



Mergers: Commission clears joint acquisition of Slaney Foods JV and Slaney Proteins by ABP Group and Fane Valley

Brussels, 7 October 2016

The European Commission has cleared unconditionally, after an investigation under the EU Merger Regulation, the proposed acquisition of joint control of Slaney Foods JV and Slaney Proteins (Ireland) by meat processor ABP Group (Ireland) and farmer-owned agri-food company Fane Valley (United Kingdom).

All three companies (ABP, Fane Valley and Slaney) are active in the purchase and slaughter of live cattle, sheep and lambs, as well as de-boning and processing of meat. Their activities cover also the marketing of fresh beef, lamb and mutton to meat retailers (including supermarkets) and industrial meat processors. The Commission concluded that the proposed acquisition would not adversely impact effective competition in the EU's Single Market as regards any of these markets.

The transaction was notified on 2 September 2016.

Commission investigation

The Commission's investigation focused in particular on the impact of the proposed transaction on competition in the markets where the activities of the parties overlap and which constitute affected markets in terms of EU merger rules:

- purchasing of live cattle for slaughter in Ireland by ABP and Slaney Foods JV; purchasing of live sheep and lambs for slaughter in an area encompassing Ireland and Northern Ireland by ABP, Slaney Foods JV and Fane Valley;
- sale of fresh beef, lamb and mutton in Ireland, including to industrial processors; sale of fresh lamb and mutton meat in Belgium, including to supermarkets by ABP and Slaney Foods JV;
- collection of animal by-products, generated by the slaughtering activities, in Ireland by ABP and Slaney Foods JV.

The Commission concluded that the transaction would not raise competition concerns in relation to any of these markets.

As regards the potential impact on **markets for the purchasing of live animals** (cattle, sheep and lambs), the Commission assessed any potential increase of the slaughterhouses' buyer power to the detriment of farmers, which could affect in particular local farmers' communities. The Commission found that farmers in Ireland tend to sell within a rather broad geographic radius and that they are able to switch slaughterhouses if they can get better prices for their animals. Various slaughterhouses with spare capacity will continue to operate in Ireland, including in the southeast area, where the Slaney Foods JV cattle slaughtering facility is located. The Commission thus found that farmers will continue to have sufficient alternative buyers for their animals after the merger.

The Commission also assessed the potential impact on competition in the **downstream markets relating to the sale of fresh meat**. The investigation found that a number of strong competitors will remain active after the merger. The Commission therefore concluded that the parties will not be able to increase prices or impose detrimental conditions on retailers and industrial meat processors and ultimately on consumers.

As regards the **collection of animal by-products** generated by slaughtering activities in Ireland, the Commission found that the volumes of animal by-products that competing renderers currently collect from the Slaney Foods JV/Fane Valley are modest. The investigation also showed that, after the merger, rendering plants would continue to have sufficient access to animal by-products. Finally, the Commission found that the transaction was unlikely to have a negative impact on slaughterhouses in relation to their disposal of animal by-products.

Companies and products

ABP Food Group (Ireland) has a number of meat processing plants in Ireland, UK and continental Europe and is an international supplier of fresh beef to the European and global markets. ABP Group is also active in pet food, renewable energy and proteins. ABP operates eight meat processing plants in Ireland and Northern Ireland.

Fane Valley Co-operative Society Limited (United Kingdom) is a farmer owned co-operative and is active in meat processing, porridge oats and breakfast cereals, feeds, and owns a network of retail shops for farm requisites. Fane Valley operates one slaughterhouse in Northern Ireland.

Slaney Foods JV (Ireland) has two divisions: Slaney Food International comprising its cattle slaughtering and beef meat processing business located in Ireland and Irish Country Meats encompassing its sheep/lambs slaughtering activities and mutton and lamb business in Ireland and Belgium. Slaney Foods JV operates three meat processing plants in Ireland.

Slaney Proteins (Ireland) operates a rendering plant for processing of animal by-products generated by the activities of Slaney Foods JV in Ireland.

Merger control rules and procedures

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information on the case is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.7930](#).

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