The Autorité de la concurrence clears, subject to several conditions, the merger of agricultural cooperatives D'Aucy and Triskalia

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Background

Agricultural and agrifood cooperative groups D'Aucy and Triskalia notified the Autorité de la concurrence of their planned merger.

The Autorité identified a number of risks of significant harm to competition in the markets for the collection of cereals, oilseeds and protein crops, agricultural supplies and retail distribution of gardening, DIY, outdoor amenities and pet shop.

In response to these competition concerns, the parties presented commitments covering the different aspects. They committed themselves to divest of 20 cereal, protein and oilseed crop collection infrastructures and 6 sales outlets operated until now by D'Aucy and Triskalia under the brands Gamm vert and Point vert.

They also committed to amend their articles of association to give agricultural holdings more freedom in terms of the volume of cereals they must contribute to the cooperative and agricultural supplies they must buy from it (that is to say seeds, phytosanitary products, fertilizers and amendments, but also agricultural equipment and veterinary products).

Parties to the transaction

D'Aucy and Triskalia are two large, diversified cooperative groups, whose turnover is respectively €1.2 billion and €1.9 billion and are notably active in the collection and marketing of cereals, protein and oilseed crops, seed, agricultural supplies, animal nutrition, vegetables, eggs and egg products, catering products, retail distribution of gardening, DIY, landscaping and pet products and fuel oil distribution.

Competition concerns identified

Although the transaction does not raise any competition concerns in the seed, animal nutrition, vegetables, eggs and egg products sectors, the Autorité de la concurrence considered that there were risks of significant anticompetitive effects in the cereal, protein and oilseed crop collection, agricultural supplies and retail distribution of gardening, DIY, landscaping and pet products sectors.

Indeed, in the sector of grains, proteins and oilseeds, the market share of the new entity exceeded 70% in certain collection areas; similarly, in the retail sector of gardening, DIY, outdoor and pet foods, the market share of the new entity reached 100% in certain catchment areas.
Thus, in view of the new entity's large market share in these sectors, there were risks of price increases or of reductions in product quality and diversity.

Commitments

In response to these competition concerns, the parties made a commitment to divest themselves of 20 collection infrastructures and 6 sales outlets operated

until now by D'Aucy and Triskalia under the brands Gamm vert and Point vert. They also made a commitment to change the contribution and procurement obligations imposed on agricultural holdings.

- Divestiture of 20 collection platforms and silos

In the upstream cereal, protein and oilseed crop collection market, Triskalia and D'Aucy have made a commitment to divest themselves of the 20 collection platforms and silos situated in the areas where the transaction would have anticompetitive effects. The farmers in these areas will thus have an alternative for stocking and selling their production.

Sites concernés	Entité	Type
GUER	TRISKALIA	Plateform
CADEN	TRISKALIA	Plateform
GUEMENE-SUR-SCORFF	D'AUCY	Plateform
LA CHEZE TRISKALIA	TRISKALIA	Silo

Sites concernés	Entité	Type
LANISCAT TRISCALIA	TRISKALIA	Plateform
LANOUEE	D'AUCY	Plateform
LOUDEAC	D'AUCY	Plateform
MALENSAC	D'AUCY	Plateform
MALESTROIT	D'AUCY	Plateform
MOREAC	TRISKALIA	Silo
MOUSTOIR REMUNGOL	TRISKALIA	Silo
PLOERMEL	TRISKALIA	Silo

Sites concernés	Entité	Type
PLUMELEC	D'AUCY	Plateform
ROSTRENEN	D'AUCY	Plateform
GOUDELIN	TRISKALIA	Silo
GUINGAMP	TRISKALIA	Silo
LA ROCHE DERRIEN	D'AUCY	Plateform
PRAT	D'AUCY	Plateform
PLEUMEUR GAUTIER	D'AUCY	Plateform
VIEUX BOURG	TRISKALIA	Plateform

- Greater room for manoeuvre for agricultural holdings in terms of contributions and procurement

The parties also made a commitment that their future articles of association would reduce the cereal, protein and oilseed crop contribution obligation placed on their members to bring it to at least 55% of their production, compared to 100% at present. In addition, the parties made a commitment not to link their members' cereal, protein and oilseed crop contribution to the procurement of agricultural supplies.

In the agricultural supplies market, the parties also made a commitment that their future articles of association would reduce the obligation on their members to purchase at least 55% of their agricultural supplies from them. As for collection, the parties made a commitment not to include any clause or impose any obligation on their members designed to circumvent the above commitment, in their articles of association or in any other document governing their relations with their members.

These commitments are intended to ensure that adequate competition is maintained in the affected areas.

- Divestiture of 6 sales outlets operated until now by D'Aucy and Triskalia under the brands Gamm vert and Point vert

In the downstream gardening, DIY, landscaping and pet product retail distribution market, the parties made a commitment to divest themselves of six sales outlets operated until now by D'Aucy and Triskalia under the brands Gamm vert and Point vert in the Bréhan (56), Broons (35), Caulnes (22), Guéméné (56), Le Faouët (56) and Malansac (56) areas to competing operators approved by the *Autorité de la concurrence*.

Consumers will thus benefit from a choice of competing retailers and therefore the maintenance of diversity in terms of prices and services when buying gardening and pet products.

The divestitures mean that stores will change retailer rather than close

The divestitures, which are subject to commitments, are justified by the disappearance of local competitive pressure on the new entity after the transaction.

Regarding the market for the retail distribution of gardening, DIY, landscaping and animal products, the objective of divestiture commitments is to enable the stores and their activities to be taken over by a competitor of the new entity, in order to maintain dynamic competition in the affected catchment area and ensure that consumers have continued access to a diversified choice of DIY, home decoration and gardening products.

Regarding the markets of cereal, protein and oilseed crop collection, the same approach guided the conditions related to the divestiture of the silos and platforms by the operators.

> See full text of decision 19-DCC-147 of 24 July 2019

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