Agri-food industry: the Autorité clears the acquisition of the Routhiau group by the LDC group

Published on December 20, 2024

Background

On 28 November 2024, the LDC group notified the *Autorité de la concurrence* of its plan to acquire the Routhiau group, an agri-food player in the poultry sector.

At the end of its investigation, the *Autorité* has today cleared the transaction without conditions.

The parties to the transaction

LDC is an agri-food group that owns the Le Gaulois, Maître Coq, Marie and Loué brands. The group is organised around four divisions: the “upstream” division, specialising in poultry and egg production, cereal collection and the distribution of crop inputs; the “poultry” division, specialising in the slaughtering and sale of poultry; the “catering” division, specialising in the production and sale of catering products; and the “international” division, covering LDC operations outside France.

Routhiau is a family-owned group, whose business is split between two divisions: the “meat” division, via Jean Routhiau, specialising in fresh and frozen meat products (poultry, beef, pork, lamb), most often cooked; and the “Asian and desserts” division, via 3A and Tendance Créative, specialising in fresh and frozen

meat-based ready meals, Asian dishes, *croque-monsieur* sandwiches and desserts.

The *Autorité* ruled out any risk of harm to competition from the transaction in the markets concerned

The *Autorité* considered that the transaction was not likely to affect competition.

Following a careful examination, during which the *Autorité* consulted the customers and competitors of LDC and the Routhiau group, the *Autorité* did not identify any anticompetitive risks in the main markets in which the parties compete, namely the markets for the sale of processed poultry products, on the one hand, and the markets for the sale of catering products, on the other.

In addition, the *Autorité* examined the vertical effects of the transaction due to the presence of LDC on the upstream market for the collection and slaughtering of poultry meat. Through its investigation, the *Autorité* was able to rule out any risk of LDC competitors being denied access to poultry.

Lastly, the *Autorité* ruled out any risk of harm to competition through bundled offerings or product range discounts, on both the markets for the sale of catering products and the markets for the sale of processed poultry products.

As part of its analysis, the *Autorité* notably took in account the presence of credible competitors that could serve as alternatives to LDC and competitive pressure from imports of poultry meat.

The *Autorité* therefore cleared the transaction without conditions, despite the sometimes significant positions held by LDC on the markets concerned.

Vertical Effects

Vertical effects are examined when a transaction involves stakeholders operating at different levels of the value chain. The *Autorité* evaluates whether the transaction could enable the vertically-integrated entity to foreclose or penalise its competitors by increasing input costs or limiting their access to downstream customers.

DECISION 24-DCC-295 OF 20 DECEMBER 2024

on the acquisition of the Routhiau group by the LDC group

See the full text of the decision (in French)

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