Advancing Regional Integration through Competitive Markets and Empowered Consumers

Case File No. CCCC/MER/05/23/2026

Decision[1] of the 8th Meeting of the Panel Responsible for Determinations Regarding the Proposed Acquisition by the Acquiring Consortium (comprising the Government Employees Pension Fund, Hybrid SPV Proprietary Limited and WIPHOLD Shelfco No.1 Proprietary Limited) of Zaad Holdings Proprietary Limited

ECONOMIC SECTOR: Agriculture

COMESA COMPETITION AND CONSUMER COMMISSION
15 AUG 2026

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[1] In the published version of this decision, the COMESA Competition and Consumer Protection Commission has omitted or replaced information by ranges of figures or a general description, due regard was/is had to the legitimate interest of undertakings in the protection of their business secrets, pursuant to Rule 37 of the COMESA Competition and Consumer Protection Rules 2025.

The Panel Responsible for Determinations,

The Panel Responsible for Determinations ("**Panel**") established pursuant to Regulation 20 of the COMESA Competition and Consumer Protection Regulations, 2025 (the "**Regulations**"):

Desirous of the overriding objective of strengthening and achieving convergence of COMESA Member States' economies through the attainment of full market integration as enshrined in the Treaty Establishing the Common Market for Eastern and Southern Africa (the "**Treaty**");

Cognisant of Article 55 of the Treaty;

Having regard to the Regulations, and in particular Chapter Four thereof;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State;

Determines as follows:

Introduction and Relevant Background

1. On 22 June 2026, the COMESA Competition and Consumer Commission (the "**Commission**") received a notification regarding the proposed acquisition by the Government Employees Pension Fund ("**GEPF**") represented by the Public Investment Corporation SOC Limited ("**PIC**"), Hybrid SPV Proprietary Limited ("**Phatisa SPV**", collectively with its controller and affiliates the "**Phatisa Group**"), WIPHOLD Shelfco No.1 Proprietary Limited ("**WIPHOLD Shelfco**") (collectively, the "**Acquiring Consortium**") of Zaad Holdings Proprietary Limited ("**Zaad**", or the "**Primary Target Firm**", collectively with its controller and affiliates, the "**Target Group**"), pursuant to Regulation 42(1) of the Regulations.

2. Pursuant to Regulation 47 of the Regulations, the Commission is required to determine whether or not the merger is likely to substantially lessen competition and/or is likely to significantly affect public interest in the Common Market.

The Parties

The Acquiring Consortium

PIC

3. PIC is a South African state-owned firm appointed as the asset manager and is active as the principal asset management vehicle for the South African public sector. PIC

manages various classes of assets including equities, property, and fixed income. PIC is GEPF's asset manager.

4. GEPF is a South African public entity established pursuant to Section 2 of the Government Employees Pension Law which provides pensions and benefits to employees.

5. PIC, through the GEPF's shareholding interest in [redacted] in Eswatini.

6. In the Common Market, PIC operates only in Eswatini.

Phatisa SPV

7. Phatisa SPV is ultimately controlled by [redacted] ("**Phatisa**"). Phatisa is a leading private equity fund manager focused on investments across the African food value chain and affordable housing.

8. The Phatisa Group is active in casual dining and coffee-led restaurants, management services, printing, payroll administration and employment-related administrative services, and the supply of mechanised agricultural tools and equipment. These include heavy machinery such as tractors, harvesters, challengers, crop sprayers, GPS equipment, harrows, rippers, planters, ploughs, and ridgers.

9. In the Common Market, the Phatisa Group operates in the Democratic Republic of Congo (the "**DRC**"), Kenya, Malawi, Mauritius, Rwanda, Seychelles, Uganda and Zambia.

WIPHOLD Shelfco

10. WIPHOLD Shelfco is a private company wholly owned subsidiary of Women Investments Portfolio Holdings Proprietary Limited ("**WIPHOLD**"). WIPHOLD is an investment holding company with strategic interests in infrastructure, food and agriculture, financial services, mining and energy, and other services.

11. WIPHOLD Shelfco, its controller and all controlled firms, do not have any operations in the Common Market.

Zaad (the "Primary Target Firm")

12. Zaad operates in the specialised agricultural input industry by breeding, producing and distributing a broad range of agronomy, forage and vegetable seeds.

13. The Target Group is also active in the development and distribution of agro-chemicals (agricultural remedies and fertilisers) and the supply of agricultural seedling systems/equipment (that is seed trays, growing medium, and sprayers).

14. In the Common Market, the Target Group operates in the DRC, Egypt, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Somalia, Uganda, Zambia and Zimbabwe.

Jurisdiction of the Commission

15. Regulation 42(1) of the Regulations requires a 'notifiable merger' to be notified to the Commission prior to its implementation. Only mergers that satisfy the prescribed thresholds pursuant to Regulation 41(5) and 41(8) of the Regulations are regarded as notifiable mergers. The merger notification thresholds are prescribed under Rule 23(1) of the Rules which provides that:

Pursuant to Chapter Four of the Regulations, a merger shall be notifiable if:

a) the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds COM$60 million; and

b) the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds COM$10 million, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State.

16. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived turnover of more than the threshold of USD60 million in the Common Market and they each derived turnover of more than USD10 million in the Common Market. In addition, the parties do not derive/hold more than two-thirds of their respective aggregate turnover or asset value in one and the same Member State. The Panel was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Regulation 41(5) and 41(8) of the Regulations.

Details of the Merger

17. The notified transaction entails the Acquiring Consortium's intention to acquire joint control over Zaad, wherein each will acquire shareholding as follows:

i. WIPHOLD Shelfco - 28.69%;

ii. PIC - 28.69%; and

iii. Phatisa SPV - 23.21%.

18. The parties further submitted that the Industrial Development Corporation of South Africa Limited will acquire a non-controlling 19.21% interest in Zaad.

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Competition Analysis

Consideration of the Relevant Markets

19. In the determination of the relevant market, which is divided into relevant product and relevant geographic markets, the Panel is guided by the COMESA Guidelines on Market Definition, the Commission's decisional practice and where relevant, other authorities on the subject.

Relevant Product Market

20. The Panel observed that the proposed transaction is likely to give rise to a horizontal overlap, given that both parties provide agricultural equipment, particularly crop sprayers.[2] The Panel further observed that the transaction presents a vertical overlap given that the Phatisa Group's agricultural tools and equipment, including heavy machinery such as tractors, harvesters, challengers, crop sprayers, global positioning system ("**GPS**") equipment, harrows, rippers, planters, ploughs, and ridgers can be used as inputs into the breeding and production of agricultural seeds of the Target Group.

<u>*Supply of agricultural tools and equipment*</u>

21. Agricultural tools and equipment include mechanized agricultural machinery and related precision farming technologies used in farming to make crop production faster and easier. The Panel noted the previous decisional practice of the Committee Responsible for Initial Determinations (the "**CID**") that agricultural tools and equipment are instruments used on a farm to simplify farm work.[3]

22. The Panel observed that the Phatisa Group's product portfolio includes tractors, harvesters, challengers, crop sprayers, GPS guidance systems, harrows, rippers, planters, ploughs, and ridgers. These products are supplied primarily to commercial farmers, agricultural contractors, government institutions, agri-businesses and agricultural development organizations. Although these products are all used within the broader agricultural production process, each performs a distinct agronomic function and is designed to meet specific farming requirements. As such, the Panel observed that they are generally not interchangeable from the perspective of customers.

23. For example, the Panel noted that tractors provide the primary source of mechanical power on farms and are used to pull, tow or operate a wide range of agricultural implements and machinery while ploughs are used for primary tillage by turning and breaking up the soil to prepare land for planting while seeders and planters are designed to place seeds in the soil at the appropriate depth and spacing to optimize crop establishment.[4] Further, crop sprayers are used to apply water, fertilizers,

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[2] The Target Group is also active in the supply of agricultural systems used for <u>seed cultivation, such as spraying systems. However, these</u> systems differ from the heavy agricultural tools and equipment distributed by [redacted] which are used for [redacted] The Target Group's primary activities are breeding, producing, and distributing agricultural seeds.

[3] See Decision of the 70th Meeting of the Committee Responsible for Initial Determination Regarding the Proposed Merger Involving Zaad International BV and EASEED Group Limited.

[4] <u>www.tatamotorsegypt.com/en/blog/agricultural-machinery-and-technology/</u> accessed on 15 August 2026.

herbicides, pesticides and other crop protection products accurately and efficiently across agricultural land, whereas harvesters are purpose-built machines used to harvest crops.[5] The Panel observed that from the demand perspective, farmers seeking to purchase tractors are unlikely to substitute them with harvesters, planters or sprayers given their functionality differences.

24. Similarly, the Panel observed that GPS (precision agricultural equipment), is a satellite-based technology that provides precise geographic location, velocity and time information, which are designed to improve planting accuracy, reduce overlaps, minimizes input costs and enhance efficiency.[6] The Panel noted that although GPS equipment are mostly integrated into tractors, sprayers and other agricultural equipment, it is technologically distinct and may be purchased as a separate product. Thus, precision farming technologies are considered as complementary components of the agricultural production cycle rather than direct substitutes for the other agricultural equipment.

25. The Panel observed that notwithstanding the functional differences between each equipment category, from the supply side perspective, the agricultural equipment manufacturers and suppliers compete through integrated dealership business, offering comprehensive mechanization tools or equipment. The Panel noted that farmers commonly procure tractors, implements, harvesting equipment, precision agricultural techniques and servicing from the same distributor in order to obtain integrated technical support and warranty protection. The Panel, therefore, considered that it was not uncommon for a distributor of agricultural equipment to stock a range of equipment intended to meet farmers' various needs.

26. Given supply-side substitutability, the Panel considered that further segmentation of the agricultural tools and equipment was unnecessary as this would not meaningfully alter the competitive assessment.

27. In view of the foregoing, the Panel defined the relevant product market as **the supply of agricultural tools and equipment.**

Breeding, production and distribution of agricultural seeds

28. The Panel noted that seed breeding is a scientific and iterative process aimed at enhancing the genetic traits of plants to improve their resilience to environmental stresses, such as diseases and drought, and to increase their nutritional value and yield. The process involves the scientific selection of parental lines containing the desired genetic traits, controlling their reproduction through conventional breeding methods or genetic engineering and producing a hybrid variety of seeds. The Panel further noted that seeds are tested across various geographic regions to evaluate their performance under different conditions, including their resistance to pests, disease, agricultural

[5] www.tatamotorsegypt.com/en/blog/agricultural-machinery-and-technology, accessed on 15 August 2026.
[6] www.allynav.com/blog/agriculture/gps-in-precision-farming/, accessed on 15 August 2026.

remedies and climate challenges, and their ability to produce high yields. This trial-and-error approach is essential in identifying the most robust and productive plant varieties.

29. The Panel observed that the breeding process begins with the development of parental lines, which are the male and female plants used to create hybrids. These hybrids are then tested, either by the breeder or a license holder, to assess their performance. This testing phase, known as trialing, is critical for determining which hybrids are suitable for commercial use.

30. The Panel observed that once the breeding and trialing phases are complete, the seeds must undergo official registration before prior to commercialization. Further, the entire process from breeding to registration typically spans five to eight years.

31. The Panel observed that seed breeding is an upstream activity involving the development of new seed varieties by modifying and improving the genetic characteristics of plants to enhance desirable traits. The breeding process involves extensive research, selection, field testing and evaluation over multiple growing cycles and requires substantial investment in research and development, intellectual property, breeding technologies and testing facilities.[7] The Panel thus considered that seed breeding constitutes a single relevant product market.

32. The Panel observed that seed production and distribution was likely to constitute a distinct downstream activity involving the production, marketing and resale of multiplied seed by breeders. The Panel observed that seed production may be undertaken in-house by a breeder or license holder or sub-contracted to specialist farmers contracted to multiply seeds

33. Based on the foregoing, the Panel considered that the upstream activity of breeding and production of agricultural seeds were distinct from the downstream activity of production and distribution of agricultural seeds. Accordingly, the breeding and production of agricultural seeds; and the distribution of agricultural seeds were identified as relevant product markets.

34. The Panel further considered whether the distribution of agricultural seeds should be segmented according to seed type. Although suppliers are generally capable of distributing a range of seed varieties through their own breeding programmes, licensing arrangements or imports, indicating a degree of supply-side substitutability, demand-side substitution was limited. The Panel observed that farmers purchase specific seed varieties based on the intended crop, agronomic requirements and local climatic conditions, making substitution between different crop seeds generally unlikely. This approach was consistent with the CID's decisional practice, where a separate market was identified for hybrid maize seeds.[8]

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[7] See Decision of the 70th Meeting of the Committee Responsible for Initial Determination Regarding the Proposed Merger Involving Zaad International BV and EASEED Group Limited.

[8] See Decision of the 126th Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Acquisition of 100% of the Issued Share Capital of Agricultural Seeds and Service (Private) Limited, Klein Karoo Seed Marketing Zambia Limited and Klein Karoo Seed Marketing Zimbabwe (Private) Limited by ETG Inputs HoldCo Ltd.

35. Notwithstanding the above, the Panel considered that any alternative market was unlikely to alter the competitive assessment given that the parties' activities do not give rise to a horizontal overlap in the distribution of agricultural seeds.

36. Based on the foregoing assessment and without prejudice to the Panel's approach in similar future cases, the relevant product markets were considered as the:

a) **supply of agricultural tools and equipment;**

b) **market for the breeding of agricultural seeds; and**

c) **market for the production and distribution of agricultural seeds.**

Relevant Geographic Market

37. The Panel noted that the COMESA Guidelines on Market Definition define the relevant geographic market as comprising *"...**the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas**"*.[9]

38. The Panel considered that the geographic scope for the supply of agricultural tools and equipment was likely to be broader than the Common Market, as the market is characterised by global players which also export to the Common Market. For instance, the Panel observed that the Phatisa Group, through its affiliates FES Malawi and FES Zambia, distributes international brands such as Massey Ferguson, Komatsu, Toyota, Lemken, Trimble, Zimmatic, Alpler, Yamaha, Bomag, Fallcon, and Bladan.[10] The Panel therefore concluded that customers in the Common Market have the option of sourcing agricultural tools and equipment globally.

39. The Panel noted the decisional practice of the CID where the market for agricultural tools and equipment was similarly considered as global in view of the presence of global players in the Common Market.[11] The Panel further considered that importation agricultural tools and equipment from the global market was fairly easy due to most governments' facilitation of such importation which include duty free importations, VAT exemptions, subsidies and priority foreign exchange allocation.

40. In view of the foregoing, and consistent with the CID's decisional practice, the Panel considered the geographic market for **the supply of agricultural tools and equipment as global.**

41. With respect to the breeding of agricultural seeds, the Panel noted the CID's decisional practice defining the geographic scope of the market as national.[12] The Panel noted that the specific environments in which seed varieties are tested limit the relevant

[9] See Paragraph 8 of the COMESA Guidelines on Market Definition
[10] See https://fes.africa/, accessed on 15 August 2026.
[11] See Decision of the 70th Meeting of the Committee Responsible for Initial Determination Regarding the Proposed Merger Involving Zaad International BV and EASEED Group Limited.
[12] *Ibid.*

market to the national level. The Panel further observed that the Target Group has breeding facilities in Egypt and Kenya where it breeds a variety of seeds, which include agronomy and vegetable seeds. The Panel also observed that the Target Group distributes seeds from the breeding facilities in Egypt and Kenya through its offices in various Member States, including Eswatini, Rwanda, Uganda and Zambia.

42. Regarding the production and distribution of agricultural seeds, the Panel observed that the Target Group distributes various seeds, including onion, carrot, cabbage, bean, tomato, peppers, beetroot, soybean varieties, sunflower and other seeds to several Member States, including Eswatini, Rwanda, Uganda and Zambia. The Panel considered that the geographic market for the production and distribution of agricultural seeds extends beyond national borders and is likely to be COMESA-wide. The Panel noted that this approach was consistent with the CID's decisional practice which acknowledged that agricultural seeds can be traded across Member States due to COMESA liberalisation programmes that seek to remove tariffs and facilitate the movement of goods, including agricultural seeds.[13] The Panel also considered that that similarity in climatic conditions across Member States support cross-border seed trade.[14]

Conclusion on Relevant Markets

43. Based on the foregoing assessment, and without prejudice to the Panel's approach in similar future cases, the relevant markets have been identified as the:

   a) **global market for the supply of agricultural tools and equipment;**

   b) **market for the breeding of agricultural seeds in Egypt and Kenya; and**

   c) **market for the production and distribution of agricultural seeds in the Common Market.**

Consideration of Substantial Lessening of Competition or "Effect" Test

Market Shares and Concentration

Supply of agricultural tools and equipment

44. With respect to the global market for the supply of agricultural tools and equipment, the Panel observed that there is minimal overlap between the parties' activities in respect of seed sprayers which can be considered as part of the broader agricultural tools and equipment market. The Panel noted that the parties did not submit market shares for this market segment as they had no access to their competitors market data. This notwithstanding, the Panel observed that the Target Group's presence in the distribution of spraying systems is insignificant as its primary activities are in the breeding, production, and distribution of agricultural seeds. The Panel therefore

[13] *Ibid.*
[14] See Decision of the 70th Meeting of the Committee Responsible for Initial Determination Regarding the Proposed Merger Involving Zaad International BV and EASEED Group Limited.

considered that the transaction was unlikely to significantly affect the market structure of agricultural tools and equipment.

Breeding of agricultural seeds

45. The Panel noted that the proposed transaction would not result in any market share accretion in the breeding of agricultural seeds in Egypt and Kenya, as there is no overlap in the parties' activities in these relevant markets.

46. The Panel observed from the parties' submission that the Target Group does not generate turnover from its breeding activities of agricultural seeds in Egypt and Kenya as the output of those activities (that is the seeds produced through planting and harvesting) is processed and sold to customers through its affiliated distributors in Eswatini, Rwanda, Uganda and Zambia.

47. The Panel noted that in the Common Market, agriculture contributes significantly to gross domestic product a. The Panel noted that the seed industry is a strategic agricultural sector for food security and agricultural productivity in the region. There is substantial growth opportunity of the seed industry considering the regional seed trade harmonization regulations, which will attract new players into the market.[15] The Panel further observed that the potential of the total seed market in the Common Market is at 2 million metric tons of quality and improved seed, while the region is currently producing and accessing less than 500 thousand metric tons of quality and improved seed.[16] The Panel observed that the Kenyan seed sector is characterised by numerous public, non-governmental and private players, including leading companies such as Kenya Seed Company, Western Seed Company, Monsanto, East African Seed and Kenya Highland Seed.[17] The Panel further observed that Misr Hytech and Fine Seeds are among the research-based market driven seed breeders, producers and market hybrid seeds in Egypt.[18] The Panel considered that the proposed transaction will not result in any market share accretion as there is no overlap between the merging parties activities in this market.

Production and distribution of seeds

48. Regarding the production and distribution of agricultural seeds in the Common Market, the Panel noted the parties' submission that the Target Group's top competitors include Starke Ayres, Syngenta, Seedco, Zamseeds. The Panel further observed that the Target Group, through EASEED, has between 5-15% estimate market share in the Common Market.

49. The Panel concluded that the merged entity would remain a marginal player in the relevant markets and that the proposed transaction would not significantly alter the existing market dynamics. Given the limited horizontal overlap between the activities of

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[15] See https://actesa.org/2025/06/04/harmonization-of-seed-policies-key-in-achieving-food-security-in-the-comesa-region/, accessed on 15 August 2026.
[16] *Ibid.*
[17] See https://www.accesstoseeds.org/app/uploads/2018/03/Leading-Seed-Companies-in-Eastern-and-Southern-Africa.pdf, accessed on 15 August 2026.
[18] See https://hytechseed.com/ and https://www.fineseeds.com/, accessed on 15 August 2026.

the merging parties in the market for agricultural tools and equipment; and the absence of overlaps in the markets for breeding of seed and production and distribution of seeds, the Panel considered that the proposed transaction is unlikely to raise competition concerns.

50. Given the limited presence of the merging parties in the relevant markets, the Panel did not conduct any assessment of any vertical effects arising from the transaction.

Determination

51. The Panel was satisfied that, pursuant to Regulation 47, the merger was not likely to substantially prevent competition in the Common Market or a substantial part of it, nor would it significantly affect public interest.

52. The Panel, therefore, approved the merger pursuant to Regulation 48 of the Regulations.

Dated this 15th day of August 2026

Commissioner Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma **Commissioner Luyamba Kizito Mpamba**