# The Autorité de la concurrence clears the acquisition of Soufflet Alimentaire by Avril

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On 24 May 2022, the Avril Group notified the *Autorité de la concurrence* of its plan to acquire Soufflet Alimentaire.

After careful investigation of the transaction, the *Autorité* cleared the transaction unconditionally, considering that it is not likely to harm competition.

## Parties to the acquisition

The Avril Group (hereafter "Avril"), with a turnover of €6.8 billion in 2021, is an international agro-industrial operator in oilseed processing, consumer goods, speciality chemicals based on vegetable oils and animal feed. It markets consumer goods for human consumption, such as edible oils under the Isio4, Lesieur and Puget brands and eggs under the Matines brand.

Soufflet Alimentaire (hereinafter "Soufflet") specialises in the processing and packaging of rice, pulses, cereals and flours, and in the manufacture and marketing of preserved ready meals, particularly under the Vivien Paille brand.

## The absence of horizontal and vertical effects

The transaction does not lead to the creation of overlapping activities or vertical links between the activities of Avril and Soufflet[1].

## The presence of conglomerate links without effects on competition

However, the *Autorité* found that the transaction led to the creation of conglomerate links[2] between the respective product ranges and brand portfolios of the Avril Group and Soufflet. Nevertheless, the *Autorité* ruled out any risk of conglomerate effects, which would be harmful to consumers. In particular, it considered that the new entity will have neither the incentive nor the ability to foreclose the markets in which the parties are respectively present by imposing tied selling, given that it will continue to face the existence of buyers with significant bargaining power, and major competitors, some of whom also have a diversified product offering.

The full text of Decision 22-DCC-110 of 27 June 2022 regarding the acquisition of sole control of Soufflet Alimentaire by the Avril Group will soon be available on the *Autorité* de la concurrence website.

### Vertical effects (1)

[1] Vertical effects are examined when the transaction brings together players present at different levels of the value chain. The *Autorité* studies whether the transaction may enable the entity to eliminate competitors or penalise them by increasing costs.

### Conglomerate effects (2)

[2] Conglomerate effects are likely to occur when the new entity expands or strengthens its presence in markets that are different from those in which it is active, but whose connectedness may allow it to increase its market power.

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