

# Danone 'Insulted' by Accusation It's Milking Russian Peasants

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The Russian branch of Groupe Danone has demanded an apology from the country's agriculture minister after he slammed the company for its reportedly substandard dairy products in the latest Kremlin assault against a Western company.

During a visit to Omsk on Friday, Nikolai Fyodorov accused Spanish-French multinational Danone, which runs Unimilk, and PepsiCo, the owner of the Wimm-Bill-Dann dairy line, of diluting their dairy products with cheap additives, the TASS news agency reported.

"These products contain a maximum of 20 percent real milk; the rest is coconut, palm oil and other additives processed into a dairy mixture," Fyodorov was quoted as saying.

He also said Russian regional authorities should "prevent them [Danone and PepsiCo] from pumping out funds from the regions and skimming the 'cream' off the cheap raw product that our poor peasants produce," TASS reported.

"Government subsidies are being used to support the dairy industry, they [Danone and PepsiCo] then buy it on the cheap and rake in huge profits," Fyodorov said.

Danone — which has been in Russia for two decades and has 20 factories in the country — and PepsiCo, are among the largest foreign investors in Russia.

In a [reaction](#) published on its website on Saturday, Danone said it viewed Fyodorov's statement "as direct slander, which damages our reputation in Russia, as well as in the whole world," and demanded a public apology.

Danone Russia said it felt "deeply insulted," adding that its products had repeatedly been inspected by Rospotrebnadzor, Russia's health and consumer protection watchdog, which had not reported any violations.

Russia in July imposed a one-year food import ban on the U.S. and Europe in retaliation for Western sanctions against Russia for its annexation of Crimea and support for Ukrainian separatists.

The crackdown on Western-affiliated foods has extended to some of Russia's most well-known foreign food companies under the guise of supposed health concerns.

A number of McDonald's chains have been temporarily shut down after health officials said the fast-food giant misinformed customers on the content of some of its dishes and served food contaminated with an array of bacteria.

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