

Russian Prosecutors Crack Down on Retailers as Food Prices Soar

By [Alexander Panin](#)

January 28, 2015



Overall inflation hit 11.4 percent in 2014, with food prices rising 15.4 percent.

As the ruble's fall drives up the price of even the most basic necessities, the Russian government is cracking down on retailers in an effort to curb soaring food prices.

Bread prices have risen 15 to 20 percent since August, when Russia introduced a food embargo in retaliation against Western sanctions over Ukraine, Anna Mirochinenko, the head of the agricultural department of the Federal Anti-Monopoly Service, said at a news conference on Wednesday.

The retail price of some bread brands is expected to rise a further 20 percent in the coming weeks as large producers' price hikes gradually hit retail prices, Alexei Lyalin, a member of the board of Russian Union Of Bread Producers, was quoted by news agency TASS as saying last week.

The rising cost of these vital products has stoked fears in the population and left the government searching for ways to support its most vulnerable citizens.

Alexander Korbut, the deputy head of the Russian Grain Union, told a press briefing on Tuesday that the government should consider issuing food coupons to aid low-income consumers.

But for the most part, government efforts have focused on bringing retailers themselves into line. The Prosecutor General's Office this month stormed into supermarkets nationwide in search of unjustified price hikes, opening more than 400 cases against retailers in Moscow alone.

Some of the reported markups are exceptionally high. According to prosecutors, the Azbuka Vkusa supermarket in Moscow bought beef from a Russian supplier for 259 rubles (\$3.80) per kilo and then sold it to consumers for 460 rubles (\$6.80) per kilo — a 77 percent markup. Frozen fish on the shelf in Perekryostok, another chain store in Moscow, appeared to be sold with a 130 percent margin, the agency said in a statement.

Raids in other Russian regions revealed even more striking price hikes. In the Samara region, prosecutors found that the cost of cabbage, cucumbers and peppers at some supermarkets had grown by 354, 544 and 654 percent since August, respectfully, the RBC news agency reported.

However, some supermarkets listed in these reports have not yet received the official results of the investigations, a spokesman for X5 Retail Group, Russia's second-largest food retailer, told The Moscow Times on Wednesday.

"We still do not know which particular store the prosecutors were referring to and which particular product they said was overpriced," spokesman Vladimir Rusanov said when asked to comment on inspections in Perekryostok, one of the company's retail chains.

Overall inflation hit 11.4 percent in 2014, with food prices rising 15.4 percent, according to state statistics service Rosstat. Inflation is expected to stay high this year as the steep devaluation of the ruble raises the price of imports.

Contact the author at a.panin@imedia.ru

Original url:

<https://www.themoscowtimes.com/2015/01/28/russian-prosecutors-crack-down-on-retailers-as-food-prices-soar-a43343>