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Watchdog Opens Cases Against Bread Makers

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The country's competition watchdog opened cases against six bread producers on Friday, accusing them of price gouging as grain prices rise because of a drought that has significantly reduced the country's harvest.

The price gouging cases come as fears grow among consumers that the drought will lead to long-term price rises.

According to a survey of 3,000 respondents conducted by Superjobs.ru, 83 percent of Russians believe that food prices will rise by at least 5 percent by the end of the year. And 38 percent of respondents expect prices to grow by 10 percent or more, according to the survey, conducted during the first week of August.

But according to official data, a countrywide acceleration in food price hikes has not yet been observed. Over the first seven months of the year, prices for food have increased 5.7 percent,

with a 0.3 percent month-on-month increase in July.

That compares with an increase in the overall consumer price index of 4.8 percent in January through July. The figure for the same period in 2009 was 8.1 percent.

The Federal Anti-Monopoly Service has been closely monitoring producers of bread — prices of which have a particularly strong psychological impact on consumers.

The service's Moscow branch opened probes into several producers in July, and the investigations showed that six companies raised prices by 10 percent to 20 percent between July and Aug. 16, the service said in a statement.

The service said the six bread producers had similar prices for their wheat and rye bread at the beginning of July, but they simultaneously raised their prices.

"On the basis of these facts, the Moscow Federal Anti-Monopoly Service suspects these enterprises of engaging in concerted actions that may lead to limiting competition," the service said in a statement.

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