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Common Market for Eastern
and Southern Africa

Case File No. CCC/MER/03/19/2022

**Decision¹ of the Eighty-Fifth (85th) Committee Responsible
for Initial Determinations Regarding the Proposed Joint
Control by CDC Group Plc and Norfund of AgDevCo Limited**

ECONOMIC SECTOR: Agriculture

2 August 2022

¹ In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible, the information omitted has been replaced by ranges of figures or a general description.

The Committee Responsible for Initial Determinations,

Cognisant of Article 55 of the Treaty establishing the Common Market for Eastern and Southern Africa (the "**COMESA Treaty**");

Having regard to the COMESA Competition Regulations of 2004 (the "**Regulations**"), and in particular Part 4 thereof;

Mindful of the COMESA Competition Rules of 2004, as amended by the COMESA Competition [Amendment] Rules, 2014 (the "**Rules**");

Conscious of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation of 2015;

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;

Desirability of the overriding COMESA Treaty objective of strengthening and achieving convergence of COMESA Member States' economies through the attainment of full market integration;

Having regard to the COMESA Merger Assessment Guidelines of 2014;

determines as follows:

Introduction and Relevant Background

1. On 28 March 2022, the COMESA Competition Commission (the "**Commission**") received a notification involving the proposed acquisition by CDC Group Plc² ("**CDC**") and Norfund (together, the "**acquiring undertakings**") and AgDevCo Limited ("**AgDevCo**" or the "target undertaking"), pursuant to Article 24(1) of the Regulations.
2. Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the transaction between the parties would or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.

² CDC Group plc's name has been changed to British International Investment plc, with effect from 4 April 2022.

3. Pursuant to Article 13(4) of the Regulations, there is established a Committee Responsible for Initial Determinations, referred to as the CID. The decision of the CID is set out below.

The Parties

CDC (acquiring undertaking)

4. CDC is a public limited company incorporated under the company laws of England and Wales, United Kingdom. It is wholly owned by the Foreign Commonwealth and Development Office of the Government of the United Kingdom.
5. CDC's mandate is to support sustainable, long-term growth amongst businesses in Africa and South Asia via impact investment, in alignment with the United Nations' Sustainable Development Goals. CDC invests in businesses across the economic spectrum, including manufacturing, agribusiness, infrastructure, financial institutions, construction, health, and education.
6. Within the Common Market, CDC generates revenue from the Democratic Republic of Congo (the "DRC"), Egypt, Kenya, Malawi, Mauritius, Rwanda, Uganda, Zambia and Zimbabwe.

Norfund (acquiring undertaking)

7. Norfund is a state-owned company with limited liability, established and owned by the Norwegian Government through the Ministry of Foreign Affairs of Norway pursuant to the Norfund Act (1997). Norfund prioritises investments in four areas which are aligned with the United Nations' Sustainable Development Goals namely, clean energy, financial institutions, green infrastructure and scalable enterprises.
8. The parties submitted that with the Common Market, Norfund has investments in portfolio companies which operate in the following Member States: Djibouti, Egypt, Ethiopia, Kenya, Madagascar, Rwanda, Uganda, Zambia and Zimbabwe.

AgDevCo (the target undertaking)

9. AgDevCo is a private limited company incorporated under the company laws of the United Kingdom. AgDevCo is currently solely controlled by AgDevCo Holdings Limited ("AgDevCo Holdings"), a company limited by guarantee with its business address at Peer House, 8-14 Verulam Street, WC1X 8LZ, London, United Kingdom.
10. The parties submitted that AgDevCo provides long-term risk capital and seasonal working capital to investees in African agri-business, mainly in primary food production and processing companies but also in other entities across the



agricultural supply chain. Through these investments, AgDevCo aims to promote development and success for emerging African agricultural businesses and help to achieve the United Nation's Sustainable Development Goals, particularly the elimination of poverty and hunger.

11. The parties submitted that AgDevCo controls entities which have operations in the following Member States: Kenya, Malawi, Rwanda, Uganda and Zambia.

Jurisdiction of the Commission

12. Article 24(1) of the Regulations requires 'notifiable mergers' to be notified to the Commission within 30 days of parties arriving at a decision to merge. Only mergers that satisfy the prescribed thresholds pursuant to Articles 23(4) and 23(5) of the Regulations are regarded as notifiable mergers. The merger notification thresholds are prescribed under Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the "**Merger Notification Thresholds Rules**") which provides that:

Any merger, where both the acquiring firm and the target firm, or either the acquiring firm or the target firm, operate in two or more Member States, 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 USD 50 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 USD10 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.*
13. The merging parties have operations in more than two COMESA Member States. The parties' combined annual asset value in the Common Market exceeds the threshold of USD 50 million and they each hold asset value of more than USD 10 million in the Common Market. In addition, the merging parties do not achieve more than two-thirds of their respective COMESA-wide asset value within one and the same Member State. The notified transaction is therefore notifiable to the Commission within the meaning of Article 23(5)(a) of the Regulations.

Details of the Merger

14. The parties submitted that the proposed transaction consists of an investment by CDC and Norfund in exchange for redeemable preference shares in AgDevCo. The proposed transaction will take place pursuant to a subscription agreement. In exchange for their investment, the Acquiring Undertakings will acquire

redeemable Preferred Shares and certain rights attached to those shares which will confer on them joint control of AgDevCo.

Competition Assessment

Relevant Product Market

15. The CID observed that within the Common Market, CDC controls entities which are, *inter alia*, active in the production of beef, pork, poultry, milk and dairy products, provision of feedlot services and manufacturing milk, chicken, eggs, leather and shoes. Further, CDC through its investments in ZamBeef Plc in Zambia, is also active in the production and supply of animal feed, production and supply of day-old chicks and the commercial farming of maize, soya and wheat. The CID observed that these activities are vertically related to the production and processing of poultry, pigs and cattle given that animal feed, day old chicks and maize, soya and wheat can be used as inputs in the rearing of animals. The CID noted that the other acquiring undertaking, Norfund, has investments in the Common Market in relation to fish production and agri-business.
16. The CID observed that the target undertaking, AgDevCo, is active in the production and processing of peanuts/groundnuts; the production and processing of live poultry, pigs and cattle for slaughter; the production of fresh and processed meats (specifically, poultry, pork and beef); the production of seed maize and seed potatoes; the production of ware potatoes for consumption ware; and the provision of loans to agri-businesses from which AgDevCo derives investment income.
17. In view of the foregoing, the CID noted that the transaction will raise horizontal overlaps in the production and processing of various meat products including poultry, pork, and beef. It is also noted that the parties have horizontal relations in the agribusiness sector. The CID therefore assessed the following relevant markets.

Production and supply of live poultry, pigs, and cattle for slaughter

18. The production of animals (i.e., poultry, pigs and cattle) for slaughter entails raising the animals to a tender age when they can be slaughtered before being sold to customers such as retailers, wholesalers or individual final consumers. From a supply perspective, the production requirements for various types of animals are likely to differ and not to be substitutable, thus comprising separate markets. The CID noted that it is not easy to switch from production of poultry to production of pigs or cattle given that each of these animal species have different requirements. For instance, the animal shelters, feeding and vaccination requirements are likely to differ for each animal species.



19. From a demand perspective, customers wishing to purchase processed meat are likely to distinguish chicken, pork and beef given that these have different taste and characteristics or may be distinguished on the grounds of cultural or religious beliefs. The CID noted that chicken and pork are often considered as white meat while beef is considered as red meat. Thus, consumers who are particular about consuming white meat are likely to distinguish chicken or pork from beef.
20. **In this regard, the CID considered that the following separate markets exist:**
- a. **The market for the production and supply of live poultry for slaughter;**
 - b. **The market for the production and supply of live pigs for slaughter;**
 - c. **The market for the production and supply of live cattle for slaughter.**

Slaughtering of poultry, pigs and cattle

21. Slaughtering of animals, which entails killing animals for meat, comprises a distinct market from the production of animals discussed above. This market can be segmented according to the type of animal being slaughtered from both supply and demand perspectives. For instance, a killing line for chickens in a slaughterhouse is not likely to serve the purpose of slaughtering pigs or cattle given that these animals have different physical structures which may influence the design of the slaughterhouse/ killing line. The CID noted that it is possible to modify a killing line for chickens to cater for slaughtering of pigs or cattle. However, even though this may be possible, it may require additional investment and time to modify such a killing line and use it for slaughtering pigs or cattle. Therefore, such a supply side substitution is not likely to occur in a timely manner and make substitution effective.
22. **In this regard, the CID considered that the following separate markets exist:**
- a. **the market for the slaughtering of poultry;**
 - b. **the market for the slaughtering of pigs;**
 - c. **the market for the slaughtering of cattle.**

Production of fresh and processed meat

23. Production of fresh meat and processed meat can be distinguished and categorised into separate markets. Fresh meat is meat that has not undergone any preservation other than chilling, freezing or quick-freezing, and includes meat that is vacuum-wrapped or wrapped in a controlled atmosphere. Processed meat, on the other hand, is meat which contains external ingredients such as salt or spices and may be raw, dried, smoked or cooked³.

³ Case No IV/M.1313 Danish Crown/Vestjyske Slagterier



24. From a demand side, fresh and processed meat are not likely to be substitutable. Customers demanding fresh meat may do so with the view to prepare the meat according to their own liking in terms of salt or spice requirements. Moreover, there are other customers who may not consume salt or spices with their meat, hence they will distinguish fresh from processed meat. The CID therefore considered that in an event of a small but significant increase in the price of fresh meat, customers are unlikely to switch to the consumption of processed meat. Customers may however react to such increases by approaching other suppliers to negotiate better prices. In this regard, the CID categorised the two markets as separate markets.
25. The CID also noted that a further delineation of the fresh and processed meat markets is possible based on the type of meat i.e., chicken, pork or beef. The CID noted that the production requirements for fresh and processed meat may vary depending on the type of meat being processed. For instance, the equipment and skills required to cut fresh chickens is likely to differ from that used for cutting fresh pork or beef. The CID also observed that the production of either fresh or processed meat is largely influenced by the demand pattern for the type of meat. Thus, the fact that customers view chicken, pork and beef as different will influence the pattern for the production of different fresh or processed meat products.
26. The CID noted that once fresh meat or processed meat is produced, it may either be supplied to the retailers for onward sale to end consumers or it may be directly sold to end consumers. The CID considered that competition in these markets take place at the point where the fresh or processed meat is supplied to the market. In this regard, the CID identified the relevant markets as:
- a) **The production and supply of each of fresh chicken, pork and beef;**
and
 - b) **The production and supply of each of processed chicken, pork and beef.**

Production of maize seed and potatoes seed

27. The seed production value chain comprises two key stages namely, the breeding of seed varieties and the commercialisation of the varieties. Breeding entails changing the genetic characteristics of plants overtime to maximize their beneficial traits such as enhancing seed resistance to the environment and increasing the nourishment seeds offer. It further entails selecting the best plants in the field, growing them to full seed and using their seed to grow further future plant generations. On the other hand, commercialisation of seed takes place following breeding and entails the production, processing and distribution of a seed variety for use by farmers. These two processes comprise different markets

given the unique intended purposes as such they are not likely to be substitutable.

28. The CID recalled that the target undertaking is active in the production of maize seed and potato seeds for supply to commercial farmers for planting. Further, the target produces groundnut seed for planting by farmers.
29. The CID considered that the various steps under seed commercialisation can be categorised into separate markets. For instance, seed production and processing as an initial step involves multiplying seed which is carried out from a limited number of parent seeds through a repetitive process of seed planting over several generations before enough seed can be obtained. Under seed production, seeds are planted on clean land, isolated and clearly labelled to protect the plant traits specific to that harvest. Seed production may be carried out in-house by a seed breeder or a license holder or subcontracted to specialist farmers to multiply the seeds on their private land. Once the seeds are multiplied, they are treated by the breeder or the licensee, certified and packed for distribution.
30. The CID noted that once produced and processed, the multiplied seeds are distributed through authorised dealers for further distribution to farmers. The CID observed that competition dynamics manifest when the seeds, once produced or processed are put on the market via the distribution process. Therefore, the CID considered that the relevant market should extend to distribution of seeds in addition to the production and processing. In *ETG/GEPP*⁴ merger, the CID similarly determined a separate market for the downstream distribution of agricultural seeds.
31. The CID observed that from a supply perspective, the production and distribution of agricultural seeds may be delineated by the type of seeds. Each seed variety is likely to require different processes to multiply and may also be produced in different environments. For instance, each of maize seed and potato seed may require different weather, soil, and inputs for production. Therefore, the CID noted that substitution from a supply perspective may be limited. The CID similarly observed that from a demand perspective, farmers are likely to distinguish maize seed, and seed potatoes since these attract different prices on the market and have different intended usage thus they comprise separate markets.

32 In view of the foregoing, the CID identified the following separate product markets:

a) The production and distribution of maize seed; and

⁴ Decision of the 34th CID Meeting accessible at <https://www.comesacompetition.org/wp-content/uploads/2014/10/CID-Decision-in-the-merger-involving-GEPP-and-ETG-1.pdf>



b) The production and distribution of seed potato.

Production and supply of stock/animal feed

33. The CID noted that stock feed is feed for various livestock such as poultry, pigs and cattle. The most common ingredients in stock feed include barley, corn, soybean meal, sorghum and wheat. Stock feed may be distinguished according to the type of livestock for which it is intended. For instance, the stock feed for cattle may differ from feed for poultry or pigs given that the various livestock may have different nutritional requirements for their growth as such different demand patterns may apply. However, from a supply perspective, there is a common ingredient for manufacturing feed being grains such that it may be easy for a manufacturer to switch across manufacturing feed for different livestock. The CID observed that in the current transaction, there was no horizontal overlap in production and supply of stock feed, hence a further delineation of the market was not necessary since the competitive assessment would not be altered under narrower markets.
34. **In this regard, the CID construed a broad market for the production and supply of stock feed.**

Production and supply of day-old chicks

35. Day-old chicks are produced following the laying of eggs by parent stock after which the eggs are taken through an incubation process before they hatch into day-old chicks. Day-old chicks may be sold to farmers for growing into broilers (i.e., chickens for meat) or into layers (i.e., chickens for laying eggs). The CID noted that day-old chicks are a key input into the production of chickens for slaughter or the production of chickens for eggs. The CID also observed that this market can be segmented further by considering whether production and supply of day-old chickens is intended for broilers or layers. However, the CID observed that this segmentation was not necessary in the current case as there is no horizontal overlap between the parties in this market. Thus, any alternative market is not likely to change the competitive assessment.
36. **In this regard, the CID identified the relevant market as the broad market for the production and supply of day-old chicks.**

Commercial farming of maize, soya and wheat

37. Commercial farming is the growing of various farm products for purpose of using the harvest as an input into other businesses. It is distinguished from the growing of crops solely for food purposes. The CID noted that farming can be distinguished according to the type of crop grown. It was noted that the requirement to grow maize differs from the requirements for growing soya beans or wheat. Such differences may be on the basis of different input requirements

such as fertilizers, labour, or even storage. The CID considered that these differences can form the basis to delineate the markets for farming of maize, soya and wheat into separate markets. The CID also observed that separate markets may be identified based on the intended use of each crop. For instance, the different types of crops are consumed as staple food in different regions separately, used differently in subsequent production processes such as animal feed or breakfast cereals.

38. Given the different uses of maize, soya and wheat, the CID determined that the relevant markets comprise separate markets for the commercial farming of maize, soya and wheat.
39. In view of the foregoing, the CID identified the following relevant product markets:
- a) production and supply of each of live poultry, pigs, and cattle for slaughter;
 - b) the slaughtering of each of poultry, pigs, and cattle;
 - c) production and supply of each of fresh chicken, pork and beef;
 - d) production and supply of each of processed chicken, pork and beef.
 - e) production and distribution of maize seed;
 - f) production and distribution of seed potato;
 - g) production and supply of stock/animal feed;
 - h) production and supply of day-old chicks; and
 - i) commercial farming of each of maize, soya and wheat.

Relevant Geographic Market

Production and supply of live poultry, pigs and cattle for slaughter

40. The CID observed that the geographic scope for the markets for the production and supply of live poultry, pigs and cattle for slaughter is likely to be national in scope. The CID noted that restrictions on movement of livestock exists which seek to guard against the spread of livestock related diseases or pests. For instance, cases of foot and mouth disease or avian flu for poultry are likely to restrict the movement of poultry or cattle across borders for slaughter. This notwithstanding, the CID observed that such movement may be possible upon facilitation by relevant animal health permits but this may be burdensome on farmers. It was observed that another factor limiting the geographic scope is transportation, which a producer/farmer would bear in order to process live poultry, pigs and cattle.
41. In view of the foregoing, the CID identified the markets for production and supply of live poultry, pigs and cattle for slaughter as national in scope and related to Uganda and Zambia. The CID limited the market to these Member States given that the target undertaking is active in the production and supply of pigs in

Uganda and that the Acquiring Group is active in the production and supply of poultry, pigs and cattle in Zambia.

Slaughtering of poultry, pigs and cattle

42. Livestock is slaughtered with the intention to be processed and sold as fresh or processed meat. The CID observed that a livestock farmer in a Member State intending to slaughter their livestock is unlikely to consider the option of slaughtering services beyond their country as this would be costly. The farmer would need to invest in refrigerated transportation system so that once the livestock is slaughtered, it is safely transported back to his/her country for further processing and onward sale to the market. The CID noted that it is possible for a farmer to seek slaughtering services beyond their national border but this may be an irrational and expensive strategy as opposed to slaughtering within their country. In *Agthia/Ismaïlia*, the CID similarly determined a national market for the slaughtering of poultry on the grounds that transportation costs to the slaughterhouse tended to increase as the distance to the slaughterhouse increases.
43. In this regard, the CID considered that the geographic scope of the markets for slaughtering of poultry, pigs and cattle is national in scope and relate to Uganda and Zambia where the parties are active.

The production and supply of fresh chicken, pork and beef

44. Once poultry, pigs or cattle are slaughtered, their meats can be supplied as fresh meat on the market. To facilitate such supply, supporting refrigeration system is required to keep the meat fresh before being supplied to the final consumer. To extend the market beyond national border, a producer and supplier of fresh meat ought to invest in refrigerated transportation systems. From a demand perspective and within the Common Market, the demand for fresh meat for retailing is often limited to the national borders of a country. Given a small but significant increase in the price of fresh meat in a Member State, retailers are not likely to swiftly shift and source meat products from another Member State since this would imply delays in getting such supplies.
45. However, the scope of the markets can be broader than national. The CID recalled that in these markets, the Acquiring Group is active in Uganda and Zambia while the target undertaking is active in Malawi. In this regard, the geographic scope for the production and supply of each of fresh chicken, pork and beef was determined as national and related to Malawi, Uganda and Zambia and may be extended to the Common Market. The CID noted that it is common for consumers to access imported fresh meat products in a Member State, which may be a basis for the widening of the relevant geographic market. Nevertheless,



the CID noted that any alternative market definition would not alter the competitive assessment as discussed below.

The production and supply of each of processed chicken, pork and beef

46. Similar to the market for the production and supply of fresh chicken, pork and beef, processed chicken, pork and beef also requires refrigeration facilities in order to be supplied on the market. Further, its demand patterns are similar to that of fresh meat.
47. In this regard, the CID considered that the markets for the production and supply of processed chicken, pork and beef were national and relates to Malawi, Uganda and Zambia and may be broadened to the Common Market.

The production and distribution of maize seed; and the production and distribution of seed potato

48. Agricultural seeds are often developed and customized for a specific environment which may entail that the geographic scope of the seed market is generally national. The CID noted that countries, including those in COMESA have laws regulating the production and trade in seeds to the extent that importation of seeds into a Member State and the use of a seed variety must be approved by the relevant regulatory authorities.
49. This notwithstanding, the CID observed that certain countries within the Common Market have similar weather patterns, such that the scope of the market can be extended to at least the Common Market. The CID further noted that the COMESA Council of Ministers adopted a COMESA Seed Harmonization Implementation Plan in 2014 as a strategy to harmonise seed laws among Member States to trigger seed trade⁵. Therefore, the CID noted that the scope of the markets can be the Common Market.
50. In this regard, the CID considered that the geographic scope for the production and distribution of maize seed and for the production and distribution of potato seed was the Common Market.

Production and supply of animal feed

51. In **Nutreco/Unga**⁶, the CID considered a national market for the supply of animal feed. In this transaction, the CID considered that farmers tend to source animal feed from within a country as opposed to imported animal feed. The CID noted that from a supply perspective, inputs into the manufacturing process for animal feed, such as maize and soya beans are readily available locally such that

⁵ <https://www.comesa.int/seven-comesa-states-have-harmonized-seed-regulations/>, accessed on 18 July 2022

⁶ See CID Decision accessible at <https://www.comesacompetition.org/wp-content/uploads/2021/12/CID-Decision-Unga-Nutreco.pdf>



manufacturers can supply feed to farmers at affordable prices. The CID observed that competing imported animal feed which may be available on the local markets are likely to attract high prices in view of the transportation costs involved. The CID therefore noted that in an event of a 5 – 10% increase in the price of locally produced animal feed, farmers are unlikely to immediately resort to imported products. To the contrary, farmers may resort to using homemade animal feed given that the ingredients and technology to making the animal feed are readily available locally.

52. The CID therefore considered that the geographic scope for the production and supply of animal feed was national and pertained to Zambia where the acquirer is active in this market.

Production and supply of day-old chicks

53. The CID observed that the supply of day-old chicks is subject to animal health licensing requirements to guard against poultry related diseases such as avian flu. Further, day-old chicks are tender and their transportation requires an environment having sufficient fresh air and they should be transported from the hatchery straight to the farm.
54. Given the delicate nature of day-old chicks, there is a risk that transporting them over long distance may result in high mortality rate. Therefore, it is preferable for farmers to opt for sourcing day-old chicks from within a country as opposed to importing.
55. The CID therefore considered the geographic scope of the production and supply of day-old chicks as national and pertained to Zambia where the Acquiring Group produces and supplies day-old chicks.

Commercial farming of maize, soya and wheat

56. The CID observed that commercial farming of any type of crop, whether maize, soya or wheat is undertaken at fixed pieces of land. In order to venture into commercial farming a company or a business requires access to large pieces of land (i.e., by lease or purchase), labour and machinery. The CID noted that from a supply perspective, it is possible for companies to relocate commercial farming from one country to another. However, such switching may not happen swiftly enough to inform the basis for broadening the market beyond national level.
57. In this regard, CID considered that the relevant geographic market for the commercial farming of maize, soya and wheat is Zambia where the Acquiring Group operates commercial farms.



58. In view of the foregoing, and without prejudice to the CID's approach in similar future cases, the CID determined the relevant markets as follows:
- (a) production of live poultry for slaughter in Zambia
 - (b) production of live pigs for slaughter in Uganda and Zambia
 - (c) production of live cattle for slaughter in Zambia
 - (d) slaughtering of poultry in Zambia
 - (e) slaughtering of pigs in Uganda and Zambia
 - (f) the slaughtering of cattle in Zambia
 - (g) production and supply of each of fresh chicken, pork and beef in Malawi, Uganda and Zambia, which may be extended to the Common Market
 - (h) production and supply of each of processed chicken, pork and beef in Malawi, Uganda and Zambia, which may be extended to the Common Market
 - (i) production and distribution of maize seed in the Common Market
 - (j) production and distribution of seed potato in the Common Market;
 - (k) production and supply of animal feed in Zambia;
 - (l) production and supply of day-old chicks in Zambia; and
 - (m) commercial farming of each of maize, soya and wheat in Zambia.

Market Shares and Concentration

59. The CID noted that the proposed transaction is unlikely to result in a change in the market structure for the relevant markets, hence competition concerns are unlikely to arise. The CID further noted that these markets are characterised by the presence of competitors. For instance, with respect to the production and supply of fresh and processed meat products in Malawi, the major players include Kapani Enterprises, Nyama World, and Central Poultry 2000 Ltd, as well as various small processors of meat.
60. The CID noted that with respect to the pork related markets in Uganda, the major players in the pork industry include PNR Africa Farms Ltd⁷ and Breads Feeds and Meats Ltd⁸ in Uganda for pork products. Further, in Zambia, notwithstanding the fact that the market structure will not change, other players on the market including, Kachema Meat Suppliers and small-scale farmers are active and will continue to offer alternative supply of meat and related products.⁹

⁷ <https://pnrfarms.com/about-us/> accessed on 19 July 2022 at 8:04 hrs

⁸ <https://www.breadsfeedsmeats.com/> accessed on 19 July 2022 at 8:05hrs

⁹ <https://kachema.com/#about> accessed on 19 July 2022 at 8:23 hrs

61. With regards to the production and distribution of maize and potato seeds, the CID noted that most commercial farms produce seed through contractual relationship with seed houses. In the case of potato seeds, the CID noted the existence of producers such as Silverstreet and Gwalala Limited, and Buya Bamba and Katito in the case of ware potatoes.
62. With respect to the market for the production and supply of animal feed, the CID noted that the market structure will not change given the absence of a horizontal overlap in the relations of the parties. The CID, therefore, concluded that competition concerns were unlikely to arise on account of an accretion of market shares.
63. Similarly, the CID noted that the market structure for the commercial farming of maize, soya and wheat, will not change as the parties have no horizontal relations in this area. Thus, the CID concluded that competition concerns are unlikely to arise on account of an accretion of market shares.

Third-Party Views

64. Submissions were received from the national competition authorities of Egypt, Malawi, and Zambia which submitted that the transaction was not likely to raise competition and public interest concerns post-merger. This is consistent with the CID's assessment, as presented above.

Determination

65. Based on the foregoing reasons, the CID determined that the merger is not likely to substantially prevent or lessen competition in the Common Market or a substantial part of it, nor be contrary to public interest. The CID further determined that the transaction is unlikely to negatively affect trade between Member States.
66. The CID, therefore, approved this transaction. This decision is adopted in accordance with Article 26 of the Regulations.

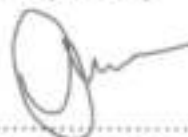
Dated this 2nd day of August 2022



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Commissioner Brian Muletambo Lingela (Chairperson)



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Commissioner Lloyd Vincent Nkhoma



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Commissioner Islam Tagelsir Ahmed Alhasan