



Commissaire de la concurrence

Commissioner of
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January 4, 2018

Mr. Jim Bexis
Chair
Canadian Federation of Independent Grocers
105 Gordon Baker Road, Suite 401
Toronto, Ontario M2H 3P8

Dear Mr. Bexis:

Bread Investigation (Bureau File GD307871, R682917)

I am writing in response to your letter dated December 21, 2017, regarding the Competition Bureau's investigation into bread pricing practices.

As you may know, under the Competition Bureau's (the "Bureau") Immunity Program under the *Competition Act* (the "Immunity Program"), a party may receive immunity from prosecution, from the Director of Public Prosecutions, if the party discloses to the Bureau an offence not yet detected or provides evidence that warrants a referral to the Public Prosecution Service of Canada. The party must also meet several conditions to obtain immunity, which are outlined in the Immunity Program. The Immunity Program has proven to be the single most powerful means (and an internationally-recognized best practice) of detecting criminal cartel activity, which is covert in nature. Without the Immunity Program, many cartels would go undetected.

The Bureau's cartel investigation involving fresh commercial bread is ongoing. Should you have any information relating to the investigation, I encourage you to contact Simon Bessette, Senior Competition Law Officer, at (819) 953-7096.

Your letter also states that you believe that customers of independent grocers paid higher prices for bread than they should have. Please note that under section 36 of the *Competition Act*, private parties can commence proceedings to recover loss or damages incurred as a result of anti-competitive conduct (conduct contrary to Part VI of the Act).

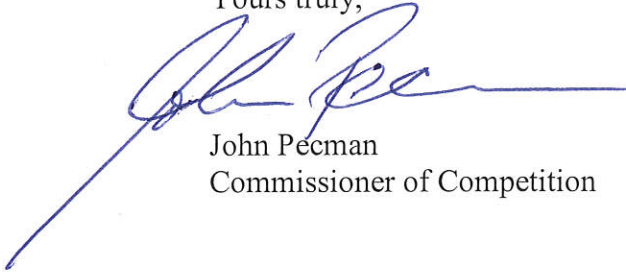
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Further, I would like to clarify a point raised in your letter in relation to Loblaw Companies Limited's gift card program. The aforementioned program is a result of an independent decision taken by Loblaw; the Bureau had no involvement.

Finally, we have taken note of your view that a Code of Conduct is necessary for the grocery industry. As a law enforcement agency, the Bureau's primary mandate is to administer and enforce the *Competition Act*, the *Consumer Packaging and Labelling Act* (non-food products), the *Textile Labelling Act* and the *Precious Metals Marking Act* and is not responsible for policy functions.

Thank you for sharing your concerns with us.

Yours truly,

A handwritten signature in blue ink, appearing to read 'John Pecman', with a long horizontal stroke extending to the right.

John Pecman
Commissioner of Competition