

COMMENTARY ON THE FRESH PRODUCE MARKET INQUIRY REPORT

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1. Background

The National Agricultural Marketing Council (NAMC) acknowledges the findings and recommendations in the Competition Commission's Fresh Produce Market Inquiry (FPMI)¹ Report published in 2025. The report investigated the possible existence of market features that impede, distort, or restrict competition in the National Fresh Produce Markets (NFPMs). The NAMC responds to the report in accordance with the Marketing of Agricultural Products Act 1996 (MAP Act, 1996). While many of the concerns raised align with the assessments in the NAMC Section 7 Investigation Report (2006)², it is agreeable that most of the problems are perpetual in the fresh produce Market. As a result, measures that focus on time-framed implementation are necessary to avoid slow implementation. Real-time data-sharing systems with farmers and stakeholders are essential to improve monitoring and evaluation of the recommended remedies. Looking at the status quo regarding data sharing, evaluating and monitoring recommendations, and remedies might be complex. Therefore, these data-sharing systems should integrate supply and demand indicators that give more information on traceability, category of producers, composition of consignment process by different categories of agents and agencies, and categories of buyers. Accordingly, the NAMC's response reflects the findings of the FPMI Report and builds on the work done in the past, particularly the NAMC Section 7 Investigation Report.

2. Operational Efficiency

The NAMC acknowledges the inefficiencies present in major NFPMs due to structural funding challenges. The FPMI Report recommends transitioning to corporatised or public-private partnership (PPP) models and ring-fencing profits for reinvestment. The NAMC agrees with these recommendations but highlights the relevance of its 2006 Section 7 Report, which advocates separating ownership and management to improve efficiency and flexibility. While corporatisation and PPPs can provide external expertise, the NAMC also stresses the importance of internal restructuring, which involves reorganising the internal structure to improve efficiency, flexibility, and accountability. For instance, revising management structures, streamlining decision-making processes, or implementing new financial systems to allocate resources better and manage risks may require revising management structures.

¹ [FPMI-Final-Non-Confidential-Report-2025](#)

² [NAMC Section 7 Investigation Report \(2006\)](#)

This restructuring is essential for ensuring that each market adapts to its specific operational challenges while aligning with broader goals such as improved service delivery, profitability, and inclusivity for SMMEs and HDPs. Each market must determine the appropriate process for separation based on its specific needs. Additionally, both the FPMI and NAMC Section 7 Reports underscore the importance of addressing infrastructure backlogs and reinvesting profits into infrastructure, training, and support for small, medium and micro enterprises (SMMEs) and historically disadvantaged persons (HDPs) to enhance market efficiency and inclusivity.

3. Market Access and Transformation

The FPMI Report highlights barriers to entry for SMME and HDP farmers, recommending a 10% increase in annual sales and harmonising municipal bylaws. The NAMC Section 7 Report also stresses the need for transformation, proposing targets such as 30% of volumes traded through black commission agents and 25% BEE participation in existing agencies, which was meant to be achieved in 2014. While progress has been slow, the NAMC supports FPMI's proposal and recommends a more targeted approach to incentivise BEE compliance. To incentivise BEE compliance without tampering with competition, a possible approach could involve providing non-financial support and capacity-building opportunities to businesses that meet BEE targets. For example, municipalities could offer access to training programs, mentorship, or technical assistance in business management, marketing, and financial planning. These programs would help small and black-owned businesses enhance their operations, build capacity, and compete more in the market. To ensure progress, more vigorous enforcement, monitoring systems, regular audits, public reporting, and penalties for non-compliance are essential for achieving transformation targets within a set timeframe.

4. Governance and Coordination

The FPMI Report suggests an expanded regulatory role for APAC to address market agent practices and enhance transparency in the produce distribution process. The NAMC section 7 Report indicated that the APA Act should be amended and the possible overhaul of the agency's executive committee to ensure effective regulations. The latter report suggests the expansion of its powers to address issues. The NAMC supports the recommendation to review the APAC's composition to reduce conflicts of interest, as highlighted by the section 7 investigative report. This step is critical for the APAC to perform its tasks effectively.

5. Commission System

The FPMI and the NAMC Section 7 Investigation Report emphasise concerns about limited competition within the commission system. While the FPMI suggests regulatory interventions

such as capping commission fees and empowering farmers to negotiate better terms, such measures, though protective of farmers, carry the risk of unintended consequences, including hidden charges or reduced service quality by market agents. A more sustainable solution is adopting a standardised commission fee formula incorporating variables such as volume, price, and regional disparities, fostering fairness, transparency, and dispute reduction. Furthermore, the NAMC Section 7 Investigation Report advocates for structural reforms, including wholesalers and commission agents, to enhance competition, promote equity, and establish a more balanced market environment.

6. Price transparency concerns in Retail

In response to the FPMI Report's findings on the lack of transparency in pricing fresh produce on a weighed price basis, the NAMC supports the proposed solution of requiring retailers to display pricing on a "per 100 gram" basis for all packed fresh produce, alongside any additional pricing formats they choose. This approach is crucial to enhancing price transparency and preventing competitive distortions. However, implementing such measures may necessitate adopting new technologies and inadvertently introduce competition inefficiencies, particularly for smaller retailers with limited resources. The NAMC recommends phased implementation, capacity-building support for affected stakeholders, and continuous monitoring to address emerging challenges to ensure this initiative achieves its objectives without undue burdens.

7. Barriers

The NAMC acknowledges the challenges highlighted by the FPMI, particularly the difficulties SMME and HDP farmers face in meeting expensive quality standards such as Global GAP certification and attaining water rights. Considering these challenges, the NAMC supports the FPMI's recommendations and emphasises proper monitoring and evaluation. This includes establishing databases to track progress, such as acquiring water licenses and Global Certification, to ensure that support reaches SMME and HDP farmers.

8. Recommendations

The National Agricultural Marketing Council (NAMC) acknowledges the findings of the Competition Commission's 2025 Fresh Produce Market Inquiry (FPMI) and the critical issues it highlights in the National Fresh Produce Markets (NFPMs). To address these challenges, the NAMC recommends strengthened enforcement mechanisms, targeted support for SMME and HDP farmers, modernisation of infrastructure, and enhanced regulatory oversight. Collaboration between stakeholders, clear implementation timelines, and robust monitoring systems will be essential to ensure meaningful transformation and sustainable growth in the fresh produce sector.