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**COMP/M.6119 – ARLA / HANSA**

**SECTION 1.2**

**Description of the concentration**

Arla is a dairy cooperative owned by 7,625 Swedish and Danish dairy farmers (per 31 December 2009), and Arla is active in the production and sale of a variety of dairy products. Arla is based in Denmark but has activities worldwide.

Hansa is a German cooperative owned by 1,079 (hereof approximately 330 passive members) German dairy farmers (per 31 December 2009). Hansa owns 100 % of the shares of Hansa Milch AG, Upahl, Germany. Hansa-Milch AG produces and sells dairy products, in particular fresh dairy products, longlife milk, butter and milk powder.

Subject among others to clearance by the competition authorities, the Parties have signed an agreement according to which Arla will acquire sole control of Hansa. Hansa will become a member of Arla with substantially the same membership rights as granted to the Scandinavian members of Arla

Hansa has the clear majority of its activities on fresh products in Germany. Arla has activities worldwide, and is selling butter and cheese on the German market, but Arla has only had insignificant sales of fresh products in Germany. Therefore, the merger will only give rise to modest overlaps.