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COMP/M.5322 - MARFRIG / OSI GROUP COMPANIES

SECTION 1.2

Description of the concentration

This notification concerns the proposed acquisition of sole control by Marfrig of certain OSI Group companies located in Brazil and Europe.

Marfrig is a South American based company active in the rearing of live cattle for slaughter (in Brazil and principally for in-house use) and the production of fresh beef and processed beef products, which it supplies to domestic customers and for export. To a lesser extent, Marfrig also rears live chicken and pigs for slaughter (in Brazil and principally for in-house use) and produces fresh and processed chicken, pork and lamb, which it supplies to domestic customers and for export. In Brazil, Marfrig also distributes other types of food products, but it does not export these products to Europe. In Europe, Marfrig's activities are limited to the supply of fresh beef, lamb and chicken meat and processed beef, lamb and chicken products. Marfrig's sales of processed chicken products in Europe are limited to an extremely small amount of sales of canned chicken products in the UK.

The OSI Group companies in Brazil are Braslo Produtos de Carnes Ltda., Penasul Alimentos Ltda. and Agrofrango Indústria e Comércio de Alimentos Ltda, and together they supply a range of meat products, including fresh and processed beef, pork and poultry. These companies sell mainly to customers in Brazil, and their exports to customers in Europe comprise a limited amount of sales of fresh and processed poultry.

The OSI Group companies in Europe, which together form the Moy Park Group, include Moy Park Limited (based in the UK and France), Kitchen Range Foods Limited (based in the UK) and Albert van Zoonen B.V (based in the Netherlands). Together these companies are active in the rearing of live poultry (principally for in-house use) and the supply of fresh and processed poultry. They are also active in the supply of value-added vegetable products and specialty bakery products and, to a limited extent, processed pork products.

The parties' activities overlap in Europe only to a very limited extent and, as such, Marfrig considers that this concentration will not have any significant impact on competition. Accordingly, there is no prospect that this transaction will give rise to a significant impediment to effective competition.

