



DETERMINATION OF MERGER NOTIFICATION M/24/068 – KERRY CO-OPERATIVE CREAMERIES /KERRY DAIRY HOLDINGS

Section 21 of the Competition Act 2002

Proposed acquisition of joint control of Kerry Dairy Holdings (Ireland) Limited by Kerry Co-Operative Creameries Limited and Kerry PLC.

Dated 27 November 2024

1. On 12 November 2024, in accordance with s18(1)(a) of the Competition Act 2002 (as amended) (“the Act”), the Competition and Consumer Protection Commission (“the CCPC”) received a notification of a proposed transaction whereby Kerry Co-Operative Creameries Limited (“the Co-Op”) and Kerry PLC (“Kerry”) would acquire joint control of Kerry Dairy Holdings (Ireland) Limited (“Dairy Ireland”) (together “the Parties”) (“the Proposed Transaction”).
2. The Proposed Transaction is to be implemented pursuant to the terms of a share purchase agreement, a transaction agreement, and a shareholder agreement which will be entered into upon completion.
3. The parties are involved in the following business activities:

The Co-Op:

4. The Co-Op is an agricultural society whose members are active in the supply of milk. Its principal function is to represent its members in its relationship with Kerry. In particular, the Co-Op negotiates with Kerry a template contract for the supply of raw milk from the Co-Op’s members to Kerry Creameries, a subsidiary of Dairy Ireland. When members of the Co-Op supply Kerry with raw milk, the terms of supply are those stipulated in the template contract. The Co-Op itself is neither a supplier of raw milk, nor is it active in dairy processing.



Kerry:

5. Kerry is a public limited company which is headquartered in Ireland. It is listed on the Dublin and London stock exchanges. Its operations are split into two segments: (1) 'Taste and Nutrition', which is a provider of taste and nutrition solutions for the food, beverage and pharmaceutical markets; and (2) Dairy Ireland, which consists of the business of Dairy Ireland. In the State, Kerry's 'Taste and Nutrition' activities involve the manufacture of enzymes, R&D and the supply of a portfolio of ingredients.

Dairy Ireland:

6. Dairy Ireland is a holding company for Kerry's dairy-related operations, which constitutes Kerry's dairy operating segment. There are 10 subsidiary companies within the Dairy Ireland group, which operate across a number of product segments. These are: Kerry Creameries Limited; Kerry Ingredients (Ireland) Limited; Castleisland Cattle Breeding Society; Kerrykream Limited; Breeo Brands Limited; Kerry Nutritional Ingredients (Ireland) Limited; Dairy Consumer Foods (UK) Limited; Dairy Consumer Foods (Ireland) Limited; Newmarket Co-Operative Creameries Limited; and Kerry Agri-Business Trading Limited.
7. Through these subsidiaries, Dairy Ireland provides Irish dairy ingredients and consumer products, and it is supplied by approximately 3,000 milk suppliers. Some of the consumer brands operated by Dairy Ireland include: Cheesestrings; Dairygold; Goldencow; Kerrymaid; and Low Low.

Decision:

8. After examination of the notification, the Commission has concluded that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1) of the Act as:
9. None of the undertakings involved in the proposed acquisition are active or potentially active in the same product and geographic markets in the State. This is because the Co-Op does not supply any goods or services, other than its co-operative association



services, in the State and, therefore, there are no horizontal overlaps between the activities of the Co-Op and the activities of either Kerry or Dairy Ireland.

10. In the light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

11. No ancillary restraints were notified to the Commission.



Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition of joint control of Kerry Dairy Holdings (Ireland) Limited by Kerry Co-Operative Creameries Limited and Kerry PLC, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Ibrahim Bah
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