

05 February 2021

News Briefing

Press Release

“CCP CONDUCTS SEARCH & INSPECTION OF POULTRY FEED MILLS”

CCP raids offices of two poultry feed producers

By Our Staff Reporter

ISLAMABAD: Based on concerns over high prices of poultry products in the recent past, the Competition Commission of Pakistan (CCP) on Thursday carried out search and inspection of two major poultry feed producers of the country and is said to have recovered evidence of their suspected involvement in collusive activities and price fixing.

The CCP conducted the raid exercising its powers under Section 34 of the Competition Act 2010. Sources

in the raiding party told *Dawn* that teams simultaneously carried the inspections at the offices of two major poultry feed producers in Rawalpindi and in Lahore to determine their collusive behaviour in the market.

The recovered material showed that the prices of broiler feed witnessed an increase of over Rs550 per bag of 50kg during the period of around last 18 months, whereas the average increase in prices of layer feed was over Rs530 per 50kg bag during the same period.

The sources said that the issue was brought to CCP notice by public complaints that the prices of broiler chicken (farm) had increased by more than 100 per cent from Rs103 per kg to Rs225 per kg.

The CCP conducted initial inquiry from the data obtained from the Pakistan Bureau of Statistics (PBS)

the link between the increase in feed prices and the product prices was inferred.

Upon receipt of the complaints, an informal survey of poultry sheds was carried out. It was noted that feed was sold in 50 kg bags and there are a number of varieties depending on the type of poultry.

It was noted that there was a continuous and simultaneous rise in poultry feed prices from Aug 2019 up to Jan 2021, with the exception of a downward revisions in June and July 2020.

Rising prices

CCP raids two poultry feed mills

Mehtab Haider

ISLAMABAD: In wake of rising prices of poultry feed, the Competition Commission of Pakistan (CCP) on Thursday raided two poultry feed mills located in Rawalpindi and Lahore to collect evidence of their alleged involvement in collusive fixing of prices.

The CCP teams raided the SB Feed located in Rawalpindi and owned by one influential politician and

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National Feeds Lahore for collection of evidence to establish anti-competitive practices, such as collusive practices to fleece consumers.

The CCP had received complaints from multiple quarters regarding continuous and simultaneous increase in the poultry feed prices, which experienced a rising trend from August 2019 to-date (with the exception of downward revisions in June and July 2020).

Upon receipt of the complaints, an informal survey of the poultry sheds was carried out. It is noted that feed is sold in 50 kg bags and there are a number of varieties depending on the type of poultry.

It is observed that since August 2019 to December 2020, prices of broiler feed have increased on an average by Rs584 per 50 kg bag. Similarly, for layer feed the average increase for companies reviewed is Rs538 per 50 kg bag.

Most of the feed mills cited similar and generic reasons for increase in price such as increase in raw material prices, currency devaluation, improvement in nutritional profiles, general inflation, increase in electricity tariffs, increase in KIBOR rate and increase in wages of skilled labour force.

Exercising its powers under Section 34 of the Competition Act 2010, the Competition Commission of Pakistan (CCP) carried out a search and inspection of two major poultry feed mills.

Two CCP teams conducted the inspections and successfully impounded the relevant record, including computer-stored information. During inspections, both companies fully cooperated with the CCP teams and handed over the required information.

It was observed that the prices of Chicken Farm Broiler increased by more than 100pc (from Rs103/kg to Rs 225/kg — figures obtained from PBS website) during the same period, which can be linked with the increase in prices of broiler feed.

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Collective rate-fixing

CCP conducts inspection of two major poultry feed mills

RECORDER REPORT

ISLAMABAD: Exercising its powers under Section 34 of the Competition Act 2010, the Competition Commission of Pakistan (CCP) on Thursday carried out search and inspection of two major poultry feed mills based in Rawalpindi and Lahore to impound the proofs of their suspected involvement in collusive activities and collective fixing of poultry feed rates.

Two authorised teams of the CCP conducted the inspections and successfully impounded the relevant record including computer-stored information.

During inspections, both companies fully cooperated with the CCP teams and handed over the required information.

The CCP initiated the enquiry of the suspected collusive activities in the poultry feed sector, after taking notice of a concurrent increase in feed prices.

Data gathered from market

sources showed that there was indeed a simultaneous increase in price by poultry feed mills and the average quantum of increase in prices also appeared to be similar, which raised suspicion of collusive decision making and a violation of Section 4 of the Competition Act.

The Cartels and Trade Abuse Department was able to obtain official price lists of various feed mills from August 2019 to October 2020.

The data shows the following trends.

The prices of broiler feed witnessed an increase of over Rs 550 per 50kg bag during the last 18 months or so, whereas, the average increase in prices of layer feed was over Rs 530 per 50kg bag during the same period.

It was observed that the prices of chicken farm broiler increased by more than 100 percent (from Rs 103/kg to Rs 225/kg – figures obtained from the PBS website) during

the same period, which can be linked with the increase in prices of broiler feed.

The reason provided by the poultry feed mills that the increase in prices was due to a rise in the cost of production, i.e. input cost, currency devaluation, and general inflation, etc could not be substantiated.

Moreover, information was also received from multiple sources that some of the top poultry feed mills were involved in collectively fixing poultry feed rates through their meetings at various locations. The CCP stated that concerns from multiple quarters were received regarding a continuous and simultaneous rise in poultry feed prices, which experienced a rising trend from August 2019 to date (with the exception of a downward revisions in June and July 2020).

Upon receipt of the complaints, an informal survey of poultry sheds was carried out.

It is noted that feed is sold in 50 kg bags and there are a

number of varieties depending on the type of poultry.

Through its various enforcement orders, the CCP has warned companies and industry associations against indulging in anti-competitive and collusive activities.

The rule of thumb is that the associations are not allowed to discuss, deliberate, or share sensitive commercial information and take collective business decisions that may allow its members, who are competitors, to coordinate business policy or discussion on economic aspects.

Reasons given by feed mills behind increase in the price.

Most of the feed mills cited similar and generic reasons for increase in price including increase in raw material prices; currency devaluation; improvement in nutritional profiles; general inflation; increase in electricity tariffs; increase in KIBOR rate, and increase in wages of skilled labour etc.



THE NATION

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CCP conducts search, inspection of two major poultry feed mills

IMRAN ALKI KUNDI
ISLAMABAD

Exercising its powers under Section 34 of the Competition Act 2010, the Competition Commission of Pakistan (CCP) on Thursday carried out search and inspection of two major poultry feed mills based in Rawalpindi and Lahore to impound the proofs of their suspected involvement in collusive activities and collective fixing of poultry feed rates.

Two authorised teams of CCP conducted the inspections and successfully impounded the relevant record including computer-stored information. During inspections, both companies fully cooperated with the CCP teams and handed over the required information.

The CCP initiated the enquiry of the suspected collusive activities in the poultry feed sector after taking notice of a concurrent increase in feed prices. Data gathered from market sources showed that there was indeed a simultaneous increase in price by poul-

try feed mills and the average quantum of increase in prices also appeared to be similar, which raised suspicion of collusive decision making and a violation of Section 4 of the Competition Act.

The prices of broiler feed witnessed an increase of over Rs 550 per 50kg bag during the last 18 months or so, whereas, the average increase

to a rise in the cost of production, i.e. input cost, currency devaluation, & general inflation, etc. could not be substantiated. Moreover, information was also received from multiple sources that some of the top poultry feed mills were involved in collectively fixing poultry feed rates through their meetings at various locations.

business policy or discussion on economic aspects.

The CCP, as part of its statutory mandate under the Competition Act, strives to eradicate anti-competitive practices in all sectors of the economy.

According to the sources, concerns from multiple quarters were received regarding a continuous and simultaneous rise in poultry feed prices which experienced a rising trend from August 2019 to date (with the exception of a downward revisions in June and July 2020). Upon receipt of the complaints an informal survey of poultry sheds was carried out. It is noted that feed is sold in 50 kg bags and there are a number of varieties depending on the type of poultry.

They said that information is received from a poultry feed company and Livestock & Dairy Department, Government of Punjab which indicated that poultry feed prices witnessed an increase which was not proportionate to the increase in cost of ingredients used.

Commission's teams impound relevant record including computer-stored information

in prices of layer feed was over Rs. 530 per 50kg bag during the same period. It was observed that the prices of chicken farm broiler increased by more than 100% (from Rs 103/kg to Rs 225/kg – figures obtained from PBS website) during the same period, which can be linked with the increase in prices of broiler feed.

The reason provided by the poultry feed mills that the increase in prices was due

Through its various enforcement orders, the CCP has warned companies and industry associations against indulging in anti-competitive and collusive activities. The rule of thumb is that the associations are not allowed to discuss, deliberate, or share sensitive commercial information and take collective business decisions that may allow its members, who are competitors, to co-ordinate

CCP CONFISCATES TWO MAJOR POULTRY FEED MILLS' RECORD

SHAHZAD PARACHA
ISLAMABAD

THE Competition Commission of Pakistan (CCP) on Thursday carried out a search and inspection operation in two major poultry feed mills in a bid to confiscate proof of their suspected involvement in collusive activities, as well as fixing of poultry feed rates.

Sources said that two authorised teams of CCP conducted the successful inspection of National Feed Mill and SB Feed Mill and impounded the relevant records, including computer-stored information.

Both companies fully cooperated with the CCP teams during inspections and handed over the required information. The CCP initiated the enquiry of the suspected collusive activities in the poultry feed

FEED MILLS CLAIM INCREASE IN PRICES WAS DUE TO RISE IN PRODUCTION COST, CURRENCY DEVALUATION, INFLATION

sector after taking notice of a concurrent increase in feed prices, sources added. Data gathered from market sources showed that there was indeed a simultaneous increase in price by poultry feed mills and the average quantum of increase in prices also appeared to be similar, which raised suspicion of collusive decision making and a violation of Section 4 of the Competition Act.

Sources said that the prices of broiler feed witnessed an increase of over Rs550 per 50kg bag during the last 18 months or so, whereas, the average increase in prices of layer feed was over Rs530 per 50kg bag

during the same period.

It was observed that the prices of Chicken Farm Broiler increased by more than 100 per cent (from Rs103/kg to Rs225/kg – figures obtained from PBS website) during the same period, which can be linked with the increase in prices of broiler feed, officials added.

The poultry feed mills' claim that the increase in prices was due to a rise in the cost of production including input cost, currency devaluation and general inflation could not be substantiated.

Moreover, information was also received

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CCP conducts search and inspection of poultry feed mills

Staff Report

Exercising its powers under Section 34 of the Competition Act 2010, the Competition Commission of Pakistan (CCP) today carried out search and inspection of two major poultry feed mills based in Rawalpindi and Lahore to impound the proofs of their suspected involvement in collusive activities and collective fixing of poultry feed rates.

Two authorized teams of CCP conducted the inspections and successfully impounded the relevant record including computer-stored information. During inspections, both companies fully cooperated with the CCP teams and handed over the required information.

The CCP initiated the enquiry of the suspected collusive activities in the poultry feed sector after taking notice of a concurrent increase in feed prices. Data gathered from market sources showed that there was indeed a simultaneous increase in price by poultry feed mills and the average quantum of increase in prices also appeared to be similar, which raised suspicion of collusive decision making and a violation of Section 4 of the Competition Act.

The prices of broiler feed witnessed an increase of over Rs. 550 per 50kg bag during the last 18 months or so, whereas, the average increase in prices of layer feed was over Rs. 530 per 50kg bag during the same period. It was observed that the prices of Chicken Farm Broiler increased by more than 100% (from Rs 103/kg to Rs 225/kg - figures obtained from PBS website) during the same period, which can be linked with the increase in prices of broiler feed.

The reason provided by the poultry feed mills that the increase in prices was due to a rise in the cost of production, i.e. input cost, currency devaluation, & general inflation, etc. could not be substantiated. Moreover, information was also received from multiple sources that some of the top poultry feed mills were involved in collectively fixing poultry feed rates through their meetings at various locations.

Through its various enforcement orders, the CCP has warned companies and industry associations against indulging in anti-competitive and collusive activities. The rule of thumb is that the associations are not allowed to discuss, deliberate, or share sensitive commercial information and take collective business decisions that may allow its members, who are competitors, to co-ordinate business policy or discussion on economic aspects. The CCP, as part of its statutory mandate under the Competition Act, strives to eradicate anti-competitive practices in all sectors of the economy.



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مسابقتی کمیشن کے راولپنڈی، لاہور میں پولٹری فیڈ ملوں کے دفاتر پر چھاپے

اہم ریکارڈ قبضے میں لے لیا، ملی بھگت سے فیڈ اور مرغی کی قیمتوں میں بیک وقت اضافہ ہوا تھا

مارکیٹ ذرائع سے جمع کردہ اعداد و شمار سے بھی ظاہر ہوتا ہے کہ پولٹری فیڈ کی قیمتوں میں بیک وقت اضافہ ہوا اور قیمتوں میں اوسطاً اضافہ بھی ایک جیسا ہی دکھائی دیا جس سے بادی النظر میں گھٹے جوڑ کا شبہ ظاہر ہوتا ہے جو کمپنیشن ایکٹ کی دفعہ 4 کی خلاف ورزی ہے۔ برائلر فیڈ کی قیمت میں گزشتہ 18 ماہ کے دوران 50 کلوگرام کے بیگ پر 550 روپے سے زیادہ تک کا اضافہ دیکھا گیا، جبکہ لیر فیڈ کی قیمت میں اسی مدت کے دوران اوسطاً 530 روپے فی 50 کلوگرام کے بیگ پر اضافہ ہوا۔ اسی عرصے کے دوران چکن فارم برائلر کی قیمتوں میں 100 فیصد سے زیادہ (103 روپے فی کلوگرام سے 225 روپے فی کلوگرام تک اضافہ ہوا۔ جسے برائلر فیڈ کی قیمتوں میں اضافے سے جوڑا جاسکتا ہے۔ انکوآری کمیٹی کے مطابق پولٹری فیڈ ملوں کی جانب سے یہ دعویٰ کہ قیمتوں میں اضافہ پیداواری لاگت میں اضافے کی وجہ سے ہوا ہے ثابت نہیں ہوتا۔ ٹھوس شواہد حاصل کرنے کے لئے کمیشن نے یہ سرچ انکسپشن کیا۔

اسلام آباد (کامرس رپورٹر) مسابقتی کمیشن آف پاکستان نے مرغی کی قیمتوں میں حالیہ اضافے کے پیش نظر راولپنڈی اور لاہور میں پولٹری فیڈ ملوں کے دفاتر پر چھاپے مارے اور اہم ریکارڈ قبضے میں لے لیا۔ پولٹری فیڈ مارکیٹ میں ممکنہ مسابقت مخالف سرگرمیوں کی تحقیقات کے مطابق پولٹری فیڈ کی قیمتوں میں گھٹے جوڑ اور ملی بھگت سے اضافہ کیا گیا جس سے مرغی کی قیمتوں میں بیک وقت اضافہ ہوا۔ انکسپشن کا مقصد ان ملوں کا پولٹری فیڈ کی قیمتوں میں مبینہ گھٹے جوڑ کے ذریعے اجتماعی اضافے میں ملوث ہونے کے شواہد قبضے میں لینا تھا۔ سی سی پی نے پولٹری فیڈ سیکٹر میں مسابقت مخالف سرگرمیوں کے حوالے سے ٹھوس معلومات کی بنیاد پر کمپنیشن ایکٹ (2010) کی دفعہ 34 کے تحت اپنے افسران کو راولپنڈی اور لاہور میں بیک وقت پولٹری فیڈ ملوں کے دفاتر کی تلاشی اور اہم ریکارڈ کا جائزہ لینے اور متعلقہ شواہد کو قبضے میں لینے کا اختیار دیا۔ انکسپشن کے دوران دونوں کمپنیوں نے سی سی پی کی ٹیموں کے ساتھ مکمل تعاون کیا اور مطلوبہ معلومات حوالے کیں۔

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لاہور، راولپنڈی میں 2 پولٹری فیڈ ملز دفاتر پر چھاپے

ریکارڈ قبضے میں لے لیا، کمیشن نے گٹھ جوڑ سے پولٹری فیڈ مہنگی کرنے کا نوٹس لیا تھا

اسلام آباد (ارشاد انصاری سے) مسابقتی کمیشن آف پاکستان نے مسابقتی قوانین کی مہینہ خلاف ورزیوں پر لاہور اور راولپنڈی دو بڑی پولٹری فیڈ ملوں کے دفاتر پر چھاپے مار کر ریکارڈ قبضے میں لے لیا ہے۔ سرچ انسپکشن کا مقصد ان ملوں کا پولٹری فیڈ کی قیمتوں میں مہینہ گٹھ جوڑ کے ذریعے اجتماعی اضافے میں ملوث ہونے کے شواہد قبضے میں لینا تھا۔ سی سی پی نے پولٹری فیڈ کی قیمتوں میں بیک وقت اضافے کا نوٹس لے کر انکوآری کا آغاز کیا تھا۔ برائلر فیڈ کی قیمت میں گزشتہ 18 ماہ کے دوران 50 کلوگرام کے بیگ پر 550 روپے سے زیادہ تک کا اضافہ دیکھا گیا، جبکہ لیئر فیڈ کی قیمت میں اوسطاً 530 روپے فی بیگ اضافہ ہوا۔ اسی عرصے کے دوران چکن فارم برائلر کی قیمتوں میں 100 فیصد سے زیادہ 103 روپے کلوگرام سے 225 روپے کلوگرام تک اضافہ ہوا، جسے برائلر فیڈ کی قیمتوں میں اضافے سے جوڑا جاسکتا ہے۔ انکوآری کمیٹی نے مختلف ذرائع سے پتا لگایا کہ متعدد بڑی پولٹری فیڈ ملز مختلف مقامات پر میٹنگوں کے ذریعے اور کمپنیوں کے سی ای او کے وائس ایپ گروپ کے ذریعے، اجتماعی طور پر پولٹری فیڈ کی قیمتوں میں اضافہ میں ملوث ہیں۔

سی سی پی کی پولٹری فیڈ ملوں کے دفاتر پر چھاپے

ملوں کا پولٹری فیڈ کی قیمتوں میں مبینہ اضافے میں ملوث ہونے کے شواہد حاصل کئے

اسلام آباد (نئی بات رپورٹ) پولٹری فیڈ مارکیٹ میں ممکنہ کمپینیشن مخالف سرگرمیوں پر جاری تحقیقات کے پس منظر میں کمپینیشن کمیشن آف پاکستان (سی سی پی) نے راولپنڈی اور لاہور کی دو بڑی پولٹری فیڈ ملوں کے دفاتر کا سرچ انسپکشن کیا۔ اس انسپکشن کا مقصد ان ملوں کا پولٹری فیڈ کی قیمتوں میں مبینہ گھٹ جوڑ کے ذریعے اجتماعی اضافے میں ملوث ہونے کے شواہد قبضے میں لینا تھا۔ سی سی پی نے پولٹری فیڈ سیکٹر میں کمپینیشن مخالف سرگرمیوں کے حوالے سے ٹھوس معلومات کی بنیاد پر کمپینیشن ایکٹ (2010) کی دفعہ 34 کے تحت اپنے افسران کو راولپنڈی اور لاہور میں بیک وقت پولٹری فیڈ ملوں کے دفاتر کی تلاشی اور اہم ریکارڈ کا جائزہ لینے اور متعلقہ شواہد کو قبضے میں لینے کا اختیار دیا۔ انسپکشن کے دوران، دونوں کمپنیوں نے سی سی پی کی ٹیموں کے ساتھ مکمل تعاون کیا اور مطلوبہ معلومات حوالے کیں۔ سی سی پی نے پولٹری فیڈ کی قیمتوں میں بیک وقت اضافے کا نوٹس لیتے ہوئے پولٹری فیڈ سیکٹر میں مشتبہ کمپینیشن مخالف سرگرمیوں پر انکوائری کا آغاز کیا تھا۔ مارکیٹ ذرائع سے اکٹھے کردہ اعداد و شمار سے بھی ظاہر ہوتا ہے کہ واقعتاً پولٹری فیڈ کی قیمتوں میں بیک وقت اضافہ ہوا اور قیمتوں میں اوسطاً اضافہ بھی ایک جیسا ہی دکھائی دیا جس سے بادی النظر گھٹ جوڑ کا شبہ ظاہر ہوتا ہے جو کمپینیشن ایکٹ کی دفعہ 4 کی خلاف ورزی ہے۔ برائلر فیڈ کی قیمت میں پچھلے 18 ماہ کے دوران 50 کلوگرام کے بیگ پر 550 روپے سے زیادہ تک کا اضافہ دیکھا گیا، جبکہ لیر فیڈ کی قیمت میں اسی مدت کے دوران اوسطاً 530 روپے فی 50 کلوگرام کے بیگ پر اضافہ ہوا۔ یہ مشاہدہ بھی کیا گیا کہ اسی عرصے کے دوران چکن فارم برائلر کی قیمتوں میں 100 فیصد سے زیادہ (103 روپے کلوگرام سے 225 روپے کلوگرام تک - ڈیٹا PBS) اضافہ ہوا، جسے برائلر فیڈ کی قیمتوں میں اضافے سے جوڑا جاسکتا ہے۔

سی سی پی کا کمپیشن مخالف سرگرمیوں پر پولٹری فیڈ ملز دفاتر کا معائنہ

انسپکشن کا مقصد ان ملوں کا پولٹری فیڈ کی قیمتوں میں مبینہ گھٹے جوڑے کے شواہد قبضے میں لینا تھا

راولپنڈی (آن لائن) پولٹری فیڈ مارکیٹ میں ممکنہ کمپیشن مخالف سرگرمیوں پر جاری تحقیقات کے پس منظر میں کمپیشن کمیشن آف پاکستان (سی سی پی) نے راولپنڈی اور لاہور کی دو بڑی پولٹری فیڈ ملوں کے دفاتر کا سرچ معائنہ کیا۔ اس انسپکشن کا مقصد ان ملوں کا پولٹری فیڈ کی قیمتوں میں مبینہ گھٹے جوڑے کے ذریعے اجتماعی اضافے میں ملوث ہونے کے شواہد قبضے میں لینا تھا۔ سی سی پی نے پولٹری فیڈ سیکٹر میں کمپیشن مخالف سرگرمیوں کے حوالے سے ٹھوس معلومات کی بنیاد پر کمپیشن ایکٹ (2010) کی دفعہ 34 کے تحت اپنے افسران کو راولپنڈی اور لاہور میں بیک وقت پولٹری فیڈ ملوں کے دفاتر کی تلاشی اور اہم ریکارڈز کا جائزہ لینے اور متعلقہ شواہد کو قبضے میں لینے کا اختیار دیا۔ انسپکشن کے دوران، دونوں کمپنیوں نے سی سی پی کی ٹیموں کے ساتھ مکمل تعاون کیا اور مطلوبہ معلومات حوالے کیں۔ سی سی پی نے پولٹری فیڈ کی قیمتوں میں بیک وقت اضافے کا نوٹس لیتے ہوئے پولٹری فیڈ سیکٹر میں مشتبہ کمپیشن مخالف سرگرمیوں پر انکوائری کا آغاز کیا تھا۔ مارکیٹ ذرائع سے اکٹھے کردہ اعداد و شمار سے بھی ظاہر ہوتا ہے۔