

# Shareholder calls for Pioneer scalps

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A major shareholder in Pioneer Foods is urging changes to its board and management following allegations that the company colluded to increase the price of bread.

“You should show you are serious about the matter as shareholders. We need to address this problem. I would like to see changes at a board level,” said Jannie Mouton, executive chairman of the PSG Group. PSG has an effective 4% interest in Pioneer through its stake in unlisted Kaap Agri, which holds about 32% of Pioneer Foods.

Johan Holtzhausen, managing director of PSG Capital, who is co-ordinating the internal investigation into Pioneer, said: “It’s in everyone’s interest to settle matters on an amicable basis as soon as possible. Shareholders are being more vocal than in the past.”

He said an internal investigation was under way into the milling case that might include the bakery.

“After that is finalised, necessary actions may be taken, depending on the outcome. Shareholders may ultimately demand changes at board level,” said Holtzhausen.

The Competition Tribunal recently hit Pioneer with a fine of R196-million, which the Competition Commission said it would appeal on the grounds that it was insufficient as a deterrent. The commission wants the Competition Appeal Court to impose a penalty of R1.5-billion, 10% of group turnover for the period, instead of 10% of the bread division's turnover.

Pioneer Foods owns Weet-Bix and Bokomo, and the Sasko and Duens bakeries.

*Source: The Times*