

Anti-Monopoly Service Takes Longer Look at 4 Dairy Firms

By [The Moscow Times](#)

October 14, 2009

The  Moscow Times

The Federal Anti-Monopoly Service said Wednesday that it prolonged a price-fixing investigation into dairy processors Wimm-Bill-Dann and Groupe Danone by two months after Prime Minister Vladimir Putin pledged support for farmers.

The competition watchdog will seek more evidence of price fixing by the Moscow region's four biggest dairy processors, which also include Campina and Ehrmann, said Dmitry Strelnikov, a spokesman for the service. The companies conspired to lower wholesale milk prices by 25 percent, he said.

Wimm-Bill-Dann denies the allegations, spokeswoman Marina Kagan said. Danone's Russian unit is cooperating with the authorities, spokeswoman Marie-Liesse Calmejane said. Campina and Ehrmann officials were not immediately available to comment.

Putin ordered the government this month to consider helping dairies get better prices for

their products after a local farmer complained about “milk cartels.” Lawmakers are debating a new trade bill that seeks “to establish a balance between farmers and retailers,” Putin said Oct. 2.

“This is a serious accusation and a risk for Wimm-Bill-Dann,” Mikhail Terentyev, an analyst at Nomura Holdings in Moscow, said in a note to clients. “We don’t think that Russian anti-trust authorities will take unduly harsh measures, however. Even agricultural lobbyists who inspired the investigation have made it clear that they primarily seek higher selling prices rather than punishment for food makers.”

The anti-monopoly service will reconvene to discuss the investigation Dec. 2, Strelnikov said.

The four companies under investigation purchase and process about 90 percent of all raw milk in the Moscow region, Terentyev said.

Original url:

<https://www.themoscowtimes.com/2009/10/14/anti-monopoly-service-takes-longer-look-at-4-dairy-firms-a45869>