Mergers: Commission approves Total Produce's acquisition of Dole, subject to conditions

Total Produce is a leading fresh produce distributor in the EU. Dole is a producer, marketer and distributor of fresh fruit and vegetables with activities in the EU and worldwide. Both companies own production facilities for bagged salads in Sweden.

The Commission's investigation

The Commission examined the effects of the proposed transaction on competition in the markets for the supply of bagged salads, bananas, pineapples and other fresh fruit and vegetables.

On the basis of its preliminary investigation, the Commission was concerned that the transaction, as originally notified, would have significantly reduced competition in the market for the **supply of bagged salads in Sweden**. Only one other significant competitor, Salico, would have remained in this market post-transaction. As a result, the Commission was concerned that the combined entity would not have faced sufficient competitive pressure from this remaining player.

The Commission found that no competition concerns would arise with respect to all other products where the companies' activities overlap, due to the presence of a sufficient number of alternative suppliers.

The proposed remedies

To address the Commission's competition concerns, the companies offered to divest Dole's bagged salads business in Sweden, Saba Fresh Cuts AB.

These commitments fully address the Commission's concerns as they remove the entire overlap between the companies' activities in the supply of bagged salads in Sweden.

Therefore, the Commission concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns in the EU. The Commission's decision is conditional upon full compliance with the commitments.

Companies and products

Total Produce, headquartered in Ireland, is a leading fresh produce distributor, which sources, imports, packages and distributes over 300 lines of fresh produce. It operates from 26 countries through a network of 146 operating facilities, including 101 operational facilities in Europe and serves the retail, wholesale and foodservice sectors.

Dole is a US company whose EEA operations are headquartered in Germany. It produces, markets and distributes fresh fruit and vegetables in North America, Europe, Latin America, South Africa and Dubai. Dole is currently controlled by Mr David H. Murdock, who will jointly control the company together with Total Produce following the transaction.

Merger control rules

The transaction was notified to the Commission on 11 June 2018.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the Merger Regulation) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information on this case is available on the Commission's <u>competition</u> website, in the public <u>case register</u> under the case number <u>M.8829</u>.

* Updated on 30 July 2018 to reflect acquisition of joint control.