



DETERMINATION OF MERGER NOTIFICATION M/15/046- CARGILL / EWOS

Section 21 of the Competition Act 2002

Proposed acquisition by Cargill, Incorporated of EWOS Group AS

Dated 25 September 2015

Introduction

1. On 20 August 2015, in accordance with section 18(1) of the Competition Act 2002, as amended¹ (“the Act”), the Competition and Consumer Protection Commission (“the Commission”) received a notification of a proposed transaction whereby Cargill, Incorporated (“Cargill”) would acquire the entire issued share capital and sole control of the EWOS Group AS, together with its direct and indirect subsidiaries (“EWOS”).

The Proposed Transaction

2. The proposed transaction is on foot of a Share Purchase Agreement between Albain Holdco Norway AS (the “Seller”) and Cargill which was signed on 16 August 2015.

The Undertakings Involved

The Acquirer

3. Cargill is a private limited liability company incorporated in Delaware in the United States with its registered address in Minnesota, U.S.A. It is an international producer and marketer of food and of agricultural, financial and industrial products and services. With specific regard to this merger notification, it is Cargill’s interests in animal feed and nutrition that are of relevance. Through its ‘Animal Feed & Nutrition’ Division, Cargill develops, manufactures and markets a broad range of animal feeds and customised animal nutrition solutions direct to producers and through dealers in more than 25 countries worldwide. Cargill sells branded products in many species’ segments, including aquaculture, beef, dairy, poultry, pork and pet food.
4. In the State, Cargill has an animal nutrition premix business, Provimi Ireland, which is based in Naas, County Kildare. [...].
5. In the financial year ending 31 May 2014, Cargill had worldwide turnover of €90.8 Billion, of which approximately [...] was generated in the State.

¹ It should be noted that the Competition and Consumer Protection Act 2014 made a number of important amendments to the merger review regime set out in the Competition Act 2002.



The Seller

6. Albain Holdco Norway AS is a private limited company organised under the laws of the Kingdom of Norway and is ultimately owned by funds managed by Bain Capital Europe LLP (“Bain Capital”) and Altor Equity Partners AB (“Altor”). Bain Capital is a leading private investment firm that is active in private equity, public equity, fixed income and credit, venture capital and absolute return investments across multiple sectors, industries and sector classes.² Altor is a group of private equity funds focused on investing in and developing medium sized companies with a Nordic origin across various industrial sectors.³

The Target

7. EWOS is one of the largest global producers and suppliers of feed and nutrition for farmed fish. EWOS companies are incorporated in Canada, Chile, Norway, England and Vietnam and its head office is located in Bergen, Norway. In the European Economic Area (“EEA”), EWOS produces and supplies complete fish feed and nutrition for salmonid (salmon and trout) from its operating facilities in Norway and Scotland.
8. EWOS makes salmonid feed sales into the State from its facility in Scotland. In the financial year ended 31 December 2014, the worldwide turnover for EWOS was approximately €1.4 billion, of which [...] million was generated by sales in the State.

Rationale for the Proposed Acquisition

9. The notification states:

“Cargill's proposed acquisition of EWOS is part of its strategy to increase its footprint in fish and shrimp nutrition. Acquiring EWOS will add salmonid feed to Cargill's existing shrimp, tilapia and other aquaculture species feed portfolio, along with capabilities important to enhancing Cargill's aquaculture proposition.”

Third Party Submissions

10. No submission was received.

Competitive Analysis

11. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to define precise relevant markets since there is no horizontal overlap between the activities of the parties in the State.
12. There is some overlap between the parties globally. Both parties are involved in the manufacture and sale of aqua/fish feed. Cargill manufactures and sells aqua/fish feed for trout only outside the EEA, while EWOS manufactures and sells aqua/fish feed for

² For more detail about Bain Capital see <http://www.baincapital.com/>

³ For more detail about Altor see <http://www.althor.com/>



salmon and trout (“salmonid”) globally. Both parties are also active in the manufacture and sale of aqua/fish feed for fish species such as tilapia, catfish and pangasius.

13. [...].
14. At a global level, there is a vertical overlap and relationship between the parties. Cargill is one of a number of suppliers to EWOS of ingredients used in the manufacture of aqua feed. There is however no vertical overlap between the parties in the State.
15. In light of the above, the Commission considers that the proposed acquisition will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

16. No ancillary restraints were notified.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby Cargill, Incorporated would acquire the entire issued share capital and sole control of the EWOS Group AS, together with its direct and indirect subsidiaries, will not be to substantially lessen competition in any market for goods or services in the State, and accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Patrick Kenny
Member
Competition and Consumer Protection Commission