. | |
| 4.6. Do you have any concerns in relation to key agricultural inputs? Please explain fully. | | Can't response outside my scope of competency |
| 4.7. If you have any concerns in relation to key agricultural inputs, kindly provide any potential remedies/suggestions that can address such concern(s). | | Can't response outside my scope of competency |

5. BARRIERS TO ENTRY - MARKET ACCESS Pg. 37

NOTE: These questions are aimed at exploring challenges faced by SMEs and/or HDPs farmers relating to accessing the fresh produce value chain (whether through NFPMs, direct sales to retailers/processors/wholesalers, informal markets or any other route to market). Please refer to the Statement of Issues for which firms qualify as SME and/or HDP.

| QUESTION | RESPONSE |
|--|---|
| 5.1. Have you experienced barriers to entry? If so, please detail your experience | Not applicable to market authority |
| 5.2. Which channels (or routes to market) do you use when selling your produce, e.g. NFPM, direct to a retailer/processor/wholesaler, informal traders/markets etc.? If you use multiple channels, kindly indicate the proportion in which each is used. | Not applicable to market authority |
| 5.3. What is your preferred channel to sell into and why? | The rise of technology trading platforms in the world is perhaps at its highest point and farther growth of this platform is inevitable. On-line platforms for purely fresh produce has been established in South Africa, however these platforms seldom has the complete fruit and vegetable basket and therefore the "order fulfilment" rate tends to be low to customers 15 or businesses dealing purely with fruit and veg. Therefore buyers are still depended on NFPM to purchase the complete fruit and vegetable basket |
| 5.4. Explain in detail the factors that contribute to the apparent lack of small-scale farmer participation in direct contract farming? | Not applicable to market authority |

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| 5.5. What impact, if any, does the ability to contract (directly) with retailers/wholesalers/processors have on small-scale farmers' ability to expand in the market? If you have direct experience, kindly relate your experience. | Not applicable to market authority |
| 5.6. Explain the extent to which contract terms advantage small-scale farmers' effective participation in the fresh produce value chain? | Not applicable to market authority |
| 5.7. Explain the extent to which contract terms disadvantage small-scale farmers' effective participation in the fresh produce value chain | Not applicable to market authority |
| 5.8. Explain how contracting requirements (such as quality control standards, packaging, grading, cold chain requirements, (minimum/maximum) volumes, security of supply, transportation to the distribution centres or any others) affect SME/HDP farmers? | Not applicable to market authority |
| 5.9. In your view are the standards imposed by industry (quality) regulators and industry associations fair and non-discriminatory to SME/HDP farmers? Briefly explain and provide evidence where applicable. | Not applicable to market authority |
| 5.10. What is the significance (if any) of the use of levies and rebates by industry associations for small-scale farmers' participation in the fresh produce value chain? | Not applicable to market authority |
| 5.11. What are the local and international pricing dynamics that affect farmers? How can these factors be managed best (if at all)? | Not applicable to market authority |
| 5.12. What has been your experience in trading at NFPMs (whether positive or negative)? Kindly provide detail. | Not applicable to market authority |
| 5.13. What has been your experience in contracting directly with retailers/wholesalers/processors (whether positive or negative)? Kindly provide detail. | Not applicable to market authority |
| 5.14. Has there been explicit efforts from public sector institutions (i.e. government) to lower barriers to entry, expansion and participation for SMMEs and HDPs in the fresh produce sector? | Not applicable to market authority |
| 5.15. Has there been explicit efforts from private sector institutions (e.g. companies or associations) to lower barriers to entry, | Not applicable to market authority |

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| expansion and participation for SMMEs and HDPs in the fresh produce sector? | |
| 5.16. Do you have any concerns in relation to accessing the fresh produce value chain? Please explain fully. | Not applicable to market authority |
| 5.17. If you have any concerns in relation to accessing the fresh produce value chain, kindly provide any potential remedies/suggestions that can address such concern(s) | Not applicable to market authority |

6. BARRIERS TO ENTRY – DISCRIMINATION FOR INPUTS Pg. 40

NOTE: These questions seek to understand if SME or HDP buyers (such as farmers) face discrimination when purchasing their inputs. The discrimination may relate to the different prices or other trading terms or conditions.

| QUESTION | RESPONSE |
|--|--------------------------|
| 6.1. Do you have any suggested remedies/solutions to the issues which have been identified in the statement of issues in relation to the market access as a barrier to entry for SMEs and/or HDPs? Please explain fully. | Not for Market authority |
| 6.2. Do small-scale farmers have access to similar trading terms (e.g., quality, price, discount, rebates etc.) as those of large-scale farmers? In your explanation, provide supporting documents | Not for Market authority |
| 6.3. What are the most favourable terms offered by key input suppliers to large-scale farmers that may not be accessible to small-scale farmers? | Not for Market authority |
| 6.4. Are there any instances where a small-scale farmer was unfairly priced for a specific input? If so, briefly explain and provide evidence where applicable. | Not for Market authority |
| 6.5. What are the justifications for asking different prices or trading terms to small-scale farmers? | Not for Market authority |
| 6.6. Are there any barriers that emanate from the pricing dynamics across the input level of the fresh produce sector? | Not for Market authority |
| 6.7. Is there a role for co-operatives in the input level of the fresh produce value chain? If so, briefly describe the importance of co-operative in the fresh produce value chain. | Not for Market authority |
| 6.8. Do you have any concerns in relation to the pricing/other trading conditions of the purchase of inputs? Please explain fully. | Not for Market authority |

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| 6.9. If you have any concerns in relation to the pricing/other trading conditions of the purchase of inputs, kindly provide any potential remedies/suggestions that can address such concern(s) | Not for Market authority |
|---|--------------------------|

7. BARRIERS TO ENTRY – DISCRIMINATION FOR OUTPUTS Pg. 41

NOTE: These questions seek to understand if SME or HDP sellers (such as farmers) face discrimination when selling their goods. The discrimination may relate to the different prices or other trading terms or conditions.

| QUESTION | RESPONSE |
|--|---|
| 7.1. Are there any unfair pricing dynamics or other unfair trading conditions in the level of value chain that your firm operates at? | None |
| 7.2. What are the alternative routes to market available to small-scale farmers to market or sell their fresh produce? Briefly explain these channels, your answer must specify the positives and negatives of each channel. | The open channels to small scale farmers to access markets is to approach market agents on Market trading floor and strike a deal of the supply or produce is going to reach the market and agree on terms and condition of such contract. The negative in most cases for small scale farmer is transport and logistical packaging. |
| 7.3. Describe the nature of the negotiation process between the buyer (be it wholesaler, processor, retailer or other buyer) and SME/HDP sellers (farmers)? | Can't response to this question |
| 7.4. What could be the reasons, in your view, for the apparent significant price differences for fresh produce at NFPMs versus at the retail level? | Payment method differs greatly because markets pay farmers in 5 days but some retailers pay on 30 days contracted. |
| 7.5. Do you have any concerns in relation to the prices/other trading conditions that large purchasers demand from you? Please explain fully. | No, such price negotiations takes place between the agent and buyers and market authority is not part thereof. |
| 7.6. If you have any concerns in relation to the prices/other trading conditions that large purchasers demand from you, kindly provide any potential remedies that can address the concern(s)? | None, as it does not happen between the market authority but between the buyer and the market agent |

8. BARRIERS TO ENTRY – ACCESS TO FINANCIAL SUPPORT Pg. 42

NOTE: These questions seek to understand the barriers faced by SME or HDP producers in Relation to accessing financial support (in whatever form such as bank loans or other credit,

development finance, micro-loans, mortgages etc.).

| QUESTION | RESPONSE |
|--|---|
| 8.1. Provide a description of funding markets and financial support available to fresh produce small-scale farmers. | Vereeniging Market does not provide direct financial support to emerging farmers. However, it does provide non-financial support to farmers such as stakeholder engagements and visits, workshops on market access, farmers' development support in the form of market industry information. |
| 8.2. What has your experience been in accessing (or seeking to access) financial support? Were such efforts successful or not? Kindly provide detail. | Can't respond |
| 8.3. If you were unable to access financial support, how did it impact your business. Kindly provide detail. | The market's role is to provide a platform for the trade of fresh produce does not have the blended financial support for small commercial farmers. We believe that the department of agriculture is best placed to give more input on the use of the blended financial model. |
| 8.4. From your viewpoint does the current design of funding (funding markets and financial support) models promote entry and economic participation of small-scale farmers? Briefly explain and provide evidence where applicable. | VFPM can't respond to these financial models |
| 8.5. In your view is the cost of finance/funding prohibitive or discriminatory to small-scale farmers? Please elaborate on your answer and provide evidence where applicable | Providing security for funding remains a major stumbling block. Funders must be prepared to share risk in allocating loans to small farmers. From national government a fidelity fund should be created to cover the main capital amount for such funding for small scale farmers. Such funding should be obtained from a National capitalisation arrangement funded from annual agricultural budgeting and the fund can be further strengthened through the inclusion of a relatively small levy on loans as well as monies emanation from donors. |
| 8.6. Do you have any concerns in relation to accessing finance? Please explain fully. | Not for VFPM |
| 8.7. If you have any concerns in relation to accessing finance, kindly provide any potential remedies that can address the concern(s)? | Not for VFPM |

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NOTE: These questions seek to understand the barriers faced by all producers in relation to water resources. This question is not limited to the impact on SME and/or HDP farmers, but all farmers (whether small or large). Where such distinction may alter your answer however, it is important to indicate it and explain why it would make a difference.

| QUESTION | | RESPONSE |
|--|---|-----------------------------|
| 9.1. What challenges if any, are faced by farmers in accessing water rights specifically aimed at agricultural waterworks and irrigation? | | Not for the VFPM competency |
| 9.2. Explain the infrastructural and capital requirements in relation to accessing water rights (e.g. such as storage facilities or land)? | | Not for the VFPM competency |
| 9.3. What are the alternatives available to farmers in case of water supply shortages or an otherwise inability to secure supply from the State. What are the cost implications for such alternatives? | | Not for the VFPM competency |
| 9.4. What is your annual water bill for your operations? Kindly also indicate the following in your response: | Not for the VFPM competency | Not for the VFPM competency |
| | Not for the VFPM competency | Not for the VFPM competency |
| | 9.4.3. How significant is your water cost relative to other costs associated with operating a farming business (if possible provide a percentage relative to total cost). | Not for the VFPM competency |
| 9.5. What is the application process faced by small-scale farmers in securing an adequate supply of water resources for their farming operations? | | Not for the VFPM competency |
| 9.6. Do you (irrespective of whether you are an SME or HDP) have any concerns in relation to accessing water? Please explain fully. | | Not for the VFPM competency |
| 9.7. If you have any concerns in relation to accessing water, kindly provide any potential remedies that can address the concern(s)? | | Not for the VFPM competency |

NOTE: These questions provide an opportunity to make submissions that are not covered by any of the preceding annexures. Give the general nature of the questions, kindly be as specific as possible in your response.

| QUESTION | RESPONSE |
|--|---|
| 10.1. Are there any other features of the fresh produce sector which, in your view, may impede, restrict or distort competition and which has not been raised in the questions above? If so, please provide details as to the feature and the relevance for the Inquiry. | None |
| 10.2. In relation to any features identified in the previous question, do you have any suggested remedies/solutions which may adequately address the issue(s)? Kindly provide detail. | None |
| 10.3. Are there any other submissions you would like to make that are of a general nature? Kindly indicate the relevance of any such submissions for the Inquiry. | It is no doubt that markets are caught up between a rock and hard place. Market managements and municipal councils who own National Fresh Produce Markets have to set markets free from municipal bureaucratic systems if markets have to survive the tide of change in the supply of food in South Africa. If this freedom can't be archived privates markets will continue to erode business from the national fresh produce markets (NFPM). The high input costs for farmers and fuel/diesel increases has in a way compelled or push farmers to diversify to high value commodity such as soy beans and thus reducing the production of fresh produce |



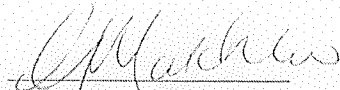
| QUESTION NO | COMPLETED Yes or X |
|-------------|-------------------------|
| Question 1 | Yes |
| Question 2 | Yes |
| Question 3 | Yes |
| Question 4 | X |
| Question 5 | X only responded to 5.3 |
| Question 6 | X |
| Question 7 | Yes |
| Question 8 | Responded partly |
| Question 9 | X |
| Question 10 | Yes partly |

Compiler:



Johannes Tsotetsi
Director: FPM

Date: 10/08/2023



Gregory Makhubo
Executive Director: SPED

Date: 12/08/2023

Motsumi Mathe
Municipal Manager

Date: _____