



## COMMENTARY

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## Chocolate Investigation A Bitter Pill for Farmers

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By David Rolfe, KAP President. Cell: (204) 483-0502.

This week, the *Globe & Mail* reported that the Competition Bureau will be investigating the chocolate bar industry amid accusations that these companies are “price-fixing” to take advantage of Canadians’ sweet tooth. This will be a bitter pill to swallow for many farmers, who have been told that the Competition Bureau will not be investigating skyrocketing fertilizer prices or the huge differential between prices in Canada and the US.

It’s really disappointing that this ‘luxury’ junk food item can gain the attention of the Bureau when farmers are unable to do so for a product that is critical to their industry. Of course, the chocolate case has an anonymous informant on its side but it’s unfortunate that it takes that level of insider information to begin any kind of investigation at all. From what we’ve heard, it would basically take a fertilizer informant to get the same level of inquiry.

The news article states that the chocolate bar industry is worth \$2.3 billion dollars in Canada. Fertilizer is one of the largest farm expenses, totaling more than 2.6 billion annually. Every time a penny is added onto fertilizer prices, that total goes up by \$67 million.

Aside from the informant, the article notes that the Bureau looks for pricing agreements to trigger investigations – something like how all chocolate bars are sold for the same price, regardless of which parent company is making them. Fertilizer prices are often extremely close between different dealers, but to date there has been no proof that they’ve worked together to set those prices at the same level. That’s the kind of thing that would spark a closer look from the Bureau.

Without belittling the fact that we may all be paying far too much for our sugary cravings, it’s still a little disturbing that chocolate bars get an investigation, while price gouging on fertilizer received a polite “Sorry.” It’s extremely unfortunate that farmers may have to rely on a fertilizer informant to speak up – like they did in the chocolate industry – before we can finally get some answers on why our prices skyrocketed last spring.

To read the original *Globe & Mail* article, go to [www.reportonbusiness.com/servlet/story/RTGAM.20071127.wrchocolate28/BNStory/Business/home](http://www.reportonbusiness.com/servlet/story/RTGAM.20071127.wrchocolate28/BNStory/Business/home)

To read KAP’s study on the differences in fertilizer prices between Manitoba and North Dakota, go to [www.kap.mb.ca](http://www.kap.mb.ca).