



GAZDASÁGI  
VERSENYHIVATAL

## **Merger in the animal feed industry**

### **Greenlight was given to Kabai Táp Zrt., subsidiary of a Dutch animal feed producer for the acquisition of Pannonmill Kft. – concluded the Hungarian Competition Authority.**

In February 2009, Kabai Táp és Takarmányfeldolgozó Zrt. (animal feed producer, hereinafter Kabai Táp) and Pannonmill Malomipari Zrt. (hereinafter Pannonmill) signed a contract according to which Kabai Táp acquires 100% of the shares of Pannonmill and the latter undertakes not to pursue activities in connection with animal feed production and/or forage sales and distribution within 3 years.

Pannonmill is active in raw material procurement (cereals, protein compounds, vitamins, micro- and macro elements and other forage raw materials), in producing premix in the premix plants and concentrates and compound feed for poultry and pigs in the livestock feed plants (Bócs, Győr) and also in their sales – retail and wholesale – in plastic bags and in bulk. The undertaking possesses both a production and a distribution site of livestock feed in Győr and Bócs. The production and distribution site for premix is located at Környe.

From cereals (corn, wheat, barley), materials with protein (soyabean, sunflower and rape meal), energy sources (vegetable oil, animal grease) and premixes (vitamins, trace elements etc.), Kabai Táp produces livestock feed, which is distributed in bulk or in bags. Its production and distribution sites are in Kaba. The undertaking belongs to the undertaking group (Cehave-group) controlled by the Dutch Cooperative Cehave Landbouwbelaag U.A. Besides Kabai Táp, the Cehave-group is also represented in Hungary by Vitamex Kft., which is interested in premix, animal feed complement, feed for pigs and additive (fish-meal additive, probioticum, acid mixture etc.) production and sales. Vitamex is a supplier of Kabai Táp and also sells its products for large ultimate users. It has production and distribution sites in Újhartyán, Nagyszénás and Kaba.

According to the Competition Act, the GVH may not refuse to grant authorisation for a concentration where the concentration does not create or strengthen a dominant position, which would impede the formation, development or continuation of effective competition on the relevant market. On the basis of the consistent practice of the GVH, no competition concerns arise in the course of the creation of a concentration if the aggregate market share of the parties to the concentration does not exceed 20%. Though according to the investigation of the GVH, both Kabai Táp (as member of the Cehave-group) and Pannonmill are interested in animal food production and sales, and both the Cehave-group (through Vitamex) and Pannonmill produce premix, the concentration does not raise any competition concerns since the aggregate market share of the undertaking-groups that are parties to the concentration does not exceed 20% on the possible relevant markets. Hereby the GVH cleared the transaction.

Case number: **Vj-36/2009**.

Budapest, 18 May 2009

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