



# DETERMINATION OF MERGER NOTIFICATION M/20/017 – CAPVEST/M&M WALSHE

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## Section 21 of the Competition Act 2002

### Proposed acquisition by CapVest Partners LLP, through Plotview Limited, of sole control of M&M Walshe Holdings Limited

Dated 19 June 2020

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#### Introduction

1. On 12 May 2020, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed transaction whereby Plotview Limited (“Plotview”), a wholly-owned subsidiary of Eight Fifty Food Group Limited (“Eight Fifty Food Group”), which is an indirect wholly-owned subsidiary of CapVest Partners LLP (“CapVest”), would acquire sole control of M&M Walshe Holdings Limited (“M&M Walshe”) (the “Proposed Transaction”).

#### The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to a Share Purchase Agreement (“SPA”), dated 10 May 2020, between Plotview, Eight Fifty Food Group (acting as guarantor) and the individual shareholders of M&M Walshe<sup>1</sup> (the “Sellers”).
3. Pursuant to the SPA, the Proposed Transaction will take place in two steps. First, Plotview will acquire 48% of the issued share capital of M&M Walshe with the remaining 52% of the issued share capital of M&M Walshe being acquired by Element UK Topco Limited (“Element UK”), an indirect wholly-owned subsidiary of CapVest. Second, Element UK will then transfer the 52% of the issued share capital of M&M Walshe that it acquired pursuant to the first step to Plotview. Following implementation of the Proposed Transaction, therefore, Plotview will hold 100% of the issued share capital and thus sole control of M&M Walshe.

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<sup>1</sup> The Sellers are Mr Alan Clohessy (who holds [...]% of the total issued share capital of M&M Walshe), Mr Barry Clohessy (who holds [...]%), Mr Brian Clohessy (who holds [...]%), Mr John Walshe (who holds [...]%), Mr Paul Walshe (who holds [...]%), Ms Geraldine Clohessy (who holds [...]%), Ms Michelle Walshe (who holds [...]%) and Ms Nicola Walshe (who holds [...]%).



## The Undertakings Involved

### *The Acquirer – CapVest*

4. CapVest is a limited liability partnership registered in England and Wales. It is a mid-market private equity firm with its headquarters located in London. CapVest focuses on identifying and managing investments in companies that supply essential goods and services. CapVest has invested in businesses in the State,<sup>2</sup> continental Europe, Scandinavia, the United Kingdom (“UK”) and North America. Two of the companies owned or controlled by CapVest are active in the State: Valeo Foods (Ireland) Unlimited Company (“Valeo Foods”) and Eight Fifty Food Group.<sup>3</sup>
5. Valeo Foods is headquartered in the State and is active in the production and distribution of shelf-stable/ambient food products to the retail and foodservice sectors.
6. Eight Fifty Food Group consists of two main businesses:
  - Lighthouse UKCO 5 (Holdings) Limited, the holding company of Young’s Seafood Limited (“Young’s Seafood”) which is a fish and seafood business active in the UK, and;
  - Karro Food Group Limited (“Karro”), a company incorporated in the UK which is focussed on the processing and supply of pig meat and branded pork products under the *Cookstown* brand. Karro supplies customers based in the State from its pig slaughtering and processing plant at Cookstown, Co. Tyrone. Karro operates a meat processing facility in the State located in Castleblayney, Co. Monaghan,<sup>4</sup> which prepares pork and other products for sale primarily to Karro’s “McGee” butcher concessions in Asda stores in the UK (predominantly in Northern Ireland).
7. Neither Valeo Foods nor Young’s Seafood is active in meat processing.
8. For the financial year ending 31 December 2019, CapVest’s worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.

### *The Target – M&M Walshe*

9. M&M Walshe is the holding company and ultimate parent company of the M&M Walshe group of companies. M&M Walshe has its headquarters in the State. M&M Walshe’s wholly-owned subsidiaries are Callan Bacon Company Limited (“Callan Bacon”) and M&M Walshe Limited trading as Ribworld (“Ribworld”). Callan Bacon has two UK-incorporated subsidiaries, Stirchley Bacon Holdings Limited and Stirchley Bacon

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<sup>2</sup> For previous determinations involving CapVest see: merger determination M/17/014 – *Element(Capvest)/Karro*, available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m17014-elementcapvestkarro/>;  
merger determination M/10/031 – *CapVest/Origin Foods/Maiden*, available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m10031-capvest-origin-foods-maiden/>;  
merger determination M/07/067 – *CapVest/Drie Mollen*, available at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m07067-capvest-drie-mollen/>

<sup>3</sup> The parties state in the notification that CapVest exited its investment in Mater Private Healthcare in 2018.

<sup>4</sup> The processing facility is held through its Irish subsidiary, Karro McGee ROI Limited.



Limited. M&M Walshe also has a 50% shareholding in Nordic Trader House Gustafsberg AB, a Swedish-incorporated company which operates in Scandinavia.<sup>5</sup>

10. Callan Bacon is a pork and bacon processor operating from a plant in Callan, Co. Kilkenny. Callan Bacon supplies gammon joints and steaks,<sup>6</sup> and rashers to own-label retail customers and foodservice customers in the State.<sup>7</sup>
11. Ribworld offers a range of branded and unbranded meat products to retailers, caterers and consumers throughout Europe from its plant in Fethard, Co. Tipperary. Ribworld offers slow cooked, ready to heat meat products such as pork tenderloin, pulled pork, ready to eat pork, beef brisket, pulled beef, beef ribs, shredded beef, lamb shank, shredded chicken and turkey, duck breast and duck legs.
12. For the financial year ending 30 April 2019, M&M Walshe's worldwide turnover was approximately €[...], of which approximately €[...] was generated in the State.

#### **Rationale for the Proposed Transaction**

13. The parties state the following in the notification:

*“From CapVest’s perspective, the acquisition of M&M Walshe is an extension of its existing investment strategy and represents an opportunity to invest in a well-established business.*

*The Target [M&M Walshe] views the Proposed Transaction as offering an opportunity to be part of an experienced and well-resourced organisation that can provide investment support and expand the existing business.”*

#### **Market enquiries**

14. During its investigation, the Commission issued questionnaires to a number of third party producers and suppliers of gammon steaks and joints, and rashers to retailers and to the foodservice sector. The third party suppliers contacted by the Commission were identified by the parties. Responses to the Commission's questionnaires were received from three of the third party suppliers contacted.

#### **Third Party Submissions**

15. No submission was received.

#### **Competitive Analysis**

##### **Horizontal Overlap**

16. The parties' activities and areas of overlap are broadly summarised in Table 1 below. As shown in the table, there are horizontal overlaps between the parties' activities in the

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<sup>5</sup> The remaining 50% of Nordic Trader House Gustafsberg AB is privately owned and controlled by a Swedish family.

<sup>6</sup> Gammon is the hind leg of pork and it is typically cured by dry-salting or brining and it may or may not be smoked.

<sup>7</sup> Callan Bacon sold branded products under the *Craft Cure* and *Callan Bacon* brands until November 2018.



State with respect to (i) the processing and supply of gammon steaks and joints and (ii) the processing and supply of rashers.

**Table 1: The parties' activities in the State**

Activity in the State	CapVest	M&M Walshe
Pig farming	✓	✗
Supply/purchase of pigs for slaughter	✓	✗
Supply of fresh pork for human consumption	✓	✗
Supply of fresh pork for further processing	✓	✗
<b>Supply of processed pork products to include:</b>		
Gammon Joints and Steaks	✓	✓
Rashers	✓	✓
Cooked ham	✗	✗
Sausages	✓	✗
Sous-vide (ready-prepared) meats such as pork tenderloin, pulled pork and shredded pork	✗	✓

*Source: The merging parties*

#### Market Definition

##### *Views of the parties*

17. The parties state the following in the notification:

*“..., for the purposes of this notification the relevant markets are regarded as follows: the supply of fresh pork for further processing (from a vertical perspective); and the supply of processed pork meat products, in particular gammon joints and steaks and rashers (from a horizontal perspective).”*

##### *Views of the Commission*

18. In two decisions, *M/13/026 – Kepak/McCarren*<sup>8</sup> and *M/19/039 – BWG/Heaney Meats*,<sup>9</sup> the Commission and its predecessor the Competition Authority (the “Authority”) considered whether the supply of different types of meat products constitute separate product categories. In *M/13/026 – Kepak/McCarren*, the Authority determined that there was no direct horizontal overlap between the relevant parties in the State as they were each active in the processing and supply of different pork products. The product markets considered by the Authority in assessing the relevant transaction in that case were: the supply of each of bacon, cooked ribs and burger ribs, and the packing of primary cuts of pork into retail packaging. In *M/19/039 – BWG/Heaney Meats*, the Commission assessed the impact on competition of the relevant transaction with respect to the supply, specifically to the foodservice sector in the State, of each of beef, poultry, bacon, pork and lamb, respectively.

<sup>8</sup> For more information see merger determination *M/13/026 – Kepak/McCarren*, available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-13-026-Kepak-McCarren-Public.pdf>

<sup>9</sup> For more information see merger determination *M/19/039 – BWG/Heaney Meats*, available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2019/11/M.19.039-BWG-Heaney-Meats-PUBLIC-Determination.pdf>



19. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. The Commission does not need to come to a definitive view on the precise relevant product market in this instance since its conclusion on the competitive impact of the Proposed Transaction will be unaffected whether the relevant product market is defined narrowly (e.g., by individual product) or more broadly to encompass a single product market for all pork products.
20. Similarly, it is not necessary for the Commission to come to a definitive view on the precise geographic market definition in this instance since the delineation of the geographic market will not materially alter the Commission's conclusions as to the likely competitive impact of the Proposed Transaction. In this instance, the Commission sees no reason to deviate from its approach in previous determinations and, thus, has assessed the likely competitive impact of the Proposed Transaction on a national basis, i.e., in the State.
21. For the purposes of its competitive analysis of the Proposed Transaction, the Commission has therefore analysed the likely effects of the Proposed Transaction on competition based on the following narrowest potential product markets for the processing and supply of:
  - (i) own-label gammon steaks and joints to retailers in the State;
  - (ii) own-label rashers to retailers in the State;
  - (iii) gammon steaks and joints to the foodservice sector in the State; and,
  - (iv) rashers to the foodservice sector in the State.

#### Competitive Analysis

**(i) The processing and supply of own-label gammon steaks and joints to retailers in the State**

22. There is a horizontal overlap between CapVest (through its subsidiary Karro) and M&M Walshe (through its subsidiary Callan) in the potential market for the processing and supply of own-label gammon steaks and joints to retailers in the State. The estimates of the respective shares of Karro and Callan provided by the parties in the potential market for the processing and supply of own-label gammon steaks and joints to retailers are set out in Table 2 below. Table 2 shows that, following implementation of the Proposed Transaction, the merged entity's share of the potential market for the processing and supply of own-label gammon steaks and joints to retailers in the State would be approximately [30-40]%.



**Table 2: CapVest and M&M Walshe’s share in the processing and supply of own-label gammon steaks and joints to retailers in the State, 2019.<sup>10</sup>**

Suppliers	Own-label gammon steaks and joints to retailers
CapVest (Karro)	[10-20]%
M&M Walshe (Callan)	[10-20]%
<b>Combined</b>	<b>[30-40]%</b>
Hilton Foods	[10-20]%
Oliver Carty	[10-20]%
Connolly Meats	[0-10]%
Oakpark Foods	[0-10]%
Other <sup>11</sup>	[20-30]%
Total	100%

*Source: Based on estimates provided by the parties using Kantar KPI data in Ireland (retail only). Karro and M&M Walshe sales are based on internal sales data.*

23. The Commission’s investigation focussed on the likelihood of unilateral effects occurring following implementation of the Proposed Transaction. Unilateral effects occur when a merger results in the merged entity having the ability and the incentive to raise prices at its own initiative and without coordinating with its competitors.
24. The Commission considers that the merged entity will not have the ability to unilaterally raise prices in the potential market for the processing and supply of own-label gammon steaks and joints to retailers in the State following implementation of the Proposed Transaction. The Commission’s view is based on the analysis set out below.
25. First, as illustrated in Table 2, following implementation of the Proposed Transaction, the merged entity would have a moderate share in the processing and supply of own-label gammon steaks and joints to retailers in the State. The merged entity’s share would be approximately [30-40]% in the supply of own-label gammon steaks and joints to retailers in the State.
26. Second, following implementation of the Proposed Transaction, the merged entity would continue to face a competitive constraint from a significant number of suppliers of own-label gammon steaks and joints to retailers in the State, including Hilton Foods (Ireland) Limited, Oliver Carty Unlimited Company, Connolly Meats Limited and Oakpark Foods Limited.
27. The Commission notes that the customers of suppliers of own-label gammon steaks and joints are retailers including large retail chains and supermarkets. The parties state in the notification that these customers have the ability to easily and quickly switch between suppliers of own-label gammon steaks. In the notification the parties state: *“Customer contracts are short-term in nature, typically ranging between 6 and 12*

<sup>10</sup> As noted in paragraph 14, the Commission issued questionnaires to the parties’ competitors. The Commission requested information on these competitors’ supply of own-label gammon steaks and joints and own-label rashers in the State in order to estimate market shares. This information indicates that some rivals’ shares may have been over-estimated by the parties and other rivals’ shares may have been under-estimated by the parties. On the whole, however, the Commission considers that the parties’ estimates provide a reasonable estimate of the market concentration.

<sup>11</sup> The parties state in the notification that the “Other” category includes imports and small producers in Ireland such as a butcher chain supplying a supermarket chain.



*months, and large supermarkets and retailers regularly re-tender and switch contracts between meat suppliers.”*

28. Furthermore, the parties argue that there is spare production capacity<sup>12</sup> in the processing and supply of gammon steaks and joints, which allows retailers to switch providers or negotiate more favourable conditions. In its response to the Commission’s questionnaire, one competitor (“Competitor A”) stated: *“We would surmise that there is a good amount of spare capacity in the State on both gammons and rashers.”* and *“own-label business transfer would be relatively easy to do.”* With regard to the supply of gammon steaks and joints and rashers in the State, another competitor (“Competitor B”) stated: *“In [Competitor B]’s view, there is an oversupply within the Irish market.”*

**(ii) The processing and supply of own-label rashers to retailers in the State**

29. There is a horizontal overlap between CapVest (through its subsidiary Karro) and M&M Walshe (through its subsidiary Callan) in the potential market for the processing and supply of own-label rashers to retailers in the State. The estimates of the respective shares of Karro and Callan provided by the parties in the potential market for the processing and supply of own-label rashers to retailers are set out in Table 2 below. Following implementation of the Proposed Transaction, the merged entity’s share of the potential market for the processing and supply of own-label rashers to retailers in the State would be approximately [30-40]%.

**Table 3: CapVest and M&M Walshe’s share in the processing and supply of own-label rashers to retailers in the State, 2019.**

Suppliers	Own-label rashers to retailers
CapVest (Karro)	[10-20]%
M&M Walshe (Callan)	[10-20]%
<b>Combined</b>	<b>[30-40]%</b>
Hilton Foods	[10-20]%
Oakpark Foods	[10-20]%
Oliver Carty	[10-20]%
Connolly Meats	[0-10]%
Other	[10-20]%
Total	100%

*Source: Based on estimates provided by the parties using Kantar KPI data in Ireland (retail only). Karro and M&M Walshe sales are based on internal sales data.*

30. As stated in paragraph 23 above, the Commission’s investigation focussed on the likelihood of unilateral effects occurring following implementation of the Proposed Transaction. The Commission considers that the merged entity will not have the ability to unilaterally raise prices in the potential market for the processing and supply of own-label rashers to retailers in the State following implementation of the Proposed Transaction. The Commission’s view is based on the analysis set out below.
31. First, as illustrated in Table 3, following implementation of the Proposed Transaction, the merged entity would have a moderate share in the processing and supply of own-

<sup>12</sup> Annex K – product Miller\_Information Memorandum, which accompanied the notification, states that M&M Walshe’s meat processing plant in Callan, Co. Kilkenny is operating at [...].



label rashers to retailers in the State. The merged entity's share would be approximately [30-40]% in the supply of own-label rashers to retailers in the State.

32. Second, following implementation of the Proposed Transaction, the merged entity would continue to face a competitive constraint from a significant number of suppliers of own-label rashers to retailers in the State, including Hilton Foods (Ireland) Limited, Oliver Carty Unlimited Company, Connolly Meats Limited and Oakpark Foods Limited.
33. Similar to the supply of own-label gammon steaks and joints to retailers in the State, the Commission notes that the customers of suppliers of own-label rashers are retailers including large retail chains and supermarkets. The parties state in the notification that these customers have the ability to easily and quickly switch between suppliers of own-label rashers. As with the market for the processing and supply of own-label gammon steaks and joints the parties argue that there is spare production capacity in the processing and supply of rashers, which allows retailers to switch providers or negotiate more favourable conditions, which was acknowledged by the competitors of the parties in response to the Commission's questionnaires.

**(iii) The processing and supply of gammon steaks and joints to the foodservice sector in the State**

34. There is a horizontal overlap between CapVest (through its subsidiary Karro) and M&M Walshe (through its subsidiary Callan) in the potential market for the processing and supply of gammon steaks and joints to the foodservice sector in the State. The foodservice sector includes sandwich shops, restaurants, schools, prisons and pubs.<sup>13</sup> The estimates of the respective shares of Karro and Callan in this potential product market provided by the parties are set out in Table 4 below. Following implementation of the Proposed Transaction, the merged entity's share of the potential market for the processing and supply of gammon steaks and joints to the foodservice sector in the State would be approximately [10-20]%.

**Table 4: CapVest and M&M Walshe's share in the processing and supply of gammon steaks and joints to the foodservice sector in the State, 2019.<sup>14</sup>**

Merging parties	Gammon steaks and joints
CapVest (Karro)	[0-10]%
M&M Walshe (Callan)	[0-10]%
<b>Combined</b>	<b>[10-20]%</b>

*Source: Market size is based on Karro's internal estimates. Karro and M&M Walshe sales are based on internal sales data.*

35. As stated in paragraph 23 above, the Commission's investigation focussed on the likelihood of unilateral effects occurring following implementation of the Proposed Transaction. The Commission considers that, following implementation of the Proposed Transaction, the merged entity would not have the ability to unilaterally raise prices in

<sup>13</sup> For a detailed description of the foodservice sector in the State, please see paragraphs 19-20 in merger determination M/12/010 – Pallas/Crossgar, available at: <https://www.cpc.ie/business/wp-content/uploads/sites/3/2017/04/M-12-010-Pallas-Crossgar.pdf>

<sup>14</sup> These calculations are based on information provided by the parties. In the notification the parties state the calculations are: "Based on Karro's internal sales data and internal market tracking." On this basis the parties estimate that the retail sector comprises [...]% of the market for processed pork products, the foodservice sector comprises the remaining [...]%.





the potential market for the processing and supply of gammon steaks and joints to the foodservice sector. The Commission's view is based on the analysis set out below.

36. First, as illustrated in Table 4, following implementation of the Proposed Transaction, the merged entity would have a relatively small share in the processing and supply of gammon steaks and joints to the foodservice sector in the State. Furthermore, the incremental increase in the merged entity's pre-transaction share would be relatively low.
37. Second, following implementation of the Proposed Transaction, the merged entity would continue to face a competitive constraint from a significant number of other suppliers of gammon steaks and joints to the foodservice sector in the State, including Oakpark Foods Limited and Connolly Meats Limited.
38. Third, in a previous determination, the Authority characterised the foodservice sector in the State as one where switching by foodservice operators between different suppliers is easy and frequent due to low costs and barriers to switching.<sup>15</sup> In its response to the Commission's questionnaire, Competitor B stated: *"Within the foodservice sector there is low cost in switching providers. Products are standardised between suppliers. Suppliers can run large production runs, e.g. same packaging and labels suits most foodservice customers."* The Commission considers that, consistent with the Authority's conclusion in M/12/010 – *Pallas/Crossgar*, there are relatively low barriers to foodservice providers in the State switching between suppliers of gammon steaks and joints.

**(iv) The processing and supply of rashers to the foodservice sector in the State**

39. There is a horizontal overlap between CapVest (through its subsidiary Karro) and M&M Walshe (through its subsidiary Callan) in the potential market for the processing and supply of rashers to the foodservice sector in the State. The estimates of the respective shares of Karro and Callan in this potential product market provided by the parties are set out in Table 5 below. Following implementation of the Proposed Transaction, the merged entity's share of the potential market for the processing and supply of rashers to the foodservice in the State would be approximately [10-20]%.

**Table 5: CapVest and M&M Walshe's share in the processing and supply of rashers to the foodservice sector in the State, 2019.<sup>16</sup>**

Merging Parties	Rashers
CapVest (Karro)	[0-10]%
M&M Walshe (Callan)	[0-10]%
<b>Combined</b>	<b>[10-20]%</b>

*Source: Market size is based on Karro's internal estimates. Karro and M&M Walshe sales are based on internal sales data.*

<sup>15</sup> See the Authority's decision in M/12/010 – *Pallas/Crossgar*, which can be accessed at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2017/04/M-12-010-Pallas-Crossgar.pdf>

<sup>16</sup> These calculations are based on information provided by the parties. In the notification the parties state the calculations are: *"Based on Karro's internal sales data and internal market tracking."* On this basis the parties estimate that the retail sector comprises [...] % of the market for processed pork products, the foodservice sector comprises the remaining [...] %.



40. As stated in paragraph 23 above, the Commission's investigation focussed on the likelihood of unilateral effects occurring following implementation of the Proposed Transaction. The Commission considers that, following implementation of the Proposed Transaction, the merged entity would not have the ability to unilaterally raise prices in the potential market for the processing and supply of rashers to the foodservice sector. The Commission's view is based on the analysis set out below.
41. First, as illustrated in Table 5, following implementation of the Proposed Transaction, the merged entity would have a relatively small share in the processing and supply of rashers to the foodservice sector in the State. Furthermore, the incremental increase in the merged entity's pre-transaction shares would be relatively low.
42. Second, following implementation of the Proposed Transaction, the merged entity would continue to face a competitive constraint from a significant number of other suppliers of rashers to the foodservice sector in the State, including Oakpark Foods Limited, Connolly Meats Limited, and Irish Bacon Slicers Limited.
43. Third, as stated in paragraph 38 the Commission considers that there are relatively low barriers to foodservice providers in the State switching between suppliers.
44. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the potential markets for the processing and supply of own-label gammon steaks and joints to retailers, the processing and supply of own-label rashers to retailers, the processing and supply of gammon steaks and joints to the foodservice sector, and the processing and supply of rashers to the foodservice sector, in the State.

#### *Vertical Relationship*

45. There is an existing vertical relationship between CapVest and M&M Walshe since Karro supplies fresh pork to M&M Walshe for further processing. [...].
46. The Commission considers that the Proposed Transaction raises no vertical competition concerns in the State for the following reasons.
47. First, the Commission considers that the Proposed Transaction would not give the merged entity the ability to foreclose its rival suppliers of processed pork products in the State through the restriction of supply of fresh pork for further processing (i.e., input foreclosure). As illustrated in Table 6 below, the estimates provided by the parties suggest that Karro has a relatively small share ([10-20]%) in the supply of fresh pork for further processing in the State. Following implementation of the Proposed Transaction, suppliers of processed pork products may continue to source fresh pork from Karro's competitors, including Rosderra Irish Meats Group, Dawn Meats Ireland Unlimited Company and Staunton Foods Limited.



**Table 6. Estimated shares of volume of pig kills supplied in the State in 2019<sup>17</sup>**

Manufacturer	Pigs slaughtered per week	Share
<b>ROI Manufacturers<sup>18</sup></b>		
Rosderra Irish Meats Group	[...]	[40-50]%
Dawn Meats	[...]	[10-20]%
Staunton Foods	[...]	[10-20]%
Green Pasture Meats	[...]	[0-10]%
McCarren Meats	[...]	[10-20]%
<b>NI Manufacturers' exports to the State</b>		
Karro	[...]	[10-20]%
Grants	[...]	[0-10]%
<b>Total</b>	[...]	<b>100%</b>

Source: Karro's internal commercial estimates

48. Second, the Commission considers that the Proposed Transaction is unlikely to give the merged entity the ability to foreclose upstream suppliers of fresh pork for further processing in the State by restricting their access to a sufficient customer base (i.e., customer foreclosure). There are a significant number of rival suppliers of gammon steaks and joints, and rashers in the State such as Hilton Foods (Ireland) Limited, Oliver Carty Unlimited Company, Connolly Meats Limited, Oakpark Foods Limited and Irish Bacon Slicers Limited. Following implementation of the Proposed Transaction, upstream suppliers of fresh pork for further processing may continue to supply these customers.
49. In light of the above, the Commission considers that the Proposed Transaction does not raise any vertical competition concerns in the State.

## Conclusion

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

<sup>17</sup> The parties suggest using the volume of pig kills in the State and imported from Northern Ireland (Karro supplies its fresh pork for further processing from its facility in Co. Tyrone) as a proxy for the supply of fresh pork for further processing. Using this metric Karro has a share of supply of approximately [10-20]% of the fresh pork for further processing in the State.

<sup>18</sup> According to its website, Rosderra Irish Meats estimates that it accounts for around 55% of pig kills per week in the State, at 31,000. For more information see: <http://rosderra.ie/about/>. McCarren estimates that it accounts for approximately 10% of pig kills in the State. For more information see: <https://www.kepak.com/brands/mccarren/>.



### Ancillary Restraints

51. Clause 16 of the SPA contains restrictive obligations on each of the Sellers, including non-compete and non-solicitation obligations. The duration of these non-compete and non-solicitation obligations does not exceed the maximum duration acceptable to the Commission.<sup>19</sup> The Commission considers these restrictions to be directly related to and necessary for the implementation of the Proposed Transaction.

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<sup>19</sup> In this respect the CCPC follows the approach adopted by the European Commission in paragraphs 20 and 26 of its Notice on restrictions directly related and necessary to concentrations (2005) OJ C56/03. For more information see [http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305\(02\)&from=EN](http://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52005XC0305(02)&from=EN)



## **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 whereby Plotview Limited, a wholly-owned subsidiary of Eight Fifty Food Group Limited, which is an indirect wholly-owned subsidiary of CapVest Partners LLP, would acquire sole control of M&M Walshe Holdings Limited 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

**Brian McHugh**  
**Member**  
**Competition and Consumer Protection Commission**