**Milk firm avoids price sanction**



Dairy giant Robert Wiseman has welcomed news that the Office of Fair Trading (OFT) has lifted the threat of a milk price cap.

The East Kilbride-based company said it was pleased the OFT had accepted voluntary assurances about its conduct in the middle market for fresh milk in the Highlands.

The competition watchdog had threatened to cap milk prices to stop Wiseman Dairies from inflicting what it described as "serious and irreparable damage" on its competitors, which include Claymore and Express Dairies.

The threat was part of an investigation into claims by Express Dairies that Wiseman has been indulging in price fixing and anti-competitive practices.

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| Wiseman milk cartonsThe assurances cover milk delivered to small retailers |

It has been alleged that Robert Wiseman and three other Scottish dairies have been fixing the price of milk in the market which takes in small local retailers.

The OFT says it has reasonable grounds to suspect an infringement of the Competition Act, however, it has not come to a final decision.

The price cap threat was an interim measure announced by the government body in June.

Assurances from the milk company mean that, instead of being forced to peg the price of milk to the lowest prices in the Highlands, Wiseman has agreed to ensure that its prices to Highland outlets "cover costs".

Chairman Alan Wiseman said: "We have worked positively and constructively with the OFT to arrive at these assurances.

"We are giving the assurances voluntarily and without prejudice to the outcome of the ongoing investigation, which we remain confident will vindicate the company's stance."

**Series of allegations**

The assurances apply to middle-ground customers - those customers who are not supermarkets or supplied by doorstep deliveries.

It was announced in February last year that Wiseman Dairies would face an inquiry by the Competition Commission for alleged anti-competitive trading.

The firm, which has a 70% share of the Scottish milk market, was accused of market sharing, price discrimination, exclusive dealing and predation.