



Australian
Competition &
Consumer
Commission

GPO Box 3131 Canberra ACT 2601
23 Marcus Clarke Street Canberra ACT
tel: (02) 6243 1111 fax: (02) 6243 1199
www.accc.gov.au

NEWS RELEASE

ACCC TO OPPOSE PROPOSED ACQUISITION OF GOODMAN FIELDER'S EDIBLE FATS AND OILS BUSINESS BY CARGILL AUSTRALIA

The Australian Competition and Consumer Commission today announced that it intends to oppose the proposed acquisition of Goodman Fielder's edible fats and oils business by Cargill Australia.

Goodman Fielder is currently the largest refiner of edible fats and oils in Australia, supplying a wide range of products, including margarines, oils blends, bakery fats and liquid oils. Cargill Australia is also a refiner of edible fats and oils and is the largest supplier of crude oils to Australian edible fats and oils refiners.

"The ACCC investigation found that the proposed acquisition of the Goodman Fielder assets by Cargill would lead to a significant concentration of refining assets in Australia and remove one of only a small number of competing refiners that offer a wide range of fats and oils products," ACCC chairman Graeme Samuel said today.

"The ACCC also concluded that any potential competitors face significant difficulties in viably obtaining certain inputs necessary to supply a number of edible fats and oils products, limiting their ability to provide an effective competitive constraint post-acquisition," Mr Samuel said.

"Inquiries by the ACCC indicated that for a number of fats and oils products, Goodman Fielder and Cargill have been each others closest competitor, and that both companies vigorously compete to supply bulk fats and oils products to a number of large customers.

"The findings led the ACCC to conclude that the proposed acquisition would likely result in a substantial lessening of competition in markets for the supply of certain refined oil products, in particular those products used by industrial food manufacturers to make a range of food products," he said.

Section 50 of the *Trade Practices Act 1974* prohibits mergers and acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in a market.

The basis upon which the ACCC has reached its decision will be outlined in a Public Competition Assessment, available in due course on the ACCC's website, www.accc.gov.au, through Public Competition Assessments.

Media inquiries

Mr Graeme Samuel, chairman, (03) 9290 1812 or mobile/pager 0408 335 555

Ms Lin Enright, director, media unit, (02) 6243 1108 or 0414 613 520

General inquiries

Infocentre: 1300 302 502

NR 67/10

31 March 2010