

NOTICE 837 OF 2006**COMPETITION COMMISSION****NOTICE OF AN EXEMPTION GRANTED IN TERMS OF SECTION 4a OF THE COMPETITION ACT, 89 OF 1998 (AS AMENDED): CITRUS PRODUCERS FORUM.**

Notice is hereby given in terms of section 10(7) of the Competition Act 89 of 1998, as amended ("the Act") that the Competition Commission ("the Commission") decided on 14 June 2006 to grant the Citrus Producers Forum ("CPF") a category exemption.

CPF is a voluntary association of citrus fruit producers and consists of a group of citrus fruit producers from the Western Cape and the Vaalharts/Hartswater areas (which are parts of the Northern Cape).

The members of CPF produce, pack and export citrus fruit to the United States of America ("USA"). CPF's activities include the limitation of the quantity of citrus fruit to be exported to the **USA** by allocating maximum quotas per producer. CPF members **also** collect and exchange market related information. Such information includes weekly average prices of citrus fruit in the USA. Further, **CPF** also fixes the minimum export prices of citrus fruit that is exported to the **USA**.

The above conduct is prohibited by section 4(1)(b)(i) of the Act. The exemption was granted under section 10(3)(b)(i) of the Act. Section 10(3)(b)(i) provides that the Commission may *exempt* from Chapter 2 of the Act an agreement/category of agreements or practice/practices that contribute to the maintenance or promotion of exports.

The Commission is satisfied that the agreement referred to above is necessary for the promotion of the export market for citrus fruit to the USA.

The exemption is granted for a period of five years, beginning 1 July 2006 and until 30 June 2011 and is subject to the following conditions:

1. The methods of allocating fruit quotas should not prejudice small producers and should therefore be fair and equitable in all respects. The Commission should approve the agreed method before its implementation or amendment;
2. The updated membership of CPF should be submitted to the Commission on an annual basis;
3. The exemption relates to citrus fruit exported to the **USA** market only. CPF shall not exchange any information or allocate quotas in respect of the South African market, or **any** other market, for the sale of citrus fruit;
4. Any amendment, or addendum, to the Western Cape Citrus Producers Forum Agreement, submitted to the Commission in support of CPF's application for exemption, and/or any other agreement entered into by

CPF relating to the export of citrus fruit to the USA, shall not be of any force and effect until approved by the Commission: and

5. As the exemption is granted on the basis of the facts put forward by CPF, should the said facts and circumstances change materially the Commission should be immediately notified so that the exemption may be re-evaluated in light of the new facts/circumstances.

Please take notice further that in terms of section 10(8) of the Act, any other person with a substantial financial interest affected by this decision of the Commission, **may appeal** this decision to the Competition Tribunal in the prescribed manner within 20 business days after the date of publication of this notice in the Government Gazette.

Reference Case number: **2005SEP1851**
