



# News Release

20/07

20 April 2007

## CC REQUIRES STONEGATE SELL OFF

The Competition Commission (CC) has confirmed that Noble Foods Limited (Noble) must sell Clifford Kent Holdings Ltd, parent company of Stonegate Farmers Limited (Stonegate), to maintain competition in shell eggs (fresh eggs) in the UK.

Noble had been formed by the merger of Stonegate and Deans Food Group Limited (Deans), but following its inquiry, the CC has formally concluded that the merger would reduce competition in markets for fresh eggs, leading to higher prices for retailers.

In its final report published today at [www.competition-commission.org.uk](http://www.competition-commission.org.uk) the CC states that the merger, which brings together the two largest suppliers of shell eggs and processed eggs in the UK, is likely to lead to a substantial lessening of competition (SLC) in the market for the supply of shell eggs—cage (intensive), free range and organic—to retailers, and for the procurement of eggs from producers. As a result, the CC stated, the merger is likely to lead to higher prices of eggs for customers.

This confirms the inquiry's provisional findings on shell eggs, which were published in January. See News release dated 5 January at [www.competition-commission.org.uk/press\\_rel/2007/jan/index.htm](http://www.competition-commission.org.uk/press_rel/2007/jan/index.htm).

After considering potential remedies, the CC has decided that the sale of Stonegate would be the best way to address the SLC and the adverse effects likely to arise from the merger. The merger had been completed by the time of its reference to the CC and so the remedy will mean the recreation of two substantial competing egg suppliers. Noble will be required to sell Stonegate to form a viable competitor.

### Notes for editors

1. The members of the Stonegate/Deans inquiry group are: Dame Barbara Mills QC (Group Chairman), Dr John Collings, Dr Peter Davis and Professor Stephen Wilks.
2. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.

3. Further information on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from its website at: [www.competition-commission.org.uk](http://www.competition-commission.org.uk).
4. Enquiries should be directed to Rory Taylor on 020 7271 0242 (email [rory.taylor@cc.gsi.gov.uk](mailto:rory.taylor@cc.gsi.gov.uk)).