

Fears Over Bread Costs Prompt Russian Bakeries to Freeze Prices in Far East

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Bakers in Russia's Far East have agreed to freeze wholesale bread prices over the next two months amid fears that government decisions and rising grain costs may lead to a spike in consumer goods prices.

Russian bakeries reportedly [said](#) in October that rising grain and fuel prices, compulsory minimum wage increases and other factors could bump up the cost of bread by up to 12 percent. The leading SovEcon consultancy group has [recorded](#) price increases of grains and flour of about 7–20 percent this year. Earlier this week, Russian oil companies agreed to [freeze](#) gasoline prices in the country until late March as a global deal to curb oil output has led to a rise in the price of crude.

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Khabarovsk region's two major bakeries and 220 smaller bakeries have signed a memorandum with retailers to freeze wholesale prices from \$0.53 to \$0.59, the regional administration announced Wednesday.

Retailers pledged to cap their markups at 15 percent.

“We live in a market economy and have no right to restrict producers but decided to sign this agreement considering that bread is first and foremost a social[ly important product],” Governor Sergei Furgal [said](#).

The freeze will be lifted after February 2019 “if sale prices will increase due to the rising costs of utilities, fuel, raw materials and other components.”

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