

NOTICE 856 OF 2013**COMPETITION COMMISSION****APPLICATION FOR AN EXEMPTION**

Notice is hereby given in terms of section 10(6) of the Competition Act, No. 89 of 1998, as amended ("the Competition Act"), that the Southern Africa Milk Co-operative Limited ("Samilco") has applied to the Competition Commission ("the Commission") to be exempted from the provisions of Chapter 2 of the Competition Act. Samilco is an agricultural co-operative established in terms of the Co-operatives Act, No. 91 of 1981. Samilco represents approximately 250 dairy farmers located in the Southern Cape, Eastern Cape and Western Cape.

Samilco seeks to be permitted to engage in the practice of collective bargaining. This includes price discussions and/ or negotiations with milk processors, for the benefit and on behalf of its members. This conduct may amount to the practice of directly or indirectly fixing of selling prices, in contravention of section 4(1)(b)(i) of the Competition Act.

Samilco has filed two exemption applications in terms of which it seeks the Commission to exempt its practice of collective bargaining, on the grounds set out in sections 10(3)(a) and (b)(ii) & (iv) of the Competition Act. Section 10(3)(a) and (b) (ii) & (iv) of the Competition Act state the following:

"The Competition Commission may grant an exemption in terms of subsection (2)(a) only if-

- (a) any restriction imposed on the firms concerned by the agreement or practice concerned, or category of either agreements or practices concerned, is required to attain an objective mentioned in paragraph (b); and*
- (b) the agreement or practice concerned, or category of agreements or practices concerned, contributes to any of the following objectives:*
 - (i) ...; or*
 - (ii) promotion of the ability of small businesses...to become competitive; or*
 - (iii) ...; or*

(iv) the economic stability of any industry designated by the Minister, after consulting the Minister responsible for that industry.”

In accordance with section 10(6) of the Competition Act, notice is hereby given of the abovementioned exemption applications to allow interested parties to make written representations to the Commission as to why the exemption/s should/ should not be granted. All representations must reach the Commission within 20 business days from the date of the publication of this notice.

Such representations should be directed to:

Mr Ronald Rateiwa/ Ms Refiloe Sesele
Competition Commission of SA
Enforcement and Exemptions Division,
Private Bag X23,
Lynnwood Ridge, 0040
Email: RonaldR@compcom.co.za / RefiloeS@compcom.co.za
Tel: [\(012\) 394 3276](tel:(012)3943276)/ [\(012\) 394 1009](tel:(012)3941009)