



## **MERGER ANNOUNCEMENT**      **10 JANUARY 2012**

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### **Competition Authority clears proposed acquisition of Donegal Creameries by Connacht Gold**

The Competition Authority has cleared the proposed acquisition by Connacht Gold Co-operative Society Limited of Glenveagh Agricultural Co-operative Society Limited and Maybrook Dairy (Omagh) Limited, wholly-owned subsidiaries of Donegal Creameries plc, together with a number of assets of Donegal Creameries. As part of the proposed transaction, Connacht Gold is acquiring the assets of nine agri-merchant stores located in the State including stock, computer equipment, motor vehicles and fixtures and fittings. The parties notified the transaction under the Competition Act 2002 on 1 November 2011.

The Authority's decision to clear the transaction followed an intensive investigation, which included getting the views of customers of Connacht Gold and Donegal Creameries across a range of product markets in the State. The Authority also sought the views of the Irish Farmers Association about the competitive impact of the acquisition on dairy farmers located in the North-West of Ireland.

The Authority has formed the view that the proposed transaction will not lead to a substantial lessening of competition in any markets for goods or services in the State. The Authority will publish a public version of its determination on its website ([www.tca.ie](http://www.tca.ie)) no later than 9 March 2012 after allowing the parties the opportunity to request that confidential information is removed from the published version.

#### **Notes**

Connacht Gold's principal activities relate to the production of fresh dairy products (i.e., liquid milk, cream, butter and, to a lesser extent, cheese and yoghurt). It procures raw milk from dairy farmers located in the North-West of Ireland. It also produces animal feed in its ruminant feed mill in County Roscommon and has 30 agri-trade retail stores in eight counties which specialise predominantly in the retail supply of agricultural inputs (animal feed, fertiliser, etc) to farmers. It is also involved in timber processing through Earraí Coillte Connacht Teo, a subsidiary based in Co. Galway.

Donegal Creameries plc has five divisions: dairy (the processing of liquid milk and cream products at its processing plant in Killygordon, Co Donegal), agri-inputs (the manufacture of compound animal feeds), produce (the

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development, growing and sale of seed potatoes), property and, other investments.

Glenveagh Agricultural Co-operative Society Limited is located in Killygordon, Co Donegal where it operates a liquid milk processing plant. Glenveagh purchases raw milk from dairy farmers in Co Donegal and also from Maybrook Dairy.

Maybrook Dairy (Omagh) Limited is located in Omagh, Co Tyrone. Maybrook Dairy purchases raw milk from dairy farmers in Northern Ireland and sells this raw milk only to Glenveagh. Maybrook Dairy also operates two retail stores selling agricultural inputs (e.g., fertiliser) to farmers in Northern Ireland.

### **For further information contact:**

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