

ECONOMIC DEVELOPMENT DEPARTMENT**NOTICE 3 OF 2016****NOTICE OF THE APPLICATION FOR AN EXEMPTION IN TERMS OF SECTION 10(3)(b)(i) OF THE COMPETITION ACT 89 OF 1998: WESTERN CAPE CITRUS PRODUCERS FORUM, CASE NUMBER: 2015OCT0555**

1. Notice is hereby given in terms of section 10(6)(a) of the Competition Act, No 89 of 1998, as amended ("the Act") that the Western Cape Citrus Producers Forum ("the WCCPF") has applied to the Competition Commission ("the Commission"), in terms of section 10(3)(b)(i) of the Act, to be exempted from certain provisions of Chapter 2 of the Act. The basis for which the exemption is being sought is that it contributes to the maintenance or promotion of exports.
2. The WCCPF is a voluntary association of approximately 230 citrus fruit growers from the Western Cape and certain parts of the Northern Cape regions of South Africa that are eligible to export summer citrus fruit to the United States of America ("USA"). The objective of the WCCPF is to collectively ship, promote; facilitate logistical, marketing and sales support coordination for the export of their members' products to the USA.
3. The Commission has previously granted WCCPF an exemption in terms of section 10(3)(b)(i) of the Act. The first exemption was granted on 1 July 2006, ending 30 June 2011. The second exemption was granted on 17 August 2011, ending 30 June 2016. The new application is brought in anticipation of the expiry of the current exemption.
4. Specifically, the WCCPF has requested that it be permitted to engage in the following activities to achieve its objective-
 - 4.1. Coordination between producers to ensure compliance with the stringent quality and phytosanitary standards necessary for exportation to the USA;

- 4.2. Co-ordination and allocation of volumes and specific types of cultivars of citrus fruit to be exported at specific times to the USA by each of its producer members;
 - 4.3. Circulating information amongst members regarding the prices achieved on the export market in order to ensure that favourable prices are obtained in the USA market;
 - 4.4. Establishment and stimulation of demand for South African summer citrus fruit in the USA;
 - 4.5. Collective negotiation of logistical channels used to transport the citrus fruit to the USA, and the respective freight and loading rates to ensure that all members are able to profitably export to the USA; and
 - 4.6. Formulating a demand plan for the marketing of exports in the USA.
5. The WCCPF submits that the collective agreements between its members and shareholders would contravene section 4(1)(b), alternatively, section 4(1)(a), of the Act, which is a per se prohibition that cannot be defended on efficiency, technological or pro-competitive grounds.
6. The WCCPF avers that the above conduct is necessary and is required to attain the objective contained in section 10(3)(b)(i) of the Act, which is the maintenance or promotion of exports.
7. Notice is hereby given, in terms of section 10(6)(b) of the Act, to allow interested parties twenty (20) business days from the date of the publication of this notice to make written representations to the Commission on the exemption application.
8. Such representations must be directed to Ms Mamontshi Keleme on the following electronic address: mamontshiK@compcom.co.za, alternatively, you can use the following telephone number: 012-394 1968.

In all correspondences kindly reference the following case number: 2015OCT0555