

## **Media Release**

**14 December 2010**

### **Pioneer implements agreement with Competition Commission to reduce the price of selected bread and flour products**

Pioneer Foods (Pty) Ltd has informed the Competition Commission that it has begun to implement price reductions on bread and flour as per the settlement agreement reached on 30 November 2010:

- the price of standard white and brown loaves of bread was reduced by an average of 30c on 3 December 2010. This price reduction is in addition to any other promotional discount to retailers.
- the price of flour was reduced by an average of R350 per ton as from 10 December.

Pioneer's pricing commitment in terms of the settlement agreement amounts to a reduction of R160 million in its gross profit when benchmarked against a similar period in the previous year. Pioneer will submit progress reports to the Competition Commission every second month; and Price Waterhouse Coopers (PWC) will review and confirm the attainment of the price reduction commitment.

The Commission has engaged with large supermarket chains on passing-on price reductions to end-consumers. The Commission will also independently monitor the retail and wholesale prices of flour and bread products.

Ends

For further details contact

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