

Anticipated acquisition by Compagnie Des Levures Lesaffre of a majority shareholding of Biorigin S.A.

Decision on relevant merger situation and substantial lessening of competition

ME/2236/25

The Competition and Market Authority's decision on relevant merger situation and substantial lessening of competition under section 33(1) of the Enterprise Act 2002 given on 8 May 2025. Full text of the decision published on 12 June 2025.

The Competition and Markets Authority (**CMA**) has excluded from this published version of the decision information which the CMA considers should be excluded having regard to the three considerations set out in section 244 of the Enterprise Act 2002 (specified information: considerations relevant to disclosure). The omissions are indicated by [X]. Some numbers have been replaced by a range, which are shown in square brackets.

Contents

ASSESSMENT	2
1. PARTIES, MERGER AND MERGER RATIONALE.....	2
2. JURISDICTION.....	2
3. COUNTERFACTUAL	3
4. COMPETITIVE ASSESSMENT	3
4.1 Background and nature of competition.....	3
4.2 Market definition.....	4
4.3 Horizontal unilateral effects in the supply of yeast extract.....	9
4.4 Conclusion on theory of harm 1	19
DECISION	21

ASSESSMENT

PARTIES, MERGER AND MERGER RATIONALE

1. Compagnie Des Levures Lesaffre (**Lesaffre**) will indirectly acquire shares representing 70% of Biorigin S.A.'s (**Biorigin**)¹ total capital stock, which amounts to a controlling interest in Biorigin. The CMA refers to this acquisition as the Merger.² The remaining 30% of Biorigin's capital stock will be retained by Zilor. Biorigin will be operated as a joint venture by Lesaffre and Zilor.³ Lesaffre and Biorigin are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.
2. Lesaffre and Biorigin both supply yeast-based savoury ingredients and animal feed additives.⁴ The turnover of the Lesaffre Group in FY 2023 in was £[<] worldwide and £[<] in the UK,⁵ and the turnover of Biorigin in FY 2023 was £[<] worldwide and £[<] in the UK.⁶
3. The Parties stated that the rationale for the Merger is to allow them to compete more effectively with their competitors, [<], by: (i) combining their capabilities and geographic footprint to enhance their customer offerings; (ii) [<]; and (iii) providing Biorigin [<] investment and know-how to compete [<].⁷ The Parties' internal documents are consistent with this rationale.⁸

JURISDICTION

4. The CMA has jurisdiction to review the Merger because Lesaffre and Biorigin are each enterprises which will cease to be distinct in accordance with section 26 of the Enterprise Act 2002 (the **Act**). Further, the Parties overlap in the supply of yeast extract in the UK with a combined share of supply of [20-30]% by value (with an increment of [5-10]%) in 2024, and Lesaffre's turnover exceeds £10 million in the UK.⁹ As a result, the CMA considers that the share of supply test in section 23 of the Act is met.

¹ Biorigin S.A. (**Biorigin**), is a business unit within Açucareira Quatá S.A. (**Zilor**).

² The Parties informed the CMA that the Merger was also subject to approval by the Administrative Council for Economic Defence (**CADE**) in Brazil, which granted unconditional clearance on 20 December 2024. FMN, paragraph 41.

³ Final Merger Notice submitted to the CMA on 17 March 2025 (**FMN**), paragraph 20.

⁴ FMN, paragraph 18 and 54. This Merger follows Lesaffre's acquisition of certain parts of the yeast extract business of DSM Food Specialities B.V. on 2 October 2024.

⁵ FMN, paragraph 70.

⁶ FMN, paragraph 70.

⁷ FMN, paragraphs 38–40.

⁸ Lesaffre's internal document, Annex 49 to the FMN, [<], November 2023, slide 12 and Zilor's internal document, Annex 22 to the FMN, [<], April 2024, slide 96.

⁹ FMN, table 19, 20 and paragraph 69. See paragraph 4.58 of [Mergers: Guidance on the CMA's jurisdiction and procedure](#) (CMA2), January 2025.

5. The CMA therefore believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation.

COUNTERFACTUAL

6. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual).¹⁰ The CMA generally assesses anticipated mergers against the prevailing conditions of competition. The CMA has not received evidence that the Merger should be assessed against an alternative counterfactual and has adopted the prevailing conditions of competition as the relevant counterfactual.¹¹

COMPETITIVE ASSESSMENT

Background and nature of competition

7. The CMA's investigation has focused on the overlap between the Parties in the supply of yeast extract, a type of savoury ingredient.¹² Savoury ingredients improve the overall taste and flavour of food products and beverage products. Savoury ingredients are typically used to provide food with umami.¹³
8. Suppliers of savoury ingredients typically have multiple savoury ingredients in their overall portfolio. Common savoury ingredients include:
- (a) Yeast-based ingredients like yeast extract, dried inactive yeast (**DIY**), and yeast cell walls (**YCW**). The Parties manufacture and supply all three.¹⁴
 - (b) Hydrolysed vegetable protein (**HVPs**) and hydrolysed animal protein (**HAPs**), which include enzymatic¹⁵ and acid HVPs and HAPs.^{16,17}

¹⁰ [Merger Assessment Guidelines \(CMA129\)](#), March 2021, paragraph 3.1.

¹¹ This is in line with the Parties' submissions. FMN, paragraph 125.

¹² The CMA also considered: (i) an overlap between the Parties in the supply of animal feed additives; and (ii) a vertical relationship between Zilor and the Merged Entity for the supply of cane molasses (a raw material for yeast extract production). On the basis of the evidence gathered, the CMA considered at an early stage in its investigation that there are no plausible competition concerns with respect to either of these areas that would arise as a result of the Merger and they are therefore not discussed further in this decision.

¹³ FMN, paragraph 5.

¹⁴ FMN, paragraph 5(a).

¹⁵ Enzymatic HVPs and HAPs are produced by treating a suitable vegetable protein (eg soy, maize, wheat, rice, peas, tomatoes) or animal protein (eg beef or chicken), respectively, with enzymatic hydrolysis. FMN, paragraph 141.

¹⁶ Acid HVPs and HAPs are similar to enzymatic HVPs/HAPs, except that they are produced using hydrochloric acid. FMN, paragraph 156.

¹⁷ During the information gathering stage, only one customer distinguished between the two types of HVPs and HAPs and explained that neither would be a viable alternative for yeast extract. Therefore, any references to HVPs and HAPs throughout this decision encompass both acid and enzymatic HVPs and HAPs. Note of a call with a third party, March 2025, paragraphs 14–15.

- (c) Natural fermented flavours (such as fermented vegetable sugars (eg derived from corn, wheat, rice, etc) and natural extracts derived from mushrooms, onions, tomatoes, and other plants and vegetables).¹⁸
 - (d) Monosodium glutamate (**MSG**) and nucleotides (such as the inosine monophosphate; and guanosine monophosphate nucleotides).^{19, 20}
9. The key parameters of competition in the supply of yeast extract include price, service levels, product quality, product range, location, sustainability and innovation.²¹

Market definition

10. Market definition involves identifying the most significant competitive alternatives available to customers of the merger parties and includes the sources of competition to the merger parties that are the immediate determinants of the effects of the merger.²²

Product market

Parties' submissions

11. The Parties submitted that the most appropriate product market is the manufacture and supply of savoury ingredients.²³
12. The Parties submitted that there is a high degree of demand-side substitutability across a wide range of savoury ingredients, including those supplied by them because: (i) they share a common ingredient;²⁴ (ii) there are competitive interactions between the different savoury ingredients, which manufacturers market as substitutable;²⁵ and (iii) customers can and do choose from different savoury ingredients depending on their preferred product characteristics.²⁶
13. Further, they submitted that there is supply-side substitutability between savoury ingredients (particularly between different types of yeast-based savoury

¹⁸ These ingredients rely on a fermentation manufacturing process which uses a fermentation wort (a sugary liquid), and substrates made of starches and/or sugars. FMN, paragraphs 145 and 153.

¹⁹ FMN, paragraph 5(b).

²⁰ Nucleotides are primarily obtained through the fermentation of sugars. Similarly, MSG is produced via a fermentation process, using plant-based starches or molasses. FMN, paragraphs 157 and 160.

²¹ Response to the CMA questionnaire from third parties, March and April 2025, question 6. Note of a call with a third party, March 2025, paragraph 4. Note of a call with a third party, March 2025, paragraph 7. Note of a call with a third party, March 2025, paragraph 16. Note of a call with a third party, March 2025, paragraph 13.

²² [CMA129](#), paragraph 9.2.

²³ FMN, paragraph 224.

²⁴ Savoury ingredients share a common ingredient (glutamate which comes from a common source). FMN, paragraph 226.

²⁵ FMN, paragraph 229–230.

²⁶ FMN, paragraph 227–229.

ingredients),²⁷ because suppliers: (i) typically maintain a diverse portfolio (including yeast-based and other savoury ingredients in some cases);²⁸ and (ii) can switch production between different types of yeast-based savoury ingredients, as they follow similar processes based on yeast cells as a starting point.²⁹

CMA's assessment

14. The Parties both supply yeast extract as a savoury ingredient for food applications, which is the narrowest plausible product market and the starting point for the CMA's assessment.
15. On the demand side, the CMA considers that there is limited substitution between yeast extract and other yeast-based ingredients (ie DIY or YCW), and between yeast extract and the other common savoury ingredients (ie HVPs and HAPs; natural fermented flavours/ingredients; and MSG and nucleotides). Many of the Parties' internal documents refer to yeast extract as a standalone market, and benchmark against competitors on that basis, although some documents also analyse yeast extracts alongside other yeast-based based products.³⁰
16. Third-party evidence is consistent with limited demand-side substitutability between yeast extract and other yeast-based ingredients, as well as other savoury ingredients. In particular:
 - (a) All customers stated that it would be difficult or very difficult to switch from using yeast extract to other yeast-based products (ie DIY and YCW).³¹ The reasons given include the introduction of new allergens,³² different flavour tonality,³³ different properties and requirements,³⁴ and different sodium level, taste, enhancement properties and basic flavour.³⁵

²⁷ With the exception of switching from other types of savoury ingredients to yeast-based or fermented products, as fermentation equipment is more capital intensive than hydrolysis processes. FMN, paragraph 234.

²⁸ FMN, paragraph 234.

²⁹ FMN, paragraph 233.

³⁰ Lesaffre's internal documents, Annex 193 to the FMN, [REDACTED], February 2024, slides 9–12; and Annex 330 to the FMN, [REDACTED], January 2025, slides 5–10, 14–15. Zilor's internal documents, Annex 19 to the FMN, [REDACTED], March 2024, slide 165; Annex 20 to the FMN, [REDACTED], March 2024, slide 197, 198 and 202–204; Annex 108 to the FMN, [REDACTED], May 2024, slides 1–4; and Annex 347 to the FMN, [REDACTED], February 2025, pages 8–11.

³¹ Response to the CMA questionnaire from third parties, March and April 2025, question 2. Note of a call with a third party, March 2025, paragraph 10. Note of a call with a third party, March 2025, paragraph 13. Note of a call with a third party, March 2025, paragraph 12. Note of a call with a third party, March 2025, paragraph 7.

³² Note of a call with a third party, March 2025, paragraph 12.

³³ Note of a call with a third party, March 2025, paragraph 7.

³⁴ Note of a call with a third party, March 2025, paragraph 7.

³⁵ Note of a call with a third party, March 2025, paragraphs 8–9.

- (b) Almost all customers who provided a view explained that it would be very difficult to switch from using yeast extract to HVPs or HAPs due to the differing taste profile and ingredient list labelling requirements.³⁶
 - (c) Almost all customers who provided a view stated that it would be difficult or very difficult to switch from using yeast extract to natural fermented flavours/ingredients.³⁷ Their reasoning include changes to the taste profile and declaration,³⁸ and a reformulation of the recipe which would require further testing.³⁹
 - (d) Almost all customers who provided a view explained that it would be difficult or very difficult to switch from using yeast extract to MSG, due again to the differing taste profile and ingredient list labelling requirements.⁴⁰ No customers mentioned nucleotides as a viable alternative to yeast extract.⁴¹
17. The CMA also considered whether it may be appropriate to widen the market on the basis of supply side substitution, noting that some documents analyse yeast extracts alongside other yeast-based based products, and that some competitors noted similarities and/or economic inter-dependencies in the production process for yeast extract and other yeast based savoury ingredients (DIY and YCW).⁴² However, the CMA concluded that widening the market would not have a material impact on its competitive assessment because:
- (a) yeast extracts account for the large majority of the Parties' revenues for yeast-based savoury ingredients;⁴³ and
 - (b) the Parties have very low combined (<5%) shares of supply for YCW, and lower shares of supply for DIY than for yeast extract on any geographic basis

³⁶ Response to the CMA questionnaire from third parties, March and April 2025, question 2. Note of a call with a third party, March 2025: paragraph 12. Note of a call with a third party, March 2025, paragraph 15. Note of a call with a third party, March 2025, paragraph 13.

³⁷ Response to the CMA questionnaire from third parties, March and April 2025, question 2. Note of a call with a third party, March 2025, paragraph 12.

³⁸ Response to the CMA questionnaire from a third party, March 2025, question 2.

³⁹ Response to the CMA questionnaire from a third party, April 2025, question 2. Note of a call from a third party, March 2025, paragraph 12.

⁴⁰ Response to the CMA questionnaire from third parties, March and April 2025, question 2. Note of a call with a third party, March 2025, paragraph 12. Note of a call with a third party, March 2025, paragraph 15. Note of a call with a third party, March 2025, paragraph 13. Note of a call with a third party, March 2025, paragraph 8.

⁴¹ Response to the CMA questionnaire from third parties, March and April 2025, question 2.

⁴² Lesaffre's internal documents, Annex 256 to the FMN, [§<], July 2024, slide 4 and 6; and Annex 155 to the FMN, [§<], September 2023, slides 2 and 15. Note of a call with a third party, March 2025, paragraph 11. Note of a call with a third party, March 2025, paragraph 10.

⁴³ CMA calculations on Annex 384 to the FMN, 'Annex RFI1.8.001_Market Shares – Food', February 2025; and Lesaffre's internal documents, Annex 260 to the FMN, [§<], August 2024, slide 5.

and therefore widening the market would lower the Parties' combined share.^{44,45}

18. The CMA has therefore assessed the effects of the Merger by reference to the supply of yeast extract. However, it was not necessary for the CMA to reach a conclusion on the precise product market definition as no competition concerns arise on any plausible basis.

Geographic market

Parties' submissions

19. The Parties submitted that the most appropriate geographical market is global, because competition for savoury ingredients occurs on a worldwide basis, given: (i) significant cross-border trade flows; (ii) relative homogeneity in prices across borders; (iii) relatively limited transport costs; (iv) the presence of large, multinational customers with global demand; and that (v) savoury ingredients are not specific to any culinary culture, so they can be standardised and promoted globally.⁴⁶
20. The Parties further noted that while regional warehousing and sales teams can enhance a suppliers' presence in a region, the main suppliers are active globally, including in the UK. For instance, Biorigin has a distribution centre in the US and a warehouse in Brazil, but very limited presence in Europe (an office and a warehouse in Belgium) and replicating its European supply presence does not require regional production facilities.⁴⁷

CMA's assessment

21. The CMA notes that very few suppliers have UK-based yeast extract production facilities,⁴⁸ with most suppliers servicing customers globally from production facilities in a small number of countries. Neither Lesaffre nor Biorigin produce yeast extract in the UK, with Biorigin's only production facilities located in Brazil.^{49, i} Similarly, Angel Yeast's production facilities are based outside of Europe.⁵⁰

⁴⁴ FMN, paragraph 261(b) and (c) and CMA calculations on Annex 384 to the FMN, 'Annex RF11.8.001_Market Shares – Food', February 2025.

⁴⁵ The CMA also notes that the Parties' shares of supply consistently decrease as further savoury ingredients such as HAPs, HVPs and MSG are included, implying that the Parties share of supply for these products is lower than for yeast extracts. CMA calculations on Annex 384 to the FMN, 'Annex RF11.8.001_Market Shares – Food', February 2025.

⁴⁶ FMN, paragraphs 239–243.

⁴⁷ FMN, paragraph 241.

⁴⁸ One example is Kerry Group Plc (**Kerry**), a yeast extract supplier with a production facility in Menstrie, Scotland for global supply. See '[Kerry Group - Taste & Nutrition Ingredients and Science](#)', last accessed by the CMA on 6 May 2025.

⁴⁹ FMN, paragraphs 284–285. Lesaffre's production facilities are based in [§<]. Biorigin's production facilities are located in Brazil.

⁵⁰ See '[About Angel | Global Networks](#)', last accessed by the CMA on 29 April 2025. Angel has factories in China, Egypt and Russia, from which it supplies over 170 countries.

22. Evidence from the Parties' internal documents broadly supports a global geographic market. In many of the Parties' internal documents, the yeast extract market is analysed, and the Parties' competitors are benchmarked, on a global basis.⁵¹ The CMA also received third-party evidence which shows the Parties face competition from a range of global suppliers regardless of their location.⁵²
23. However, the CMA has also received evidence which suggests that factors such as the location of a supplier's production plant and the yeast extract's country of origin may contribute to the strength of a supplier in a particular country or region, for some customers.⁵³
24. The CMA has therefore assessed the effects of the Merger on the supply of yeast extract globally but has considered the strengths of different suppliers in particular regions as part of its competitive assessment. The CMA notes in any case that a narrower geographic market definition (eg UK or EEA and UK) would not impact the outcome of its competitive assessment, particularly given the presence of a number of competitors with a relatively stronger position in the UK and Europe (eg ABF/Ohly and Kerry).⁵⁴

Conclusion on market definition

25. The CMA has assessed the impact of this Merger on the supply of yeast extract globally, taking into account regional dynamics in its competitive assessment where relevant. However, it is not necessary for the CMA to reach a conclusion on the precise market definition as no competition concerns arise on any plausible basis.

⁵¹ See, for example Lesaffre internal documents, Annex 260 to the FMN, [3<], August 2024, slide 7; Annex 330 to the FMN, [3<], January 2025, slide 8; Annex 145 to the FMN, [3<], June 2023, slide 4; Annex 44 to the FMN, [3<], October 2023, slide 11; and Zilor's internal documents, Annex 106 to the FMN, [3<], September 2024, slide 197; Annex 360 to the FMN, [3<], 2023, slide 3.

⁵² A competitor explained that customers are looking for a good taste, meaning there is a global market from the consumer and supplier/producer perspective (Note of a call with a third party, March 2025, paragraph 15). This was echoed by another competitor, who explained that its business activities mostly derive from customers' requirements; and that there are no differences in how it conducts its business activities in the UK versus globally (Note of a call with a third party, March 2025, paragraph 4). Nearly half of the customers who had a view confirmed that location is not an important factor in deciding which supplier to purchase yeast extract from (Response to the CMA questionnaire from third parties, March and April 2025, question 6). Finally, the CMA also received evidence from a number of customers that they procure yeast extract globally (Response to the CMA questionnaire from a third party, March 2025, question 6; Note of a call with a third party, March 2025, paragraphs 5 and 8; Note of a call with a third party, March 2025, paragraph 14).

⁵³ Nearly half of customers who had a view submitted that location-specific factors are an important factor in deciding which supplier to purchase yeast extract from. Response to the CMA questionnaire from third parties, March and April 2025, question 6. Response to CMA follow-up queries on the questionnaire from a third party, April 2025. One further customer stated that it procures ingredients both regionally and globally, assessing the functionality of the product and 'not whether the supplier is based locally or globally', though it did also explain that location can affect a customer's purchasing decisions, given differences in taxes and country-of-origin labelling requirements (Note of a call with a third party, March 2025, paragraphs 14 and 17).

⁵⁴ See paragraphs 49, 50 and 61 below.

Horizontal unilateral effects in the supply of yeast extract

26. The CMA has assessed whether it is or may be the case that the Merger has resulted, or may be expected to result, in an SLC as a result of horizontal unilateral effects in the supply of yeast extract.

Shares of supply

27. The Parties estimated that Lesaffre and Angel Yeast were the two largest suppliers of yeast extract globally in 2024 (with a [20-30]% and [40-50]% share by value, respectively), followed by Biorigin ([5-10]%) and then a number of slightly smaller players including ABF/Ohly, Mitsubishi, Kerry and Lallemand.⁵⁵ Over 2022 to 2024, the Parties' estimated that their combined share of supply fell by around [3<] percentage points whereas Angel Yeast's share of supply rose by [3<] percentage points.⁵⁶
28. The Parties estimated these shares by applying a methodology that combined various data sources and involved several assumptions.⁵⁷
29. The CMA requested revenues directly from competitors to construct its own share of supply estimates, set out in Table 1 below. Where such data was unavailable and for the Parties' revenues, the CMA relied on the Parties' estimates.

Table 1: Hybrid estimates for share of supply for yeast extract globally, 2024

Supplier	Share (2024)
Lesaffre	[30-40]%
Biorigin	[5-10]%
Combined	[40-50]%
Angel Yeast	[20-30]%
Lallemand	[0-5]%
ABF/Ohly	[5-10]%
Kerry	[0-5]%
Mitsubishi/ Kohjin	[0-5]%
Levapan	[0-5]%
Leiber	[0-5]%
Others	[5-10]%

Source: Parties' analysis of third-party reports' estimates of segment sizes and internal data, with support from CRA, FMN Table 7, Response to the CMA questionnaire from third parties, March 2025, question 2

30. Table 1 shows that the Parties would hold a combined global share of supply of [40-50]% after the Merger, with an [5-10]% increment. Angel Yeast would be a strong second player with a share of supply of [20-30]%, while ABF/Ohly would be the third-largest supplier at [5-10]% share of supply and other competitors would hold shares of supply of [0-5]% or less.

⁵⁵ FMN, paragraph 268 and table 7.

⁵⁶ FMN, paragraph 268 and table 7.

⁵⁷ Parties' submission, Annex 364 to the FMN, [3<], January 2025, pages 1–4. Specifically, the methodology assumes that all suppliers [3<]. Deviations from these assumptions would lead to the methodology over- or underestimating shares of supply.

31. While there are some notable differences between these estimates and those provided by the Parties, the CMA notes that both ultimately indicate that the Merged Entity would face constraints from one large, alongside several medium and smaller (accounting for [20-30]% of the total market), competitors supplying yeast extracts as savoury ingredients globally.
32. While shares of supply may be a useful starting point when assessing closeness of competition, in this case, the CMA considers that they provide only a partial indication of a supplier's competitive strength and positioning because:
- (a) there is evidence of some differentiation between specific yeast extract products.⁵⁸ Where this is the case, shares of supply may not provide evidence on the closest alternatives available to the merger firms' customers, as these may be different from the products that achieve the greatest sales across a wider body of customers.⁵⁹
 - (b) Some customers regarded location of the production plant as an important purchasing criterion,⁶⁰ which impacts the effective strength of competitive constraints and the range of choices for customers in some situations, as there are some differences in competitors' regional presence⁶¹ — and this is equally true of the strength of the pre-Merger constraint the Parties pose on each other, with Biorigin posing a stronger constraint on Lesaffre in North and Latin America (the **Americas**) than the rest of the world;⁶² and
 - (c) the differences between the Parties' estimates for competitors' shares of supply and competitors' responses cast uncertainty on how robust the estimates are for competitors that did not respond to the CMA's questionnaire.

Closeness of competition

33. The Parties submitted that they are not particularly close competitors because their offerings are complementary as they differ in their geographic focus, sales channel and customer profile, and the Merger will broaden the Merged Entity's savoury ingredients offerings to their customers.⁶³
34. The CMA considered the Parties' internal documents and third-party evidence to assess how closely they compete.

⁵⁸ Note of a call with a third party, March 2025, paragraph 12 and 21. Note of a call with a third party, March 2025, paragraph 4, 7 and 9. Note of a call with a third party, March 2025, paragraph 8 and 9.

⁵⁹ [CMA129](#), paragraph 4.15.

⁶⁰ See paragraph 23.

⁶¹ See paragraph 38.

⁶² Lesaffre's internal document, Annex 260 to the FMN, [§<], August 2024, slides 7,9 and 12. Note of a call with a third party, March 2025, paragraph 22. Note of a call with a third party, March 2025, paragraph 14.

⁶³ FMN, paragraph 301(b).

35. Biorigin's internal documents indicate that it regularly monitors Lesaffre as an important competitor alongside others such as Angel Yeast, Lallemand and ABF/Ohly (as explained in the competitive constraints section below), and it considers Lesaffre to have a strong position in the market. For instance, a 2023 Zilor presentation to its board of directors classified Lesaffre as a 'key player' in yeast extract,⁶⁴ whilst a third-party report from 2024 commissioned by Zilor states that [X].⁶⁵ Further, in a 2024 portfolio analysis, Biorigin [X].⁶⁶
36. Lesaffre's documents monitor a number of competitors (as explained in the Competitive constraints section below) and generally mention Biorigin as one competitor among several, but not as a primary constraint on Lesaffre. For instance, an analysis of [X].⁶⁷ This contrasts with other competitors which are sometimes monitored in greater detail. For example, a Lesaffre internal document prepared for its executive committee [X] (but there is no mention of Biorigin) (see paragraph 50 below).⁶⁸
37. Another internal document, which includes Lesaffre's [X] assessment of competition shows that Lesaffre views Biorigin as a decreasing constraint over time globally, [X]. The same document also attributes Biorigin's reducing share to [X].⁶⁹ This document also shows that Lesaffre views Biorigin [X].⁷⁰
38. Evidence from third parties also shows that the Parties are not particularly close competitors, albeit this evidence is more mixed, particularly because some customers only purchase from one of the Parties and were unable to rank the other, limiting the number of responses overall. In particular:
 - (a) Half of the customers who responded to the CMA identified Biorigin as an alternative to Lesaffre, and of those, half identified it as a moderately effective and half as a very effective alternative to Lesaffre.⁷¹ The remaining customers did not identify nor rate Biorigin as an alternative, although one of these customers stated more generally that it considered Biorigin as very effective, but only in Latin America.⁷²
 - (b) A majority of customers identified Lesaffre as an alternative to Biorigin, and of those, the majority identified Lesaffre as a slightly or moderately effective alternative and a minority as a very effective or as a fully effective alternative

⁶⁴ Zilor's internal document, Annex 335 to the FMN, [X], August 2024, page 23.

⁶⁵ Zilor's internal document, Annex 110 to the FMN, [X], 2024, slides 83 and 85.

⁶⁶ Zilor's internal document, Annex 108 to the FMN, [X], May 2024, slides 1–4.

⁶⁷ Lesaffre's internal document, Annex 256 to the FMN, [X], July 2024, slide 6.

⁶⁸ Lesaffre's internal document, Annex 155 to the FMN, [X], September 2023, slides 1–25. The same set of competitors are also monitored in other strategy documents, eg: Lesaffre's internal document, Annex 204 to the FMN, [X], March 2024, slide 34.

⁶⁹ Lesaffre's internal document, Annex 260 to the FMN, [X], August 2024, slides 7–12.

⁷⁰ Lesaffre's internal documents, Annex 260 to the FMN, [X], August 2024, slides 7–12; Annex 155 to the FMN, [X], September 2023, slides 1–25.

⁷¹ Response to the CMA questionnaire from third parties, March 2025, question 7.

⁷² Response to CMA follow-up queries on the questionnaire from a third party, April 2025.

to Biorigin.⁷³ The remaining customers did not identify or rate Lesaffre as an alternative to Biorigin.

- (c) A number of customers also explained that even if they purchase from Biorigin, their purchases in the UK or Europe tend to be more limited or that they generally consider Biorigin to be a more regional player.⁷⁴
- (d) The majority of the competitors who responded considered Biorigin to be a strong or very strong alternative to Lesaffre,⁷⁵ whilst a minority rated it as a weak alternative;⁷⁶ and all competitors that replied unambiguously to this question considered Lesaffre to be a very strong alternative to Biorigin.⁷⁷ Notably, one competitor explained that it regarded Biorigin as a strong competitor in the USA⁷⁸ and another stated that it considered Biorigin to have a limited global reach and portfolio innovation.⁷⁹

39. On the basis of the above, the CMA considers that although the Parties compete in the supply of yeast extracts globally, they are not each other's closest competitors, with a degree of differentiation in their geographic strengths somewhat limiting the constraint from Biorigin in the UK and Europe. As the markets stand today, there will remain a number of credible alternative constraints post-Merger, as described in the section below.

Competitive constraints

- 40. The Parties submitted that they face strong competition from key players in the market, including established players such as Kerry and Lallemand, and the newer entrant Angel Yeast, which has grown significantly in strength.⁸⁰
- 41. The CMA considered the Parties' internal documents and third-party evidence to assess if sufficient constraints will remain post-Merger. In particular, the CMA has assessed the following suppliers in greater detail: Angel Yeast, ABF/Ohly, Lallemand, and Kerry.

⁷³ Response to the CMA questionnaire from third parties, March 2025, questions 8.

⁷⁴ One customer explained that the majority of its purchases from Biorigin is used for its North America product offering, with only a small amount used for its European products (Note of a call with a third party, March 2025, paragraph 10). Another customer explained that Biorigin has a smaller presence than in the UK than Lesaffre and Angel Yeast and that it does not make large purchases of speciality products from Biorigin in the UK (Note of a call with a third party, March 2025, paragraph 22). A third customer explained that it considers Biorigin to be a 'local supplier mostly servicing Latin American markets due to transportation costs' and that it does not consider the Parties to be competing closely, with Lesaffre facing greater competition from 'global suppliers like Angel Yeast and Ohly' (Note of a call with a third party, March 2025, paragraphs 13(a) and (14)).

⁷⁵ Response to the CMA questionnaire from third parties, March 2025, question 6.

⁷⁶ Response to the CMA questionnaire from third parties, March 2025, question 6.

⁷⁷ Response to the CMA questionnaire from third parties, March 2025, question 7. One competitor provided two conflicting ratings for Lesaffre, notwithstanding clarificatory questions from the CMA.

⁷⁸ Note of a call with a third party, March 2025, paragraph 14.

⁷⁹ Response to the CMA questionnaire from third parties, March 2025, question 6. This competitor stated that Biorigin is a producer in Brazil, with proximity to the US, but a limited global reach and portfolio innovation.

⁸⁰ FMN, paragraph 301.

Angel Yeast

42. The Parties submitted that Angel Yeast is the leading global producer of savoury ingredients, as well as yeast extract specifically, and it is headquartered in China. The Parties submitted that Angel Yeast serves global customers and has, with subsidies from the Chinese government, aggressively grown its global market share, through the use of its strategic manufacturing locations currently in China, Egypt and Russia, which benefit from lower production costs.⁸¹
43. The CMA estimated that Angel Yeast has a global share of supply of yeast extract of [20-30]% (see Table 1). Further, Angel Yeast has grown fast and significantly since 2021, according to third-party evidence and the Parties' internal documents.⁸² Lesaffre's internal documents (produced [REDACTED] to analyse the competitive landscape) show that Angel Yeast has a notable presence in all regions, but its share of supply is lower in [REDACTED] and slightly lower in [REDACTED], while being higher in [REDACTED].⁸³
44. The Parties' internal documents also recognise Angel Yeast [REDACTED] one of the largest companies in the supply of yeast extract, with references to its [REDACTED], its increasing global market share in yeast-based savoury ingredients, and its global geographic growth.⁸⁴ Additionally, the CMA has seen [REDACTED],⁸⁵ and a Biorigin board document [REDACTED].⁸⁶
45. Third-party evidence also shows that Angel Yeast is a strong constraint on both Parties:
- (a) The majority of customers identified Angel Yeast as an alternative to Lesaffre, with a majority of these rating it as fully effective or very effective,⁸⁷ and the remainder as a moderately or slightly effective alternative.⁸⁸ Only a small number of customers did not identify or rate Angel Yeast as an alternative to Lesaffre's yeast extract products.⁸⁹

⁸¹ FMN, paragraphs 38 and 302(a).

⁸² Response to the CMA questionnaire from a third party, March 2025, question 2. See Lesaffre's pre-Merger internal documents, Annex 44 to the FMN [REDACTED], October 2023, slide 11; and Annex 155 to the FMN, [REDACTED], September 2023, slides 2-3. See also Lesaffre's internal document Annex 192 to the FMN, [REDACTED], February 2024, slide 2; and Annex 260 to the FMN, [REDACTED], August 2024, slides 7-8; Annex 183 to the FMN, [REDACTED], January 2024, slide 9.

⁸³ See Lesaffre's pre-Merger internal document, Annex 145 to the FMN, [REDACTED], June 2023, slides 4, 6, 8, and 10. See also Lesaffre's internal document, Annex 260 to the FMN, [REDACTED], August 2024, slides 7-12.

⁸⁴ See the pre-Merger Documents cited at footnotes 82 and 83. See also Lesaffre's internal document, Annex 330 to the FMN, [REDACTED], January 2025, slides 5 and 8; Annex 256 to the FMN, [REDACTED], July 2024, slide 6; and Annex 268 to the FMN, [REDACTED], September 2024, pages 16 and 21-23. Zilor's internal document, Annex 110 to the FMN, [REDACTED], 2024, slide 18; and Annex 30 to the FMN, [REDACTED], 29 May 2024, slide 6.

⁸⁵ Lesaffre's internal document [REDACTED], Annex 244 to the FMN, [REDACTED], May 2024, slides 1-14 and 27-86.

⁸⁶ Zilor's internal document, Annex 19 to the FMN, [REDACTED], March 2024, slide 165. While this document was prepared for the purposes of seeking board approval for the Merger, the CMA notes that it is consistent with other evidence cited above.

⁸⁷ Response to the CMA questionnaire from third parties, March 2025, question 7.

⁸⁸ Response to the CMA questionnaire from third parties, March 2025, question 7.

⁸⁹ Response to the CMA questionnaire from third parties, March 2025, question 7.

- (b) Similarly, almost all customers identified Angel Yeast as an alternative to Biorigin, with a majority of these rating it as a fully effective, very effective or moderately effective alternative.⁹⁰ Only a small number did not identify Angel Yeast or rated them as an ineffective alternative.⁹¹
 - (c) Additionally, all competitors that responded regarded Angel Yeast as a strong or very strong alternative to Lesaffre and a moderately strong, strong or very strong alternative to Biorigin.⁹²
 - (d) The CMA notes that while a minority of customers stated that Angel Yeast's Chinese ownership and origin of products could affect supply security or suitability for some of their own customers' requirements,⁹³ most of these customers still rated Angel Yeast as a moderately effective or better alternative to the Parties' offerings.⁹⁴
46. Additionally, the CMA has received evidence that shows that Angel Yeast has spare production capacity and has made significant investments to increase its production capacity in recent years, which has placed additional pressure on both Parties.⁹⁵
47. Therefore, based on the evidence above, the CMA considers that Angel Yeast exercises a strong constraint on the Parties, and will continue to do so post-Merger.

ABF/Ohly

48. The Parties submitted that ABF/Ohly is a UK-listed diversified group, with businesses across retail, grocery, ingredients, sugar and agriculture. Ohly (its ingredients business) is one of the leading global suppliers of yeast-based ingredients and culinary powders. It has production facilities in Germany and the USA, as well as a global network of distributors to service its customer base.⁹⁶
49. The CMA estimated that ABF/Ohly has a global share of supply of yeast extract of [5-10]% (see Table 1). The Parties' internal documents show that ABF/Ohly [redacted].⁹⁷

⁹⁰ Response to the CMA questionnaire from third parties, March 2025, question 8.

⁹¹ Response to the CMA questionnaire from third parties, March 2025, question 8.

⁹² Response to the CMA questionnaire from third parties, March 2025, questions 6 and 7.

⁹³ Response to the CMA questionnaire from third parties, March 2025, question 8.

⁹⁴ Response to the CMA questionnaire from third parties, March 2025, question 8.

⁹⁵ Response to the CMA questionnaire from a third party, March 2025, question 3. Lesaffre's internal document, Annex 192 to the FMN, [redacted], February 2024, slide 2. Zilor's internal document, Annex 30 to the FMN, [redacted], 29 May 2024, slide 6. Note of a call with a third party, March 2025, paragraph 20.

⁹⁶ FMN, paragraph 302(h).

⁹⁷ Lesaffre's internal document, Annex 260 to the FMN, [redacted], August 2024, slides 7–12. See also, Zilor's internal document, Annex 333 to the FMN, [redacted], July 2024, slide 17.

50. The Parties' internal documents consistently recognise ABF/Ohly as a competitor in the yeast extract market, with references to [REDACTED].⁹⁸ ABF/Ohly is generally discussed [REDACTED], although some documents recognise [REDACTED].⁹⁹ Further, a Lesaffre executive committee overview of its competitors from September 2023 [REDACTED] (but not Biorigin).¹⁰⁰
51. Third parties also frequently identified ABF/Ohly as a constraint on both parties:
- (a) The majority of customers who responded rated ABF/Ohly as an alternative to Lesaffre, with almost all of these rating it as a very effective or moderately effective alternative,¹⁰¹ and one rating it as a slightly effective alternative.¹⁰² A small number of customers did not identify ABF/Ohly as an alternative to Lesaffre or rated them as an ineffective alternative.¹⁰³
 - (b) Similarly, the majority of customers who responded identified ABF/Ohly as an alternative to Biorigin, and of those that provided a rating, half rated it as moderately effective,¹⁰⁴ with others rating it as very effective and slightly effective.¹⁰⁵ Only a small number of customers did not identify or rate ABF/Ohly as an alternative to Biorigin's yeast extract products.¹⁰⁶
 - (c) Additionally, the majority of competitors considered ABF/Ohly to be a moderately strong alternative to Lesaffre,¹⁰⁷ with a minority indicating that it is a strong alternative.¹⁰⁸ Half considered ABF/Ohly to be a moderately strong or strong alternative to Biorigin,¹⁰⁹ with the remainder rating it as a weak alternative.¹¹⁰
52. Therefore, based on the evidence above, the CMA considers that ABF/Ohly exercises a moderate constraint on the Parties, and will continue to do so post-Merger.

⁹⁸ Lesaffre's internal documents, Annex 330 to the FMN, [REDACTED], January 2025, slide 8; Annex 256 to the FMN, [REDACTED], July 2024, slide 6; Annex 326 to the FMN, [REDACTED], January 2025, page 4; and Annex 307 to the FMN, [REDACTED], December 2024, slide 48. Zilor's internal documents, Annex 337 to the FMN, [REDACTED], February 2025, slides 10–17; and Annex 333 to the FMN, [REDACTED], July 2024, slides 17, 23 and 26.

⁹⁹ Lesaffre's internal document, Annex 204 to the FMN, [REDACTED], March 2024, slide 34.

¹⁰⁰ Lesaffre's internal document, Annex 155 to the FMN, [REDACTED], September 2023, slides 21–25. [REDACTED] This same competitor set is referred to in other strategy documents too, eg Lesaffre's internal document, Annex 204 to the FMN, [REDACTED], March 2024, slide 34.

¹⁰¹ Response to the CMA questionnaire from third parties, March 2025, question 7.

¹⁰² Response to the CMA questionnaire from third parties, March 2025, question 7.

¹⁰³ Response to the CMA questionnaire from third parties, March 2025, question 7.

¹⁰⁴ Response to the CMA questionnaire from third parties, March 2025, question 8.

¹⁰⁵ Response to the CMA questionnaire from third parties, March 2025, question 8.

¹⁰⁶ Response to the CMA questionnaire from third parties, March 2025, question 8.

¹⁰⁷ Response to the CMA questionnaire from third parties, March 2025, question 6. Response to the CMA questionnaire from third parties, March 2025, question 6.

¹⁰⁸ Response to the CMA questionnaire from a third party, March 2025, question 6.

¹⁰⁹ Response to the CMA questionnaire from third parties, March 2025, question 7.

¹¹⁰ Response to the CMA questionnaire from third parties, March 2025, question 7. Note of a call with a third party, March 2025, paragraph 17. Note of a call with a third party, March 2025, paragraph 14.

Lallemand

53. The Parties submitted that Lallemand is a global company headquartered in Canada that specialises in the development, production, and marketing of microorganisms (yeast, bacteria, fungi) and their derivatives. Within its savoury ingredients' portfolio, Lallemand offers a complete range of natural yeast-based products including yeast extract, with dedicated facilities in six countries (including one in the UK), together with a global distribution network.¹¹¹
54. The CMA estimated that Lallemand has a global share of supply of yeast extract of [0-5]% (see Table 1). The Parties' internal documents show that Lallemand [redacted].¹¹²
55. The Parties' internal documents recognise Lallemand as a competitor in the yeast extract market, with references to [redacted].¹¹³ Further, a Lesaffre executive committee overview of its competitors from September 2023 [redacted] (but not Biorigin).¹¹⁴
56. The majority of customers rated Lallemand as an alternative to Lesaffre, with the majority of these rating it as moderately effective or very effective,¹¹⁵ and a minority as slightly effective.¹¹⁶ A minority of customers did not identify Lallemand as an alternative to Lesaffre or rated Lallemand as an ineffective alternative.¹¹⁷
57. Similarly, under half of customers rated Lallemand as an alternative to Biorigin, with the majority rating it as moderately effective and the rest as slightly effective.¹¹⁸ The remainder of customers did not identify Lallemand as an alternative to Biorigin or rated it as an ineffective alternative.¹¹⁹
58. All competitors considered Lallemand to be at least a moderately strong alternative to Lesaffre, and the majority considered it to be at least a moderately strong alternative to Biorigin.¹²⁰
59. Therefore, based on the evidence above, the CMA considers that Lallemand exercises some constraint on the Parties, and will continue to do so post-Merger.

¹¹¹ FMN, paragraph 302(I).

¹¹² Lesaffre's internal documents, Annex 260 to the FMN, [redacted], July 2024, slides 7–12; Annex 193 to the FMN, [redacted], February 2024, slide 10; 232 to the FMN, [redacted], May 2024, slide 7; Annex 307 to the FMN, [redacted], December 2024, slide 48; and Annex 204 to the FMN, [redacted], March 2024, slide 34.

¹¹³ Lesaffre's internal documents, Annex 330 to the FMN, [redacted], January 2025, slide 8; and Annex 256 to the FMN, [redacted], July 2024, slide 6. Zilor's internal document, Annex 333 to the FMN, [redacted] February 2023, slides 17, 23 and 26; and Annex 337 to the FMN, [redacted], February 2025, slide 2–5.

¹¹⁴ Lesaffre's internal document, Annex 155 to the FMN, [redacted], September 2023, slides 14–20. [redacted] This same competitor set is referred to in other strategy documents too, eg Lesaffre's internal document, Annex 204 to the FMN, [redacted], March 2024, slide 34, [redacted].

¹¹⁵ Response to the CMA questionnaire from third parties, March 2025, question 7.

¹¹⁶ Response to the CMA questionnaire from a third party, March 2025, question 7.

¹¹⁷ Response to the CMA questionnaire from third parties, March 2025, question 7.

¹¹⁸ Response to the CMA questionnaire from third parties, March 2025, question 8.

¹¹⁹ Response to the CMA questionnaire from third parties, March 2025, question 8.

¹²⁰ Response to the CMA questionnaire from third parties, March 2025, questions 6 and 7.

Kerry

60. The Parties submitted that Kerry is an Ireland-based company with a significant global footprint and major player in the UK food and beverage industry. The Parties submitted that while Kerry has for many years played the dual role of customer and competitor, it has recently strategically repositioned itself as a competitor.¹²¹
61. The CMA estimated that Kerry has a global share of supply of yeast extract of [0-5]% (see Table 1). The Parties' internal documents note that Kerry [X<].¹²² The Parties also estimated that Kerry has an UK share of supply of yeast extract of [20-30]%.¹²³
62. While the Parties' internal documents [X<] where Kerry is discussed, it is generally included with other key players in the yeast extract market.¹²⁴
63. A minority of customers identified or rated Kerry as an alternative to Lesaffre, and of those who provided a view, the majority rated it as moderately effective and a minority as slightly effective.¹²⁵
64. On the other hand, half of customers identified or rated Kerry as an alternative to Biorigin, and of those who provided a view, half rated it as slightly effective and the other half rated it as moderately effective.¹²⁶ The remaining customers did not identify Kerry as an alternative to Biorigin or rated it as an ineffective alternative.¹²⁷
65. Further, half of the competitors listed Kerry as an at least moderately strong alternative to both Lesaffre and Biorigin.¹²⁸
66. Therefore, based on the evidence above, the CMA considers that Kerry exercises some constraint on the Parties, and will continue to do so post-Merger.

Other suppliers

67. The Parties submitted that they also face robust competition from Sensient, Leiber, Carbery/Synergy¹²⁹ and from a number of smaller players such as Enzym, Biolev/Levapan and Kohjin/Mitsubishi.¹³⁰

¹²¹ FMN, paragraph 302(e).

¹²² Lesaffre's internal document, Annex 260 to the FMN, [X<], July 2024, slides 7–12.

¹²³ FMN, table 19.

¹²⁴ Lesaffre's internal document, Annex 221 to the FMN, [X<], March 2024, slide 1. Zilor's internal document, Annex 333 to the FMN, [X<] February 2023, slide 12.

¹²⁵ Response to the CMA questionnaire from third parties, March 2025, question 7.

¹²⁶ Response to the CMA questionnaire from third parties, March 2025, question 8.

¹²⁷ Response to the CMA questionnaire from third parties, March 2025, question 8.

¹²⁸ Response to the CMA questionnaire from third parties, March 2025, questions 6 and 7.

¹²⁹ FMN, paragraph 302.

¹³⁰ FMN, paragraph 303.

68. The Parties estimated that these suppliers have a combined global share of supply of yeast extract of [10-20]%¹³¹ which is broadly consistent with the CMA's own estimate of [10-20]% for other suppliers (see Table 1).
69. The Parties' internal documents identified these suppliers as competitors, though they are generally presented as smaller or more regional players.¹³² For example, [X].¹³³
70. Both customers and suppliers also identified several other alternatives to the Parties, although these were often only mentioned by a limited number of third parties. Suppliers listed include Leiber,¹³⁴ Sensient,¹³⁵ Levapan,¹³⁶ Enzym,^{137,138} AB Mauri,¹³⁹ Titan Biotech,¹⁴⁰ Del Val,¹⁴¹ and Spices and More.¹⁴²
71. The Parties also submitted that new entrants do not face material, technical or regulatory barriers to entry. In particular, the Parties submitted that irrespective of the Merger, participants in the savoury ingredients market and the yeast extract market would continue to expand their capacity and improve their capabilities to meet increasing demand.¹⁴³
72. The CMA notes that there is some evidence indicating that entry into the yeast extract market would require significant capital investments and time, particularly for potential entrants coming from distant markets without expertise in fermentation.¹⁴⁴ However, a number of customers explained that they would be willing to purchase yeast extract from new entrants, provided that they meet the set/pre-existing requirements, with one customer explaining that it has supported

¹³¹ FMN, table 7.

¹³² Lesaffre's internal documents, Annex 330 to the FMN, [X], January 2025, slide 8; and Annex 256 to the FMN, [X], July 2024, slide 6. Zilor's internal document, Annex 335 to the FMN, [X], August 2024, page 22.

¹³³ Lesaffre's internal documents, Annex 260 to the FMN, [X], July 2024, slides 7–12; and Annex 193 to the FMN, [X], February 2024, slides 10–12.

¹³⁴ Response to the CMA questionnaire from third parties, March 2025, questions 7 and 8. Response to the CMA questionnaire from third parties, March 2025, question 6.

¹³⁵ Response to the CMA questionnaire from third parties, March 2025, questions 7 and 8.

¹³⁶ Response to the CMA questionnaire from third parties, March 2025, questions 7 and 8. Response to the CMA questionnaire from a third party, March 2025, question 6. Response to the CMA questionnaire by a third party, March 2025, question 7.

¹³⁷ Response to the CMA questionnaire from a third party, March 2025, question 8. Response to the CMA questionnaire from a third party, March 2025, questions 6 and 7.

¹³⁸ Lesaffre's internal documents and third-party evidence show that Enzym is an example of a player who recently moved from an adjacent market to the supply of yeast extract, albeit with limited success so far (see Table 1). Lesaffre's internal document, Annex 168 to the FMN, [X], October 2023, slide 11; Annex 193 to the FMN, [X], February 2024, slide 57; and Annex 137 to the FMN, [X], April 2023, slide 25. Note of a call with a third party, March 2025, paragraph 18.

¹³⁹ Response to the CMA questionnaire from a third party, April 2025, questions 7 and 8.

¹⁴⁰ Response to the CMA questionnaire from a third party, April 2025, questions 7 and 8.

¹⁴¹ Response to the CMA questionnaire from a third party, April 2025, question 8.

¹⁴² Note of a call with a third party, March 2025, paragraph 18.

¹⁴³ FMN, paragraph 376 and 364.

¹⁴⁴ Response to the CMA questionnaire from third parties, March 2025, question 8. Note of a call with a third party, March 2025, paragraphs 18 and 19. Note of a call with a third party, March 2025, paragraph 19.

new suppliers in responses to price increases in the past.¹⁴⁵ A number of customers also indicated that they already multi-source from a range of suppliers,¹⁴⁶ which would therefore position them well to switch suppliers should they need to do so.

73. Taken in the round, the CMA considers that this long tail of suppliers does and will continue to exercise post-Merger some, albeit a more limited, constraint on the Parties.

Conclusion on theory of harm 1

74. For the reasons set out above, the CMA considers that while the Parties compete in the supply of yeast extract globally, they are not particularly close competitors, with a degree of geographic differentiation between them. A range of competitors will also continue to constrain the Merged Entity globally. In particular, Angel Yeast was consistently identified in the Parties' documents and by third parties as a strong and growing competitor to the Merged Entity, while ABF/Ohly was seen as providing a moderate constraint, with a stronger presence in Europe. Additionally, Lallemand and Kerry will also pose some constraint on the Merged Entity (with the latter focusing on the UK and Ireland), alongside a large long-tail of suppliers posing a more limited constraint.
75. Additionally, the CMA notes that the majority of customers did not raise concerns regarding the impact of the Merger on the supply of yeast extract globally.¹⁴⁷ One customer noted the general consolidation in this sector, including Lesaffre's 2024 acquisition of DSM Firmenich's yeast extract business, but did not raise concerns about the impact of this Merger.¹⁴⁸ Only a small number of customers noted some concerns such as increased prices,¹⁴⁹ a smaller portfolio and changes to the country of origin.¹⁵⁰ However, these customers also listed a number of alternative suppliers to the Parties,¹⁵¹ which is consistent with the evidence received by the

¹⁴⁵ Note of a call with a third party, March 2025, paragraph 24. Note of a call with a third party, March 2025, paragraph 15. Note of a call with a third party, March 2025, paragraph 20. Note of a call with a third party, March 2025, paragraphs 25 and 29. This customer specifically stated that it has retaliated to price increased in the past by supporting new suppliers and would have the ability to do so post-Merger.

¹⁴⁶ Note of a call with a third party, March 2025, paragraphs 19 and 27. Note of a call with a third party, March 2025, paragraph 2. Response to the CMA questionnaire from a third party, March 2025, question 2.

¹⁴⁷ Response to the CMA questionnaire from third parties, March 2025, question 10. Note of a call with a third party, March 2025, paragraph 27. Note of a call with a third party, March 2025, paragraph 18. Note of a call with a third party, March 2025, paragraph 29. Note of a call with a third party, March 2025, paragraph 23.

¹⁴⁸ Note of a call with a third party, March 2025, paragraph 18.

¹⁴⁹ Response to the CMA questionnaire from a third party, April 2025, question 10.

¹⁵⁰ Response to the CMA questionnaire from a third party, March 2025, question 10.

¹⁵¹ Response to the CMA questionnaire from a third party, April 2025, questions 7 and 8. This customer identified a number of 'moderately effective' or 'very effective' alternatives to Biorigin and stated that 'All others' are moderately effective alternatives to Lesaffre. Notably, this customer did not identify either Party as a 'fully effective' alternative to the other either and currently only purchases from one Party. Response to CMA follow-up queries on the questionnaire from a third party, April 2025. This customer initially identified some concerns about increased prices, reduced overall portfolio and changes to the country of origin of products. However, in its response to follow-up queries, it (i) identified six alternatives to each of Lesaffre and Biorigin, which would meet its requirements on origin labelling and the ingredients

CMA in the competitive assessment above about the availability of alternatives to the Parties.¹⁵²

76. Accordingly, the CMA has concluded that the proposed Merger does not give rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in relation to the supply of yeast extract.

specified; and (ii) notably also stated that Biorigin does not meet the origin requirements as an alternative to Lesaffre; and Lesaffre does not 'match' Biorigin on price. Taken in the round, the strength of any general concerns raised by both third parties was more limited than their initial responses suggested.

¹⁵² Further, a majority of competitors did not raise concerns regarding the impact of the Merger in the supply of yeast extract globally. Response to the CMA questionnaire from third parties, March 2025, question 9. A minority of competitors raised a reduction in supplier choice but also acknowledged there are alternative suppliers to the Parties. Response to the CMA questionnaire from a third party, March 2025, questions 9, 6 and 7.

DECISION

77. This Merger will therefore not be referred under section 33(1) of the Act.

Sneha Ramakrishnan
Director, Mergers
Competition and Markets Authority

ⁱ In relation to footnote 49, the CMA has corrected the locations of Lesaffre's yeast extract production facilities.