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**COMP/M.4082 - CARGILL / PAGNAN II**

**SECTION 1.2**

**Description of the concentration**

Pagnan Commerciale S.r.l. (“Pagnan Commerciale”), a wholly owned subsidiary of Cargill, Incorporated (“Cargill”) and Pagnan S.p.A. (the “Vendor”) are in the final stage of negotiations of an Asset Purchase Agreement for the purchase by Pagnan Commerciale of sole control of the Vendor’s assets and ongoing operations related to the provision of inland water transport services for dry bulk cargo in Italy (the “Business”). This acquisition (the “Transaction”) will result in Cargill indirectly acquiring sole control over the Business and as such constitutes a concentration within the meaning of Article 3(1)(b) of the EC Merger Regulation (“ECMR”).

This Transaction is notifiable in application of Article 5(2) second paragraph ECMR. On 22 March 2005, the Commission adopted a decision in Case COMP/M.3725 Cargill/Pagnan, clearing Cargill’s acquisition of the Vendor’s activities relating to the import and trading of agricultural commodities (particularly grains and soybean meal); that acquisition was put into effect on 4 April 2005. The current Transaction takes place between the same parties and within a two-year period of the earlier transaction.

Cargill is active world-wide across a number of industries, including commodity processing and trading, and the marketing of non-branded food ingredients.

There is no horizontal overlap between the activities of the Parties. Therefore, the notified concentration does not raise any horizontal competition concerns.

Cargill is active (as a trade and/or a producer) in certain markets which are vertically related to the market in which the Business operates. Certain of these markets may be vertically affected markets only on a technical interpretation, on the basis that Cargill’s shares may exceed the 25% threshold. However, given the de minimis size of the Business, Cargill considers that the notified concentration does not involve any foreclosure effect.

The notified acquisition involves Cargill taking in-house the inland water transport services relating to the import and trading activities acquired by Cargill earlier this year. From the Vendor’s perspective the inland water transport activities are no longer considered strategic to its overall business, which no longer includes import and trading activities; these transport activities are not necessary for its retained activities relating to loading/unloading and storage.