

CONTENTS

APPENDIX A: SUMMARY OF THE PARTIES' SUBMISSIONS	2
Introduction.....	2
Background to the Merger	2
Submissions relating to jurisdiction	2
Submissions relating to the counterfactual and factual	3
Operation of the Burston mill.....	3
Sale of the Burston mill to an alternative purchaser	4
Operation of the Stoke Ferry mill.....	5
Construction of the Snetterton Mill	11
Submissions relating to the market	12
Product market.....	12
Geographic market.....	12
Submissions relating to the Theories of Harm.....	13
Theory of Harm 1	13
Theory of Harm 2	17
APPENDIX B: PARTIES' INTERNAL DOCUMENTS	19
Introduction.....	19
2Agriculture internal documents relating to the Stoke Ferry mill.....	19
Operational issues at the Stoke Ferry mill.....	19
Production volumes at the Stoke Ferry mill.....	20
Post-Merger plans for the Stoke Ferry mill	22
2Agriculture internal documents relating to the Bawsey and Billingham mills	24
ForFarmers' internal documents relating to the sale of Burston	24
ForFarmers' decision to sell Burston.....	24
Sale of Burston to an alternative purchaser	26
APPENDIX C: THIRD PARTY EVIDENCE IN RELATION TO BURSTON SALE	27
Introduction.....	27
Third party evidence from other potential purchasers	27
Third party evidence from [X].....	28
Sales process.....	28
Strategic interest in the Burston mill.....	28
Supply to third parties	29
[X] growth strategy in East Anglia.....	31
APPENDIX D: CAPACITY ANALYSIS.....	32
Introduction.....	32
Approach to the capacity analysis	32
Data collected	32

Competitors included in capacity analysis.....	33
Type of feed included within capacity analysis.....	34
Measure of capacity (technical vs operational) used.....	35
Underlying assumptions for scenario modelling.....	36
Scenarios modelled.....	39
Results of our capacity analysis	39
Total capacity	39
Spare Capacity.....	40
APPENDIX E: THIRD PARTY EVIDENCE	41
Introduction.....	41
Customers	41
Approach to evidence gathering.....	41
Nature of competition	41
Alternative mills	43
Entry and expansion	45
Views on the Merger	45
Competitors	46
Approach to evidence gathering.....	46
Market definition.....	46
Competitive constraints	50
Capacity and expansion plans	51
Views on the Merger	55
Tables of respondents.....	55
APPENDIX F: SHARE OF SUPPLY TEST	56
Substantial part of the UK.....	56
Calculation of shares of supply.....	57
APPENDIX G: GLOSSARY	59

APPENDIX A: SUMMARY OF THE PARTIES' SUBMISSIONS

Introduction

- A.1 This appendix sets out a summary of the Parties' submissions to date, including: (i) the Final Merger Notice (**FMN**); (ii) the Parties' response to the Phase 1 Decision; (iii) the Parties' submissions at the Initial Substantive Meeting (**ISM**); and (iv) additional written submissions.

Background to the Merger

- A.2 The Parties submitted that the rationale for the Merger is:
- (a) 2Agriculture is [REDACTED] and requires additional feed milling capacity in East Anglia. This is partly because of increasing in-house demand for meat poultry feed, but also because Stoke Ferry (one of its existing mills in the region) is an ageing mill that must reduce production volumes in order to extend its economic life. Since 2015 2Agriculture has considered expanding capacity via the construction of a new mill nearby at Snetterton. Following a re-evaluation of the [REDACTED], 2Agriculture concluded that the project is [REDACTED] and [REDACTED], until towards the end of its [REDACTED] plan¹; and
 - (b) [REDACTED] ForFarmers currently has significant excess capacity in East Anglia and the Burston mill is loss making.² ForFarmers therefore decided to sell the Burston mill but will remain an active competitor in East Anglia through its nearby Bury mill.

Submissions relating to jurisdiction

- A.3 At phase 1, the Parties submitted that each of the two Asset Purchase Agreements (**APAs**) should be considered independently on the basis that:
- (a) each of the Burston and Radstock mills were marketed separately by ForFarmers,
 - (b) ForFarmers received offers from potential purchasers that wished to acquire only one of the sites,
 - (c) the sale of each of the Burston and Radstock mills is governed by a separate APA, and

¹ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraphs 1.3(a) and 2.12-2.16.

² [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 1.3(b).

(d) the transactions were not inter-conditional.³

A.4 At phase 1, the Parties submitted that the assets purchased pursuant to each of the APAs did not generate turnover in excess of £70 million and therefore the turnover test is not met.⁴

A.5 The Parties have not made additional submissions at phase 2 in relation to jurisdiction.

Submissions relating to the counterfactual and factual

Operation of the Burston mill

A.6 At phase 1, the Parties submitted an alternative counterfactual to prevailing conditions, submitting that it is likely that ForFarmers would have sold the Burston mill to another party as an 'empty asset'⁵ or, in the absence of a sale, ForFarmers would have closed the Burston site and transferred the animal feed volumes produced at the Burston mill to its Bury mill.⁶

A.7 ForFarmers submitted that the Burston mill is operating [redacted] under-capacity and is a loss-making site,⁷ and further that there are no circumstances in which ForFarmers would have continued to operate the Burston mill for third-party feed supply.⁸ ForFarmers submitted that it expected a 'loss of £[redacted] in 2023 and an expected loss, based on recurring volumes, of around £[redacted] in 2024'.⁹

A.8 ForFarmers' also submitted that its willingness to close the Burston site is supported by the fact that it has previously closed a large number of mills in the UK (ie in 1990, ForFarmers operated 32 animal feed mills in the UK) and following the Merger, its footprint would be reduced to ten mills in the UK.¹⁰

A.9 At the Initial Substantive Meeting, ForFarmers submitted that the Burston mill is underutilised and loss-making.¹¹ ForFarmers submitted that, following [redacted] of attempting to increase third party sales from the Burston mill, it had taken the decision to dispose of the site.¹² ForFarmers submitted that the technical capacity of the Bury mill will increase by around [redacted] kilo-tonnes (kT) to just over [redacted]kT in

³ FMN, paragraph 5.1(b).

⁴ FMN, paragraph 5.1(b).

⁵ ie without any customer contracts or volumes being transferred.

⁶ FMN, paragraph 10.5.

⁷ Parties' response to the Issues Letter, dated 9 October 2024, slide 6.

⁸ Parties' response to the Issues Letter, dated 9 October 2024, slide 10.

⁹ Parties' initial substantive meeting slides, 19 December 2024, slide 7.

¹⁰ Parties' additional response to the Issues Letter, dated 10 October 2024, paragraph 11.

¹¹ Parties' initial substantive meeting slides, 19 December 2024, slide 7.

¹² Parties' initial substantive meeting slides, 19 December 2024, slide 7.

2025 through process enhancements, enabling it to supply existing Burston mill customer volumes from the Bury site.¹³

Sale of the Burston mill to an alternative purchaser

- A.10 At phase 1, ForFarmers submitted that it approached 2Agriculture, [REDACTED] regarding the potential sale of the Burston mill. The proposed terms [REDACTED] to the Merger at issue.¹⁴
- A.11 ForFarmers submitted that all of the potential alternative purchasers either lacked serious interest in acquiring the Burston mill, or would not have operated the mill in a way that would result in higher third party supply than under the Merger:
- (a) [REDACTED] are not vertically integrated and these companies would likely have used the Burston mill to supply third-party customers. However, ForFarmers only received verbal expressions of interest from these potential purchasers, and it is unclear how likely they were to proceed.¹⁵
 - (b) [REDACTED] and [REDACTED] are active in the downstream processing [REDACTED]. Accordingly, a sale to either would result in the Burston mill being used for in-house supply, rather than third-party supply.¹⁶ The Parties submitted that integrated farms (ie farms that are independently owned but exclusively supply a processor) are equivalent to vertically integrated farms, from a competition perspective.¹⁷
- A.12 The Parties submitted that the counterfactual set out in the phase 1 decision insufficiently considers [REDACTED] business strategy in relation to its potential acquisition of the Burston mill and whether it would:
- (a) supply feed to third parties in the long term, particularly in light of its farming and processing expansion plans;
 - (b) supply the relevant feed type, [REDACTED]; and
 - (c) succeed in attracting and supplying third parties from the Burston mill.¹⁸
- A.13 The Parties submitted that it is highly likely [REDACTED] would use all available capacity at the Burston mill for in-house supply.¹⁹ The Parties submitted that [REDACTED] had plans to construct [REDACTED].²⁰ The Parties submitted this ‘would require an additional [REDACTED]kT a

¹³ Parties' initial substantive meeting slides, 19 December 2024, slide 8.

¹⁴ FMN, paragraph 10.7.

¹⁵ FMN, paragraphs 10.11-10.12.

¹⁶ FMN, paragraph 10.9.

¹⁷ Parties' response to the Issues Letter, dated 9 October 2024, slide 10.

¹⁸ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraphs 3.2-3.8.

¹⁹ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 3.3(b).

²⁰ Parties' initial substantive meeting slides, 19 December 2024, slide 12.

year of meat poultry feed, [X] [X]kT of third-party capacity that it is understood [X] has indicated would be available at Burston'.²¹

- A.14 On this basis, the Parties submitted that [X] is likely to follow vertical integration strategy.²² The Parties submitted that any third party volumes [X] would supply from the Burston mill 'are likely to be small and transitory in nature with very limited, if any, growth potential as it expands its [X] and focuses on in-sourcing its purchases [X] feed from third party suppliers'.²³
- A.15 The Parties submitted there were reasons to doubt statements made by [X] regarding its approach to third party supply. This is because offer terms presented by [X] indicated that it intended to use the Burston mill to produce in-house volumes,²⁴ and because [X] has a strong commercial incentive to ensure that the Merger does not proceed, which would give it the opportunity to acquire the Burston Mill at potentially a [X].²⁵
- A.16 The Parties submitted that, even if third party supply from the Burston mill was maintained, it was unclear what type of feed would be supplied. The Parties submitted that [X] is currently one of the main customers of ForFarmers at Burston and Bury (accounting for [X]kT in 2023) and that all feed purchased by [X] from ForFarmers at these sites is [X] feed. The Parties submitted that [X] intends to internalise some or all of the volumes it buys from ForFarmers.²⁶
- A.17 The Parties submitted that, even if third party supply of meat poultry feed was maintained, it is unclear whether [X] would be able to enter the relevant market. The Parties submitted that [X] has no reputation, track record or sales force for making third party sales in the relevant market, and that the [X] feed mills it operates in the local area are both used exclusively by [X] for in-house supply.²⁷ ForFarmers submitted that, even with substantial capacity, a sales team, and experience, it had not managed to obtain sufficient demand from third parties at the Burston mill.²⁸

Operation of the Stoke Ferry mill

- A.18 2Agriculture submitted that the Stoke Ferry mill's output will decrease with or without the Merger.

²¹ Parties' initial substantive meeting slides, 19 December 2024, slide 12.

²² Parties' initial substantive meeting slides, 19 December 2024, slide 11.

²³ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 3.6.

²⁴ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraphs 3.3(c) and 3.7.

²⁵ Parties' initial substantive meeting slides, 19 December 2024, slide 12.

²⁶ Parties' initial substantive meeting slides, 19 December 2024, slide 12.

²⁷ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 3.3(b). NB: [X] provided additional evidence in relation to this claim, which is outlined Appendix C. [X] submitted that its internal requirements would not utilise all available capacity and that its [X] supplies some third party customers.

²⁸ Initial Substantive Meeting, 19 December 2024, transcript part 2, page 17 paragraph 11.

- A.19 2Agriculture submitted that the Stoke Ferry mill has a maximum [REDACTED] of [REDACTED] at current volumes, and that this should be considered in formulating the counterfactual.²⁹ Further, the output of the mill is likely to reduce in that time to between [200-250]-[250-300]kT from its current output of [300-350]kT.³⁰ 2Agriculture submitted that a sustainable level of production requires taking a proactive approach to the management of operational issues.
- A.20 This would involve:
- (a) Operating lines on a [REDACTED], and [REDACTED].³¹
 - (b) While the [REDACTED], undertaking preventative maintenance, [REDACTED].³²
- A.21 2Agriculture submitted that the time taken for maintenance will vary, typically involving [REDACTED]. This will allow engineering staff to balance mill operations and maintenance.³³ While it may be possible to operate [REDACTED] for [REDACTED], this would increase [REDACTED].³⁴ 2Agriculture submitted that this is unlikely to be necessary if the Merger proceeds, as Burston will provide sufficient capacity to meet future demand increases.³⁵
- A.22 By taking this approach, 2Agriculture submits it can extend the life of the Stoke Ferry mill ([REDACTED]), making it viable for [REDACTED], at which point it expects the construction of Snetterton [REDACTED].³⁶
- A.23 In response to the CMA's queries regarding the high level of current production at Stoke Ferry, 2Agriculture submitted that it had increased production volumes at the Stoke Ferry mill from slightly more than [REDACTED], to over [REDACTED], as a 'short term measure' to meet increasing in-house demand.³⁷
- A.24 2Agriculture submitted that it did not have any documents to evidence its consideration of operating the Stoke Ferry mill at a sustainable level of production.³⁸ However, 2Agriculture provided production, capacity and break-even estimates, based on the experience of its MD.³⁹ 2Agriculture submitted evidence from 2Agriculture's MD, in which he submitted that the plan to purchase Burston and retain Stoke Ferry was considered and developed between [REDACTED].⁴⁰ 2Agriculture's MD's evidence explains the context in which various documents

²⁹ Parties' initial substantive meeting slides, 19 December 2024, slide 18.

³⁰ Parties' initial substantive meeting slides, 19 December 2024, slide 18.

³¹ Parties' response to RFI 2, 15 January 2025, paragraph 1.2.

³² Parties' response to RFI 2, 15 January 2025, paragraph 1.2.

³³ Parties' response to RFI 2, 15 January 2025, paragraph 1.3(c).

³⁴ Parties' response to RFI 2, 15 January 2024, paragraph 1.3(d).

³⁵ Parties' response to RFI 2, 15 January 2025, paragraph 1.3(d).

³⁶ Parties' response to RFI 2, 15 January 2025, paragraph 1.4.

³⁷ Parties' response to ISM follow-up questions, 8 January 2025, Figure 6.1 and paragraph 6.2.

³⁸ Parties' response to ISM follow-up questions, 8 January 2025, paragraph 4.1.

³⁹ Parties' response to ISM follow-up questions, 8 January 2025, paragraph 4.2.

⁴⁰ Witness statement of 2Agriculture's MD, 10 October 2024, paragraph 51.

were produced by 2Agriculture in support of the Merger. In particular, 2Agriculture's MD references the following:

- (a) [REDACTED].⁴¹
- (b) [REDACTED].⁴²
- (c) 'It was preferable to purchase the Burston site rather than continuing to operate the Stoke Ferry site at its current ([REDACTED]) volumes given the age of the mill and the ongoing health and safety, environmental and local community concerns'.⁴³
- (d) 'There was a realistic possibility that 2Agriculture might [REDACTED] shut down Stoke Ferry to address the health and safety and environmental issues'.⁴⁴
- (e) 'Running SF at lower weekly volumes will reduce cap ex requirements and increase its life';⁴⁵
- (f) 'Continuing to operate Stoke Ferry at reduced output alongside Burston made the most business sense as it both addressed the health and safety and environmental issues and [REDACTED] [...]'.⁴⁶
- (g) [REDACTED].⁴⁷
- (h) 'Purchasing the Burston mill: "will mitigate the real possibility of [REDACTED] closure of Stoke Ferry (current enforcement notice served by HSE – Dust)".⁴⁸
- (i) 'The investment paper summarises 2Agriculture's plans to operate Stoke Ferry at reduced volumes, [REDACTED] [...]'.⁴⁹

A.25 To support their arguments on the operation of the Stoke Ferry mill at reduced capacity, 2Agriculture provided information on Stoke Ferry's recent financial performance (discussed further below) and analysis showing that the mill's breakeven production would be [150-200]kT, with the site generating [REDACTED] at production levels of [150-200]-[150-200]kT.⁵⁰

⁴¹ Witness statement of 2Agriculture's MD, 10 October 2024, paragraph 42(a).

⁴² Witness statement of 2Agriculture's MD, 10 October 2024, paragraph 42(b)(i).

⁴³ Witness statement of 2Agriculture's MD, 10 October 2024, paragraph 42(b).

⁴⁴ Witness statement of 2Agriculture's MD, 10 October 2024, paragraph 42(b).

⁴⁵ Witness statement of 2Agriculture's MD, 10 October 2024, paragraph 44; and 2Agriculture internal document, Annex 8.006 to the FMN, slide 21, 28 February 2024.

⁴⁶ Witness statement of 2Agriculture's MD, 10 October 2024, paragraph 44.

⁴⁷ Witness statement of 2Agriculture's MD, 10 October 2024, paragraph 45; and 2Agriculture internal document, 2AG_Annex_003433, 1 March 2024.

⁴⁸ Witness statement of 2Agriculture's MD, 10 October 2024, paragraph 49; and 2Agriculture internal document, Annex 8.004 to the FMN, slide 3, 14 March 2024.

⁴⁹ Witness statement of 2Agriculture's MD, 10 October 2024, paragraph 51.

⁵⁰ Parties' response to RFI 1, 10 December 2024, Annex 1.

A.26 Table A.1 shows 2Agriculture’s estimates of the break-even point for Stoke Ferry.

Table A.1 Estimate of break-even point for the Stoke ferry mill

NB Total fixed cost	£[REDACTED]
Variable cost (per tonne)	£[REDACTED]
Contribution margin (per tonne)	£[REDACTED]
Break-even point	£[REDACTED]

Source: Parties’ Response to RFI 1, 10 December 2024. Annex 1.

A.27 2Agriculture estimates that with volumes of [150-200]-[150-200]kT, it could generate earnings before interest, tax, depreciation and amortisation are taken into consideration of £[REDACTED] in 2025 and £[REDACTED] in 2026.

Stoke Ferry in the counterfactual

A.28 The Parties submitted that the counterfactual in the Phase 1 Decision (where Stoke Ferry continues to produce [100-150]kT of feed for third party supply in addition to Boparan’s in-house requirements) is incorrect. They submitted that the correct counterfactual is one where in the medium term:

- (a) Production at the Stoke Ferry mills is reduced to circa [200-250]-[250-300]kT to allow for the preventative measures required to address the aging plant and health and safety concerns would reduce output.⁵¹
- (b) 2Agriculture either stops supplying third parties from the Stoke Ferry mill, or only supplies very limited volumes ie it prioritises in-house supplies due to its restricted capacity.⁵² The Parties noted that in-house demand from the Boparan group ([REDACTED]kT) is greater than the production of Stoke Ferry in the counterfactual and that it would have been forced to prioritise this.⁵³

A.29 The Parties submitted that the Phase 1 Decision failed to consider how long the Stoke Ferry mill could operate at what capacity. In particular, that the life span of the mill is [REDACTED] envisaged in the Phase 1 Decision and that it would not be possible to continue to operate the Stoke Ferry mill at full or close to full capacity [REDACTED] given the age of the plant.⁵⁴

Stoke Ferry in the factual ie post-Merger

A.30 2Agriculture submitted that Boparan’s intention, based on compelling business reasons, was to continue operating the Stoke Ferry mill (at reduced capacity) and to continue to supply third-party customers, post-Merger.⁵⁵ 2Agriculture submitted

⁵¹ [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 3.11(c) and pages 16-17.

⁵² [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 3.11(c).

⁵³ [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 3.11(c).

⁵⁴ [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 4.17.

⁵⁵ Parties’ response to the Issues Letter, dated 9 October 2024, slide 20.

that, if the Merger was to proceed, it would be incentivised to continue using the capacity available at the Burston and Stoke Ferry mills to supply third parties.⁵⁶

- A.31 Boparan submitted that post-Merger, it intends to [redacted] at the Burston mill, and would utilise the Stoke Ferry site to continue to produce poultry feed for internal and third-party use.⁵⁷
- A.32 2Agriculture estimates that it would take approximately [redacted] to move the feed volumes currently produced at Stoke Ferry to the Burston mill.⁵⁸ 2Agriculture submitted that post-Merger approximately:⁵⁹
- (a) [50-100]kT of capacity at the Stoke Ferry mill will be dedicated to the production of in-house volumes (including approximately [20-30]kT of capacity that will be used to produce breeder feed); and
 - (b) [100-150]kT of capacity at the Stoke Ferry mill will be dedicated to the production of poultry feed supplied to third-party customers (ie [100-150]kT to serve existing customers and [0-50]kT of spare capacity to compete for additional third-party customers) in East Anglia.
- A.33 2Agriculture submitted that the following factors support keeping the Stoke Ferry mill open:
- (a) Purchasing the Burston mill and keeping the Stoke Ferry mill open provides greater capacity at lower cost, allowing 2Agriculture to expand its capacity in East Anglia to meet current and future demand. Closing the Stoke Ferry mill would leave 2Agriculture with [redacted].⁶⁰
 - (b) Boparan can in-source feed volumes [redacted].⁶¹ This gives Boparan more control over the diets of its poultry and increases the performance of its poultry production.⁶²
 - (c) Stoke Ferry mill's financial performance has significantly improved, and it is more profitable to keep the mill open than to close it, (eg EBITDA is higher in the scenario where Stoke Ferry is kept open).⁶³
 - (d) Boparan can utilise excess capacity to avoid purchasing feed from third parties during unplanned maintenance.⁶⁴

⁵⁶ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 4.19.

⁵⁷ FMN, paragraph 10.13.

⁵⁸ Parties' response to RFI 2, 15 January 2025, paragraph 3.7.

⁵⁹ FMN, paragraphs 14.30-14.34.

⁶⁰ Parties' initial substantive meeting slides, 19 December 2024, slides 31 and 34

⁶¹ Parties' response to the Issues Letter, dated 9 October 2024, slide 24.

⁶² Parties' response to the Phase 1 Decision, 10 December 2024, paragraph 4.19.

⁶³ Parties' initial substantive meeting slides, 19 December 2024, slide 32 and 33 EBITDA is an accounting term that stands for 'earnings before interest, taxes, depreciation and amortisation'.

⁶⁴ Parties' response to the Issues Letter, dated 9 October 2024, slides 25–26.

A.34 Table A.1 below sets out the Parties' submission on the financial performance of the Stoke Ferry mill. 2Agriculture submitted that its plans in East Anglia have developed in light of its improving performance.⁶⁵

Table A.2: Financial Performance of Stoke Ferry

Year	Volume	Capex	Site Repairs	EBITDA
2021	[300-350]kT	[£]	[£]	[£]
2022	[300-350]kT	[£]	[£]	[£]
2023	[300-350]kT	[£]	[£]	[£]
2024	[350-400]kT	[£]	[£]	[£]

Source: Parties ISM slides, 19 December 2024, Slide 24 for capex and site repair costs, Annex AFS-000000006 (provided in response to Q9(b) of the CMA's s109 notice, 13 December 2024) for volume and EBITDA figures.

A.35 2Agriculture submitted that the main factor which results in the increase in EBITDA between [£] was [£] to reflect increased manufacturing costs since the contract had been in place, which resulted in a higher gross margin for 2Agriculture.⁶⁶ 2Agriculture submitted that the primary factors which drove the increased EBITDA performance between 2022-23 were:

- (a) operational improvements increasing throughput (responsible for £[£] of improvement). This included producing a reliability improvement plan and other measures to [£].⁶⁷
- (b) process and material improvements, [£] (in total responsible for £[£] of improvement).⁶⁸
- (c) An [£]. This change was implemented on [£] and resulted in a reduction in the costs allocated to the Stoke Ferry mill of £[£].⁶⁹

A.36 2Agriculture submitted that £[£] worth of EBITDA improvements in 2022-23 came from:

- (a) [£];
- (b) [£];
- (c) [£]; and
- (d) [£].⁷⁰

A.37 2Agriculture submitted that references to the closure of Stoke Ferry in the March Investment Paper (and more generally in documents between November 2023 and April 2024) were because the Health and Safety Executive (**HSE**) had

⁶⁵ Parties' initial substantive meeting slides, 19 December 2024, slide 22

⁶⁶ Parties' response to RFI 1, 10 December 2024, paragraph 8.1.

⁶⁷ Parties' response to RFI 1, 10 December 2024, paragraph 8.2(a) and paragraphs 9.6-9.12.

⁶⁸ Parties' response to RFI 1, 10 December 2024, paragraph 8.2(b).

⁶⁹ Parties' response to RFI 1, 10 December 2024, paragraph 8.2(c).

⁷⁰ Parties' response to RFI 1, 10 December 2024, paragraph 8.3.

undertaken an investigation of the Stoke Ferry mill that could have led to the closure of the site.⁷¹ 2Agriculture submitted that engagement on this issue commenced in September 2023.⁷² In particular, HSE wrote to 2Agriculture in January 2024 signalling potential enforcement action.⁷³ This investigation included the issuance of an improvement notice on 22 February 2024, that required 2Agriculture to remedy identified issues by 20 May 2024.⁷⁴ This notice stated that 2Agriculture had “failed to provide suitable, reasonably practicable, control measures to eliminate or reduce the risk of injury or death to your employees and others who may be affected by your undertaking from fire and explosion involving organic dust”.⁷⁵ The Parties further submitted that even in the March Investment paper (which does not reflect Boparan’s updated financial modelling as per the April Investment paper and 2025 budget), there was a limited reduction to 2Agriculture’s third-party feed supply, which would affect [REDACTED] feed customers, not [REDACTED] feed customers.⁷⁶

- A.38 2Agriculture submitted that it has “compelling incentives” to supply third party customers in addition to in-house supply,⁷⁷ because (i) it has a history of doing so, (ii) it prioritises third party volumes in the event of a breakdown, and (iii) and [REDACTED].⁷⁸
- A.39 2Agriculture submitted that keeping the Stoke Ferry mill open would allow 2Agriculture to generate profits from third party customers, and that these customers generated profit for its business (£[REDACTED] in gross margin in 2023).

Construction of the Snetterton Mill

- A.40 2Agriculture submitted that the decision to delay construction of the Snetterton mill was not Merger-specific. As such, the Parties submitted that the Phase 1 Decision errs in noting that additional capacity may be available if the Merger were not to proceed, and 2Agriculture instead proceeded with the Snetterton mill.⁷⁹
- A.41 2Agriculture submitted that the Snetterton project has been under consideration since [REDACTED] and had been placed on hold from [REDACTED]. The Parties submit that the decision to put the project on hold predates the Merger. 2Agriculture submitted

⁷¹ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraphs 4.9-4.10.

⁷² [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 4.11(a).

⁷³ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 4.11(a).

⁷⁴ Health and Safety Executive, Improvement Notice 314084151, [Notices served - Enforcement notices public](#), accessed by the CMA on 27 January 2025.

⁷⁵ Health and Safety Executive, Improvement Notice 314084151, [Notices served - Enforcement notices public](#), accessed by the CMA on 27 January 2025.

⁷⁶ Parties' Phase 2 submission in relation to the March 2024 Investment paper, 30 January 2025, paragraphs 1.2 and 1.6. In this submission, the Parties note that there could also be no plausible harm to [REDACTED] feed customers given these customers have significant choice of suppliers and sufficient spare capacity in East Anglia for these customers to switch to (paragraphs 2.10-2.14).

⁷⁷ Parties' initial substantive meeting slides, 19 December 2024, slides 36-38.

⁷⁸ FMN, paragraph 14.28.

⁷⁹ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 3.24.

that the project is now considered '[REDACTED]' within the original timeframe (due to [REDACTED]). The Parties noted that the construction of the mill had been placed on hold [REDACTED].⁸⁰

A.42 Specifically, 2Agriculture submitted that '[REDACTED]'.

Submissions relating to the market

Product market

A.43 At phase 1, Parties submitted that the product market definition in the CMA's decision in *ForFarmers/Boparan JV* is unduly narrow, in part because it ignores supply-side substitution between different forms of animal feed. The Parties submitted that broiler poultry feed, layer poultry feed, and pig feed are all produced at the Burston and Radstock mills. These feed types share production processes and there are examples of ForFarmers switching between feed types.⁸¹ The Parties submitted that, in previous merger reviews, the CMA concluded that it was not necessary to segment monogastric feed markets due to ease of supply-side substitution.⁸²

A.44 The Parties submitted that capacity in the market can increase without the construction of new lines or mills.⁸³ The Parties further submitted that switching between meat poultry and layer feeds is relatively easy, involving only slight plant modifications and expenditure.⁸⁴ The Parties submit that, where a feed mill already has a press installed, the cost of switching feed types is [REDACTED].⁸⁵ Where a press is not installed, this can be accomplished for between £[REDACTED].⁸⁶

Geographic market

A.45 At phase 1, the Parties referred to the CMA's decision in *ForFarmers/Boparan JV*. In this decision the CMA found that the geographic market was a [70-80]-mile catchment area around the Parties' mills. This was based on the average 80th percentile distance of third-party poultry feed customers.⁸⁷ The Parties submitted that an average catchment area is likely to be more reliable than site or region-specific catchment areas.⁸⁸ The Parties are not aware of any reasons why

⁸⁰ Parties' initial substantive meeting slides, 19 December 2024, slide 20.

⁸¹ FMN, paragraph 12.10.

⁸² FMN, paragraph 12.10.

⁸³ Parties' initial substantive meeting slides, 19 December 2024, slide 7.

⁸⁴ Parties' initial substantive meeting slides, 19 December 2024, slide 7.

⁸⁵ Parties' response to RFI 1, 10 December 2024, paragraph 1.4.

⁸⁶ Parties' response to RFI 1, 10 December 2024, paragraph 1.5.

⁸⁷ FMN, 10 September 2024, paragraph 12.16. The Parties made submissions to the CMA for the purpose of the FMN, using the same approach the CMA adopted in *ForFarmers/Boparan JV* (ie based on a [70-80]-miles radius) as well as on a national basis; FMN, 10 September 2024, paragraph 12.17. During phase 2, the Parties submitted that there was no economic basis for using an 80% cutoff for calculating the catchment area, as data showed that outliers represent a small proportion of customers, with no discernible difference in distance between the 80th and 90th percentile customers. (Parties' Phase 2 submission in relation to the geographic market, 29 January 2025, paragraphs 2.18-2.20.

⁸⁸ Parties' Phase 2 submission in relation to the geographic market, 29 January 2025, paragraph 2.6.

customers in East Anglia would be unwilling to purchase meat poultry feed over different distances compared with customers from other regions, and noted only that there is a higher density of farms and feed mills in East Anglia than elsewhere.⁸⁹

A.46 The Parties submitted that the CMA's approach of using catchment areas had the following issues:

- (a) The use of catchments creates a binary approach that disregards competitors located outside of it, and should be used as a starting point from which to apply a SSNIP test.⁹⁰
- (b) The cost of transporting feed outside the catchment was not a significant cost. The Parties estimate that the cost of transporting feed an additional ten miles to be approximately £[0-10] per tonne, which accounts for just [0-5%] of the typical price of a tonne of feed.⁹¹ Given a £395 per tonne cost of feed, a 5-10% increase in the price of feed would enable the transportation of feed between 130-260 miles.⁹² The Parties submitted that the cost per mile is increased for shorter distances due to fixed costs.⁹³ ForFarmers submitted that the efficiencies from downsizing from two mills to one will outweigh additional transport costs for current customers.⁹⁴
- (c) There are a number of competitors outside the catchment area that provide a competitive constraint on Stoke Ferry, including AB Agri's 'super-mill' at Flixborough, Noble Foods' Bilsthorpe mill, and GLW Feeds' Shepshed mill. In particular, a large proportion of Stoke Ferry's customer volumes are located within the catchment areas of these mills, many customers are located closer to these mills than to Stoke Ferry, and all of Stoke Ferry's third-party customers would have the incentive to switch in response to a price increase at the Stoke Ferry mill.⁹⁵

Submissions relating to the Theories of Harm

Theory of Harm 1

A.47 The Parties submitted that the CMA's theory of harm is an unconventional theory based on a reduction in capacity in the market for third-party meat poultry feed.⁹⁶

⁸⁹ Parties' Phase 2 submission in relation to the geographic market, 29 January 2025, paragraphs 2.8-2.9.

⁹⁰ Parties' Phase 2 submission in relation to the geographic market, 29 January 2025, section 3. SSNIP refers to a 'small but significant non-transitory increase in price'.

⁹¹ Parties' Phase 2 submission in relation to the geographic market, 29 January 2025, section 4.

⁹² Parties' response to the Phase 1 Decision, 10 December 2024, paragraph 5.22.

⁹³ Parties' response to ISM follow-up questions, 8 January 2025, paragraph 1.3.

⁹⁴ Initial Substantive Meeting, 19 December 2025, transcript part 2 page 11 paragraphs 15-16.

⁹⁵ Parties' Phase 2 submission in relation to the geographic market, 29 January 2025, paragraph 1.2(e) and section 6.

⁹⁶ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 5.7.

- A.48 The Parties submitted a local market assessment is relevant in this case, and that:
- (a) 2Agriculture has a low market share in such an assessment,⁹⁷
 - (b) there is no increment from the Merger, as it involves the acquisition of the mill but no customer contracts.⁹⁸ Existing customer volume will be transferred to other ForFarmers sites,⁹⁹ and
 - (c) ForFarmers will continue to compete in the local area from its Bury mill, including attempting to expand market share in the region.¹⁰⁰
- A.49 The Parties submitted that this theory of harm is not sufficiently linked to customer outcomes.¹⁰¹ Specifically;
- (a) the Phase 1 Decision did not provide evidence in relation to alleged harm to consumers.¹⁰²
 - (b) economic literature indicates that a reduction in capacity has ambiguous effects and reductions in spare capacity can be efficiency enhancing.¹⁰³
 - (c) the March and April Investment papers use the same margin, indicating the Merger would not increase prices.¹⁰⁴
- A.50 The Parties submitted alternative analysis with changes to the CMA’s assumptions used in the Phase 1 Decision relating to the counterfactual and Boparan’s post-Merger plans showing there is no reduction in total third party capacity as a result of the Merger.

Table A.3: Comparison if Stoke Ferry has to reduce volumes in the counterfactual and Stoke Ferry is closed in the factual (March investment paper)

	<i>Counterfactual</i>	<i>Factual</i>
Burston Stoke Ferry	[X] 0kT (2Ag prioritises in-house supply)	[0-50]–[100-150]kT (2Ag) 0kT (SF is closed)
Third Party Supplies (Burston + Stoke Ferry)	[X]	[0-50]–[100-150]kT
Conclusion	<p>If 2Agriculture produces [X] for supply to third parties at Burston, the factual post-transaction scenario results in at least as much third party supply as in the counterfactual.</p> <p>...the March Investment Paper refers to 2Agriculture supplying [50-100]kT to third parties under this scenario (and increasing overall output at Burston to [300-350]kT). Accordingly, on the basis of the volumes set out in the March Investment Paper, there is no reduction in capacity to third parties compared to the counterfactual.</p>	

Source: [Parties’ response to the Phase 1 Decision](#), 10 December 2024, Table 6.2.

⁹⁷ [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 5.2(a).
⁹⁸ [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 5.8(c).
⁹⁹ [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 5.8.
¹⁰⁰ [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 5.37.
¹⁰¹ [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 1.14.
¹⁰² [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 6.2.
¹⁰³ [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 6.7.
¹⁰⁴ [Parties’ response to the Phase 1 Decision](#), 10 December 2024, paragraph 1.14.

Table A.4: Comparison if Stoke Ferry has to reduce volumes in the counterfactual and Stoke Ferry is closed in the factual (April investment paper)

	<i>Counterfactual</i>	<i>Factual</i>
Burston	[REDACTED]	[0-50]kT ([REDACTED])
Stoke Ferry	[0-50]kT (2Ag [REDACTED])	[100-150]kT
Third Party Supplies (Burston + Stoke Ferry)	[REDACTED]	[100-150]kT
Conclusion	Under the April Investment Paper (which involves [100-150]kT of capacity being available at Stoke Ferry for supply to third parties), the factual results in far greater capacity for third parties than the counterfactual.	

Source: [Parties' response to the Phase 1 Decision](#), 10 December 2024, Table 6.3.

A.51 The Parties submitted comments on the CMA's capacity analysis in the phase 1 decision:

- (a) The focus on operational capacity is incorrect, because 'technical capacity is a more meaningful basis on which to assess capacity as it more accurately reflects how suppliers respond to changes in market conditions'.¹⁰⁵ The Parties submitted that technical capacity is based on 24/7 production, with an adjustment for average downtime.¹⁰⁶
- (b) The CMA's theory of harm relates to meat poultry feed. However, Burston is currently predominantly a pig-feed mill, historically supplying very limited poultry feed volumes.¹⁰⁷ The Parties submitted that the analysis should not exclude mills that produce only pig feed or layer feed.¹⁰⁸
- (c) The decision underestimates third party capacity, because it:
 - (i) Only considers capacity within the catchment, excluding suppliers just outside the catchment area. The Parties submit that the following suppliers are particularly important:
 - (1) Noble Foods Bilsthorpe (74.4 miles from Stoke Ferry) and GLW Feeds Shepshed (76.8 miles from Stoke Ferry), in a [70-80]-mile catchment area these sites would overlap with [REDACTED]% of Stoke Ferry's third party customers (by volume).¹⁰⁹
 - (2) AB Agri's Flixborough mill (89 miles from Stoke Ferry), [REDACTED].¹¹⁰ A [70-80]-mile catchment overlaps with [REDACTED]% of Stoke Ferry third-party customers, increasing to [REDACTED]% within a 100 mile catchment.¹¹¹

¹⁰⁵ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 5.10.

¹⁰⁶ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 5.10(b).

¹⁰⁷ Parties' response to the Issues Letter, dated 9 October 2024, slides 7.

¹⁰⁸ Parties' response to the Issues Letter, dated 9 October 2024, slide 43.

¹⁰⁹ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 5.28.

¹¹⁰ Parties' initial substantive meeting slides, 19 December 2024, slide 54.

¹¹¹ Parties' initial substantive meeting slides, 19 December 2024, slide 54.

- (ii) Presumes the purchaser would maintain current third-party capacity.¹¹²
- (iii) Utilises a static capacity assumption, rather than a dynamic assumption. Competitors can expand production, either by increasing the hours of production, simplifying the feed mix produced, or adding new production lines. This may be done in response to market dynamics.¹¹³ The Parties submitted that production can be adjusted to demand relatively simply through operational changes, as has been done by ForFarmers at Burston and Bury.¹¹⁴ The analysis does not include [REDACTED].¹¹⁵
- (iv) Utilises a capacity assumption that does not consider forecast increases in production at the Burston mill post-Merger that would offset any potential decreases at the Stoke Ferry mill.¹¹⁶
- (v) The CMA overstates the impact of seasonality, operational breakdowns and increasing demand as factors that could reduce spare capacity that is available to third parties.¹¹⁷ 2Agriculture submitted that seasonality was only relevant to the capacity at the Bawsey mill, and that reduced any spare capacity at this mill by [REDACTED]kT per year.¹¹⁸

A.52 The Parties submitted that the Phase 1 Decision also incorrectly infers that a reduction in third party capacity would necessarily lead to adverse outcomes for customers.¹¹⁹ The Parties submitted that, even if the suggested corrections are not made, there would be sufficient capacity to meet third-party demand, and that the current level of third-party capacity is costly and inefficient, ultimately increasing prices.¹²⁰ The Parties submitted that optimal mill utilisation would be [REDACTED]% of technical capacity.¹²¹

A.53 Boparan submitted that poultry demand in the UK would increase at [0-5%] per year over the next ten years in East Anglia and Lincolnshire.¹²² 2Agriculture submitted that the broader trend in the market is towards greater vertical

¹¹² [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraphs 5.14-5.16.

¹¹³ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraphs 5.14-5.16.

¹¹⁴ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 6.39.

¹¹⁵ Parties' phase 2 submission in relation to the March 2024 Investment paper, 30 January 2025, paragraph 1.6(d).

¹¹⁶ Parties' initial substantive meeting slides, 19 December 2024, slides 46 and 47.

¹¹⁷ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 1.19.

¹¹⁸ 2Agriculture Response to Section 109 Notice, 13 December 2024, paragraph 4.3.

¹¹⁹ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 6.28. In addition, Boparan points to the fact that its modelling in the March Investment paper does not assume increased prices as a result of the closure of Stoke Ferry (Parties' Phase 2 submission in relation to March 2024 Investment paper, 30 January 2025, paragraph 1.6(e)).

¹²⁰ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraphs 6.29-6.31.

¹²¹ Phase 1 Issues Meeting, where ForFarmers told the CMA that a mill operator needs to keep [REDACTED]% of the capacity spare, and the Final Merger Notice for the *Boparan/ForFarmers JV investigation*, paragraph 15.63.

¹²² Parties' response to RFI 1, 10 December 2024, paragraph 6.1(a).

integration,¹²³ and that any expect growth in feed demand in East Anglia will come from vertically integrated processors.¹²⁴

Theory of Harm 2

- A.54 The Parties submitted that 2Agriculture would not have the ability or incentive to foreclose rivals. Further, the Parties submitted that the effect of any foreclosure, and the effect of the Merger, is not considered or evidenced in the Phase 1 Decision.¹²⁵
- A.55 The Parties submitted Boparan (through 2Agriculture) does not have market power in relation to the supply of meat poultry feed. The Parties stated that: (i) their share of supply is below any threshold that would raise market power concerns; (ii) there is no increment in market shares as a result of the Merger; (iii) ForFarmers will remain an independent competitor; and (iv) customers will continue to have a range of other feed producers in the area to choose from.¹²⁶
- A.56 The Parties also submitted that Boparan (through 2Agriculture) does not control the supply of poultry feed, and the CMA's analysis shows there would be sufficient spare capacity in East Anglia for customers to switch to.¹²⁷ The Parties submitted that the post-Merger entity would be constrained by upstream and downstream entities.¹²⁸ The Parties submitted that the conclusions drawn in this regard in the phase 1 decision are based on misleading questions asked to market participants.
- A.57 2Agriculture submitted that its past conduct and its business strategy evidence that it does not have the incentive to foreclose rivals. 2Agriculture submitted it has been vertically integrated over the last ten years, and continues to supply third party customers.¹²⁹ Further, the Parties submitted that third-party customers are a key part of 2Agriculture's business strategy, the foreclosure of which was not part of the rationale of the Merger, as evidenced in its internal documents including the March Investment paper, which indicated a desire to '[redacted]'.¹³⁰
- A.58 The Parties submitted that 2Agriculture has a strong relationship with several non-integrated growers, and would not have the incentive to foreclose them as the result of the Merger, particularly given the Merger does not change Boparan's

¹²³ Initial Substantive Meeting, 19 December 2025, transcript part 2 page 8, lines 10-12.

¹²⁴ Initial Substantive Meeting, 19 December 2025, transcript part 2 page 8, line 21.

¹²⁵ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraphs 7.1 and 7.4.

¹²⁶ FMN, paragraph 18.5 and Parties' response to the Issues Letter, dated 9 October 2024, slide 47.

¹²⁷ Parties' response to the Issues Letter, dated 9 October 2024, slide 47. Parties' response to the Phase 1 Decision, 10 December 2024, paragraph 7.6.

¹²⁸ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 7.10.

¹²⁹ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 7.13-7.14.

¹³⁰ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 7.15 and page 57. Boparan further submitted that this paper considered a reduction in supply to third-party [redacted] feed customers (not [redacted] feed customers), which are [redacted] where Boparan is [redacted] (Parties' Phase 2 submission in relation to the March 2024 Investment paper, 30 January 2025, paragraphs 4.11-4.12).

share of supply or market power at either the upstream or downstream levels of the supply chain.¹³¹

- A.59 The Parties submitted any foreclosure would not have an effect downstream on a UK-wide poultry market. They submitted that, given high levels of vertical integration, only 3% of UK poultry suppliers could potentially be affected by a foreclosure strategy.¹³²
- A.60 The Parties calculated the 3% figure by estimating that 87% of the UK poultry processing market is vertically integrated (as per the CMA's Phase 1 Decision), and that of the remaining 13%, 80% of this would be located outside East Anglia. The 80% figure was based on data from the UK's Animal and Plant Health Agency annual poultry population report for Great Britain, and is based on the assumption that the distribution of independent vs vertically integrated poultry suppliers is the same between East Anglia and the rest of the UK.¹³³
- A.61 The Parties also submitted that other regions are equally as important to the national poultry market as East Anglia, stating 'there are large holdings of poultry in the Lincolnshire/North Yorkshire, South West, Wales and Scotland and a significant number of areas in the UK with a high density of poultry stock'.¹³⁴ The Parties pointed to the presence of large sophisticated buyers (including national supermarkets) who could exert buyer power.¹³⁵

¹³¹ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 7.39 and 7.40.

¹³² [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 7.28-7.30.

¹³³ Parties' response to ISM questions, 8 January 2025, paragraph 11.2.

¹³⁴ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 7.36.

¹³⁵ [Parties' response to the Phase 1 Decision](#), 10 December 2024, paragraph 7.37.

APPENDIX B: PARTIES' INTERNAL DOCUMENTS

Introduction

- B.1 This appendix contains our summary of the Parties' internal documents relating to:
- (a) the Stoke Ferry mill;
 - (b) the Bawsey and Billingham mills; and
 - (c) ForFarmers' sale of the Burston mill.
- B.2 Internal documents can be a useful source of information in merger investigations. Documents produced in the ordinary course of business provide evidence on the perspectives of market participants beyond their direct submissions to the CMA, often from before the merger was under investigation or was in contemplation.
- B.3 During this investigation, the Parties submitted internal documents in response to requests for information and section 109 requests at phase 1 and 2. This included board-level documents, such as presentations and minutes, as well as emails between key senior individuals within the businesses.

2Agriculture internal documents relating to the Stoke Ferry mill

Operational issues at the Stoke Ferry mill

- B.4 2Agriculture internal documents between November 2023 and March 2024 refer to various health and safety and environmental issues at the Stoke Ferry mill from at least September 2023. These documents include:
- (a) A September 2023 Environment Agency Compliance Assessment Report noting 'a concern from a number of amenity perspectives but from a health impact point of view there is likely to be more and more queries raised about dust: from fugitive; or point source emissions sources'.¹³⁶
 - (b) A 16 November 2023 contravention letter from the Health and Safety Executive (HSE) to 2Agriculture identifying breaches of health and safety law at Stoke Ferry which 'gives rise to the risk of fire and explosion'.¹³⁷ An Improvement Notice is served alongside the letter, which requires remedial

¹³⁶ 2Agriculture internal document, DOCID AFS-000001118, 27 September 2023, page 1; Annex Q10.1, provided 6 January 2025.

¹³⁷ 2Agriculture internal document, DOCID AFS-000000002, 16 November 2023, page 1; Annex Q10.3, provided 6 January 2025.

action to be taken, and evidence of such action to be provided by 5 February 2024.¹³⁸

- (c) A February 2024 executive board report, which includes minutes from a January 2024 board meeting, noting that ‘HSE have issued improvement notice at Stoke Ferry giving 13 weeks to comply with reducing dust levels. Standards asked for by HSE are [REDACTED]’.¹³⁹
- (d) A 22 February 2024 contravention letter from HSE to 2Agriculture stating that ‘there was [REDACTED], and that ‘dust is not being contained, thus creating the potential to form an explosive atmosphere’. The letter refers to a DSEAR risk assessment completed by 2Agriculture which ‘[REDACTED]’, and highlights that ‘your priority for action must be the Mill itself and your focus should be on containment of dust to reduce risk immediately’.¹⁴⁰ An Improvement Notice served alongside the letter requires remedial action to be taken, and evidence of such action to be provided by 20 May 2024.¹⁴¹
- (e) Minutes of an Amber REI Holdings board meeting held on 19 March 2024 (covering the period of February 2024) referring to an enforcement notice issued by the Environment Agency relating to dust control and local complaints as being ‘manageable, and £[REDACTED]k-£[REDACTED]k cost to mitigate’.¹⁴²
- (f) A 2Agriculture internal meeting note from 5 October 2023 highlights other [REDACTED] at the Stoke Ferry mill, including ‘[REDACTED]’, and that the site is ‘[REDACTED]’ because of ‘[REDACTED]’.¹⁴³

Production volumes at the Stoke Ferry mill

B.5 Stoke Ferry’s profit and loss summary from 2021 to 2024 shows that volumes produced at Stoke Ferry have consistently increased year-on-year since 2022.¹⁴⁴ Other 2Agriculture board documents throughout 2023 refer consistently to plans to increase volumes at Stoke Ferry, such as:¹⁴⁵

¹³⁸ 2Agriculture internal document, DOCID AFS-000000003, 22 February 2024, page 1; Annex Q10.4, provided 6 January 2025.

¹³⁹ 2Agriculture internal document, DOCID AFS-000000040, February 2024, page 3; Annex Q9(d).75, provided 6 January 2025.

¹⁴⁰ 2Agriculture internal document, DOCID AFS-000000004, page 3, 22 February 2024; Annex Q10.5, provided 6 January 2025.

¹⁴¹ 2Agriculture internal document, DOCID AFS-000000005, 22 February 2024, page 1; Annex Q10.6, provided 6 January 2025.

¹⁴² 2Agriculture internal document, DOCID 2AG_Annex_003537, 19 March 2024, page 2.

¹⁴³ 2Agriculture internal document, DOCID 2AG_Annex_003232, 05 October 2023, page 1.

¹⁴⁴ 2Agriculture internal document, DOCID AFS-000000006, 3 January 2025, page 1.

¹⁴⁵ The board documents provide a summary of trading performance across all of 2Agriculture’s mills and report on matters such as health and safety, technical/operational issues, people, finance, commercial etc on a mill-by-mill basis.

- (a) A January 2023 board document referring to agreeing a ‘plan to deliver [0-10]kT per week consistently from SF’ by the end of Q2.¹⁴⁶
- (b) A June 2023 board document referring to agreeing a ‘plan to deliver [0-10]kT per week consistently from SF’ by the end of Q3.¹⁴⁷
- (c) A December 2023 Board Pack indicating Stoke Ferry’s forecasted volumes for 2024 had been increased to over [0-10]kT.¹⁴⁸ These documents do not note any concerns, nor contain any discussion at all, of the potential impact that increasing production volumes may have on the lifespan of the Stoke Ferry mill.

B.6 In addition to these documents, 2Agriculture profit and loss forecasts for 2025 and 2026 (which incorporate volumes to be produced at Stoke Ferry, Burston and Radstock) show that 2Agriculture anticipates that its internal feed demands at these mills will increase by over [100-150]kT in FY25 and FY26.

Table B.1: 2Agriculture’s projections for internal and external feed demand in 2025 and 2026

	2025 (projected)		2026 (projected)	
	Stoke Ferry	Burston	Stoke Ferry	Burston
Sales tonnes (kT)	[150-200]	[250-300]	[150-200]	[250-300]
H2S/Banham broiler (kT)	[50-100]	[250-300]	[50-100]	[250-300]
Third party (kT)	[100-150]	[0]-[50]	[100-150]	[0]-[50]
Total combined volumes of Burson and Stoke Ferry (kT)	[450-500]		[450-500]	

Source: CMA analysis of 2Agriculture’s forecast profit and loss account for 2025 and 2026 2Agriculture internal document, DOCID 2AG_Annex_002516, sheets 2 and 3 . The Parties’ submitted that the third-party volumes presented in Table B.1 include [§] (which make up approximately [20-30]kT in each year shown in the table). However, the Parties considered that volumes supplied to [§] should be treated as in-house volumes and not third-party volumes. We have not amended the figures presented in the table to reflect this submission from the Parties on [§] given that the third-party figures quoted in Table B.1 are taken directly from 2Agriculture’s internal document. See Parties’ response email, 12 February 2025; and Parties’ response to the CMA follow-up questions, 12 February 2025.)

B.7 Other 2Agriculture internal documents relevant to the operation of Stoke Ferry dated between 2022 and 2024 do not address the possibility of reducing volumes on a more long-term basis. For example:

- (a) A board document from June 2022 notes that volumes were ‘outsourced to allow reliability and throughout improvements to be carried out’ but that the outsourced volumes were ‘returning during July’.¹⁴⁹
- (b) Board documents between September 2022 and October 2022 refer to volumes being ‘down on budget’ with average production at approximately [5-

¹⁴⁶ 2Agriculture internal document, DOCID AFS-000000250, January 2023, page 23.

¹⁴⁷ 2Agriculture internal document, DOCID AFS-000000315, June 2023, page 23.

¹⁴⁸ 2Agriculture internal document, DOCID AFS-000001004, December 2023, page 24.

¹⁴⁹ 2Agriculture internal document, DOCID AFS-000000345, June 2022, slide 8.

10]kt per week but note a 'drive to secure additional volumes'.¹⁵⁰ This is also reflected in November 2022's board document which notes that the 'drive to secure additional volumes continues' with average weekly production around [5-10]kT per week.¹⁵¹

- (c) Board documents from January 2024 to March 2024 highlight that 'aging assets [REDACTED]'.¹⁵²

Post-Merger plans for the Stoke Ferry mill

B.8 2Agriculture's internal documents dated prior to April 2024 consistently set out plans to close the Stoke Ferry mill post-merger, with the Burston mill intended to be used as [REDACTED].¹⁵³ These documents refer to various factors motivating the decision to close Stoke Ferry, including: investment required at Stoke Ferry mill; the limited [REDACTED] of Stoke Ferry mill; operational and environmental concerns at the site; and the potential value that could be realised by selling the Stoke Ferry site for housing. For example:

- (a) An internal note prepared by the managing director of 2Agriculture following visits to ForFarmers' [REDACTED] Burston mills on 26 July 2023 as part of the sales process sets out disadvantages of the Stoke Ferry mill including that '[w]e have previously estimated that we will need to spend £[REDACTED] at Stoke Ferry [sic] in next [REDACTED] to maintain supply, even with that spend the site would be significantly inferior to Burston'. The note also states that the '[v]alue to [Boparan] group if [REDACTED]' (italics in original) and that '[REDACTED]'.¹⁵⁴
- (b) An email dated 4 September 2023 from the managing director of 2Agriculture to the CEO of Boparan states that 'Burston would be an [REDACTED] Stoke Ferry' and that Burston 'is a massive improvement on [Stoke Ferry], you could probably spend £[REDACTED] on [Stoke Ferry] for [REDACTED] and still have a [REDACTED] site'. The email further states that '[Stoke Ferry]'s [REDACTED] and environmental issues are being managed but to stay on the site long term ([REDACTED]) will be very difficult'.¹⁵⁵
- (c) A presentation prepared for the 2Agriculture Board/Senior Management dated 7 November 2023 considers the acquisition of the Burston mill and sets out a proposal to 'gradually close Stoke Ferry and transfer the volume to

¹⁵⁰ 2Agriculture internal documents, DOCID AFS-000000552, September 2022, slide 8; and DOCID AFS-000000521, October 2022, slide 8.

¹⁵¹ 2Agriculture internal document, DOCID AFS-000000492, November 2022, slide 8; Annex Q9(d).60, provided 6 January 2025.

¹⁵² 2Agriculture internal documents, DOCID AFS-000000248, January 2024, slide 2; Annex Q9(d).74, provided 6 January 2025; DOCID AFS-000000040, February 2024, slide 2; Annex Q9(d).74, provided 6 January 2025; DOCID AFS-000000072, slide 2, March 2024; Annex Q9(d).76, provided 6 January 2025; and DOCID AFS-000000039, slide 2, April 2024; Annex Q9(d).77, provided 6 January 2025.

¹⁵³ A 30 August 2023 ForFarmers internal email sets out their understanding that this is the rationale for 2Agriculture's acquisition of Stoke Ferry. ForFarmers internal document, DOCID FF_Annex_002337, 30 August 2023.

¹⁵⁴ 2Agriculture internal document, DOCID 2AG_Annex_003171, 4 September 2023, pages 1-2.

¹⁵⁵ 2Agriculture internal document, DOCID 2AG_Annex_003170, 4 September 2023, page 1.

Burston' to 'allow the development of the Stoke Ferry site for housing'. The document sets out various 'East Anglia Feed Supply Options' including remaining at Stoke Ferry. However, the presentation states that Stoke Ferry mill has a '[redacted]', no opportunity for [redacted]' with '£[redacted] investment required in next [redacted] years, [redacted]'. Although various 'Pro's' of remaining at Stoke Ferry are recognised (including that the site is 'running well today'), a greater number of cons are identified. These include that '[e]nvironmental issues [are] inevitable', '[redacted] site to run, production [redacted]', 'Difficult to maintain [redacted]', '[redacted] and that by remaining Boparan are '[n]ot taking advantage of the site's planning permission for housing'.¹⁵⁶

- (d) A presentation prepared for the 2Agriculture Board/Senior Management dated 28 February 2024 sets out plans to close Stoke Ferry and transfer Stoke Ferry's volumes to Burston. A slide included in the annex to the presentation sets out an alternative plan to keep both Burston and Stoke Ferry open post-merger. This slide describes operating Stoke Ferry mill at [0-10]kT per week, with [0-10]kT per week to be delivered to [redacted] to supply 2Agriculture's [redacted] in the region.¹⁵⁷
- (e) An email dated 13 March 2024 from the managing director of 2Agriculture to the CEO of Boparan states that the 'rationale' for the purchase of Burston mill 'would be to close Stoke Ferry and transfer the volume to Burston'. The email further states that volumes will be transferred from Stoke Ferry to Burston '[redacted]' and that '[t]his transaction would avoid spend circa £[redacted] over the next [redacted] years just to keep the [redacted]'. The email also sets out that this will allow 'Amber Real Estates ... to realise the value in Stoke Ferry's recently renewed outline planning permission'. The email later states that this will 'mitigate the real possibility of [redacted] of Stoke Ferry'.¹⁵⁸
- (f) The Investment Paper regarding the Merger prepared for 2Agriculture's board dated 14 March 2024 (the March Investment Paper) states that following the acquisition of Burston mill, Stoke Ferry mill will be closed, and the volumes will be transferred to Burston [redacted]. The March Investment Paper also includes the same rationale for the merger as set out in (e) above.^{159,160}

B.9 Several iterations of an investment paper regarding the Merger prepared for 2Agriculture's board in April 2024 (the **April Investment Paper**) instead set out plans to retain both the Stoke Ferry and Burston mills, and produce feed at both of these mills, post-Merger. These documents do not include any narrative

¹⁵⁶ 2Agriculture internal document, Annex 8.003 to the FMN, 7 November 2023, pages 1-4 and 6.

¹⁵⁷ 2Agriculture internal document, Annex 8.006 to the FMN, 28 February 2024, pages 2 and 21.

¹⁵⁸ 2Agriculture internal document, DOCID 2AG_Annex_003491, 13 March 2024, pages 1-2.

¹⁵⁹ 2Agriculture internal document, Annex 8.004 to the FMN 14 March 2024, pages 2 and 7.

¹⁶⁰ As stated above in paragraph B.2(d) above, the minutes of the Board meeting during which the March Investment Paper was discussed state that the HSE enforcement order is 'manageable'.

explanation of the change in approach to the Stoke Ferry mill compared to documents predating April 2024. For example:

- (a) A 12 April 2024 Merger investment case presentation, while acknowledging the issues with Stoke Ferry mill, proposes to reduce volumes at Stoke Ferry by transferring internal volumes to Burston and thereby increasing the [REDACTED] of Stoke Ferry to [REDACTED]. The document indicates that this would give 2Agriculture the '[REDACTED]' and 'valuable [REDACTED]' in the East Anglia region.¹⁶¹
- (b) An email dated 15 April 2024, which shares updated financials showing the revised impact to the budget of the Merger now keeping Stoke Ferry open.¹⁶²
- (c) The finalised April Investment Paper, dated 16 April 2024, which proposes the purchase of the Burston mill and retention of Stoke Ferry as the correct strategy from a financial, operational, employment and feed supply chain perspective in that region and includes a financial justification for keeping Stoke Ferry open, including an expected increase in EBITDA.¹⁶³

2Agriculture internal documents relating to the Bawsey and Billingham mills

B.10 2Agriculture's monthly board packs dated between January 2023 to January 2024 highlight various issues with [REDACTED] at its Bawsey and Billingham mills.¹⁶⁴

ForFarmers' internal documents relating to the sale of Burston

ForFarmers' decision to sell Burston

B.11 ForFarmers' internal documents show that, following the abandonment of the joint venture between Boparan and ForFarmers in 2023, ForFarmers undertook a strategic review of its UK feed milling business and considered several options before ultimately choosing to pursue divestment of the Burston and Radstock feed

¹⁶¹ Boparan internal document, 2AG_Annex_003627, 12 April 2024, pages 2, 5 and 17.

¹⁶² Boparan internal document, 2AG_Annex_003616, 15 April 2024.

¹⁶³ Boparan internal document, Annex 8.005 to the FMN, 'Australia – Investment Summary', 16 April 2024, slide 2.

¹⁶⁴ Note that some of these monthly board documents also regularly refer to issues with [REDACTED] at Stoke Ferry. 2Agriculture internal documents, DOCID AFS-000000250, January 2023, slides 9 and 10; Annex Q9(d).62, provided 6 January 2025 ; DOCID AFS-000000197, February 2023, slides 9 and 10; Annex Q9(d).63, provided 6 January 2025 ; DOCID AFS-000000407, March 2023, slides 9 and 10; Annex Q9(d).64, provided 6 January 2025; DOCID AFS-000000073, April 2023, slides 9 and 10; Annex Q9(d).65, provided 6 January 2025; DOCID AFS-000000481, May 2023, slides 9 and 10; Annex Q9(d).66, provided 6 January 2025 ; DOCID AFS-000000315, June 2023, slides 9 and 10; Annex Q9(d).67, provided 6 January 2025 ; DOCID AFS-000000993, July 2023, slides 9 and 10; Annex Q9(d).68, provided 6 January 2025 ; DOCID AFS-000001008, August 2023, slides 9 and 10; Annex Q9(d).69, provided 6 January 2025 ; DOCID AFS-000000950, September 2023, slides 9 and 10; Annex Q9(d).70, provided 6 January 2025 ; DOCID AFS-000000979, October 2023, slides 9 and 10; Annex Q9(d).71, provided 6 January 2025 ; DOCID AFS-000000990, November 2023, slides 9 and 10; Annex Q9(d).72, provided 6 January 2025 ; DOCID AFS-000001004, December 2023, slides 9 and 10; Annex Q9(d).73, provided 6 January 2025 ; and DOCID AFS-000000248, January 2024, slides 9 and 10; Annex Q9(d).74, provided 6 January 2025.

mills. In the event that divestment was unsuccessful, ForFarmers would have looked to close the two mills. These documents include:

- (a) A May 2023 extract from a ForFarmers board pack, which provides an update on UK strategy and the difficulties faced by ForFarmers' pig, poultry and leisure (PPL) business. In this context, the board pack considers a full [redacted] to [redacted], and [redacted] of a mix of feed mills, including [redacted] Burston, to [redacted].¹⁶⁵
- (b) Minutes from a 17 May 2023 ForFarmers meeting on UK strategy which explored options such as [redacted] sale of the [redacted], Burston, and Radstock mills.¹⁶⁶
- (c) A June 2023 Executive Team meeting document, which notes that ForFarmers' PPL business is 'not [redacted] in current format'¹⁶⁷ and in that context discusses potential [redacted] combinations, including the [redacted] of ForFarmers' [redacted] business, [redacted] business, a [redacted] arrangement, or the sale of specific feed mills in East Anglia and the South West.¹⁶⁸
- (d) A November 2023 ForFarmers UK board paper, which refers to ForFarmers' various plans of '[redacted] to [redacted]' for its PPL business and refers to a need for a 'total [redacted]' owing to absence of 'material [redacted]'.¹⁶⁹
- (e) Minutes from a 6 December 2023 ForFarmers Supervisory Board meeting stating that a loss in pig feed volumes is expected, with poultry volumes expected to [redacted].¹⁷⁰ The document also refers to plans to sell two mills in the UK (Burston and Radstock) and optimise remaining mills, and notes that several parties have already expressed interest in Burston.¹⁷¹
- (f) ForFarmers public announcement on 22 February 2024 of plans to reorganise its UK business and to divest two factories.¹⁷²
- (g) A frequently asked questions (**FAQs**) document circulated by ForFarmers to its senior leadership team following the announcement of divestment plans. The document refers to ForFarmers' intention to "sell or close two plants" as it 'needs fewer factories to meet feed needs in the UK'. The document also

¹⁶⁵ ForFarmers internal document, Annex 8.007 to the FMN, 'UK E Board', May 2023, pages 1-3.

¹⁶⁶ ForFarmers internal document, Annex 8.014A to the FMN, 17 May 2023, page 2.

¹⁶⁷ ForFarmers internal document, FF_Annex_000994, June 2023, pages 2-3.

¹⁶⁸ ForFarmers internal document, FF_Annex_000994, June 2023, pages 4-5.

¹⁶⁹ ForFarmers internal document, Annex 8.009 to the FMN, 'EB Nov 23 PlanB UK PPL', November 2023, pages 2, 3 and 5.

¹⁷⁰ ForFarmers internal document, Annex 8.016 to the FMN, 6 December 2023, page 5

¹⁷¹ ForFarmers internal document, Annex 8.016 to the FMN, 6 December 2023, pages 3-6.

¹⁷² ForFarmers 2023 results, 22 February 2024, accessed by the CMA on 29 January 2025, page 8 (see: [Press Release 22 February 2023](#)).

states that ForFarmers' 'remain[s] committed to finding a suitable party to sell the locations to. However, if no buyer is found, we will close the locations.'¹⁷³

Sale of Burston to an alternative purchaser

B.12 In addition to third party evidence in relation to the Burston sale (**Appendix C**), several ForFarmers documents are relevant when considering the likelihood of the Burston mill being sold to an alternative purchaser in the absence of the Merger, these include:

- (a) An indicative offer for the Burston mill, received from [REDACTED] on 11 December 2023.¹⁷⁴
- (b) A January 2024 communication plan which states that 'the risk of devaluing the sales value of the assets after going public that we will close the sites is considered minimal.'¹⁷⁵
- (c) ForFarmers' 22 February 2024 announcement of divestment plans, made before signing any contracts.¹⁷⁶
- (d) A 29 February 2024 internal update on UK projects, which refers to plans to 'enter into final discussions with buyers' [REDACTED], including arrangements to meet with [REDACTED] 2Agriculture and [REDACTED] on [REDACTED] with the goal of signing the asset purchase agreements.¹⁷⁷

¹⁷³ ForFarmers internal document, Appendix 1d to the Parties' additional response to the Issues Letter, dated 10 October 2024.

¹⁷⁴ ForFarmers internal document, DOCID FF_Annex_000799, 12 December 2023.

¹⁷⁵ ForFarmers internal document, Annex 8.010 to the FMN, 'EBJan24 Strategy in Action – UK – Comms plan', January 2024.

¹⁷⁶ ForFarmers 2023 results, 22 February 2024, accessed by the CMA on 29 January 2025, page 8 (see: [Press Release 22 February 2023](#)).

¹⁷⁷ ForFarmers internal document, Annex 8.013 to the FMN, 'UK Projects EB approval', 29 February 2024.

APPENDIX C: THIRD PARTY EVIDENCE IN RELATION TO BURSTON SALE

Introduction

- C.1 This Appendix sets out the evidence which we have gathered from: (i) potential alternative purchasers for the Burston mill (other than Boparan and [REDACTED]), and (ii) [REDACTED], relating to its bid for the Burston mill and its plans for operating it, had it been successful with the acquisition. This evidence was gathered to allow the CMA to consider the appropriate counterfactual against which to assess the Merger, and, in particular, whether an alternative, less anti-competitive purchaser to the acquirer under the Merger exists.¹⁷⁸
- C.2 The evidence outlined in this appendix was collected through written responses to requests for information (RFI)/section 109 notices (s109) and provision of internal documents, as well as calls with third parties. The CMA received evidence from all potential purchasers identified in the Parties' submissions on the sales process.¹⁷⁹

Third party evidence from other potential purchasers

- C.3 In this section, we set out the evidence received from the potential alternative purchasers (other than 2Agriculture and [REDACTED]) on their potential interest in the Burston mill, and their interaction with ForFarmers during the sales process. Due to the strength of the evidence gathered during the phase 1 investigation indicating that each of these potential purchasers were unlikely to represent realistic alternative purchasers, we did not gather additional evidence from these third parties in relation to the Burston sale.
- (a) [REDACTED] told the CMA that it was approached and initially expressed interest in the Burston mill. Following an initial visit to the Burston site, it did not proceed to submit a bid given the response timescales for bid submission and internal business reasons. [REDACTED] noted that had it purchased the Burston mill, it would have used it predominantly for its own supply [REDACTED].¹⁸⁰
- (b) [REDACTED] told the CMA that it briefly considered acquiring the Burston mill and made an initial enquiry, but ForFarmers communicated that it had almost completed a deal. [REDACTED] did not pursue this any further as its [REDACTED] aspiration has been to [REDACTED]. It told the CMA that [REDACTED], and so [REDACTED] interest would have been restricted to using the Burston mill [REDACTED].¹⁸¹

¹⁷⁸ [CMA129](#), paragraph 3.21.

¹⁷⁹ FMN, paragraph 10.7.

¹⁸⁰ Third party response to the CMA's questionnaire, September 2024.

¹⁸¹ Note of call with a third party, June 2024.

(c) [X] told the CMA that it was originally approached by ForFarmers for a potential sale of the Burston feed mill, but that it declined this invitation as geographically, Burston was not a good fit for its business. [X] is a multi-species business and there is not an opportunity for multi-species businesses to operate in East Anglia as there would be in other parts of the country.¹⁸²

C.4 [X] told the CMA that it indicated some interest initially due to its long-established presence in East Anglia, where it manufactures multi-species feed. It engaged with ForFarmers for nearly a month but did not eventually make an offer as it considered the Burston mill too large for its requirements. Specifically, the Burston mill is structured to do pig and poultry feed for long runs, whereas [X] also wants to manufacture cattle and game feed, as well as do feed bags and smaller runs. Overall, the purchase did not fit strategically for [X].¹⁸³

Third party evidence from [X]

C.5 In this section, we set out the evidence received from [X] on its interest in the Burston mill, the sales process, and its plans for the Burston mill had it been successful with the acquisition.

Sales process

C.6 [X] made an indicative non-binding offer for the purchase of the Burston mill and until April 2024, ForFarmers and [X] were in discussions about the terms of a potential sale.¹⁸⁴

C.7 It submitted that it had completed its due diligence, was substantially through with negotiation of legal agreements and considered itself very close to completing the deal with ForFarmers, at which point ForFarmers notified [X] that it could not progress as another potentially interested party had made contact and was proposing to acquire both the Burston and Radstock feed mills as a package.¹⁸⁵

Strategic interest in the Burston mill

C.8 At phase 1, [X] submitted that its strategy to [X] played a key role in its decision to bid for the Burston feed mill¹⁸⁶ and whilst it would intend to use some of the capacity of the Burston mill for its own [X] feed requirements, the rest of the spare capacity would be used for supplying third-party customers.¹⁸⁷ It estimated that

¹⁸² Note of call with a third party, July 2024.

¹⁸³ Note of call with a third party, July 2024.

¹⁸⁴ FMN, paragraph 10.7(a).

¹⁸⁵ Note of call with a third party, June 2024.

¹⁸⁶ Note of call with a third party, June 2024.

¹⁸⁷ Note of call with a third party, June 2024.

approximately [REDACTED]% of the capacity of Burston would be used to supply third parties.¹⁸⁸

- C.9 At phase 2, the CMA engaged further with [REDACTED] on its plans for operating the Burston mill had it been successful with the acquisition; we sent it a s109 notice and RFI and held a call to discuss its written responses further.
- C.10 [REDACTED] told us that the strategic rationale for the investment in the Burston mill (as set out in various documents provided to its board)¹⁸⁹ was to uplift its milling capacity to satisfy more of its own demand.¹⁹⁰ Therefore, its investment in Burston would be underpinned by its own downstream requirements.¹⁹¹ It stated that it has been integrating its supply chain and expanding its [REDACTED] herds, and if it were to significantly expand its herds, it would require more feed.¹⁹² It noted that it is currently supplied by third party feed producers and therefore where it expands its own internal milling supply, this would release third party feed capacity back to the merchant market.¹⁹³

Supply to third parties

- C.11 [REDACTED] told us that it initially assumed that the Burston mill could be expected to produce [0-5]kT per week of feed, and on day 1, it anticipated that all of this feed would be supplied to [REDACTED],¹⁹⁴ one of its integrated [REDACTED] farming businesses in East Anglia.¹⁹⁵ Later, following a site visit to Burston, it felt it was 'prudent to assume a maximum capacity of circa [0-5]kT per week'. This is below the level ForFarmers advertised the mill as being capable of producing ([5-10]kT per week, or more if run as a single species mill).¹⁹⁶
- C.12 [REDACTED] submitted that as its interest in acquiring Burston continued and it carried out due diligence, it became clear that its internal requirements for supply of pig feed in East Anglia alone would not utilise all the available capacity. [REDACTED] therefore became more confident that a level of supply to third parties would be possible and, aligned with the operation of its [REDACTED] mill (which supplies some third party customers), [REDACTED] considered that it would be advantageous to plan for this. As a result, [REDACTED] submitted that it had been planning to produce: (i) [REDACTED]; and (ii) [REDACTED]. This would leave approximately [REDACTED]kT per week or approximately [REDACTED]% of the estimated [0-5]kT weekly capacity of Burston available to supply third parties.¹⁹⁷

¹⁸⁸ Third party response to the CMA's RFI, August 2024. On a call in October 2024, [REDACTED] confirmed to the CMA that the reference to capacity for third-party feed is intended for independent growers, and not to [REDACTED] contracted farms and that the latter would be considered as part of its own supply chain.

¹⁸⁹ Third party internal documents.

¹⁹⁰ Third party response to the CMA's s109 1, 12 December 2024, question 3(a).

¹⁹¹ Third party response to the CMA's s109 1, 12 December 2024, question 3(a).

¹⁹² Note of call with a third party, 17 January 2025, paragraph 1.

¹⁹³ Note of call with a third party, 17 January 2025, paragraph 13.

¹⁹⁴ Third party response to the CMA's s109 1, 12 December 2024, question 3(a).

¹⁹⁵ Third Party Website, accessed by the CMA on 21 January 2025.

¹⁹⁶ Third party response to the CMA's s109 1, 12 December 2024, question 5.

¹⁹⁷ Third party response to the CMA's s109 1, 12 December 2024, question 3(a).

[X] confirmed that it did not have any formal business plan or board papers setting out the detail of this volume split given that this level of detail was not deemed material for board consideration at the time.¹⁹⁸

- C.13 [X] stated that prioritisation of pig or poultry third party supply from Burston would have ultimately depended on two factors: first, the ability of the mill to manufacture certain types of feed, and, second, the appetite of customers in the industry. It would also be determined by the profitability of the business being done and this would be a commercial decision.¹⁹⁹ As a general rule, [X] would look to best optimise the use of the mill and would focus on longer production runs. Therefore, a small number of larger customer orders would be preferable to a large number of small customer orders.²⁰⁰
- C.14 [X]. Where different formulations of pig feed were required [X] would look for pig or poultry customers who can offer larger volumes in fewer SKUs, although it would always try to fill the mill.²⁰¹ In this connection, [X] told us that it considers that the optimum level of utilisation of its mills is 100%, based on a 5 to 5.5 day production week.²⁰² [X] also stated that third party supply from Burston would have depended upon [X] growth in the future, discussed in more detail in the following section.²⁰³
- C.15 In respect of [X] strategy to supply third parties, [X] submitted that this provides another lever in order to manage peaks and troughs in demand and it is useful for maintaining commercial relationships within the local region.²⁰⁴ [X] also told us that it was confident that there would be local demand for third party supply, as certain ForFarmers customers would likely wish to continue to be supplied from Burston rather than transferring to ForFarmers' mill in Bury.²⁰⁵ Given that [X] with ForFarmers during the sales process, it did not attempt to contact any of ForFarmers' existing customer base directly in order to test this assumption; however, [X] told us that it was quite confident that it would have been able to convince some existing Burston customers to switch to [X] supply.²⁰⁶ In terms of factors to consider in making this assumption, [X] told us that customers would likely only be concerned about location, price (which usually go hand in hand), and quality of service/product.²⁰⁷
- C.16 [X] told us that it does not have a feed sales and marketing team, but that [X].²⁰⁸

¹⁹⁸ Third party response to the CMA's s109 1, 12 December 2024, question 3(a).

¹⁹⁹ Note of call with a third party, 17 January 2025, paragraph 2.

²⁰⁰ Note of call with a third party, 17 January 2025, paragraph 3.

²⁰¹ Note of call with a third party, 17 January 2025, paragraph 4.

²⁰² Third party response to the CMA's RFI 1, 12 December 2024, question 5.

²⁰³ Note of call with a third party, 17 January 2025, paragraph 9.

²⁰⁴ Third party response to the CMA's s109 1, 12 December 2024, question 3(a).

²⁰⁵ Third party response to the CMA's s109 1, 12 December 2024, question 3(a).

²⁰⁶ Note of call with a third party, 17 January 2025, paragraphs 6-7.

²⁰⁷ Note of call with a third party, 17 January 2025, paragraph 6.

²⁰⁸ Note of call with a third party, 17 January 2025, paragraph 7.

C.17 [X] told us that third-party demand at [X] mill has not fluctuated over the years, but [X] own business has grown, particularly its poultry business. Ultimately, [X] has lost some of its less profitable third-party mill customers as its chicken business has grown. [X], which included reducing some of those types of customers (eg game, seasonal turkey and duck feed).²⁰⁹

[X] growth strategy in East Anglia

C.18 [X] stated that it has submitted a pre-planning application for development of a second poultry processing facility in [X]. This would roughly double its processing capacity in East Anglia and would increase its demand for feed milling capacity in due course (if the project is successful in receiving approval and [X] progresses it). [X] estimates two to three years for planning permission, and a further two years for building and commissioning the new operation.²¹⁰ As part of the pre-planning application that has been submitted for the new facility in [X], [X] told us that there is provision for additional feed milling capacity (approximately [X]kT per week).²¹¹

C.19 [X] is also planning to expand its pig farming business in East Anglia and in April 2022, it submitted a planning application for a new farm in [X].²¹² [X] noted that [X].²¹³

²⁰⁹ Note of call with a third party, 17 January 2025, paragraph 8.

²¹⁰ Third party response to the CMA's s109 1, 12 December 2024, commercial strategy, question 2.

²¹¹ Third party response to the CMA's s109 1, 12 December 2024, commercial strategy, question 2; and Note of call with a third party, 17 January 2025, paragraph 11.

²¹² [X]

²¹³ Note of call with a third party, 17 January 2025, paragraph 12.

APPENDIX D: CAPACITY ANALYSIS

Introduction

- D.1 This appendix discusses our capacity analysis of the change in both total and spare capacity available to supply third parties in the relevant local markets post-Merger. It sets out:
- (a) our approach to the capacity analysis; and
 - (b) the results of our capacity (total and spare) analysis.

Approach to the capacity analysis

- D.2 In this section, we set out the:
- (a) data we have collected;
 - (b) competitors included in our capacity analysis;
 - (c) measure of capacity (technical vs operational) used;
 - (d) underlying assumptions:
 - (i) in the counterfactual regarding capacity at (i) Stoke Ferry and (ii) Burston, including the amount of capacity for third-party supply available from [✂].
 - (ii) post-Merger regarding capacity at (i) Stoke Ferry and (ii) Burston, including whether 2Agriculture would prioritise its in-house or third-party supply.
 - (iii) in the counterfactual and post-Merger regarding capacity at ForFarmers' Bury mill; and
 - (e) scenarios we have modelled.

Data collected

- D.3 We have collected the following data from (i) the Parties and (ii) each of their competitors which supply third parties with meat poultry feed via their mills locally (in and around East Anglia) for 2024:
- (a) feed volumes that are supplied to third parties;
 - (b) feed volumes that are supplied internally (where the mill operator is vertically integrated); and

- (c) the technical capacity of their mills.

Competitors included in capacity analysis

Catchment area used

- D.4 The capacity analysis below, as a starting point, considers competitor mills falling within [60-70] miles (the 80% catchment area of the Parties' mills located in East Anglia) of each of ForFarmers' Burston mill, 2Agriculture's Bawsey mill, and 2Agriculture's Stoke Ferry mill.^{214,215}
- D.5 During the phase 1 investigation, and previous decisions, the CMA used a national average 80% catchment area for the Parties' UK mills in the analysis.²¹⁶ We have adopted an East Anglian-specific catchment area because, in addition to competitor evidence set out in Appendix E:
- (a) data we have received, as well as data gathered from the Parties during *ForFarmers/Boparan JV*, shows that the 80% catchment areas for the Parties' mills in East Anglia were consistently smaller than the national average 80% catchment areas between 2021-2023;²¹⁷
 - (b) evidence from customers indicated that customers located in East Anglia have a lower willingness to source feed over greater distances, compared to customers located in other regions;²¹⁸ and
 - (c) unlike previous investigations, the current investigation is considering the impact of a merger only in one local area (East Anglia) given the location of ForFarmers' Burston mill, rather than in multiple regions in the UK.²¹⁹
- D.6 Competitor mills falling within [60-70] miles of each of ForFarmers' Burston mill, 2Agriculture's Bawsey mill, and 2Agriculture's Stoke Ferry mill are: 2Agriculture's Stoke Ferry, 2Agriculture's Bawsey, ForFarmers' Burston, ForFarmers' Bury, [✂]

²¹⁴ The 80% catchment area was calculated based on 2023 sales data from the Parties. We aggregated the data for customers purchasing meat poultry feed from the Parties' Bawsey, Burston, Bury and Stoke Ferry mills and determined the East Anglian 80% catchment as being the distance between the customer that purchased the 80th percentile of meat poultry volumes in the aggregated data, and the mill from which that customer sourced its feed. We note that 2Agriculture was unable to provide distance data for customers which collected feed, rather than having it delivered. We note this affects only seven observations at 2Agriculture's East Anglian mills in 2023. These observations were excluded from our analysis.

²¹⁵ 2Agriculture response to the CMA's section 109 notice (**s109 notice**) 1, 13 December 2024, question 1, Annex 1. ForFarmers response to the CMA's s109 notice 1, 13 December 2024, question 1, Annex 1.

²¹⁶ CMA, Phase 1 Decision, 21 December 2022, *ForFarmers / Boparan JV merger inquiry - GOV.UK*, paragraphs 10 and 116. CMA, Phase 1 Decision, 11 December 2024, paragraph 116.

²¹⁷ CMA analysis of 2Agriculture response to the CMA's s109 notice 1, 13 December 2024, question 1, Annex 1. CMA analysis of ForFarmers response to the CMA's s109 notice 1, 13 December 2024, question 1, Annex 1.

²¹⁸ CMA, Phase 1 Decision, [ForFarmers / Boparan JV merger inquiry - GOV.UK](#), 21 December 2022, footnote 82.

²¹⁹ We note that in the Phase 1 Decision, and previous decisions, the 80% catchment area was calculated in the same manner, ie aggregating data for the Parties' mills within regions. Given that more than one region was involved in the phase 1 decision and previous cases, the regional catchment areas were then applied to each mill within a given region and weighted by the volume supplied at each mill to obtain a national 80% catchment area.

mills.²²⁰ Additionally, 2Agriculture's Billingham mill falls within [60-70] miles of 2Agriculture's Bawsey and Stoke Ferry mills.²²¹

Out-of-market constraints

- D.7 We then considered whether to include any of the three mills located outside of the [60-70]-mile catchment areas, which the Parties submitted impose a strong competitive constraint. Those mills are [X] mills.
- D.8 As set out in paragraph E.5(b)(i) of Appendix E, around half of customers who responded to us said they currently purchase, or would strongly consider purchasing, poultry feed from [X] mill. Further, [X] submitted that its [X] mill may compete with the Parties' mills 'at the fringes of their distribution ranges' and confirmed that [X], driven by the economies of scale associated with the size of the mill. Further, [X] is a [X].²²² We have therefore included [X] in our capacity analysis, although we consider this is likely to overstate the constraint, see paragraph 6.14(a), that this mill would exert on the Merged Entity and we have taken this into account in our overall assessment of Theory of Harm 1.
- D.9 In comparison, no customer respondents said they currently purchase from [X] mill or are likely to consider it as a suitable alternative. We have therefore excluded [X] mill from our capacity analysis. A minority of the customers who responded to us said they currently purchase, or would strongly consider purchasing, from [X] mill.²²³ Given this, we have excluded [X] mill from our capacity analysis but consider that it would likely exert a weak constraint on the Merged Entity and we have taken this into account in our overall assessment of Theory of Harm 1.

Type of feed included within capacity analysis

- D.10 As set out in our product market definition, we received mixed evidence on the extent of supply-side substitution between different feed types. However, given that it is technically possible to switch between different feed types, and that third parties consider it is easier to switch from pig feed to meat poultry feed than *vice versa*, we have included mill capacity for all types, with the exception of ruminants feed, within our capacity analysis.

²²⁰ We note that in practice, the move from a national to regional catchment in this case does not materially change in our competitor set.

²²¹ We note that 2Agriculture's Billingham mill only produces a very limited amount ([0-50]kT per annum) of feed for third-party supply and therefore has a very limited impact on our capacity analysis. We have therefore only shown one set of capacity results for the three different catchment areas, given the inclusion of this mill is the only difference in competitor set between the catchments.

²²² Third Party response to the CMA's competitor questionnaire, 16 December 2024.

²²³ One additional customer responded that it would be likely to consider purchasing from [X] mill.

Measure of capacity (technical vs operational) used

- D.11 We considered two potential measures of capacity we could use for our analysis:
- (a) Operational capacity is the total output being produced at a feed mill per year.
 - (b) Technical capacity is the theoretical maximum output that can be produced at a feed mill without needing to make any additional investment.
- D.12 All feed suppliers, except for [REDACTED], submitted that operational capacity best represents the capacity available at their mills because they are currently operating at (or very close to) full capacity.²²⁴ [REDACTED] submitted that technical capacity was the appropriate measure for its mills given that it can produce its technical capacity volumes without any additional investment (eg its [REDACTED] and [REDACTED] mills are currently operating [REDACTED] below their technical capacity).²²⁵
- D.13 We have used technical capacity, for all operators, in our capacity analysis because as set out in paragraph E.21 of Appendix E, mill operators told us that they generally consider the optimum mill utilisation to be between 90-100% (ie mill operators compete to operate at technical capacity). We therefore consider that any deviations from mills operating close to technical capacity likely reflect lack of demand, and that technical capacity more accurately reflects the level of spare capacity that a mill has.²²⁶
- D.14 We have calculated total capacity for third-party supply as follows:
- (a) for the non-vertically integrated suppliers in our competitor set we have assumed that all of their capacity is for third-party supply and could be used for meat poultry feed; and
 - (b) for vertically integrated suppliers, we calculated total capacity for third-party supply by taking the current ratio of third-party supply versus in-house supply and scaling up by capacity. As above, we assumed that all of the capacity for third-party supply could be used for meat poultry feed.
- D.15 We have calculated spare capacity for third-party supply of meat poultry feed by subtracting actual third-party supply (of any type of feed) from total capacity for third-party supply (as calculated above).

²²⁴ Third party responses to the CMA's competitor questionnaires, 1 August 2024. Third party response to the CMA's competitor questionnaires, 11 September 2024.

²²⁵ FMN, paragraph 14.55.

²²⁶ In any event, we note in our investigation the evidence we have received is that operational capacity is very similar to technical capacity for all third parties.

Underlying assumptions for scenario modelling

D.16 In this section, we set out the key assumptions we have used to model the total and spare capacity available for meat poultry feed supply to third parties locally and the impact of the Merger on those levels.

Capacity at ForFarmers' Bury mill

D.17 As set out in Appendix A, the Merger does not include the transfer to Boparan (or [REDACTED] under the counterfactual) of customer volumes currently served at ForFarmers' Burston mill.²²⁷ Therefore, as submitted by the Parties, we have assumed in both the counterfactual and post-Merger that the current customer volumes served at the Burston mill are moved to ForFarmers' Bury mill.²²⁸

Capacity at Stoke Ferry (counterfactual)

D.18 As set out in the Chapter 3, we provisionally conclude that Stoke Ferry would operate at full capacity in the counterfactual. We have therefore adopted the same assumption in our capacity analysis and applied the proportion of in-house and third-party volumes supplied at Stoke Ferry in 2024 to Stoke Ferry's technical capacity ([350-400]kT per annum).²²⁹

[REDACTED] third-party supply (counterfactual)

D.19 [REDACTED] submitted that, in the counterfactual where it purchased Burston, it would dedicate [REDACTED]% of Burston's capacity to third-party supply.²³⁰ However, [REDACTED] also told us that [REDACTED]. Where different formulations of pig feed were required [REDACTED] would look for pig or poultry customers who can offer larger volumes in fewer product lines, although it would always try to fill the mill.²³¹

D.20 As set out in the Chapter 3 in more detail, we consider the evidence suggests that while [REDACTED] would supply third parties in the short term, we do not consider it likely that it would continue to utilise a small but material proportion of the capacity of the Burston mill for third-party meat poultry supply given its strategy of vertical integration and expected growth in poultry processing and pig farming. We have

²²⁷ Parties' internal document, Exhibit to [REDACTED] witness statement RK-30 FF_Annex_002385, page 1. [REDACTED]

²²⁸ This refers to scenario 1. This differs in scenario 2, where we have assumed that Boparan internalises volumes currently supplied to it from Burston. We received differing responses regarding the volume that will be internalised, from Boparan ([0-50]kT) and ForFarmers, ([0-50]kT). We used ForFarmers' response since, as the current owner of Burston, it is best placed to estimate the volume of feed that is supplied from there. ForFarmers Response to the CMA's s109, 13 December 2024, question 7. [ForFarmers and Boparan response to the CMA's S109 1, 20 December 2024, question 6.]

²²⁹ Boparan response to the CMA's s109 notice 1, annex 1, 13 December 2024, question 3. We note that this figure is higher than the one submitted by Boparan in Table 14.2A of the FMN of [300-350]kT.

²³⁰ Third party response to the CMA's follow up question, 27 August 2024.

²³¹ Third party call note, 17 January 2025, paragraphs 1 and 4.

therefore assumed that [X] would not allocate any of Burston's capacity to third-party supply in our modelling.²³²

- D.21 [X] currently purchases feed from [X] mill, [X] and [X] mills, and ForFarmers' Bury and Burston mills which are located within the catchment areas we are considering.²³³ [X] told us that if it were to acquire the Burston mill it would utilise the mill for in-house [X] feed volumes and release these third-party suppliers' volumes.²³⁴ We have reflected in our analysis that this would result in all of these competitors having corresponding increased spare capacity for third-party supply in the counterfactual.

Capacity at Burston (counterfactual)

- D.22 We received varying estimates for the technical capacity for the Burston mill: [X] estimated that Burston had a capacity of [200-250]kT,²³⁵ ForFarmers submitted that Burston's technical capacity was [250-300]kT in 2024,²³⁶ but this would increase to [300-350]kT if it was run as a meat poultry feed-only mill,²³⁷ while 2Agriculture submitted that it considers it could produce [300-350]kT at Burston.²³⁸
- D.23 We have assumed that the most likely scenario is that, in the counterfactual, the Burston mill would be operated at ForFarmers' estimate of its current technical capacity of [250-300]kT if [X] operated the mill on the basis that (i) ForFarmers, as the current owner of the mill, is likely to have the best insight into the mill's technical capacity and (ii) [X] would not be running Burston as a poultry-only mill, and so ForFarmers' lower capacity estimate should apply.

Capacity at Stoke Ferry post-Merger

- D.24 The Parties submitted that Stoke Ferry mill would be run at reduced capacity post-Merger. By contrast, many of the Parties' internal documents suggest that Stoke Ferry would be closed post-Merger.
- D.25 For the reasons outlined in paragraph 6.22 we have modelled Stoke Ferry as being closed post-Merger in our most likely scenario (scenario 1),²³⁹ but we have

²³² We note that if we alternatively assumed [X] would allocate some of Burston's capacity to third-party supply then this would increase the impact of the Merger in terms of any reduction in total and spare capacity for third party supply.

²³³ Third party response to the CMA's request for information (RFI) 1, 18 December 2024, question 9.

²³⁴ Third party response to the CMA's request for information (RFI) 1, 18 December 2024, question 9.

²³⁵ Third party response to the CMA's follow up question, 27th August 2024.

²³⁶ ForFarmers response to the CMA's s109 notice 1, 13 December, Question 3.

²³⁷ ForFarmers internal document, Annex RFI 1 Q3.001 East Australia Teaser Final to RFI 1, 5 July, slide 2.

²³⁸ Parties' initial substantive meeting slides, 19 December 2024, slide 26

²³⁹ In order to conduct a forward-looking assessment, our assumptions seek to capture not just what is likely to happen in the short term post-Merger, where we consider the Stoke Ferry mill could remain open for a period of time to facilitate the transfer of volumes from the Stoke Ferry mill to the Burston mill as set out in B.10(f), but also what is likely to happen following this transition period, where we provisionally consider, on balance, it would be closed.

also considered the impact of the Merger if Stoke Ferry remained open at reduced capacity (50%) post-Merger (scenario 2).

Capacity and prioritisation at Burston post-Merger

- D.26 As set out in paragraph D.20, we received a range of estimates for the technical capacity at Burston.
- D.27 Post-Merger we have assumed that Burston has [300-350]kT of capacity (ie the ForFarmers' estimate of meat poultry feed-only capacity) to reflect that 2Agriculture as the owner of the mill would most likely operate it as a [✂] mill, allowing it to produce more volumes than the mill currently does.²⁴⁰
- D.28 In our most likely scenario, where we consider that Stoke Ferry would close post-Merger, 2Agriculture would not have sufficient capacity at the Burston mill to produce the volumes of in-house and third-party feed currently produced at the Stoke Ferry mill. As a result, we need to make an assumption regarding which volumes would be prioritised. We note that [300-350]kT per annum of meat poultry feed at Burston, which would include supplying [50-100]kT to third parties.²⁴¹
- D.29 As set out above, we consider that the Burston mill would produce lower overall volumes and further we consider that the evidence indicates that Boparan would most likely prioritise its in-house volumes given:
- (a) Boparan has a broader strategy of increasing its vertical integration and operating feed mills that prioritise producing internal volumes;²⁴² and
 - (b) Boparan submitted that in the counterfactual it would be forced to operate Stoke Ferry at reduced capacity and that in that situation, it would prioritise internal volumes [✂].²⁴³
- D.30 The impact of this assumption of in-house prioritisation at the Burston mill post-Merger in the event of the Stoke Ferry mill being closed is to reduce total capacity for third-party supply.²⁴⁴
- D.31 In scenario 2, where Stoke Ferry continues to operate at reduced capacity, Boparan would not need to make this prioritisation decision, meaning we do not need to make any assumptions in this regard.

²⁴⁰ Given 2Agriculture's experience at operating mills, we consider it may be possible that it could operate the Burston mill at a higher level ie at its estimate of [300-350]kT per annum. This would result in a small change to our analysis, reducing the impact of the Merger on third-party capacity.

²⁴¹ Parties' Phase 2 submission in relation to the March 2024 Investment paper, 30 January 2025, paragraph 2.1.

²⁴² Parties' response to the CMA's follow-up questions, 19 December 2024, paragraph 9.10-9.11. and paragraph 6.18 of the Interim Report.

²⁴³ [Parties' response to the Phase 1 Decision](#), 10 December 2024, pages 16-17.

²⁴⁴ This is because we discount the capacity at mills owned by vertically integrated suppliers used for internal demand from our calculations of total and spare capacity that is available for third-party supply.

Scenarios modelled

D.32 Based on our assumptions explained above, we have modelled two scenarios based on the assumptions set out in Table D.1. The key difference between the scenarios is how Stoke Ferry is operated post-Merger: scenario 1 assumes Stoke Ferry is closed post-Merger and scenario 2 assumes Stoke Ferry is open and run at reduced capacity post-Merger. On balance, scenario 1 is what we consider to be the most likely scenario, as discussed in chapter 6.

Table D.1: Capacity analysis scenarios modelled

	<i>Stoke Ferry counterfactual</i>	<i>[X] third party supply counterfactual</i>	<i>Stoke-Ferry post-merger</i>	<i>Burston volume prioritisation post-Merger</i>	<i>Catchment area</i>
Scenario 1	Open (full capacity)	0%	Closure	In-house prioritisation	[60-70] miles + out-of-market constraint from the [X] mill
Scenario 2	Open (full capacity)	0%	Open at reduced capacity	N/A	[60-70] miles + out-of-market constraint from the [X] mill

Source: CMA analysis

Results of our capacity analysis

Total capacity

D.33 In this section, we consider the total capacity for supply of meat poultry feed to third parties that is removed as a result of the Merger.

Scenario 1

D.34 As set out above, we consider that the most likely scenario, post-Merger, is the combination of the assumptions set in scenario 1 in Table 1. Using these assumptions, in the counterfactual we find there is [1,250-1,300]kT of total capacity for supply of meat poultry feed to third parties, while post-Merger there is [1,200-1,250]kT of capacity. The Merger therefore results in a reduction of [0-50]kT (around [0-5%]) of total capacity, which is driven by, post-Merger (i) the closure of Stoke Ferry and (ii) Boparan prioritising its in-house supply at the Burston mill.

Scenario 2

D.35 We have also considered scenario 2 in Table 1 in which Stoke Ferry remains open post-Merger but operates at reduced capacity. In the counterfactual we find there is [1,250-1,300]kT of total capacity for supply of meat poultry feed to third parties, while post-Merger there is [1,300-1,350]kT of capacity. The Merger therefore results in an *increase* of [50-100]kT (around [0-5%]) of total capacity for supply to third parties. This is driven by (i) in the counterfactual, [X] not allocating any of

Burston's capacity to third-party supply and (ii) post-Merger, Boparan using the Burston mill for its in-house supply which allows Boparan to use more capacity at the Stoke Ferry mill for third-party supply (compared to the counterfactual).

Spare Capacity

D.36 In this section we have considered the spare capacity available for third-party supply of meat poultry feed that would remain post-Merger.

Scenario 1

D.37 We consider that the most likely scenario, post-Merger, is scenario 1 in Table D.1.

D.38 In the counterfactual we find that there is [400-450]kT of spare capacity for supply to third parties, while post-Merger there is [200-250]kT of spare capacity. The Merger therefore results in a reduction of [150-200]kT (around [40-50%]) of spare capacity for supply to third parties. This is driven by (i) the reduction in total capacity as set out in paragraph D.34 and (ii) in the counterfactual, [X] using the Burston mill to internalise third-party supply contracts at alternative mills, freeing up the alternative mills' spare capacity for third-party supply, which would not happen post-Merger.²⁴⁵

Scenario 2

D.39 We have also considered scenario 2 in Table D.1 in which the Stoke Ferry mill remains open post-Merger but operates at reduced capacity.

D.40 In this scenario, despite total capacity for third-party supply increasing post-Merger (as set out in paragraph D.35), spare capacity for third-party supply is [0-50]kT (around [5-10%]) lower post-Merger ([350-400]kT) compared to in the counterfactual ([400-450]kT). This is primarily driven by the fact that in the counterfactual, [X] uses the Burston mill to internalise third-party supply contracts at alternative mills, freeing up their capacity for third-party supply, which happens to a lesser degree post-Merger.²⁴⁶

²⁴⁵ This effect of [X] internalising third-party supply contracts outweighs a second order effect from [X] ([X] not supplying third parties from the Burston mill). The effect of internalising third-party supply contracts does not happen post Merger because (i) [X] continues to purchase from third-party mills as it does not own the Burston mill and (ii) Boparan cannot internalise third-party contracts because the Stoke Ferry mill is closed.

²⁴⁶ This effect [X] internalising third-party supply contracts outweighs a second order effect from [X] ([X] not supplying third parties from the Burston mill). The effect of internalising third-party supply contracts happens to a lesser degree post Merger because (i) [X] continues to purchase from third-party mills as it does not own the Burston mill and (ii) Boparan can use the Stoke Ferry mill (running at reduced capacity) to internalise some third-party supply contracts.

APPENDIX E: THIRD PARTY EVIDENCE

Introduction

- E.1 In this appendix we set out evidence gathered from:
- (a) customers on the nature of competition, alternative mills, entry and expansion, and views of the Merger; and
 - (b) competitors on market definition, competitive constraints, capacity and expansion plans, and views of the Merger.

Customers

Approach to evidence gathering

- E.2 The evidence set out below was collected through questionnaires sent to the Parties' largest meat poultry feed customers.²⁴⁷ Key focus areas of the questionnaires included which mills customers would consider buying meat poultry feed from, factors they consider important in choosing a meat poultry feed supplier, and expectations of future demand, with an aim to better understand the competitive landscape and views on the impact of the Merger. We have analysed this evidence to provide an assessment of the competitive dynamics in the meat poultry feed market.

Nature of competition

- E.3 We asked customers to rank factors which they consider important in choosing a supplier of poultry feed and provide reasons for their responses:²⁴⁸
- (a) all respondents consider price and quality to be important with the vast majority rating them as very important (price: 9/12, quality: 10/12).²⁴⁹ ²⁵⁰ All respondents also consider customer service and a mill's track

²⁴⁷ At phase 1 the CMA sent questionnaires to Boparan's largest customers (by volume of feed sold) located within the catchment area around the Burston mill (questionnaires sent to 23 customers, eight responses received). At phase 2 we contacted Boparan and ForFarmers's largest customers (by volume of feed sold) located within the catchment area around the Burston mill (questionnaires sent to 31 customers, 12 responses received). Seven of the phase 1 questionnaire respondents also responded to the phase 2 questionnaire.

²⁴⁸ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 3. Third party response to the CMA's customer questionnaire, 7 January 2025, question 3. Third party response to the CMA's customer questionnaire, 14 January 2025, question 4.

²⁴⁹ Price: Third party responses to the CMA's customer questionnaire, 17 December 2024, question 3. Third party response to the CMA's customer questionnaire, 7 January 2025, question 3. Third party response to the CMA's customer questionnaire, 14 January 2025, question 4.

²⁵⁰ Quality: Third party responses to the CMA's customer questionnaire, 17 December 2024, question 3. Third party response to the CMA's customer questionnaire, 14 January 2025, question 4. Third party response to the CMA's customer questionnaire, 24 January 2025, question 4.

record/reputation as important with around half (customer service: 7/12 and track record: 6/12) rating each factor as very important.^{251,252}

- (b) the vast majority of respondents rated distance related factors (proximity of supplier's mill(s) (10/12) and cost of transporting feed (10/12)) as important or very important,^{253 254} with the remaining respondents rating these factors as not very important/not important at all. Of the respondents that rated distance related factors as not important, one noted that mills further away would incur higher transport costs and transport costs feed into the final price which is important,²⁵⁵ and a few others noted that the final price or overall package (including price and quality) are most important;²⁵⁶ and
- (c) additional factors mentioned for not choosing a mill included: unsuitable feed type,²⁵⁷ perceived lack of capacity,²⁵⁸ and if the mill is operated by a competitor of theirs.²⁵⁹

E.4 We also asked customers several questions relating to transport costs, namely:

(i) who pays the transport costs associated with transporting feed, (ii) what proportion of the total cost of a typical order of poultry feed is accounted for by transport costs and (iii) whether transport costs impact their choice of feed mill(s) from which they purchase poultry feed:

- (a) the vast majority of respondents (9/12) said the customer ultimately pays the transport costs,²⁶⁰ with respondents estimating that transport costs account for 3-8% of the total cost of a typical poultry feed order;²⁶¹ and

²⁵¹ Customer service: Third party responses to the CMA's customer questionnaire, 17 December 2024, question 3. Third party response to the CMA's customer questionnaire, 24 January 2025, question 4.

²⁵² A mill's track record: Third party responses to the CMA's customer questionnaire, 17 December 2024, question 3: Third party response to the CMA's customer questionnaire, 24 January 2025, question 4

²⁵³ Proximity of mill: Third party responses to the CMA's customer questionnaire, 17 December 2024, question 3 Third party response to the CMA's customer questionnaire, 7 January 2025, question 3. Third party response to the CMA's customer questionnaire, 14 January 2025, question 4. Third party response to the CMA's customer questionnaire, 24 January 2025, question 4.

²⁵⁴ Cost of transporting feed: Third party responses to the CMA's customer questionnaire, 17 December 2024, question 3: Third party response to the CMA's customer questionnaire, 7 January 2025, question 3 Third party response to the CMA's customer questionnaire, 14 January 2025, question 4

²⁵⁵ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 3 and 4.

²⁵⁶ These were in response to a different question that also asked about transport costs. Third party responses to the CMA's customer questionnaire, 17 December 2024, question 4. Third party response to the CMA's customer questionnaire, 7 January 2025, question 5.

²⁵⁷ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 2

²⁵⁸ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 2 Third party response to the CMA's follow-up question, 10 January 2025, question 1 Third party response to the CMA's follow-up questions, 10 January 2025, question 2.

²⁵⁹ Third party response to the CMA's follow-up questions, 10 January 2025, question 1 Third party response to the CMA's follow-up questions, 10 January 2025, question 2

²⁶⁰ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 4a. Third party response to the CMA's customer questionnaire, 14 January 2025, question 5a.

²⁶¹ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 4b.

- (b) around half of respondents (6/12) said transport costs impact their choice of feed mill.²⁶² One respondent said transport costs are important as margins are tight,²⁶³ and another noted that a longer journey causes a higher feed price.²⁶⁴ Of the half of respondents that said transport costs do not impact their choice of feed mill, one noted the more distant mills would incur higher transport costs and transport costs feed into the final price which is important,²⁶⁵ and another explained they are not important because they use mills that are close to the farms to which they are delivering.²⁶⁶ Two respondents explained the overall package of price and quality is what is important.²⁶⁷

Alternative mills

E.5 We asked customers to indicate how likely they were to consider purchasing poultry feed from a list of mills, including the Parties' mills.²⁶⁸

- (a) Considering mills in the catchment area used in the Phase 1 Decision:²⁶⁹
- (i) after the Parties' mills, the next most popular alternative mill was [X] mill, with half of respondents [6/12] saying they currently purchase, or would strongly consider purchasing, from it;²⁷⁰
 - (ii) around a third of respondents said they currently purchase, or would strongly consider purchasing, from [X] (4/12),²⁷¹ with a few customers saying the same for [X] (3/12);²⁷² and
 - (iii) a minority of respondents (2/12) said they currently purchase, or would strongly consider purchasing, from [X].²⁷³

²⁶² Third party responses to the CMA's customer questionnaire, 17 December 2024, question 4c.

Third party response to the CMA's customer questionnaire, 14 January 2025, question 5c.

²⁶³ Third party response to the CMA's customer questionnaire, 17 December 2024, question 4c.

²⁶⁴ Third party response to the CMA's customer questionnaire, 17 December 2024, question 4c.

Third party response to the CMA's customer questionnaire, 17 December 2024, question 4c.

²⁶⁵ Third party response to the CMA's customer questionnaire, 17 December 2024, question 4c.

²⁶⁶ Third party response to the CMA's customer questionnaire, 7 January 2025, question 4c.

²⁶⁷ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 4c.

²⁶⁸ We provided a list of mills based on the mills included in the phase 1 catchment area, plus two mills which the Parties submitted should also be included in the CMA's competitive assessment in response to the Phase 1 Decision.

Respondents were also able to add additional mills to the list. Respondents were asked to give each mill a score of between 1 and 5, where 1 indicated they already purchase feed or would strongly consider purchasing feed from this mill, 2 indicated they would likely consider purchasing feed, 3 indicated they would potentially consider, 4 indicated they were unlikely to consider and 5 indicated they would never consider purchasing feed from this mill.

²⁶⁹ These mills were: 2Agriculture – Stoke Ferry, 2Agriculture – Bawsey, ForFarmers – Burston, ForFarmers – Bury.

²⁷⁰ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 2. Third party response to the CMA's customer questionnaire, 7 January 2025, question 2. Third party response to the CMA's customer questionnaire, 14 January 2025, question 3.

²⁷¹ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 2

²⁷² Third party response to the CMA's customer questionnaire, 17 December 2024, question 2; Third party response to the CMA's customer questionnaire, 7 January 2025, question 2.

Third party responses to the CMA's customer questionnaire, 17 December 2024, question 2.

²⁷³ Third party response to the CMA's customer questionnaire, 17 December 2024, question 2. Third party response to the CMA's customer questionnaire, 7 January 2025, question 2.

- (b) Considering mills outside the catchment area used in the Phase 1 Decision:²⁷⁴
- (i) around half of respondents (5/12) said they currently purchase, or would strongly consider purchasing, from [X].²⁷⁵ Reasons respondents gave for choosing this mill included that they are already a customer,²⁷⁶ there is no reason not to,²⁷⁷ and they would compare the price, quality and other factors across this and other potential mills.²⁷⁸ Reasons respondents gave against choosing this mill included that it is too far away,²⁷⁹ the pricing was not as competitive,²⁸⁰ it was not practical commercially,²⁸¹ and insufficient meat poultry feed capacity,²⁸²
 - (ii) respondents had mixed views on [X] covering the range of ratings (from strongly consider to never consider). Only two respondents (2/12) said they currently purchase, or would strongly consider purchasing from it.²⁸³ One customer explained that [X] is better known for layer feed than meat poultry feed.²⁸⁴ Another customer explained that [X] is at full capacity and cannot produce the required feed specification,²⁸⁵ and one said it was too far away,²⁸⁶ and
 - (iii) [X] was not considered to be a suitable alternative by respondents, with no customer saying they currently purchase, or would strongly consider purchasing from it. One respondent explained [X] is a smaller operation that lacks expertise and capacity, and that it is located outside of Shepshed's preferred delivery area,²⁸⁷ and another said it was too far away.²⁸⁸

E.6 In *Boparan/ForFarmers JV*, the Parties' customers were asked who they would purchase feed from in the event that their current supplier no longer supplied them. AB Agri was the most commonly listed alternative for both ForFarmers and 2Agriculture customers followed by ForFarmers for 2Agriculture customers and

²⁷⁴ These mills were: [X].

²⁷⁵ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 2

²⁷⁶ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 2.

²⁷⁷ Third party response to the CMA's customer questionnaire, 17 December 2024, question 2.

²⁷⁸ Third party response to the CMA's customer questionnaire, 17 December 2024, question 2.

²⁷⁹ Third party response to the CMA's customer questionnaire, 14 January 2025, question 3.

²⁸⁰ Third party response to the CMA's customer questionnaire, 17 December 2024, question 2. Third party response to the CMA's customer questionnaire, 24 January 2025, question 3.

²⁸¹ Third party response to the CMA's customer questionnaire, 17 December 2024, question 2.

²⁸² Third party response to the CMA's customer questionnaire, 24 January 2025, question 3.

²⁸³ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 2.

²⁸⁴ Third party response to the CMA's follow-up questions, 20 December 2024, question 2.

²⁸⁵ Third party, response to the CMA's follow-up questions, 10 January 2025, question 2.

²⁸⁶ Third party response to the CMA's customer questionnaire, 24 January 2025, question 3.

²⁸⁷ Third party, response to the CMA's follow-up questions, 10 January 2025, question 2.

²⁸⁸ Third party response to the CMA's customer questionnaire, 24 January 2025, question 3.

2Agriculture for ForFarmers customers.²⁸⁹ Several customers also indicated that they prefer to purchase from the same supplier across multiple sites, indicating that nationally active competitors provide a stronger competitive constraint than competitors only present in one location.²⁹⁰

Entry and expansion

- E.7 We asked customers to explain whether they have any plans to start producing their own in-house poultry feed within the next five years. The vast majority of respondents (11/12) do not have any plans,²⁹¹ and one customer explained this was because the infrastructure would be prohibitively expensive.²⁹² One customer said it was considering producing layer feed in-house. This would enable some cost savings but would require investment.²⁹³
- E.8 We also asked customers how they expect demand for poultry and other types of feed to change in the next five years. The vast majority of respondents (8/10) indicated that they expect demand for meat poultry feed to stay the same or increase.²⁹⁴

Views on the Merger

- E.9 We asked customers for their views on the Merger:
- (a) half of respondents (7/14) expressed negative views suggesting that the loss of the Burston mill reduces customer choice;²⁹⁵
 - (b) a few respondents (2/14) expressed positive views, suggesting that the Merger would lead to efficiencies for Boparan, although they also noted that some compound feed producers may potentially lose out;²⁹⁶ and

²⁸⁹ We note this question was asked of the Parties' poultry feed customers based in the UK, not just customers based in East Anglia. Anticipated joint venture between ForFarmers N.V. and Boparan Private Office Limited, [ME/7007/22] (**ForFarmers/Boparan JV**), paragraph 98.

²⁹⁰ Response to customer questionnaire; and notes of call with third parties.

²⁹¹ Third party responses to the CMA's customer questionnaire, 17 December 2024, question 5. Third party response to the CMA's customer questionnaire, 7 January 2025, question 3. Third party response to the CMA's customer questionnaire, 24 January 2025, question 8.

²⁹² Third party response to the CMA's customer questionnaire, 17 December 2024, question 5.

²⁹³ Third party response to the CMA's customer questionnaire, 14 January 2025, question 8.

²⁹⁴ Responses to the CMA questionnaire from third parties, September 2024. Third party responses to the CMA's customer questionnaire, 17 December 2024, question 5. Two customers indicated they expected demand for meat poultry feed to decrease (Response to the CMA questionnaire from a third party, September 2024. Third party response to the CMA's customer questionnaire, 24 January 2025, question 7.

²⁹⁵ We note that some of these respondents are downstream competitors of the Parties. Response to the CMA questionnaire from third parties, September 2024. Third party response to the CMA's customer questionnaire, 14 January 2025, question 9.

²⁹⁶ Response to the CMA questionnaire from a third party, September 2024.

- (c) a few respondents (5/14) expressed neutral views with one suggesting that there had been overcapacity in the feed industry, and as such the Merger should not affect competition.²⁹⁷

Competitors

Approach to evidence gathering

- E.10 The evidence set out below was collected through a combination of requests for information (RFIs) (including the use of section 109 information gathering powers to gather internal documents), and a series of calls with competitors, who provided insights into their business operations and the competitive landscape.²⁹⁸ Specifically, in addition to the calls and RFIs at phase 1, at phase 2 five competitors responded to our RFIs, and we conducted additional calls with one of these respondents to further explore its written responses and gather supplementary information. Key focus areas of the RFIs included views on market definition, entry and expansion plans and views on the Merger. We have analysed this evidence to provide an assessment of the competitive dynamics in the meat poultry feed market.

Market definition

Product market

- E.11 We asked competitors to explain to what extent it is possible to switch between supplying meat poultry feed and (i) layer poultry feed and (ii) pig feed, including any estimates of the time and financial costs required.
- E.12 Overall, evidence from respondents indicate that it is technically possible to switch between feed types, but this is dependent on the specific mill and its capabilities. Responses indicated it would be easier to switch from pig feed to meat poultry than vice versa. In addition, responses indicated it would be easier to switch from pig feed to meat poultry feed than to switch from layer feed to meat poultry feed (which two respondents estimated would cost in excess of £1 million as additional manufacturing equipment is required).²⁹⁹ In particular:

²⁹⁷ Response to the CMA questionnaire from third parties, September 2024. Third party response to the CMA's customer questionnaire, 24 January 2025, question 9.

²⁹⁸ The list of competitors we approached was based on suppliers with feed mills in East Anglia, plus two suppliers which the Parties submitted should also be included in the CMA's competitive assessment in response to the [Phase 1 Decision](#).

²⁹⁹ Third party response to the CMA's RFI 1, 12 December 2024, question 1. Third party responses to the CMA's RFI 1, 16 December 2024, question 3. Third party response to the CMA's RFI 1, 16 December 2024, question 4. Third party response to the CMA's RFI 1, 17 December 2024, question 3. Third party response to the CMA's RFI 1, 16 December 2024, question 4. Third party response to the CMA's RFI 1, 17 December 2024, question 3. Third party response to the CMA's RFI 1, 16 December 2024, question 4. Third party response to the CMA's RFI 1, 17 December 2024, question 3.

- (a) one competitor said it is possible for most monogastric feed mills to produce all three feed types but that this is dependent on “the specific mill in question and the capabilities of that mill”. It also noted that costs and ease of switching are mill-specific, and it is easier for pig feed mills to switch to meat poultry and layer poultry feed, than it is for a poultry feed mill to switch to producing pig feed;³⁰⁰
- (b) another competitor said it depends on the mill and there can be associated costs eg to replace certain equipment, and it would also depend on if there was physically enough space. Changing from layer to meat poultry feed would require additional equipment (heat conditioner, pellet press, fats coater and cooler), which the competitor estimated would cost £1 million while changing from pig to meat poultry feed would be more straightforward;³⁰¹
- (c) another competitor said changing from meat poultry feed to layer feed is easy and involves no cost; changing from layer to meat poultry feed would require significant investment in new equipment (costing at least £1 million); and changing from poultry to pig feed (or vice versa) involves no time or cost as the required equipment is the same;³⁰²
- (d) another competitor said it can switch production between different feed types as it is a multi-species mill, but to move all production to one feed type would require further investment. To switch from producing pelleted feeds to layer feed would require investment in additional equipment (roller mill and cooling capacity) which the competitor estimated would cost around £2 million;³⁰³ and
- (e) another competitor said it would be easy for a monogastric (pig and poultry) mill to switch between meat poultry, layer poultry and pig feed, with no downtime, change to machinery or investment, because they are all monogastric feed types and likely to be in pellet form. It currently switches between pig and poultry feed on the same line, where the consideration is cross contamination not mechanical capability.³⁰⁴

E.13 We also asked competitors to identify examples in the past three years where mills have switched production between meat poultry feed, layer poultry feed, or pig feed. Two respondents provided examples:

Third party response to the CMA’s RFI 1, 16 December 2024, question 4 Third party response to the CMA’s RFI 1, 17 December 2024, question 3. Third party response to the CMA’s RFI 1, 16 December 2024, question 4 Third party response to the CMA’s RFI 1, 17 December 2024, question 3. Third party response to the CMA’s RFI 1, 16 December 2024, question 4. Third party response to the CMA’s RFI 1, 17 December 2024, question 3.

³⁰⁰ Third party response to the CMA’s RFI 1, 16 December 2024, question 3.

³⁰¹ Third party response to the CMA’s RFI 1, 12 December 2024, question 1.

³⁰² Third party response to the CMA’s RFI 1, 16 December 2024, question 3.

³⁰³ Third party response to the CMA’s RFI 1, 17 December 2024, question 3.

³⁰⁴ Third party response to the CMA’s RFI 1, 16 December 2024, question 4.

- (a) one competitor said it has a number of mills which produce both pig and poultry feed and switch production between feeds as appropriate. It also described a meat poultry feed facility outside East Anglia at [redacted], which has switched to also producing pig feed, the motivation being to increase monogastric feed volumes within the group;³⁰⁵ and
 - (b) another competitor said it has converted its [redacted] mill from pig meal to meat poultry pellet production to meet internal requirements for poultry feed. The conversion took nine months and cost £[redacted] million (the cost included upgrades in relation to the conversion to meat feeds and other upgrades to increase capacity and quality).³⁰⁶
- E.14 Another competitor said it would not consider a change from pig to poultry feed or vice versa to be a switch, and that any mill producing pig or poultry feed would be capable of producing any monogastric feed type.³⁰⁷
- E.15 One competitor explained that switching production between feed types is less efficient than single feed ‘runs’. It said it focuses on longer runs to make the mills more efficient, which allows it to run above technical capacity and increase production.³⁰⁸
- E.16 We asked competitors whether they would increase production of meat poultry feed, layer poultry feed or pig feed, if the price of any of these feed types increased by 5%. Generally, respondents said production allocation is not price-led:
- (a) one competitor said production is demand – not price – led, and noted that it would increase production of a particular feed type in response to a price rise, if other factors were unchanged and there would be sufficient demand. It noted customers switch, or threaten to switch, between feed suppliers primarily due to price;³⁰⁹
 - (b) another competitor said a large increase in the price of feed would directly increase the price of chicken, eggs and pork. These products are very price sensitive, therefore it would expect overall demand for feed to reduce in response to a feed price increases of 5%;³¹⁰

³⁰⁵ Third party response to the CMA’s RFI 1, 16 December 2024, question 4.

³⁰⁶ Third party response to the CMA’s RFI 1, 12 December 2024, question 2. Third party response to the CMA’s RFI 2, 10 January 2025, question 1.

³⁰⁷ Third party response to the CMA’s RFI 1, 16 December 2024, question 5.

³⁰⁸ Third party response to the CMA’s RFI 2, 10 January 2025, question 3.

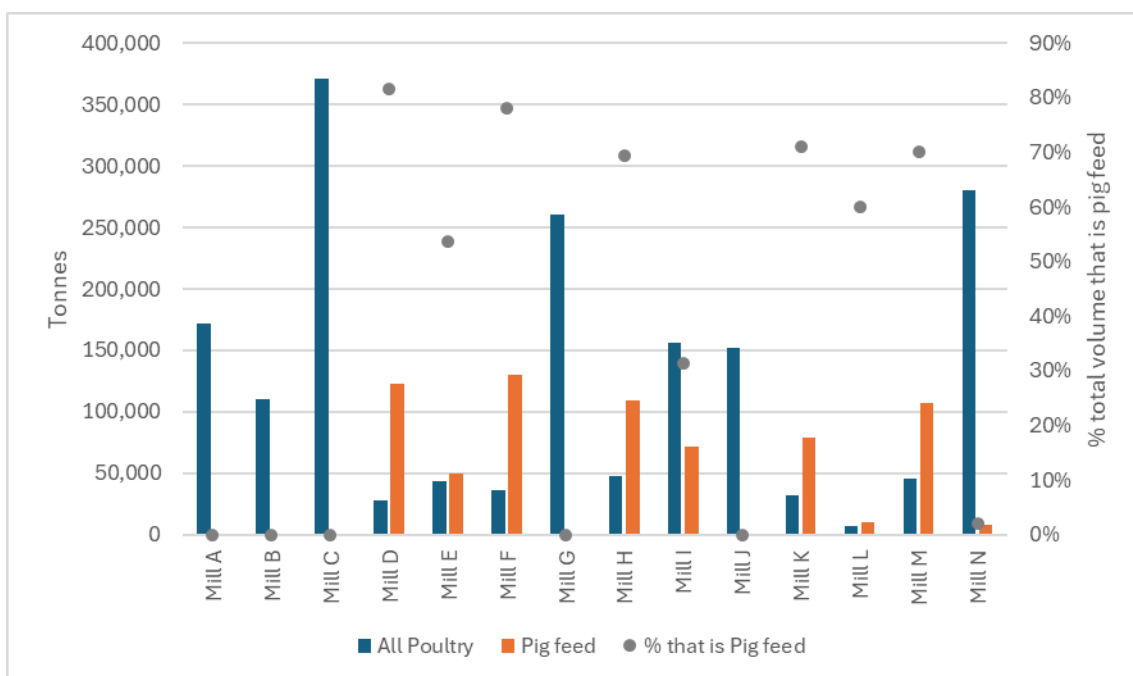
³⁰⁹ Third party response to the CMA’s RFI 1, 16 December 2024, question 6.

³¹⁰ Third party response to the CMA’s RFI 1, 16 December 2024, question 5.

- (c) another competitor said if the price increase was reflected in net margin and there was sufficient demand it would increase production of all feed types to maximise available capacity;³¹¹
- (d) another competitor said it would not increase production in response to a price rise because its mills are operating at full capacity;³¹² and
- (e) one competitor said a price rise in itself is not a signal to increase production. If costs were unchanged, margins on a feed type would increase and they could increase production, but this would be driven by customer demand.³¹³

E.17 We asked the Parties and competitors to estimate the total production for the supply of feed in 2024 at each of the mills they operate, shown in the figure below. Several mills in and around East Anglia do not produce pig feed, in particular [✂] mills, or only produce a minimal amount ([✂]). For those mills that do produce both feed types, the majority produce over 70% of one type of feed.

Figure E.1: Volume of pig and poultry feed produced by each mill (LHS) and percentage of total volume that is pig feed (RHS), 2024



Source: CMA analysis of competitor responses to the CMA's s109 and RFIs.

Geographic market

E.18 We asked competitors how far their third-party customers are located from their mills, and to indicate if this differed between mills in East Anglia versus mills in

³¹¹ Third party response to the CMA's RFI 1, 16 December 2024, question 5.

³¹² Third party response to the CMA's RFI 1, 12 December 2024, question 3.

³¹³ Third party response to the CMA's RFI 1, 17 December 2024, question 5.

other UK regions. Respondents generally indicated that customers are typically located between 30-50 miles away from mills in and around East Anglia. In particular:

- (a) one competitor said its third-party customers are located on average [40-60] miles away, however, noted that feed regularly travels much further. It said its [X] mills have an average distance to customer of [40-60] miles and [X]³¹⁴ a lower average distance to customer of [30-50] miles [X];³¹⁵
- (b) another competitor stated customers for its [X] mill are largely in East Anglia, and customers for its [X] mill³¹⁶ are in the South East and East Anglia. It said the catchment for the [X] mill is wider and noted there is insufficient demand in [X] to fill the capacity of the [X] mill so the feed needs to travel further to service customers to fill the mill;³¹⁷
- (c) another competitor said the average distance customers are located from its [X] mill is [40-60] miles, which is lower than the other mills it owns (all outside East Anglia);³¹⁸
- (d) another competitor said the average distance for transporting feed to customers is [30-50] miles, with some customers as far as [50-70] miles. It explained East Anglia is more densely populated for intensive agriculture meaning average delivery distances are lower in East Anglia than in other parts of the UK;³¹⁹ and
- (e) another competitor said its customers are generally within 100 miles with some exceptions.³²⁰

Competitive constraints

E.19 In response to the Phase 1 Decision, the Parties submitted that there were additional mills that provide competitive strong constraints on the Parties.³²¹ We asked the competitors who own these mills if they consider their mill competes for customers of meat poultry feed with the Burston, Stoke Ferry or Bawsey mills:

³¹⁴ A mill outside East Anglia. The Parties submitted that this mill should be taken into account in response to the [Phase 1 Decision](#).

³¹⁵ Third party response to the CMA's RFI 1, 16 December 2024, question 6.

³¹⁶ A mill outside East Anglia.

³¹⁷ Third party response to the CMA's RFI 1, 9 January 2025, question 5.

³¹⁸ Third party response to the CMA's RFI 1, 16 December 2024, question 6.

³¹⁹ Third party response to the CMA's RFI 1, 12 December 2024, question 4.

³²⁰ Third party response to the CMA's RFI 1, 17 December 2024, question 6.

³²¹ These were [X] ([50-100] miles from Stoke Ferry), [X] ([50-100] miles from Stoke Ferry) and [X] ([50-100] miles from Stoke Ferry).

- (a) one competitor said its [X] mill may compete with the listed mills at the fringes of their distribution range;³²²
- (b) another competitor said its [X] mill doesn't compete with Burston because it is too far away from its trading area. It said it doesn't compete directly with Stoke Ferry or Bawsey as 2Agriculture is an integrated feed company;³²³ and
- (c) another respondent said its [X] mill rarely competes with Burston due to distance between the two mills. It did not consider the Stoke Ferry or Bawsey mills to be competitors in the independent meat poultry feed market (where it operates) as it views them as exclusively integrated. It noted if these mills became less integrated in future they may become a competitor for its [X] mill in the [X] area.³²⁴

E.20 In *Boparan/ForFarmers JV*, when asked to identify who they consider to be their main competitors in the supply of poultry feed in the UK, some competitor responses indicated that the Parties are close competitors. In particular:³²⁵

- (a) a nationally active competitor listed ForFarmers and 2Agriculture as two of its three strongest competitors, highlighting their national presence;³²⁶
- (b) an integrated supplier indicated that 2Agriculture, ForFarmers and [X] are its three strongest competitors;³²⁷ and
- (c) another competitor listed 2Agriculture, ForFarmers and [X] as its three strongest competitors, with 2Agriculture being the strongest.³²⁸

Capacity and expansion plans

Mill utilisation

E.21 We asked competitors what they consider to be the optimum rate of utilisation for a mill with regards to its technical capacity. Responses indicated that optimum mill utilisation is generally considered to be between 90-100%, with down time for cleaning/maintenance. In particular:

- (a) one competitor stated that optimum utilisation would be 95%;³²⁹

³²² Third party response to the CMA's RFI 1, 16 December 2024, question 7.

³²³ Third party response to the CMA's RFI 1, 17 December 2024, question 7.

³²⁴ Third party response to the CMA's RFI 1, 16 December 2024, question 7.

³²⁵ [Anticipated joint venture between ForFarmers N.V. and Boparan Private Office Limited](#), [ME/7007/22] (ForFarmers/Boparan JV), paragraph 99.

³²⁶ Response to competitor questionnaire.

³²⁷ Response to competitor questionnaire.

³²⁸ Response to competitor questionnaire.

³²⁹ Third party response to the CMA's RFI 1, 16 December 2024, question 8.

- (b) another competitor told us that optimum utilisation would be 100%, with 1-1.5 days of downtime to enable time for cleaning, maintenance and repairs;³³⁰
- (c) another competitor said that optimum utilisation is 92.8%, which allows for 0.5 days per week for routine maintenance or potential breakdowns;³³¹
- (d) another competitor stated that optimum utilisation would be 100%, however time is needed for planned maintenance and unexpected breakdowns. Its current utilisation is 90-95%;³³² and
- (e) another competitor told us that optimal utilisation varies significantly by mill and can vary by season. Optimal mill utilisation is impacted by: feed types offered by the mill, niche seasonal segments serviced, complexity, number of rations, average load sizes, age of the mill and level of investment.³³³

E.22 We asked competitors to tell us the extent to which the operational capacity of a mill is impacted by the potential for equipment breakdowns or seasonality of demand. Responses were mixed on the role of breakdowns and seasonality. In particular:

- (a) one competitor told us that there are peaks for seasonality but indicated that these have become less significant;³³⁴
- (b) another competitor told us it has customers whose demand it can forecast to avoid issues with seasonality. In the case of a breakdown, its staff work additional hours to catch up for lost time;³³⁵
- (c) another competitor said seasonality of demand does not impact its operational capacity due to the type of customers it has, and it allows 7.2% of capacity for breakdowns and routine maintenance. It can shift capacity across its mills in the event of breakdowns;³³⁶
- (d) another competitor told us that it balances seasonality of different species throughout the year. Breakdowns and maintenance mean it is unable to operate at 100% capacity;³³⁷ and
- (e) another competitor told us that at both [X] and [X], the potential impact of breakdowns reduces operational capacity by between [1-50]kT each per

³³⁰ Third party response to the CMA's RFI 1, 12 December 2024, question 5.

³³¹ Third party response to the CMA's RFI 1, 16 December 2024, question 8.

³³² Third party response to the CMA's RFI 1, 17 December 2024, question 8.

³³³ Third party response to the CMA's RFI 1, 16 December 2024, question 10.

³³⁴ Third party response to the CMA's RFI 1, 16 December 2024, question 8 and 10.

³³⁵ Third party response to the CMA's RFI 1, 12 December 2024, question 7.

³³⁶ Third party response to the CMA's RFI 1, 16 December 2024, question 8 and 10.

³³⁷ Third party response to the CMA's RFI 1, 17 December 2024, question 10.

annum. To account for seasonality at [REDACTED], [1-50]kT per annum of operational capacity is left spare. The impact of these factors on [REDACTED] is small.³³⁸

Expansion plans

- E.23 We asked competitors to explain whether they have any plans to expand the technical or operational capacities of their mill(s) over the next five years. We note that, in the short term, responses indicated there is likely to be an increase of 10kT per year in capacity across competitors within the catchment area, but limited evidence of likely significant expansion plans within the catchment area in the medium term. In particular:
- (a) one competitor [REDACTED]. It expects this to cost £[REDACTED] million and be completed by [REDACTED]. It plans to use this to increase production of [REDACTED];³³⁹
 - (b) another competitor said it has no plans to expand its existing mills. [REDACTED];³⁴⁰
 - (c) another competitor has submitted a pre-planning application for a new poultry processing facility within the phase 2 catchment area (which would include an additional [REDACTED]kT per week ([REDACTED]kT per year)³⁴¹ of feed milling capacity). It expects this to be at least [REDACTED] years away;³⁴²
 - (d) another competitor said it has plans to expand its [REDACTED] mill (located outside the phase 2 catchment) by 2027. This would add [REDACTED]kT per year for layer feed capacity (with no change to capacity for meat poultry or pig feed) and is expected to cost £[REDACTED] million;³⁴³ and
 - (e) one competitor outside the catchment area said it plans to upgrade an existing production line which will increase its mill capacity by [REDACTED]kT per year (available for all feed types). It expects this to cost £[REDACTED] million and be completed by [REDACTED].³⁴⁴
- E.24 At phase 1 the CMA asked competitors how easy or difficult it is for a supplier of poultry feed to enter and expand in East Anglia, and whether there are any

³³⁸ Third party response to the CMA's RFI 1, 16 December 2024, question 12.

³³⁹ Third party response to the CMA's RFI 1, 16 December 2024, question 13. Third party response to the CMA's RFI 2, 9 January 2025, question 7. Third party response to the CMA's follow-up question, 16 January 2025. Third party response to the CMA's follow-up question, 16 January 2025.

³⁴⁰ Third party response to the CMA's RFI 1, 16 December 2024, question 14 and 15. Planning permission was granted in [REDACTED] and development should commence within three years for the permission not to lapse.

³⁴¹ CMA calculation based on third party data. Third party call note 17 January 2025, paragraph 11.

³⁴² Third party response to the CMA's RFI 1, 12 December 2024, question 11. Third party call note 17 January 2025, paragraph 11.

³⁴³ Third party response to the CMA's RFI 1, 16 December 2024, question 12.

³⁴⁴ Third party response to the CMA's RFI 1, 17 December 2024, question 12.

significant barriers to entry and expansion.³⁴⁵ Most respondents (4/6) indicated barriers to entry were high.³⁴⁶ In particular:

- (a) three of these highlighted the high capital investment required to enter poultry feed supply in East Anglia;³⁴⁷ and
- (b) other barriers respondents identified included access to electricity supply,³⁴⁸ ability to win customers/longstanding customer relationships,³⁴⁹ obtaining planning permission,³⁵⁰ availability of suitable locations,³⁵¹ sourcing skilled staff,³⁵² and supplier relationships.³⁵³

E.25 In *Boparan/ForFarmers JV*, most third parties indicated that there are significant barriers to entry in the supply of poultry feed overall and the majority could not name any recent entrants. Third parties indicated that building a new mill may cost upwards of £10 million and that obtaining planning permission for either a new mill or expansion of an old mill is difficult.³⁵⁴

Expectations for future demand

E.26 We asked competitors to explain their expectations for demand for meat poultry feed, layer feed and pig feed in East Anglia over the next five years. Almost all respondents said they expect demand for meat, layer and pig feed will increase or stay the same. In particular:

- (a) one competitor said it expects demand for meat poultry and layer feed to increase by around 1-3% annually, and demand for pig feed to remain the same. It added mill reliability in East Anglia is poor, so the ability of the feed market to keep up with this growth will depend on investment levels;³⁵⁵
- (b) another competitor explained its demand for meat feed will increase if it is able to expand its vertically integrated poultry processing operations (its aim is to double the size of its poultry business in East Anglia), its demand for

³⁴⁵ CMA, Phase 1 Decision, 11 December 2024, paragraph 161.

³⁴⁶ Third party response to the CMA's RFI 1, 11 September 2024, question 8.

Third party response to the CMA's RFI 1, 11 September 2024, question 7. Third party response to the CMA's RFI 1, 11 September 2024, question 9. Third party response to the CMA's RFI 1, 11 September 2024, question 8. Third party response to the CMA's RFI 1, 11 September 2024, question 9. Third party response to the CMA's RFI 1, 11 September 2024, question 9. Third party response to the CMA's RFI 1, 11 September 2024, question 8.

³⁴⁷ Third party response to the CMA's RFI 1, 11 September 2024, question 7. Third party response to the CMA's RFI 1, 11 September 2024, question 9.

³⁴⁸ Third party response to the CMA's RFI 1, 11 September 2024, question 9.

³⁴⁹ Third party response to the CMA's RFI 1, 11 September 2024, question 9. Third party response to the CMA's RFI 1, 11 September 2024, question 8.

³⁵⁰ Third party response to the CMA's RFI 1, 11 September 2024, question 7.

³⁵¹ Third party response to the CMA's RFI 1, 11 September 2024, question 7.

³⁵² Third party response to the CMA's RFI 1, 11 September 2024, question 7.

³⁵³ Third party response to the CMA's RFI 1, 11 September 2024, question 7.

³⁵⁴ [Anticipated joint venture between ForFarmers N.V. and Boparan Private Office Limited](#), [ME/7007/22] (ForFarmers/Boparan JV), paragraph 228.

³⁵⁵ Third party response to the CMA's RFI 1, 16 December 2024, question 13.

layer feed will stay the same, and its demand for pig feed will stay the same or increase;³⁵⁶

- (c) another competitor said it expects the demand for meat poultry feed to drop by around 10% over the next 12 months, and the demand for layer and pig feed to stay the same;³⁵⁷
- (d) another competitor said it did not expect demand to increase and said it expects supply to continue exceeding demand, noting that demand might fall due to increasing demand for non-meat alternatives;³⁵⁸ and
- (e) another competitor said it expected that demand for layer feed will stay the same and demand for meat and pig feed will increase. It said there is currently sufficient capacity to meet this increase, but whether this is maintained into the future depends on the rate of demand increase and whether old mills close.³⁵⁹

Views on the Merger

E.27 The CMA asked competitors active in East Anglia for their views on the Merger. Competitors expressed mixed views on the impact of the Merger on competition. One suggested the Merger was positive given the excess capacity existing in the region. Two suggested the Merger would negatively impact competition, with one of these stating it would provide Boparan with a high level of influence over the entire sector. Another expressed a neutral view of the Merger.³⁶⁰

Tables of respondents

E.28 The tables below list the customers and competitors we gathered evidence from.

Table E.1: List of customers and competitors

<i>Name of customer</i>	<i>Name of competitor</i>
[X]	[X]

Source: CMA analysis based on Parties' data.

³⁵⁶ Third party response to the CMA's RFI 1, 12 December 2024, question 8. Third party call note 17 January 2025, paragraph 10.

³⁵⁷ Third party response to the CMA's RFI 1, 16 December 2024, question 11. The reason for the expectation of reduced demand for meat poultry feed is retailer stocking density reductions. [Better chicken commitment](#), accessed by the CMA on 28 January 2025.

³⁵⁸ Third party response to the CMA's RFI 1, 16 December 2024, question 11.

³⁵⁹ Third party response to the CMA's RFI 1, 17 December 2024, question 11.

³⁶⁰ CMA, [Phase 1 Decision](#), 11 December 2024, paragraph 162.

APPENDIX F: SHARE OF SUPPLY TEST

F.1 The share of supply test is met where, as a result of enterprises ceasing to be distinct, the following condition prevails or prevails to a greater extent: at least one quarter of goods or services of any description which are supplied in the UK, or in a substantial part of the UK, are supplied either by or to one and the same person.³⁶¹ The requirement that the condition prevails or prevails to a greater extent means that the merger must result in the creation or increase in a share of supply of goods or services of a particular description and the resulting share must be 25% or more (ie there must be a relevant overlap in the parties' activities).

Substantial part of the UK

F.2 The share of supply test must be satisfied in relation to the UK or a 'substantial part of the UK'. There is no statutory definition of 'a substantial part' of the UK, although case law has confirmed that 'substantial' for these purposes is a broad concept. In *R v Monopolies and Mergers Commission ex p South Yorkshire Transport Ltd*³⁶², which considered equivalent provisions of the Fair Trading Act 1973, the House of Lords concluded that 'substantial' did not mean 'large', 'considerable' or 'weighty' and means that the area in question should be 'worthy of consideration for the purposes of the Act'. CMA guidance states that, while there can be no fixed definition, the area or areas considered must be of such size, character and importance as to make it worth consideration for the purposes of merger control, and that the CMA will take such factors into account as: the size, population, social, political, economic, financial and geographic significance of the specified area or areas, and whether it is (or they are) special or significant in some way.³⁶³

F.3 Boparan (through 2Agriculture) and the Burston mill have overlapping activities in the UK, notably in the supply of meat poultry feed, including to third-party customers, in the UK (including in the catchment area centred on the Burston mill).³⁶⁴

F.4 At this stage of the investigation, we consider the catchment area centred on the Burston mill constitutes a substantial part of the UK, and note that the catchment

³⁶¹ Section 23(2), (3) and (4) of the Act. The reference to supply 'by' or 'to' one and the same person catches aggregations with regard to the supply or purchase of goods or services. The test is also met where at least one quarter of the goods or services is supplied by the persons by whom the enterprises concerned are carried on, or are supplied to or for those persons. CMA Guidance explains the concept of goods or services of 'any description' is very broad. The description of goods or services identified for the purposes of the jurisdictional test does not have to correspond with the economic market adopted for the purposes of the SLC question. The CMA will have regard to any reasonable description of a set of goods or services to determine whether the share of supply test is met. Importantly, however, parties must together supply or acquire the same category of goods or services. See [CMA2](#) at paragraph 4.59.

³⁶² *R v Monopolies and Mergers Commission ex p South Yorkshire Transport Ltd* [1993] 1 WLR 23

³⁶³ [CMA2](#), paragraphs 4.61-4.63.

³⁶⁴ We explain how we have calculated this catchment area in paragraph F.7 below and in Appendix D.

area covers East Anglia which has a population of around 2.4 million.³⁶⁵ Further, East Anglia contains a significant proportion of the poultry stock in the UK and includes Norfolk, which is one of the densest poultry-producing areas in the UK.³⁶⁶ We have also considered the local nature of the market in question, given customers typically buy feed from local mills. Finally, poultry feed is part of the food supply chain for poultry meat which is an important product for consumers.³⁶⁷ We therefore provisionally find that the catchment area centred on the Burston mill constitutes a substantial part of the UK.

Calculation of shares of supply

- F.5 To measure whether the share of supply test is met, we have considered the Parties' mill capacity for supplying meat poultry feed to third parties locally, noting that the Merger will result in Boparan (via 2Agriculture) acquiring production capacity ie the assets used for production.³⁶⁸
- F.6 We have calculated the combined shares of supply of 2Agriculture and the Burston mill based on capacity for the supply of meat poultry feed to third parties locally in 2024 to be [30-40%], with an increment of [20-30%].
- F.7 The shares of supply are based on a catchment area of [60-70] miles ie including all mills that currently produce meat poultry feed for third-party customers falling within a [60-70] mile radius of the Burston mill. As set out in Appendix D, [60-70] miles is the 80th percentile East Anglian catchment area, calculated on the basis of meat poultry feed sales to third-party customers from the Parties' mills in East Anglia.
- F.8 In producing these shares, we have used technical capacity³⁶⁹ to measure the capacity available for third-party supply, using data provided by the Parties and their competitors for each of their mills. Based on the 2024 data, we have excluded the capacity used at any mills for internal supply eg for 2Agriculture's mills we have only included the capacity used or available to supply third parties, and not capacity used to meet the internal feed requirements of the Boparan group.

³⁶⁵ See: [2021 census figures](#).

³⁶⁶ The Animal and Plant Health Agency's 2024 report [Livestock Demographic Data Group: Poultry population report, Livestock population density maps in GB, using July 2023 data](#) records poultry stock of around 65 million in East Anglia alone, representing 16.8% of poultry stock in Great Britain and 20% of poultry stock in England. Norfolk has the second highest number of poultry stock in an individual county.

³⁶⁷ See for example [Chicken consumption rockets ahead when compared with other proteins - Poultry Network; All you need to know about the British poultry meat sector \(countrysideonline.co.uk\)](#); representative items in the CPIH and CPI and RPI [baskets of goods](#) for 2024 which included fresh/chilled whole chicken and fresh chicken breasts.

³⁶⁸ The CMA is required by the Act to measure shares of supply by reference to such criterion (whether value, cost, price, quantity, capacity, number of workers employed or some other criterion, of whatever nature), or such combination of criteria as the CMA considers appropriate. See section 23(5) of the Act and [CMA2](#) at paragraph 4.66.

³⁶⁹ The definition of technical capacity is the output that can be produced at a feed mill using the existing physical resources, without making any additional investments at the site. A mill operating at 'technical capacity' has sufficient downtime to undertake routine repair and maintenance on the mill's equipment.

Table F.1: Shares of capacity available for third-party supply of meat poultry feed in the Burston catchment area in 2024

<i>Mills</i>	<i>Capacity</i>	<i>Shares (%)</i>
2Agriculture Stoke Ferry	[X]	[0-10]
2Agriculture Bawsey	[X]	[0-10]
ForFarmers Burston	[X]	[20-30]
2Agriculture and Burston mill combined	[X]	[30-40]
ForFarmers Bury	[X]	[10-20]
AB Agri Bury	[X]	[20-30]
AB Agri Walsingham	[X]	[20-30]
Duffield and Sons Norwich	[X]	[10-20]
Total market size	[X]	100

Source: CMA analysis of the Parties' and third parties' data.

Note: [X], [X] and [X] only supply third parties, so total capacity for these mills is the same as the capacity.

APPENDIX G: GLOSSARY

Term	Definition
2Agriculture	2Agriculture is part of a group of companies, active in food production and supply, which are under the common ownership of Mr Ranjit Singh Boparan and Mrs Baljinder Kaur Boparan (together with the companies directly or indirectly controlled by them referred to as ' Boparan ')
2SFG	2 Sisters Food Group Limited
the Act	The Enterprise Act 2002
APAs	Asset Purchase Agreements, the agreements for Boparan to acquire the ForFarmers UK assets entered into on 5 April 2024
Amber REI Holdings	Amber REI Holdings is the parent company of 2Agriculture, which is in turn wholly owned by Boparan.
Boparan	See 2Agriculture definition
CMA	The Competition and Markets Authority
CMA129	Merger Assessment Guidelines (CMA129)
CMA2	Guidance to the CMA's jurisdiction and procedure (CMA2)
Counterfactual	The competitive situation absent the merger
DSEAR	Dangerous Substances and Explosive Atmospheres Regulations
EBITDA	A measure of a company's profitability and stands for Earnings before interest, taxes, depreciation and amortisation
ForFarmers	A European animal feed producer, listed on Euronext Amsterdam
FF	ForFarmers
FMN	Final Merger Notice
H2S	Hook 2 Sisters Limited

HSE	Health and Safety Executive, the health and safety regulator for the United Kingdom
IEO	Initial enforcement order
ISM	Initial Substantive Meeting
Internal documents	Includes documents in any form which have been prepared by or for, or received by, any member of the Parties' Senior Management (including but not limited to minutes, presentations, reports, Word documents, pdfs, Excel files, studies, internal analysis, analyst reports, customer surveys, electronic documents, or documents stored on proprietary systems, email attachments, and internal and external emails, but excludes information stored on social media accounts like X (formerly Twitter) or Facebook, chats, instant messages, text messages and messaging applications)
kT	Kilo-tonnes
Layer poultry feed	Feed primarily given to egg-laying hens
The Merged Entity	The merged entity including Boparan and the relevant For Farmers UK assets which will be created in the future if the Merger was to proceed
Operational capacity	The total output being produced at a feed mill per year
the Parties	Boparan and For Farmers together
Poultry feed	Both broiler and layer poultry feed
PPL	Pig, Poultry and Leisure
RMS	Relevant Merger Situation
RFI	Request(s) for information
SLC	Substantial lessening of competition
SSNIP	Small but significant non-transitory increase in price
Technical capacity	The theoretical maximum output that can be produced at a feed mill without needing to make any additional investment

the Transaction	The agreement which will create the merged entity
TUPE	The Transfer of Undertakings (Protection of Employment) Regulations 2006
UK	United Kingdom
UIL	Undertaking in lieu of reference