22 September 2016 : Agricultural cooperatives

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The *Autorité de la concurrence* clears the acquisition of sole control of Agri-Négoce by Axéréal Participations,
subject to commitments

> Version française

On 21 April 2016, the company Axéréal Participations, subsidy of the farming cooperative Axéréal, notified the *Autorité de la concurrence* of the acquisition of sole control of the company Agri-Négoce, subject to the divestiture of six grain elevators.

The parties are involved in the seed collection and commercialization sector in the French departments of Loir-et-Cher (41), Indre-et-Loire (37) and Sarthe (72), as well as in the sector of agri-supply for land cultivation.

The operation effects mainly concern the seed collection in the department of Loir-et-Cher where Agri-Négoce's grain elevators were, in several local areas (Averdon, Herbault, Saint-Amand, Talcy and Villefrancoeur areas) the only credible alternative for producers of grain, protein crops and oilseeds. In these local markets which bring together cooperatives and farmers, the merger might restrict farmers' choice, who might not be able to arbitrate between several structures in charge of collecting the grain they produce.

In order to remedy to the effects of the operation, Axéréal Participations committed to divest six grain elevators located in five local zones in the Loir-et-Cher department, where market shares of the new entity would have been too

significant, and in which the operation would lead to its main competitor disappeareance.

Grain elevators proposed to be divested are:

Local area considered	**Divested grain elevator**
Averdon	Agri-Négoce Averdon
Herbault	Axéréal Herbault Axéréal Champigny-en-Beauce Axéréal Ouzouer-le-Marché
Saint-Amand	Agri-Négoce Saint-Amand
Talcy	Agri-Négoce Talcy
Villefrancoeur	Axéréal Champigny-en-Beauce Axéréal Ouzouer-le-Marché

The *Autorité* ensured that the closeness of the grain elevator comparing to the sites acquired and their collecting capacity allow an effective alternative for farmers located in each of the considered areas. Furthermore, the five local areas concerned largely overlap, therefore the *Autorité* also ensured that the divested assets are suitably distributed among the overlapping territory.

By encouraging the implementation of a collector in each area where the operation has caused disappearance of an alternative to the new entity, the proposed remedies will allow one or several competitors to develop a collecting offer, likely to preserve the existence of a viable alternative for the Loir-et-Cher

department's farmers.

An independant trustree will be responsible for ensuring compliance with these commitments.

> See the full text of the decision 16-DCC-147

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> See the ordonnance of the Conseil d'Etat (17 october 2016)