

Are farmers supporting ILLEGAL TRADE?

Recently there's been a lot of buzz about the illegal practices of "off-market fresh produce agents". But they can only function with farmers' support, and it's up to farmers to help the Agricultural Produce Agents Council (APAC) stamp out these activities, says the APAC's Lizel Pretorius.

“ FRESH PRODUCE AGENTS ACT on behalf of farmers. Whether the agents receive remuneration in the form of commission, a rate, or on a scale, legislation is required to protect the interests of farmers at all times.

This is where the Agricultural Produce Agents Council (APAC) comes in. It was established on 4 January 1993 in terms of Act 12 of 1992 (amended 2003) to protect the farmers' financial interests.

No person may perform any activity as a fresh produce agent or receive remuneration unless they are issued with a Fidelity Fund Certificate.

'Some farmers have fallen for smooth talk and have trusted agents with their crops – regardless of the consequences.'

Despite this proviso, some "agents" don't register with the APAC and are therefore acting illegally.

Illegal agents

If questioned about this, these "off-market agents" invariably say they bought the fresh produce from the farmer and never acted on his behalf.

If this is true, then they're wholesalers and ownership changes from farmer to buyer as soon as payment has been made. However, allegations from reliable sources indicate just the opposite – that the produce was never purchased by the "off-market

agent," who sold it on a commission basis. To add insult to injury, these lawbreakers continue to share in the daily price discovery negotiated by their legal counterparts on the fresh produce markets. How else do they determine their selling prices?

Work with us

Registered fresh produce market agents devote considerable time and effort to maintain their ethical standards and look for ways to improve the services they render to the farmer. They also play a significant role in food security by establishing supply and demand prices.

The APAC, meanwhile, works hard to regulate the financial activities of fresh produce market agents. This includes the vetting of new entrants into the industry, conducting *ad hoc* stock audits and checking market agents' trust account reconciliations to ensure they account for every cent received on behalf of farmers.

However, we can't work in isolation.

We need the support and assistance of farmers to discourage and stop criminal activities.

Consider a recent case in which the APAC spent an exorbitant amount of money revoking a fresh produce market agent's Fidelity Fund Certificate after it was established that farmers had not been paid in excess of R800 000.



WHY READ IT?

- The APAC needs the support and assistance of farmers to discourage and stop criminal activities.
- APAC works hard to regulate the financial activities of fresh produce market agents.
- Some 'agents' don't register with APAC and are therefore acting illegally.

Where is this "agent" today? He's not operating on a fresh produce market anymore, but his business as an "off-market fresh produce agent" is thriving!

How can this be? Some farmers have fallen for his smooth talk and entrusted him with their crops – regardless of the consequences. But if they don't get paid – what then?

Don't be an accomplice. Don't support these people. Don't become part of a vicious circle. Phone APAC to make sure your "off-market fresh produce agent" is legit.

• Contact Lizel Pretorius from the Agricultural Produce Agent Council on 011 894 3680. |fw

