

## Allegation: Excessive Pricing - ADM Barbados Mills

Case Opened: July 2008

The Commission began an investigation into the pricing policy of ADM, in an attempt to determine whether the prices offered by the flour manufacturer, were in any way inflated and whether the recent cost increases were the true basis for the Company's price increases.

The Commission found, on a preliminary basis, that ADM's price of Northern Spring Wheat (NSW) flour was excessive. The preliminary report found that ADM had consistently passed on the increases in international wheat prices when these prices were climbing significantly during 2007 and 2008. During this period the prices charged showed a relatively constant relationship to the price of wheat. Following the dramatic decrease in the price of wheat over the subsequent eight months however, the price of flour had not been decreased commensurately, therefore the price of the flour no longer showed the same proportionate relationship to the cost of wheat.

The Company disagreed with the Commission's finding but agreed to decrease the price of its NSW flour. As of February 2009 and subsequently in May 2009, the company has instituted price reductions which the Commission has found to be commensurate with the reduction in the cost of wheat.

Case Closed: May 2009