



## **CCI: Directs NECC to ‘cease and desist’ from anti-competitive practices in egg industry**

NECC plays an active role in controlling the process of determination and declaration of prices of eggs by active intervention through its three-tier structure and reporting by the Zonal Chairmen at annual meetings. The explanation given by NECC that the prices of eggs are declared on the basis of demand and supply conditions is untenable and that fixation and declaration of prices was a result of collusion at zonal level between the Chairmen of Zonal Committees and at the national level by the Central Executive Committee of NECC.

It is apparent/evident that NECC is the only entity in India that declares egg prices on a daily basis on its platform and the same flows from one of its objectives. It is also to be noted that the declared egg price is followed by farmers and poultry owners. The Commission does not find any statutory obligation, duty or power which allows NECC to declare daily egg prices, which are followed as benchmark even by (some) State Government bodies. The Commission further notes from the submissions that this fact has not been denied by the NECC. However, NECC did change the nomenclature from ‘declared price’ to ‘suggestive price’ of eggs after an investigation was initiated by the DG.

The Commission gathers that NECC, while declaring egg prices on a daily basis, also ensures its implementation and efforts are made both at the central level and zonal level of NECC for strict implementation of the declared price. The Commission also takes note of the minutes of annually held meetings of NECC, which reveal that NECC is engaged in the implementation of the egg prices declared by it. The same also demonstrates that the Chairperson of NECC and some senior personnel are involved in decision making with regard to the implementation of prices.



Accordingly, the Commission directs as under:

- i) NECC, while declaring and disseminating egg prices, shall give sufficient and prominent disclaimers (including on its website) at all times that the prices so declared are only suggestive, and for the information of trade and industry;
- ii) NECC shall cease and desist from issuing any directives/threats (verbal or in writing) that non adherence to the declared egg prices shall have any penal/other (non-monetary) consequences upon any of its members or constituents of trade or poultry industry and ensure that no such adverse action is taken on any person. The same shall be prominently disseminated on its website at all times; and
- iii) NECC to foster a culture of competition compliance within its organization including its Zonal Committees and Local Committees and to sensitize its members/stakeholders by bringing into place a Competition Advocacy/Compliance Programme so as to ensure compliance with the provisions of the Act.
- iv) NECC to file a compliance report with regard to (i) and (ii) above within 60 days from the date of receipt of this order by it. NECC to also file compliance report in respect of (iii) above within 180 days from the date of the receipt of this order.