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COMP/M.6627 ARLA FOODS/MILCH-UNION HOCHEIFEL

SECTION 1.2

Description of the concentration

1. Arla is a dairy cooperative owned by Swedish, Danish and German dairy farmers. It is active in the production and sale of a variety of dairy products. Arla's headquarters are in Denmark but it has activities throughout the world. MUH is a German farmers' co-operative with its headquarters and production facilities in Pronsfeld/Germany.
2. The Parties have signed an agreement conditional, amongst other matters, on merger control clearance, pursuant to which Arla will acquire sole control of MUH's business and assets. In return, the MUH co-operative will become a corporate member of Arla with substantially the same membership rights as granted to the other members of Arla.
3. The Parties have complementary as well as overlapping business activities in the EU and especially in Germany and the Netherlands with Arla primarily focussing on fresh milk, cream, (Danish, German and Dutch-type) cheese and butter products whilst MUH primarily focuses on long-life milk, dairy cream, coffee milk and flavoured dairy drinks.