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Glossary

Appendix A: Terms of Reference

Terms of reference

1. In exercise of its duty under section 22(1) of the Enterprise Act 2002 (the **Act**) the Competition and Markets Authority (**CMA**) believes that it is or may be the case that:
 - (a) a relevant merger situation has been created, in that:
 - (i) enterprises carried on by C r lia Group Holding SAS (either directly or through entities under its common ownership or common control or over which it exerts material influence within the meaning of section 26 of the Act) have ceased to be distinct from enterprises consisting of the UK and Ireland dough business (Jus-Rol) of General Mills, Inc., and
 - (ii) the condition specified in section 23(2)(b) of the Act is satisfied; and
 - (b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within a market or markets in the United Kingdom (**UK**) for goods or services, including in the wholesale supply of dough-to-bake products to grocery retailers in the UK.
2. Therefore, in exercise of its duty under section 22(1) of the Act, the CMA hereby makes a reference to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 in order that the group may investigate and report, within a period ending on 29 November 2022 on the following questions in accordance with section 36(1) of the Act:
 - (a) whether a relevant merger situation has been created; and
 - (b) if so, whether the creation of that situation has resulted, or may be expected to result in a substantial lessening of competition within any market or markets in the UK for goods or services.

Sorcha O'Carroll
Senior Director, Mergers
Competition and Markets Authority
15 June 2022

Appendix B: Conduct of the inquiry

1. On 15 June 2022, the CMA [referred](#) the completed acquisition by Cérélia Group Holding SAS (either directly or indirectly) of certain assets relating to the UK and Ireland dough business (**Jus-Rol**) of General Mills, Inc. (the **Parties**) for an in-depth Phase 2 inquiry.
2. We published the biographies of the members of the group conducting the inquiry on the inquiry [webpage](#) on 15 June 2022 and the relevant administrative timetable was published on the inquiry [webpage](#) on 15 July 2022.
3. The original administrative timetable for the inquiry was published on the inquiry [webpage](#) on 15 July 2022. At commencement of the inquiry, the statutory deadline was 29 November 2022. On 5 October 2022 we published on the inquiry [webpage](#) a notice under section 39(3) of the Act extending the statutory deadline by eight weeks to 24 January 2023. A revised version of the administrative timetable was published on the same day.
4. We invited interested parties to comment on the completed acquisition. We sent detailed requests for information to the Parties' competitors and customers, and a number of these also provided us with further information by video conference calls as well as by responding to supplementary written questions. Evidence submitted to the CMA during Phase 1 was also considered in Phase 2.
5. We received written evidence from the Parties in the form of submissions and responses to information requests. Cérélia's initial submission was published on the inquiry [webpage](#) on 15 July 2022.
6. On 15 July 2022, the CMA published an [Issues Statement](#) on the inquiry webpage setting out the areas on which the Phase 2 inquiry would focus. A non-confidential version of Cérélia's response was published on the inquiry [webpage](#) on 11 August 2022.
7. On 26 and 28 July 2022 members of the inquiry group, accompanied by CMA staff, attended site visits with the Parties and their advisers. The GMI site visit on 26 July 2022 was held via video conference. For the Cérélia site visit on 28 July 2022, some attendees were present in person and some attended via video conference.

8. During our inquiry, we sent the Parties a number of working papers for comment. We also provided the Parties and third parties with extracts from our working papers for comments on accuracy and confidentiality. The Parties were also sent an annotated issues statement, which outlined our emerging thinking to date prior to their respective main party hearings, which were held separately with each Party on 6 September 2022. The parties provided comments on our annotated issues statement and working papers separately on 12 and 14 September 2022
9. A non-confidential version of our provisional findings report has been published on the inquiry [webpage](#). As we have provisionally concluded that the Merger has resulted in the creation of a relevant merger situation, and that the creation of that situation has resulted in, or may be expected to result in an SLC, a notice of possible remedies (**Remedies Notice**) has also been published on the inquiry [webpage](#). Interested parties are invited to comment on the Remedies Notice by **17:00 hours (UK time) on Friday 18 November** and the provisional findings by **17:00 hours (UK time) on Friday 25 November**.
10. We would like to thank all those who have assisted in our inquiry so far.

Appendix C: Shares of supply

1. In this Appendix we discuss the shares of wholesale supply of DTB products to grocery retailers in the UK.
2. We set out:
 - (a) the Parties' submissions;
 - (b) our assessment of:
 - (i) forecast shares of wholesale supply;
 - (ii) shares of wholesale supply over time; and
 - (iii) manufacturers' shares of supply over time.

Parties' submissions

3. Cérélia provided shares of retail supply of DTB products for 2012-2023 based on Kantar reports for the years 2018-2020.¹ The Kantar reports record the monthly value of sales at the retail level (ie sales to end-consumers) of branded and PL DTB products, and identify the source of these products (ie PL, Jus-Rol or other branded). To arrive at shares of wholesale supply (ie sales to retailers), Cérélia supplemented this data by its understanding of the identity of the suppliers of PL products.²
4. Cérélia's estimates were based on two series of Kantar reports, namely Kantar chilled and Kantar frozen. The Kantar chilled reports provide the value of sales of chilled DTB products by retailer while the Kantar frozen reports provide the total value of sales of frozen DTB products (ie the PL, Jus-Rol or other branded sales are not broken down by retailer). Cérélia assumed that the split for frozen PL products per retailer was the same as that for the chilled products.³
5. Cérélia submitted that due to Kantar's sample size and methodology, its data disproportionately captures retailers with a larger number of distribution points and so was likely to underestimate the PL share of retailers with fewer distribution points (eg [REDACTED], [REDACTED], [REDACTED], [REDACTED] and [REDACTED]). It also submitted that the

¹ Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44. Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (2), 22 August 2022, question 6. Shares of supply estimates for 2022 and 2023 are chilled only. These estimates for 2022 and 2023 are forecasts that reflect changes in the supply arrangements.

² Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44, paragraph 44.5.

³ Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44, paragraph 44.4.

data does not capture sales by online retailers (eg [X] and [X], that stock brands such as [X]), and underestimates sales by independent retailers which are more likely to stock independent UK brands (eg [X], [X] and [X]).⁴

6. GMI provided shares of retail supply based on Nielsen reports for the years 2020 and 2021. The Nielsen reports record the weekly value of sales to end-consumers broken down by brand or PL and retailer. GMI told us that it does not buy branded data for [X] or any data for [X], [X] or [X].⁵
7. GMI submitted that there may be some discrepancies between the data in the Nielsen reports and the corresponding Kantar data. In particular, it believes Kantar's panellists have a greater tendency to be customers of the major retailers and to purchase PL products. Therefore, the Nielsen data may underestimate PL volumes and sales.⁶
8. In relation to the CMA's interpretation of the Parties' shares of supply, Cérélia submitted that:
 - (a) the 'wholesale' shares of supply conflate two distinct levels of the DTB supply chain, namely (i) manufacturing and (ii) brand operation (including both consumer brands and retailer PL brands);⁷
 - (b) by presenting 'wholesale' shares of supply, the CMA overlooks the fact that the vast majority of Jus-Rol products, [X], are also manufactured by Cérélia pre-merger. As such, the Transaction will not lead to any incremental share of supply in this respect;⁸
 - (c) Cérélia considers volume-based shares of supply to be more informative than value-based shares of supply in this context because the share of supply estimates provided to the CMA have been calculated using retail data from Kantar. Since the retailer and manufacturer revenues do not always move in lockstep, there is no expectation that retail values are a good proxy for contract manufacturing values;⁹
 - (d) in Valeo Foods/Tangerine Confectionary (2018) the CMA said that 'market shares often have limited weight in markets characterised by a small number of large customers that tender periodically...'.⁹

⁴ MN, paragraph 35.

⁵ GMI's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 33.

⁶ GMI's response to the CMA's s109 Notice (phase 2 s.109) (2), 24 August 2022, question 12, paragraph 12.10.

⁷ Cérélia's response to the Shares of Supply Working Papers, 13 September 2022, paragraphs 2. See Chapter 5 further details.

⁸ Cérélia's response to the Shares of Supply Working Papers, 13 September 2022, paragraphs 2.

⁹ Cérélia's response to the Shares of Supply Working Papers, 13 September 2022, paragraph 7.

Consequently, sector shares are not a reliable prima facie indicator of market power but reflects a concentrated customer base (six retailers accounting for most of the sales of DTB products) in a niche sector that in turn drives concentration at the wholesale level.¹⁰ An analysis of competitive effects needs to focus on whether retailers are able to source their inputs on competitive terms and have the ability to switch suppliers of co-packing services;¹¹

- (e) the CMA should not consider suppliers as material only if they already hold a material share as:
- (i) shares are not a good guide to identifying credible competitors in this market, given the lumpy nature of contracts and the limited number of customers; and/or
 - (ii) barriers to entry and expansion are low in this market, making it highly contestable;¹² and
 - (iii) Cérélia has [X] since early 2020.¹³

Our assessment

9. We have primarily focused on assessing the shares of supply in the market that we have identified as the focus of our assessment – the wholesale supply of DTB products to grocery retailers in the UK.
10. We have relied upon retail level data as a proxy for the shares of supply at the wholesale level given that comprehensive wholesale level data was not available. Given that the data identifies the wholesale supplier of the products and matches this information to the value of sales, we consider that it is appropriate to use the retail sales data to estimate approximate shares of supply at the wholesale level.
11. We have used the Kantar data provided by Cérélia for our analysis as it provides a more complete picture in this case than the Nielsen data provided by GMI. This is because it includes shares for smaller retailers (unlike the Nielsen data as discussed in paragraph 6).

¹⁰ Cérélia's response to the phase 1 Issues Letter, 11 May 2022, paragraph 4.1.

¹¹ Cérélia's response to the phase 1 Issues Letter, 11 May 2022, paragraph 4.2.

¹² Cérélia's response to the Shares of Supply Working Papers, 13 September 2022, paragraphs 4(ii).

¹³ [Cérélia's response to the Issues Statement](#), 2 August 2022, paragraph 4.19.

12. We think that the Kantar data provided by C er lia is the most appropriate dataset to use notwithstanding the Parties' criticisms in paragraph 5. We note that:

(a) In relation to the submission that the Kantar data is likely to underestimate the PL share of retailers with fewer distribution points (eg [redacted], [redacted], [redacted], [redacted] and [redacted]):

(i) We cross-checked [redacted] and [redacted] retail value of PL sales (as provided by these retailers) to that in the Kantar data in 2020.¹⁴ This cross-check does not suggest that the Kantar data underestimates the shares of supply of the PL DTB products stocked at these retailers as the figures provided by [redacted] and [redacted] are lower than in the Kantar data.¹⁵

(ii) [redacted] with limited sales ([redacted]) while [redacted] and [redacted] are smaller retailers.¹⁶ Therefore, it appears that the shares of supply estimates based on Kantar data are not likely to be materially affected by any underestimation of the PL sales of these retailers.

(b) In relation to the submission that the Kantar data does not capture sales by online retailers (eg [redacted] and [redacted], that stock brands such as [redacted]), we do not consider that the inclusion of such online retailers would materially alter the share of supply estimates give that:

(i) [redacted] and [redacted] do not have PL products.

(ii) [redacted] DTB sales by value in the first half of 2022 was approximately  [redacted] and around [redacted]% of that were Jus-Rol sales.¹⁷

(iii) [redacted] DTB sales by value in the first half of 2022 was approximately  [redacted] and around [redacted]% of that were Jus-Rol sales.¹⁸

(c) In relation to the submission that the Kantar data underestimates sales by independent retailers which are more likely to stock independent UK brands (eg [redacted], [redacted] and [redacted]), we consider that any potential underestimation of sales by independent retailers would not materially

¹⁴ Response to the CMA questionnaire from [redacted], question 4. Response to the CMA questionnaire from [redacted], question 4.

¹⁵ For comparison, [redacted] and [redacted] retail sales were also similarly lower than in the Kantar data. Response to the CMA questionnaire from [redacted], question 4. Email from [redacted] to the CMA. Response to the CMA questionnaire from [redacted], question 4. Email from [redacted] to the CMA.

¹⁶ See Table 5.1 in Industry Background. Response to the CMA questionnaire from [redacted], question 4. Email from [redacted] to the CMA.

¹⁷ Response to the CMA questionnaire from [redacted], question 5.

¹⁸ Response to the CMA questionnaire from [redacted], question 5.

alter the shares of supply estimates. We have not seen any evidence that would indicate that any of the other brands would be more prevalent than indicated by the estimates.

13. We consider that shares of supply presented by value of sales is more appropriate than by volume of sales. While revenues of retailers and revenues of wholesale DTB suppliers may not move in lockstep, any inaccuracies resulting from this is likely outweighed by the fact that value of sales captures brand value and/or quality on top of volumes.¹⁹ Presenting shares in volume terms does not capture these important differences across suppliers (for example, some firms may supply relatively more higher quality products (such as all butter DTB products which demands a higher price) than others). Notwithstanding our view that shares of supply presented by value of sales is more appropriate than by volume of sales, we also present shares by volume of sales for information.
14. In the remainder of this section, we set out:
 - (a) forecast shares of wholesale supply;
 - (b) shares of wholesale supply over time; and
 - (c) manufacturers' shares of supply over time.

Forecast shares of wholesale supply of DTB products to grocery retailers in the UK

15. There have been recent changes in the supply arrangements in the market for wholesale supply of DTB products to grocery retailers in the UK, such as the [REDACTED], which affect shares of wholesale supply materially.²⁰ Therefore, we consider it is appropriate to present the forecast estimates for 2021-2023, which reflect these recent changes in the supply arrangements. Shares for 2021 are also forecast estimates as Cérélia was only able to provide Kantar data for 2018-2020.
16. Cérélia provided forecast shares of supply estimates for 2021-2023 based on Kantar data for 2020, adjusted to reflect the following recent changes in supply arrangements:²¹
 - (a) In 2022, [REDACTED]. All sales of these products have been [REDACTED].

¹⁹ [REDACTED].

²⁰ See Chapter 9.

²¹ Shares of supply estimates for 2022 and 2023 are chilled only, while estimate for 2021 and chilled and frozen combined. Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (2), 22 August 2022, question 6.

(b) In July 2021, [REDACTED].²² All sales to [REDACTED] have been [REDACTED].²³

(c) In October 2022 [REDACTED]. The expected volumes have been [REDACTED].

(d) In October 2022, [REDACTED]. The expected volumes have been [REDACTED].

(e) In January 2023, [REDACTED].²⁴ [REDACTED] will manufacture [REDACTED].²⁵

17. Based on third-party information, we are not aware of any other changes in supply arrangements than described in paragraph 16 above, therefore, our analysis does not differ from the forecast estimates Cérélia submitted.
18. Cérélia was able to provide Kantar data until 2020 only. A limitation of these forecast estimates for 2021-2023 is that, if the shares across brands and retailers have changed substantially since 2020, this makes these estimates less accurate as these changes will not be captured. For example, any change in Jus-Rol's shares since 2020 is not captured and any change in PL manufacturers' shares due to discounters having higher shares is also not captured.²⁶ These limitations are further exacerbated by the fact the 2020 was a pandemic year which may temporarily have altered purchasing behaviour and resulted in large increase in demand for home baking and consequently in DTB products. These limit the weight we can put on these forecast Table 1 estimates.
19. The forecast estimates are presented in below by value.

Table 1: Forecast shares of wholesale supply estimates for DTB products by value to grocery retailers in the UK in 2021-2023

	%		
<i>Supplier</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
<i>Jus-Rol</i>	[40-50]	[40-50]	[40-50]
<i>Cérélia</i>	[30-40]	[30-40]	[20-30]
[REDACTED]	[5-10]	[10-20]	[10-20]
[REDACTED]*	[0-5]	[0-5]	[5-10]
<i>Other PL</i>	[10-20]	[10-20]	[10-20]
<i>Other branded†</i>	7	7	7
<i>Total</i>	100	100	100
<i>Parties combined</i>	[70-80]	[70-80]	[60-70]

²² MN, paragraph 52.

²³ Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (2), 22 August 2022, question 3.

²⁴ Based on Cérélia's data, Cérélia response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 50.

²⁵ Response to the CMA questionnaire from [REDACTED], question 2.

²⁶ For example, Aldi is the fourth largest grocery retailers in the UK, overtaking Morrisons. See [BBC](#), accessed by the CMA on 2 October 2022.

* [REDACTED], paragraph 2.

† Other branded includes brands like Bells, Dorset Pastry, Northern Dough Co, Picard, Pret A Manger, Shire Foods, and Theos. Given that these estimates are based on 2020 data, it does not include PizzaExpress sales.

Note: Percentages may not total due to rounding.

Source: CMA analysis based on the Parties' data (Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, questions 44 and 50. Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (2), 22 August 2022, question 6.).

20. As shown in Table 1, the Parties' combined share in the wholesale supply of DTB products to grocery retailers in the UK is forecasted to be [60-70]% in 2023.²⁷ The recent changes in supply arrangements (see paragraph 16), in [REDACTED], mean that Cérélia has lost share [REDACTED] (from [30-40]% to [20-30]% as shown in Table 1).
21. The transaction combines the two largest suppliers by value in the wholesale DTB market in the UK across all three years. All other suppliers in the market have significantly lower shares of supply than the Parties (both combined and individually). The supplier with the next highest share after the Parties is [REDACTED] ([10-20]% share), followed by [REDACTED] ([5-10]% [REDACTED]), and then other smaller wholesale suppliers of PL DTB products (together accounting for [10-20]%) and a long tail of very small consumer brands (together accounting for 7%).²⁸
22. Based on Nielsen data for 2021, we understand that Northern Dough, Pret A Manger, Theos, Bells and PizzaExpress ([REDACTED]) are the largest brands other than Jus-Rol, however, none of them has more than [0-5]% share of wholesale supply.²⁹ [REDACTED]³⁰ [REDACTED].³¹
23. More than 90% (by value) of other PL shares are related to frozen sales, in particular to PL frozen ready-to-bake sales. Based on the third-party information available to us, the manufacturers of these PL frozen ready-to-bake products are [REDACTED].³²
24. As explained in paragraph 13, we consider that shares of supply by value (as set out in Table 1) is a more appropriate metric than by volume. However, for information, Table 2 shows the forecast estimates by volume.³³

²⁷ Calculations of shares of supply include all of Cérélia's sales of PL DTB products and the Jus-Rol Business' branded products supplied to grocery retailers in the UK. It does not include [REDACTED].

²⁸ Note that the [5-10]% share of [REDACTED] as we did not have that granular data within the Kantar dataset.

²⁹ GMI's response to the CMA's s109 Notice (phase 2 s.109) (2), 24 August 2022, question 8. [REDACTED].

³⁰ Based on Nielsen data, in 12 months to 27 August 2022 the value of [REDACTED] sales was £[REDACTED] million, while in 2021, the largest other brand ([REDACTED]) had £[REDACTED] million sales. In terms of volume, based on its actual and budgeted sales data, [REDACTED]. Based on Nielsen data, in 2021 the largest other brand had [REDACTED] sales. Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (3), 14 September 2022, question 1.

³¹ MN, paragraph 115.

³² These suppliers are discussed in further detail in Chapter 9. Email from [REDACTED] to the CMA, 9 September 2022. Email from [REDACTED] to the CMA. Email from [REDACTED] to the CMA. Email from [REDACTED] to the CMA.

³³ The methodology of the forecast estimates by volume is the same as for the methodology for forecast estimates by value.

Table 2: Forecast shares of wholesale supply estimates for DTB products by volume to grocery retailers in the UK in 2021-2023

	%		
<i>Supplier</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
<i>Jus-Rol</i>	[30-40]	[30-40]	[30-40]
<i>C��r��lia</i>	[30-40]	[30-40]	[20-30]
[REDACTED]	[10-20]	[10-20]	[10-20]
[REDACTED]	[0-5]	[0-5]	[5-10]
<i>Other PL</i>	[10-20]	[10-20]	[10-20]
<i>Other branded†</i>	7	7	7
<i>Total</i>	100	100	100
<i>Parties combined</i>	[60-70]	[60-70]	[50-60]

* [REDACTED]. Note of a call with [REDACTED], paragraph 2.

† Other branded includes brands like Bells, Dorset Pastry, Northern Dough Co, Picard, Pret A Manger, Shire Foods, and Theos. Given that these estimates are based on 2020 data, it does not include PizzaExpress sales.

Note: Percentages may not total due to rounding.

Source: CMA analysis based on the Parties' data (C  r  lia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, questions 44 and 50. C  r  lia's response to the CMA's s109 Notice (phase 2 s.109) (2), 22 August 2022, question 6.).

25. Shares by volume (Table 2) show a similar picture to shares by value (Table 1). By this measure too, the transaction combines the two largest suppliers in the wholesale DTB market in the UK across all three years. The Parties have high forecast combined share in 2023 ([50-60]% share) and individual shares ([30-40]% and [20-30]% respectively) which are much higher than the supplier with the next highest share, [REDACTED] ([10-20]% share), followed by [REDACTED] ([0-5]%).³⁴

Shares of wholesale supply of DTB products to grocery retailers in the UK over time

26. In this subsection, we present historical shares to discuss trends over time. These provide useful information to help us understand whether shares changed materially over time because of the concentrated nature of the customer base and lumpy contracts. However, we consider that the historical shares are less appropriate to assess the current strength of the suppliers in the market than forecast shares as these do not take into account recent important changes in supply arrangements (see paragraph 16).

27. C  r  lia provided historical shares of supply estimates for the years 2012-2020. These are based on Kantar data on retail sales for the years 2018-2020 and C  r  lia's knowledge of historical supply agreements.³⁵

³⁴ Calculations of shares of supply include all of C  r  lia's sales of PL DTB products and the Jus-Rol Business' branded products supplied to grocery retailers in the UK. [REDACTED].

³⁵ C  r  lia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44, paragraph 44.3.

28. Table 3 presents a subset of this data: shares of wholesale supply for DTB products by value to grocery retailers in the UK in 2018-2020 (for the years which Cérélia had Kantar data), therefore, these estimates are not affected by the limitations discussed in paragraph 18 above.

Table 3: Shares of wholesale supply estimates for DTB products by value to grocery retailers in the UK in 2018-2020

Supplier	%		
	2018	2019	2020
Jus-Rol	[40-50]	[40-50]	[40-50]
Cérélia	[20-30]	[30-40]	[30-40]
[X]	[5-10]	[5-10]	[5-10]
Other PL	[10-20]	[10-20]	[10-20]
Other branded	8	7	7
Total	100	100	100
Parties combined	[70-80]	[70-80]	[70-80]

Note: Percentages may not total due to rounding.

Source: Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44.

29. Table 3 shows that the Parties had a very high combined share of supply in 2018, 2019 and 2020 ([70-80]%, [70-80]% and [70-80]% respectively), as well as having higher shares on an individual basis than any other individual supplier. By volume, the Parties' combined shares in 2018 – 2020 were [60-70]%, [60-70]% and [60-70]% respectively, showing a similar picture to shares by value.

30. We note that Jus-Rol's share of supply (by value) dropped from [40-50]% to [40-50]% between 2018 and 2020. It appears to have lost share to PL suppliers rather than to other branded suppliers. By volume, Jus-Rol's share of supply dropped [X], from [40-50]% to [30-40]% between 2018 and 2020.³⁶

31. We understand that Cérélia's share increased over this period mainly due to [X].³⁷ By volume, Cérélia's share of supply increased from [20-30]% to [30-40]% between 2018 and 2020.³⁸

32. For information we have also presented shares of wholesale supply for PL DTB products to grocery retailers in the UK by value between 2012 and 2020 at Figure 1 below. To calculate shares of supply for 2012-2017, Cérélia assumed retail sales volumes and values in 2012-2017 are equal to those in

³⁶ Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44, paragraph 44.3.

³⁷ [X]. Cérélia's response to the Shares of Supply Working Papers (Marked-up WP), 13 September 2022, slide 20. For more detail on switching, please see Chapter 9.

³⁸ Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44, paragraph 44.3.

2018. This is with the exception of [REDACTED].³⁹ Therefore, a limitation of the estimates for 2012-2017 is that, if the shares across retailers have changed substantially in this period, this makes these historical estimates less accurate as these changes will not be captured. In Figure 1 we have included forecast estimates discussed in Table 1 for 2021-2023 with dashed lines.

33. We have not included Jus-Rol products in Figure 1 as Cérélia's estimates cannot reflect any changes in Jus-Rol's share over the period given the estimates are based only on retail sales data for 2018-2020.

Figure 1: Shares of wholesale supply estimates for PL DTB products by value to grocery retailers in the UK in 2012-2023

[REDACTED]

Source: CMA analysis based on Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44 and 50. Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (2), 22 August 2022, question 6.

34. In 2020, by value, Cérélia had a significant share of wholesale supply of PL DTB products ([60-70]%) which is a substantial increase from its supply in 2012 ([20-30]%). The only other wholesale supplier of PL products with material share is [REDACTED], whose share in 2020 [REDACTED] was [REDACTED], [REDACTED]. The main switching events which drove the shift in share from [REDACTED] to Cérélia were [REDACTED] switching some volumes from [REDACTED] to Cérélia in 2013 and in 2017 and [REDACTED] switching from [REDACTED] to Cérélia in 2017.⁴⁰ By volume the trends over time are similar as by value.⁴¹
35. For information, in 2020, by value, Jus-Rol had a significant share of wholesale supply of branded DTB products ([80-90]%), which is similar to its supply in 2018 ([80-90]%).

Manufacturing shares of DTB products supplied to grocery retailers in the UK over time

36. In this sub-section we discuss the manufacturing shares of DTB products supplied to grocery retailers in the UK. We are discussing these to provide context for our analysis of the vertical links between the Parties, however, we note that the supply of DTB products to retailers in the UK is the relevant market for the purposes of our assessment of the Merger (see Chapter 5).
37. Cérélia provided shares of manufacturing for Jus-Rol products from 2012 to 2021 which we have reproduced in Figure 2.

³⁹ Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44, paragraph 44.13.

⁴⁰ For more detail on switching, please see Chapter 9.

⁴¹ Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44, paragraph 44.3.

Figure 2: Share of manufacturing of Jus-Rol products by value in 2012-2021

[REDACTED]

Source: Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44

38. From 2012 to 2015, GMI [REDACTED]. In 2016, Jus-Rol closed its factory in the UK and transferred production of some of its product to its factory in Greece and sourced the rest from [REDACTED] and Cérélia.⁴² In 2021 around [REDACTED] of the value of Jus-Rol's revenue came from products manufactured by Cérélia (and almost [REDACTED] by volume).⁴³
39. Based on this and on shares of wholesale supply submitted by Cérélia we calculated manufacturing shares of supply for DTB products to grocery retailers in the UK which are presented in Table 4.

Table 4: Shares of manufacturing of DTB products supplied to grocery retailers in the UK by value in 2018-2020

	%		
<i>Supplier</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>
<i>GMI</i>	[20-30]	[20-30]	[10-20]
<i>Cérélia</i>	[40-50]	[40-50]	[60-70]
[REDACTED]	[5-10]	[5-10]	[5-10]
[REDACTED]*	[0-5]	[0-5]	[0-5]
<i>Other</i>	[10-20]	[10-20]	[10-20]
<i>Total</i>	100	100	100

* [REDACTED].

Note: Percentages may not total due to rounding.

Source: Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44

40. Between 2018 and 2020, the increase in Cérélia's manufacturing share of supply was driven by its increasing share of manufacturing for Jus-Rol products. As shown in Table 4, the Merger would result in an [10-20]% increase by value in Cérélia's manufacturing share due to it taking on the manufacturing of the Jus-Rol products still manufactured by GMI. By volume, the Merger would result in a [5-10]% increase in Cérélia's manufacturing share due to it taking on the manufacturing of the Jus-Rol products still manufactured by GMI.⁴⁴

⁴² GMI's site visit presentation, 26 July 2022, slide 12.

⁴³ In 2021 [REDACTED]% of the volume of Jus-Rol's sales came from products manufactured by Cérélia. Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44.

⁴⁴ In 2020, Cérélia's manufacturing share of supply was [50-60]%. Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (1), 14 July 2022, question 44.

41. GMI only manufactures canned Jus-Rol dough products.⁴⁵ Cérélia submitted that [X]. It also submitted that [X].⁴⁶
42. The Jus-Rol canned products are pizza dough and ready-to-bake products within the DTB products.⁴⁷ Cérélia manufactures PL pizza dough and some PL ready-to-bake products for retailers (cookie and brownie dough, and seasonal products such as gingerbread dough kits), albeit not in a canned package.⁴⁸

⁴⁵ MN, paragraph 120.

⁴⁶ Cérélia response to the Shares of Supply Working Papers (Marked-up WP), 13 September 2022, slide 26.

⁴⁷ Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (2), 22 August 2022, question 14.

⁴⁸ Cérélia's response to the CMA's s109 Notice (phase 2 s.109) (2), 22 August 2022, question 17.

Glossary

Term	Definition
APA	Asset Purchase Agreement.
Branded products	DTB products that are sold under a brand name (e.g. Jus-Rol). This excludes grocery retailers' Private Label products.
BSM category	The category of grocery products including butter, spreads and margarine. The Parties consider chilled pastry to be a subset of this category.
C�r�lia	C�r�lia Group Holding SAS, together with all entities under common ownership or common control or over which it exerts material influence within the meaning of section 26 of the Act but excluding the Jus-Rol Business.
CMA	Competition and Markets Authority.
Conflation Error	The Parties submit that the CMA has made an error by conflating two distinct levels of the supply chain (upstream contract manufacturing of DTB products and downstream brand ownership) into a single activity (wholesale supply of DTB products).
CUK	C�r�lia UK Limited, together with all entities under common ownership or common control or over which it exerts material influence within the meaning of section 26 of the Act but excluding the Jus-Rol Business.
Co-packer Also: Co-manufacturer	A co-packer is a third-party company which manufactures, packages and labels products for its clients (retailers in this case). The service provided is tailored to the needs of the customers, from product range and ingredients to design and packaging.
Delisting	The complete removal of a product from a range sold by a retailer, rather than changing to an alternative supplier of the product (see switching).
Dough-to-bake (DTB) products	All products manufactured by combining basic ingredients such as flour, liquid and/or fat (sometimes with flavouring and toppings), which are sold to customers as a raw product to be baked for final consumption. Most are sold in chilled or frozen form. DTB includes ingredient pastry dough, pizza dough and ready-to-bake dough products such as cookie,

Term	Definition
	brownie, gingerbread, croissant, pain au chocolate and cinnamon swirl dough.
Dough-to-bake (DTB) suppliers	Suppliers of branded DTB products or manufacturers who supply DTB products for use in retailers' PL offering.
Food manufacturing	Customers in this sector purchase DTB products to manufacture a finished product for sale to end-consumers (e.g., pizza dough for use in a pizza product).
Foodservice	Customers in the foodservice sector comprise caterers who buy DTB products to sell to their end-consumers, as well as bakeries, restaurants, and independent shops who bake finished products in-store to serve to end-consumers.
GMI	General Mills, Inc., together with all entities under common ownership or common control or over which it exerts material influence within the meaning of section 26 of the Act.
Grocery sector <i>Also: retail sector</i>	The supply of Private Label and Branded products to end-consumers in the UK, by grocery retailers who have previously bought these products from wholesale suppliers. These retailers include large, national multiples as well as smaller retailers, including hybrid, online-only and brick-and-mortar retailers.
GSCOP	Groceries Supply Code of Practice.
Ingredient pastry – <i>Also: pastry dough</i>	Ingredient pastry is a sub-group of DTB products, referring to pre-made pastry dough (such as puff, shortcrust and filo pastry) for use in cooking/baking.
Inquiry Group	The appointed Panel Members and decision-makers of the CMA's phase 2 investigation into the Merger .
Manufacturing and packaging	Manufacturing and packaging includes the services of product manufacturing, package assembly and fulfilment.
MAGs	Merger Assessment Guidelines (CMA129)
Merger	The acquisition by Cérélia of the Jus-Rol Business.

Term	Definition
Merger Notice (MN)	The Merger Notice submitted by CUK to the CMA on 29 March 2022.
Multi-sourcing	The ability to source the same DTB product from more than one supplier at a time (such as having two suppliers of puff pastry), as opposed to just one.
Non-retail suppliers	Suppliers providing DTB products to non-retail sectors. Predominantly, non-retail suppliers supply the foodservice sector and, to a lesser extent, the food manufacturing sector.
the Act	The Enterprise Act 2002.
the ESA	Equipment Sale Agreement.
the Jus-Rol Business	The assets relating to the United Kingdom and Ireland dough business of General Mills, Inc. operated under the 'Jus-Rol' brand.
the Parties	CUK and the Jus-Rol Business.
PQRS	Price, quality, range, and service.
Private label (PL) products	DTB products manufactured or packaged for sale to end-consumers under the name of the retailer (as opposed to that of the manufacturer), such as products in Tesco's Finest range.
Product types	Product types refer to Ingredient pastry, pizza dough, and RTB products.
White label, own label products	These terms are often used interchangeably with Private Label products, but there is a slight difference: white label products refer to generic products sold by a manufacturer to (possibly multiple) retailers whereas Private Label products are those sold by a manufacturer to retailers under an exclusive arrangement.
Ready-to-bake (RTB) products Also: RBGs – ready to bake goods	A sub-group of DTB products, encompassing those which do not need further preparation (as opposed to ingredient pastry). This includes croissant, pain au chocolat, cinnamon swirls, gingerbread and cookie dough.

Term	Definition
Service level	A supplier's ability to satisfy the number of units ordered by a retailer.
SKU	An abbreviation for Stock Keeping Unit, a unique identifier for each product to ease the tracking of inventory.
SLC	Substantial lessening of competition
Switching	The process through which a retailer changes the supplier of a product, without removing the product entirely from its range.
Switching costs	The costs associated with Switching. They include both monetary and non-monetary costs. In this market they are: i) the cost of finding a suitable alternative supplier (e.g. running a tender process) and ii) establishing the supply arrangements from the chosen new supplier (e.g. finalising recipe formulation etc).
Supply agreement	A contract between two parties setting out binding terms and conditions for the supply of goods or services. The contract outlines both the specific operational requirements and processes suppliers must follow to trade with the buyer, along with the agreed-upon timing, price and quantity of the goods provided to the buyer / guaranteed for the supplier.
TSA	Transitional Services Agreement.
Wholesale	The supply of either Branded products or PL products to grocery retailers, by suppliers such as Jus Rol (branded) or Cérélia (PL).