

# Anticipated Acquisition by Greencore Group plc of Bakkavor Group plc

## Decision on relevant merger situation and substantial lessening of competition

**ME/2257/25**

The CMA’s decision on reference under section 33 of the Enterprise Act 2002 given on 27 October 2025. Full text of the decision published on 18 November 2025.

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# SUMMARY

## OVERVIEW OF THE CMA'S DECISION

1. The Competition and Markets Authority (**CMA**) has found that the acquisition by Greencore Group plc (**Greencore**) of Bakkavor Group plc (**Bakkavor**), gives rise to a realistic prospect of a substantial lessening of competition (**SLC**) in the supply of own-label chilled sauces in the United Kingdom (**UK**) as a result of horizontal unilateral effects.
2. Greencore has agreed to acquire Bakkavor through a cash and share offer valued at £1.2 billion. The Parties expect to complete the transaction by early 2026. The CMA refers to this acquisition as the **Merger**. Greencore and Bakkavor are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.
3. As the CMA has found that the Merger gives rise to a realistic prospect of an SLC, the Parties have until 3 November 2025 to offer undertakings in lieu of a reference (**UILs**) to the CMA that will remedy the competition concerns identified. If no such undertaking is offered, then the CMA will refer the Merger pursuant to sections 33(1) and 34ZA(2) of the Enterprise Act 2002 (the **Act**).

### Who are the businesses and what products/services do they provide?

4. Greencore is a food manufacturer, supplier and distributor whose core business is dedicated to the production and supply of convenience food in the UK.
5. Bakkavor is a multinational manufacturer and supplier of fresh prepared foods across the UK, Ireland and United States.
6. The products which the CMA looked at in detail and which both Parties offer were:
  - (a) Own-label chilled sauces;
  - (b) Own-label Italian chilled ready meals; and
  - (c) Own-label salads.

### Why did the CMA review this merger?

7. The CMA's primary duty is to seek to promote competition for the benefit of consumers. It has a duty to investigate mergers that could raise competition concerns in the UK, provided it has jurisdiction to do so. In this case, the CMA has concluded that the CMA has jurisdiction to review this Merger because a relevant merger situation has been created: each of Greencore and Bakkavor is an

enterprise and, as a result of the Merger, these enterprises will cease to be distinct, and the turnover test is met.

### **What evidence has the CMA looked at?**

8. In assessing this Merger, the CMA considered a wide range of evidence in the round. The CMA received several submissions and responses to information requests from the Parties, including bidding data in relation to their participation in grocery tenders for own-label chilled sauces, chilled ready meals and salads. The CMA also examined the Parties' own internal documents, which show how they view their competitors in the ordinary course of business.
9. The CMA spoke to, and gathered evidence from, a number of the Parties' customers (ie grocery retailers) and competitors (ie other suppliers) to understand the competitive landscape and to get their views on the impact of the Merger. In particular, the CMA obtained information from grocery retailers regarding their recent tender processes.

### **What did the evidence tell the CMA about the effects on competition of the Merger?**

10. The CMA looked at whether the Merger would lead to a SLC due to horizontal unilateral effects in the supply of the following own-label products: chilled sauces; Italian chilled ready meals; and salads.
11. The CMA does not believe that the Merger raises competition concerns as a result of horizontal unilateral effects in the supply of own-label Italian chilled ready meals or own-label salads.
  - (a) For Italian chilled ready meals, while the evidence indicates that the Parties have a high combined market share, Bakkavor's share is primarily a result of a single customer, with other grocery retailers rating it as providing a weaker offering. The Parties competed for a few recent opportunities with Bakkavor having limited success, suggesting it does not pose a strong constraint on Greencore or other suppliers. Moreover, the Merged Entity will be constrained by established suppliers, such as Oscar Mayer and Samworth Brothers (**Samworth**) (who were more highly rated than Bakkavor); as well as other suppliers, such as 2 Sisters Food Group (**2SFG**) and Pilgrim's Pride who currently focus on other cuisines (eg Indian/Asian chilled ready meals).
  - (b) For salads, despite high shares, the evidence indicates there is currently limited competitive interaction between the Parties. Moreover, the Merged Entity will be constrained by at least Samworth, Avondale Foods (**Avondale**) and Natures Way Foods (**Natures Way**).

12. The CMA believes that the Merger raises competition concerns resulting from horizontal unilateral effects in the supply of own-label chilled sauces. The evidence indicates the Merged Entity will be one of the largest suppliers of chilled sauces and that the only two other competitors that exert some material constraint on the Parties, 2SFG and Billington Foods (**Billington**), are weaker competitors. Other competitors provide only a very weak constraint on the Parties.

### **What did the evidence tell the CMA about any entry or expansion?**

13. The CMA found grocery retailers are generally unwilling or unable to sponsor entry at the scale that would restore competition to the level that would have prevailed absent the Merger. The CMA did not receive evidence of planned entry or expansion in the supply of chilled sauces. Moreover, the evidence indicates there are also high barriers to entry and expansion, which would make entry and expansion unlikely after the Merger.

### **What happens next?**

14. As a result of these concerns, the CMA believes the Merger gives rise to a realistic prospect of an SLC in the supply of own-label chilled sauces in the UK. The Parties have until 3 November 2025 to offer an undertaking which might be accepted by the CMA to address the SLC. If no such undertaking is offered, or the CMA decides that any undertaking offered is insufficient to remedy its concerns to the phase 1 standard, then the CMA will refer the Merger for an in-depth phase 2 investigation pursuant to sections 33(1) and 34ZA(2) of the Act.

# ASSESSMENT

## 1. PARTIES, MERGER AND MERGER RATIONALE

15. Greencore is a food manufacturer, supplier and distributor headquartered in Dublin, Ireland, whose core business is the production and supply of convenience food in the UK. Greencore's worldwide and UK turnover in the financial year ending 27 September 2024 was £1.81 billion.
16. Bakkavor is a multinational manufacturer and supplier of fresh prepared foods across the UK, Ireland and United States. Bakkavor's turnover in the financial year ending 28 December 2024 was £2.3 billion worldwide and £1.95 billion in the UK.
17. Greencore intends to acquire Bakkavor through a cash and share offer valued at £1.2 billion. The parties expect to complete the transaction by early 2026.
18. The Parties submitted that the main strategic rationales for the Merger are:
  - (a) Prepared food innovation, in order to offer greater choice and value;
  - (b) Enhance innovation within supply chain operations and economies of scale in existing infrastructure, systems, and automation;
  - (c) Manage costs in a challenging and inflationary environment; and
  - (d) Enhance the Parties' commitment to environmental and sustainability initiatives in reducing food waste and mitigating carbon emissions.
19. The CMA considers that the Parties' internal documents broadly support this rationale.<sup>1</sup>

## 2. PROCEDURE

20. The CMA commenced its phase 1 investigation on 1 September 2025. As part of its phase 1 investigation, the CMA gathered a significant volume of evidence from the Parties. In response to targeted information requests, the CMA received and reviewed internal documents from Greencore and Bakkavor to understand how closely they compete and the constraints that would remain on the Merged Entity.
21. The Parties also had opportunities to make submissions and comment on the CMA's emerging thinking throughout pre-notification and during the phase 1 investigation. For example, in October 2025, the CMA invited the Parties to attend an Issues Meeting, and the Parties submitted their views in writing. The CMA also

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<sup>1</sup> Greencore Internal Documents, Attachment 006 to the FMN, '[<img alt="redacted" data-bbox="285 908 315 921"]', January 2025, page 9; Attachment 010 to the FMN, '[<img alt="redacted" data-bbox="285 921 315 934"]', November 2024, page 6; and Attachment 020 to the FMN, '[<img alt="redacted" data-bbox="285 934 315 947"]', March 2025, page 6.

gathered evidence from other market participants, such as grocery retailers and competitors. The evidence the CMA has gathered has been tested rigorously, and the context in which the evidence was produced has been considered when deciding how much weight to give it. Where necessary, this evidence has been referred to within this decision.

22. The Merger was considered at a Case Review Meeting.<sup>2</sup>

### **3. JURISDICTION**

23. Each of Greencore and Bakkavor is an enterprise. As a result of the Merger, these enterprises will cease to be distinct.
24. The UK turnover of Bakkavor exceeds £100 million in 2024 so the turnover test in section 23(1)(b) of the Act is satisfied.
25. 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.
26. The initial period for consideration of the Merger under section 34ZA(3) of the Act started on 2 September 2024 and the statutory 40 working day deadline for a decision is therefore 27 October 2025.

### **4. COUNTERFACTUAL**

27. The CMA assesses a merger's impact relative to the situation that would prevail absent the merger (ie the counterfactual).<sup>3</sup>
28. In an anticipated merger, the counterfactual may consist of the prevailing conditions of competition, or conditions of competition that involve stronger or weaker competition between the parties to a merger than under the prevailing conditions of competition.<sup>4</sup> In determining the appropriate counterfactual, the CMA will generally focus on potential changes to the prevailing conditions of competition only where there are reasons to believe that those changes would make a material difference to its competitive assessment.<sup>5</sup>
29. In this case, the CMA has not received submissions (or other evidence) suggesting that the Merger should be assessed against an alternative

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<sup>2</sup> [Mergers: Guidance on the CMA's jurisdiction and procedure \(CMA2\)](#), 2 January 2025, page 47.

<sup>3</sup> [Merger Assessment Guidelines \(CMA129\)](#), March 2021, paragraph 3.1.

<sup>4</sup> [CMA129](#), paragraph 3.2.

<sup>5</sup> [CMA129](#), paragraph 3.9.

counterfactual. Therefore, the CMA believes the prevailing conditions of competition to be the relevant counterfactual.

## 5. COMPETITIVE ASSESSMENT

### 5.1 Background and nature of competition

30. The Parties primarily overlap in the supply of own-label products to grocery retailers such as Asda, Sainsbury's or Waitrose.<sup>6</sup> Own-label (or private label) products are produced by a supplier according to requirements set by a grocery retailer. The grocery retailer then sells the product to end consumers under the grocery retailer's own branded label (ie as an own-label product). In contrast, branded products are produced by a supplier according to the supplier's own specification and are sold to the end consumer under a brand name owned by the supplier.<sup>7</sup>
31. Although grocery retailers set the final price for both own-label and branded products, grocery retailers may have more knowledge about the cost structure of own-label products. This can include 'open book' arrangements where grocery retailers can monitor the costs of own-label suppliers.<sup>8</sup> In contrast, grocery retailers generally have less ability to scrutinise branded suppliers' costs.<sup>9</sup>
32. Competition for the supply of own-label products occurs through tender processes run and managed by grocery retailers.<sup>10</sup> The structure of tenders may vary by grocery retailer.<sup>11</sup> Supply relationships can be formal (eg a formal contract with fixed duration or guaranteed volumes) or informal (eg standard terms and conditions or framework agreements with limited guaranteed volumes).<sup>12</sup> Contracts often last for 12-18 months at minimum, but it is also possible for contracts to last for longer and continue on a rolling contract basis.<sup>13</sup>
33. Grocery retailers expect incumbent suppliers to continue developing and improving recipes (including reducing costs).<sup>14</sup> Grocery retailers may run consistency or periodic benchmarking exercises to ensure manufacturers continue

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<sup>6</sup> The CMA notes that it has mainly engaged with nine grocery retailers in the UK (Tesco, Sainsbury, Asda, Morrisons, Co-op, Waitrose, Marks & Spencer, Aldi and Lidl). Grocery retailers are the Parties' customers. When in this decision the CMA gives qualitative indications of the proportions of grocery retailers or customers that were of a particular view (eg 'most grocery retailers' or 'most customers') these indications should be seen in that context.

<sup>7</sup> FMN, paragraph 11.4.

<sup>8</sup> FMN, paragraphs 11.26 and 11.30(i)(b).

<sup>9</sup> Note of a call with a third party, July 2025, paragraph 10.

<sup>10</sup> FMN, paragraph 11.35.

<sup>11</sup> FMN, paragraph 11.36.

<sup>12</sup> FMN, paragraph 11.36(i).

<sup>13</sup> Note of a call with a third party, July 2025, paragraph 9; note of a call with a third party, July 2025, paragraph 7; and note of a call with a third party, August 2025, paragraph 3.

<sup>14</sup> Note of a call with a third party, July 2025, paragraph 13.

to meet requirements.<sup>15</sup> While grocery retailers might first offer opportunities to bid to their incumbent suppliers, they may also ask new suppliers.<sup>16</sup>

34. In choosing whether to bid for a tender, suppliers consider a range of factors including the capacity in their sites; their capabilities; their product strategy; and the anticipated profitability of the contracts. The Parties submitted that many factors could affect suppliers' willingness and ability to supply a new customer or contract, including current capacity and capabilities, and differences between current and proposed recipes (eg ingredient origin, shelf-life, or packaging).<sup>17</sup>

## 5.2 Market definition

35. Where the CMA makes an SLC finding, this must be 'within any market or markets in the United Kingdom for goods or services'. An SLC can affect the whole or part of a market or markets. Within that context, the assessment of the relevant market(s) is an analytical tool that forms part of the analysis of the competitive effects of the merger and should not be viewed as a separate exercise.<sup>18</sup>
36. 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. While market definition can be an important part of the overall merger assessment process, the CMA's experience is that in most mergers, the evidence gathered as part of the competitive assessment, which will assess the potentially significant constraints on the merger parties' behaviour, captures the competitive dynamics more fully than formal market definition.<sup>19</sup>

### 5.2.1 Product market

37. In cases involving differentiated products, such as this one, there is often no 'bright line' that can or should be drawn around a market. Rather, it can be more helpful to describe the constraint posed by different categories of products or suppliers as sitting on a continuum between 'strong' and 'weak'. Accordingly, the CMA will generally not come to finely balanced judgements on what is 'inside' or 'outside' the market. In addition, not every firm 'in' a market will be equal, and the CMA will assess how closely the transacting parties compete, and the constraint posed by firms 'outside' the market will also be carefully considered.<sup>20</sup>

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<sup>15</sup> Note of a call with a third party, July 2025, paragraph 8; note of a call with a third party, August 2025, paragraph 7; and note of a call with a third party, August 2025, paragraph 8.

<sup>16</sup> FMN, paragraph 11.36(ii).

<sup>17</sup> Parties' response to the CMA's request for information, 11 September 2025, (RFI 3), paragraphs 11.1–11.3.

<sup>18</sup> CMA129, paragraph 9.1.

<sup>19</sup> CMA129, paragraph 9.2.

<sup>20</sup> CMA129, paragraph 9.4.

38. The relevant market is identified primarily by reference to demand-side substitution.<sup>21</sup> However, there are circumstances where the CMA may aggregate several narrow relevant markets into one broader market when firms routinely use their production assets to supply a range of different products, and the same firms compete to supply different products and the conditions of competition between the firms are the same for each product.<sup>22</sup>
39. In relation to demand-side substitution, the CMA has considered the evidence of substitutability available at two levels of the supply chain: the wholesale level (grocery retailers) and the retail level (end customers). The CMA would generally expect that competition at the wholesale level is linked to the competitive dynamics at the retail level. That is, demand for own-label products at the retail level likely significantly influences the amount that grocery retailers purchase at the wholesale level (ie it is a 'derived demand'). As such, the CMA has considered the actions of end customers as indirect evidence in determining the extent of demand-side substitutability. However, demand-side substitutability is ultimately determined by the actions of the Parties' customers (ie the grocery retailers). For instance, retailers may choose to absorb part of a small but significant increase in price to some extent (rather than, for example, fully flex shelf space to reduce demand, or pass through the entire price increase to end customers). This may be the case where, for example, retailers face pressures from end customers to maintain a sufficient range.

## 5.2.2 Chilled sauces

### 5.2.2.1 Parties' submissions

40. The Parties consider that chilled soups and chilled sauces should be included in a single market.<sup>23</sup> The Parties submitted that there is strong supply-side substitution because the manufacturing processes and equipment to produce both products are nearly identical; both Parties produce both products at a single site and can switch production lines in [a relatively short period of time]. The Parties indicated that other suppliers would have similar capabilities.<sup>24</sup> The Parties also submitted that it would not be difficult for suppliers of one product to easily expand or modify operations to produce the other.<sup>25</sup>
41. The Parties submitted it would not be appropriate to segment the market into branded and own-label chilled sauces (and chilled soups).<sup>26</sup> The Parties submitted that there is a high level of demand-side substitutability, but also noted that

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<sup>21</sup> [CMA129](#), paragraphs 9.7 and 9.13.

<sup>22</sup> [CMA129](#), paragraphs 9.8 and 9.14.

<sup>23</sup> FMN, paragraph 12.66.

<sup>24</sup> Parties' response to the Issues Letter, 6 October 2025, pages 48–52.

<sup>25</sup> FMN, paragraphs 12.67–12.71.

<sup>26</sup> FMN, paragraph 12.72.

branded chilled sauces suppliers are uncommon.<sup>27</sup> The Parties consider there is significant overlap between the pricing of branded and own-label chilled soups and sauces.<sup>28</sup> Further, the Parties submitted that they monitor new innovations from branded competitors and that all suppliers use identical equipment and production processes.<sup>29</sup>

#### 5.2.2.2 CMA's assessment

##### 5.2.2.2.1 Delineation of chilled soups and chilled sauces

42. In terms of demand-side substitution, the CMA considers chilled soups and chilled sauces are distinct products and serve different customer needs.
43. In terms of supply-side substitution, the CMA notes that there are differences in the competitor sets for the supply of chilled soups and chilled sauces.<sup>30</sup> For example, in a Greencore document, while there are common suppliers across the two products (the Parties, 2SFG and Billington), Hain Celestial (**Hain**) is only mentioned as a chilled soups supplier and Rondanini is only mentioned as a chilled sauces supplier.<sup>31</sup>
44. Third-party evidence indicates that many suppliers cannot, or do not, routinely use their assets to produce both chilled soups and chilled sauces. The majority of competitors indicated that they have not or cannot switch from supplying chilled soups to supplying chilled sauces.<sup>32</sup> Some competitors explained it would be difficult to switch from supplying chilled soups to supplying chilled sauces (or vice versa).<sup>33</sup> Difficulties mentioned include the need to modify production lines to accommodate different pack formats/sizes and equipment; costs and difficulties involved in changing between products; and time and cost developing different recipes.<sup>34</sup>
45. On the basis of the above evidence, the CMA considers it is appropriate to treat the supply of chilled soups and the supply of chilled sauces as two separate product markets.

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<sup>27</sup> FMN, paragraphs 12.72– 12.73(i).

<sup>28</sup> See Parties' response to the CMA's questions, 5 September 2025, paragraph 1.2.

<sup>29</sup> FMN, paragraph 12.76.

<sup>30</sup> For example, Solina, Kanes Foods and Avondale have a [5-10]% market share in chilled sauces. However, these suppliers are not active in chilled soups. Likewise, Hain is active in chilled soups and is by far the largest player if branded chilled soups are included. However, Hain is not active in chilled sauces.

<sup>31</sup> Greencore Internal Document, Attachment 012 to the FMN, '[><]', November 2024, pages 25 and 26; and Bakkavor Internal Document, Attachment 075 to the FMN, '[><]', January 2025, pages 19 and 33.

<sup>32</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 10(b).

<sup>33</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 10(a)-(c).

<sup>34</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 10(a).

#### 5.2.2.2.2 *Chilled soups: Delineation between branded and own-label suppliers*

46. The CMA considers that branded and own-label chilled soups are in the same market on the basis of demand-side substitution by end customers.<sup>35</sup> The evidence provided by the Parties shows considerable overlap in the average prices of branded and own-label chilled soups,<sup>36</sup> and the majority of grocery retailers considered brand and own-label chilled soups as substitutable.<sup>37</sup> On the basis of the evidence received in this investigation, the CMA considers the Merger would not give rise to competition concerns in the supply for branded and own-label chilled soups. The supply of chilled soups is therefore not discussed further in this decision.

#### 5.2.2.2.3 *Chilled sauces: Delineation between branded and own-label suppliers*

47. The CMA has segmented branded and own-label chilled sauces due to limited evidence that customers consider branded and own-label sauces as substitutes.

48. The Parties' analysis shows that average prices of branded sauces are significantly more expensive than own-label sauces in most supermarkets, indicating limited demand-side substitutability.<sup>38</sup> Many grocery retailers also submitted they do not use agreements with branded suppliers to negotiate with own-label suppliers or do not engage with branded chilled sauces manufacturers.<sup>39</sup>

49. In any event the CMA considers that the inclusion or exclusion of branded sauces does not materially affect the CMA's competitive assessment as the supply of branded chilled sauces to supermarkets is limited.<sup>40</sup> This is further supported by the Parties' internal documents which indicate limited branded presence in chilled sauces; for example, one document estimates that only around [0-10]% of market volume are sales of branded product.<sup>41</sup>

#### 5.2.2.2.4 *Conclusion on product market definition: own-label chilled sauces*

50. On the basis of the information gathered in its investigation, the CMA considers that the appropriate market in which to assess the Merger is the supply of own-label chilled sauces. However, the CMA considers its competitive assessment

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<sup>35</sup> However, the CMA considers that the conditions for supply-side substitutability are not met.

<sup>36</sup> See Parties' response to the CMA's questions, 5 September 2025, Figure 1.

<sup>37</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 9.

<sup>38</sup> See Parties' response to the CMA's questions, 5 September 2025, Figure 2.

<sup>39</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 8.

<sup>40</sup> The Parties estimated total UK sales of chilled sauces in 2024 was £[<] million, with sales of own-label chilled sauces accounting for £[<] million and sales of branded chilled sauces only accounting for £[<] million of sales. FMN, Tables 15.6, 15.7 and 15.8.

<sup>41</sup> Greencore Internal Document, Attachment 012 to the FMN, '[<],' November 2024, page 25.

would not be different if branded chilled sauces were included in the market definition due to their limited presence.

### 5.2.3 Chilled ready meals

#### 5.2.3.1 Parties' submissions

51. The Parties submitted that there is no reasonable basis to segment the supply of chilled ready meals by type of cuisine. Regarding demand-side factors, the Parties submitted that end customers switch between cuisines; and grocery retailers price and promote across cuisines.<sup>42</sup> Regarding supply-side substitution factors, the Parties submitted that ingredients and manufacturing processes are uniform across cuisines and that low barriers to entry allow suppliers with minimal presence in one cuisine to enter a different cuisine.<sup>43</sup>
52. In addition, the Parties submitted that end consumers view branded and own-label products as substitutable, and an increase in the presence of branded products has required own-label suppliers to compete on price, quality and innovation.<sup>44</sup>

#### 5.2.3.2 CMA's assessment

53. The CMA has considered chilled ready meals to be prepared meals that are stored at low temperatures and are heated up to be consumed. The CMA has first considered the narrowest plausible market where the Parties overlap (ie the supply of own-label Italian chilled ready meals)<sup>45</sup> and then considered whether there is scope to expand the frame of reference, by considering both demand-side and supply-side substitution.

##### 5.2.3.2.1 Type of cuisine: Demand-side factors

54. Third parties indicated that there is limited demand-side substitutability between Italian chilled ready meals and other cuisines. All but one grocery retailer indicated that they could not substitute between procuring different chilled ready meals and require a range of cuisines.<sup>46</sup> Many retailers explained that end customers purchase by focusing on specific cuisines.<sup>47</sup>

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<sup>42</sup> FMN, paragraphs 12.20–12.30. See also Parties' submission to the CMA, 12 September 2025, paragraphs 2.7–2.15 and 3.1–5.4; and Parties' response to the Issues Letter, 6 October 2025, pages 27–30.

<sup>43</sup> FMN, paragraphs 12.32–12.44 and 12.56–12.64; and Parties' response to the Issues Letter, 6 October 2025, pages 31–38.

<sup>44</sup> FMN, paragraph 12.7; Parties' submission to the CMA, 14 August 2025, paragraphs 3.5–3.9 and 4.1–4.9; and Parties' response to the Issues Letter, 6 October 2025, pages 39–45.

<sup>45</sup> The Parties also overlap in the supply of other chilled ready meals cuisines such as Asian, Indian and British. However, the CMA considered at an early stage of its investigation that there were no competition concerns because sufficient alternatives remain with regard to chilled ready meals of these cuisines.

<sup>46</sup> Response to the CMA questionnaire from a number of third parties, question 1.

<sup>47</sup> Response to the CMA questionnaire from a number of third parties, question 1.

55. The CMA considers that while evidence in relation to end customers may indicate some limited degree of demand-side substitutability between different cuisines, the CMA has not seen evidence that the level of switching would be sufficient to widen the market to include multiple cuisines.<sup>48</sup> Additionally, much of the evidence submitted by the Parties (for example, similar pricing and promotions, and that customers purchase multiple cuisines) does not address the question of whether or not different cuisines are substitutable.

#### 5.2.3.2.2 *Type of cuisine: Supply-side factors*

56. The CMA received share data from the Parties which indicates that some suppliers of chilled ready meals do not manufacture a full range of cuisines. This is further supported by third parties, including some chilled ready meals suppliers who said that they focus on certain cuisines or are limited in their ability to produce certain cuisines.<sup>49</sup> In addition, the Parties' documents often identify opportunities, their capabilities and main competitors by cuisine, suggesting that suppliers have different strengths in different cuisines.<sup>50</sup>

57. Third-party evidence also indicates that suppliers rarely switch production between cuisines. Suppliers' capabilities depend on their specific production processes and equipment.<sup>51</sup>

#### 5.2.3.2.3 *Branded suppliers*

58. The CMA recognises that the Parties' internal documents occasionally reference branded suppliers, mainly Charlie Bigham, alongside own-label suppliers.<sup>52</sup>

59. Third-party evidence does not indicate that branded suppliers exert a strong constraint on own-label suppliers for the supply of Italian chilled ready meals (or ready meals in general). The vast majority of grocery retailers indicated that there is limited substitutability between branded and own-label chilled ready meals for end customers.<sup>53</sup>

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<sup>48</sup> See the Parties' submission to the CMA, 12 September 2025.

<sup>49</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 3.

<sup>50</sup> For example, Bakkavor's strategy documents separate opportunities at grocery retailers by cuisine and identify specific capabilities necessary to produce certain cuisines. Bakkavor Internal Document, Attachment 003 to the FMN, '[redacted]', December 2024, page 11; and Bakkavor Internal Document, Attachment 004 to the FMN, '[redacted]', December 2023, page 18. See also Bakkavor's regular '[redacted]', for example Attachment 069 to the FMN also assesses conditions of competition with regard to specific cuisines such as Indian, Asian Meals. Similarly, a document from Greencore outlines the main competitors across ready meals segments by cuisines and by grocery retailer: Greencore Internal Document, Attachment 012 to the FMN, '[redacted]', November 2024, page 30.

<sup>51</sup> For example, one supplier described production as capital intensive with switching between cuisines difficult, costly and unlikely. Response to the CMA questionnaire from a number of third parties, September 2025, question 3.

<sup>52</sup> Bakkavor Internal Document, Attachment 023 to the FMN, '[redacted]', September 2023, page 29; Bakkavor Internal Document, Attachment 003 to the FMN, '[redacted]', December 2024, page 11; and Greencore Internal Document, Attachment 006 to the FMN, '[redacted]', November 2024.

<sup>53</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 9.

### 5.2.3.3 *Conclusion on product market definition: own-label Italian chilled ready meals*

60. On the basis of the information gathered in its investigation, the CMA considers that the appropriate market in which to assess the Merger is the supply of individual cuisines, not including branded products – in particular, own-label Italian chilled ready meals. However, the CMA will take into account the constraint from suppliers producing other (own-label and branded) chilled ready meals in its competitive assessment.

## 5.2.4 **Salads**

### 5.2.4.1 *Parties' submissions*

61. The Parties overlap in the manufacture of salads, such as mayonnaise-based salads (eg coleslaw and potato salad), grain or pasta-based salads, pulse-based salads and leaf-based salads. The Parties submitted the relevant market includes all prepared salads sold to retail and foodservice customers.<sup>54</sup>
62. The Parties submitted that there is significant demand-side substitution between types of salads.<sup>55</sup> In respect of supply-side substitution, the Parties submitted that salad suppliers are generally active across a spectrum of different types of salads and that segmenting between complex and simple salads within market definition would be an arbitrary distinction.<sup>56</sup>
63. The Parties also submitted that customers view branded and own-label salads as interchangeable and grocery retailers set own-label pricing based on branded suppliers' prices.<sup>57</sup>
64. Further, the Parties submitted there should be no market segmentation based on type of customer or sales channel, more specifically between grocery retailers and foodservice stores (eg cafes, small food outlets).<sup>58</sup> However, the Parties noted that there is limited scope for foodservice stores to flex shelf-space between own-label and branded salads and have different distribution and logistics requirements.<sup>59</sup>

### 5.2.4.2 *CMA's assessment*

65. In terms of demand-side factors, third-party evidence does not indicate that customers generally substitute more complex salads with simple salads (eg bagged salad leaves). Grocery retailers usually make a distinction between (i) food-to-go salads or front-of-store salads, which are complex salads ready for

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<sup>54</sup> FMN, paragraphs 12.81 and 12.82.

<sup>55</sup> FMN, paragraphs 12.98, 12.100 and 12.101.

<sup>56</sup> FMN, paragraphs 12.83–12.90 and 12.94–12.99; and Parties' response to the Issues Letter, 6 October 2025, page 57.

<sup>57</sup> FMN, paragraphs 12.104 and 12.106 and Parties' response to the Issues Letter, 6 October 2025, pages 68–70.

<sup>58</sup> FMN, paragraphs 12.107 and 12.108.

<sup>59</sup> FMN, paragraphs 12.109 and 12.110.

immediate consumption (designed to be single-serving portions of a complete salad meal) and (ii) food-for-later or back-of-store salads (including dressed salads or side salads eg coleslaw or potato salads), which are usually also complex salads. In addition, there are more simple bagged leaf salads which normally can be found in the produce section of a supermarket.

66. All grocery retailers (that supplied a range of salads) indicated end customers purchase different salads depending on their specific shopping goal or mission, suggesting there is limited demand-side substitutability between, for example, bagged leaves and a more complex salad, which may be eaten as a single meal.<sup>60</sup> Consequently, it may be that the same consumers buy both types of salads, as the Parties submitted. However, the CMA considers that this does not necessarily indicate end consumers view these products as substitutes.
67. In terms of supply-side factors, the CMA has considered whether suppliers of more simple salads (ie bagged leaves) could easily switch production to more complex salads. The evidence indicates there is limited supply-side substitution between simple and complex salads:
- (a) All suppliers that responded to the CMA's questionnaire said that it was difficult for suppliers of simple salads to produce more complex salads.<sup>61</sup> All respondents indicated material investment was required, such as specialist equipment to add capabilities (eg to cook and chill pasta or to manufacture salad dressing).<sup>62</sup> However, most suppliers that responded to the CMA's questionnaire indicated that, having invested in their production processes, they could now produce both complex and simple salads.<sup>63</sup>
  - (b) While the CMA recognises that suppliers have expanded and added new production capabilities to supply more complex salads, the CMA has not seen evidence that suppliers of more simple salads can use the same production assets to supply a range of salads to respond to changing demand.

#### 5.2.4.2.1 *Delineation between own-label and branded salads*

68. The CMA has not included the supply of branded salads within this product market. The CMA considers that the evidence gathered in this investigation suggests limited demand-side substitution between branded and own-label salads.

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<sup>60</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 5.

<sup>61</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 19(a).

<sup>62</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 19(a) and 19(c).

<sup>63</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 19(b).

- (a) Many suppliers (to grocery retailers) did not indicate there was competitive tension between branded and own-label salad suppliers and explained there are limited branded salad suppliers.<sup>64</sup>
- (b) Some grocery retailers noted differences between branded and own-label salads, such as flavour profiles, composition and perceptions of quality by end consumers. In addition, one grocery retailer noted branded salads is usually more expensive.<sup>65</sup>
- (c) Some grocery retailers indicated they do negotiate with branded suppliers but branded and own-label negotiations are kept separate.<sup>66</sup>

#### 5.2.4.2.2 *Delineation between supply to grocery retailers and foodservice customers*

69. The CMA has not included supply to foodservice customers within this product market. The CMA considers that the evidence gathered in this investigation suggests limited supply-side substitution between salads to foodservice and grocery retailers. One supplier to foodservice customers indicated that the supplier set was very different and that they did not view the Parties as competitors.<sup>67</sup> Further, around half of the suppliers that responded indicated it would be difficult for a supplier who only supplies foodservice stores to also supply grocery retailers.<sup>68</sup> An internal document from Bakkavor also highlights that the majority of foodservice stores are small and may require deliveries via distributors.<sup>69</sup>

#### 5.2.4.2.3 *Conclusion on product market definition: own-label complex salads (to grocery retailers)*

70. On the basis of evidence gathered in this investigation, the CMA considers that the appropriate product market in which to assess the Merger is the supply of more complex salads – that is segmenting between simple salads (ie bagged leaves) and salads of more complexity (eg salads that incorporate grain and carbohydrates, as well as other ingredients like sauces and dressings). This is particularly due to the different equipment and production processes needed to supply more complex salads than simpler salads.<sup>70</sup>

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<sup>64</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 19(a).

<sup>65</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 9.

<sup>66</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 8.

<sup>67</sup> Response to the CMA questionnaire from a third party, September 2025, question 19(b).

<sup>68</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 19(c).

<sup>69</sup> Bakkavor Internal Document, Attachment 010 to the FMN, '[<]\$', February 2025, page 65.

<sup>70</sup> The CMA did not consider that poke bowls should be included within the relevant market. On the demand-side, poke bowls were not often described as a salad by grocery retailers. On the supply-side there appears to be a different set of suppliers and the CMA understands that there may be significant differences in production processes.

### 5.2.5 Geographic market

71. The Parties submitted that the geographic frame of reference for all markets where the Parties overlap is national. The Parties submitted this reflects the fact that the Parties have procurement, manufacturing and distribution strategies for the UK and negotiations with customers take place on a UK-wide basis.<sup>71</sup>
72. On the basis of evidence gathered in this investigation, the CMA considers that the appropriate geographic market in which to assess the Merger is national (ie the UK).

### 5.3 Theories of harm

73. The CMA assesses the potential competitive effects of mergers by reference to theories of harm. Theories of harm provide a framework for assessing the effects of a merger and whether or not it could lead to an SLC relative to the counterfactual.<sup>72</sup>
74. In its investigation of this Merger, the CMA has considered the following theories of harm:
- (a) Horizontal unilateral effects in the supply of own-label chilled sauces to grocery retailers in the UK;
  - (b) Horizontal unilateral effects in the supply of own-label Italian chilled ready meals to grocery retailers in the UK; and
  - (c) Horizontal unilateral effects in the supply of own-label complex salads to grocery retailers in the UK.
75. Each of these theories of harm is considered below.<sup>73</sup>

#### 5.3.1 Evidence gathered

##### 5.3.1.1 *Shares of supply*

76. Shares of supply can be useful evidence when assessing closeness of competition, particularly when there is persuasive evidence as to which potential substitutes should be included or excluded or when the degree of differentiation

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<sup>71</sup> FMN, paragraph 12.127.

<sup>72</sup> [CMA129](#), paragraph 2.11.

<sup>73</sup> On the basis of the evidence gathered by the CMA, the CMA considered at an early stage in its investigation that there are no plausible competition concerns in respect of the supply of own-label sandwiches given the Parties are not currently close competitors for the supply of sandwiches. This is therefore not discussed further in this Decision.

between firms is more limited. In such circumstances, a firm with a higher share of supply is more likely to be a close competitor to its rivals.<sup>74</sup>

77. In other cases, such as where the boundaries of the market are not as clear-cut or where there is a high degree of differentiation, the CMA may rely to a greater extent on other sources of evidence. Where products are more differentiated or customer preferences are more diverse, 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.<sup>75</sup>
78. The Parties submitted that they have estimated market shares using Kantar take-home panel, Kantar out-of-home panel and EPOS based datasets.<sup>76</sup>
79. The CMA considers the Parties' estimates of shares of supply to be reliable and consistent with other evidence on shares of supply it has received. However, given contracts are awarded through tenders and that each of the three product markets are characterised by differentiated products, the CMA assessed the evidence in the round with shares of supply taken into context with other sources of evidence.

#### 5.3.1.2 *Tender data*

##### 5.3.1.2.1 *Parties' opportunities dataset*

80. The Parties submitted opportunities data, covering opportunities bid for since 2020, that was prepared ad hoc by manually collating information based on contemporaneous records and discussions with the Parties' sales teams.<sup>77</sup>
81. The CMA asked the Parties to update their dataset to include all instances where the Parties submitted indicative pricing in response to a tender. The Parties considered that they do not impose any competitive constraint on one another in relation to those opportunities as they did not advance to the final tender stage.<sup>78</sup> However, the CMA considers such bids reflect an active presence in the market, and could signal a willingness to supply and engage in competition, which can influence the pricing/quality strategy of rivals. The CMA also notes that customers seem to have included suppliers that provided indicative pricing as bidders for their contracts, suggesting that some customers at least consider indicative pricing to be an important aspect of formal tenders.

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<sup>74</sup> [CMA129](#), paragraph 4.14.

<sup>75</sup> [CMA129](#), paragraph 4.15.

<sup>76</sup> Revenues were allocated to suppliers based on market intelligence, pack code allocations and allocations of SKU level data.

<sup>77</sup> The Parties said that their opportunities data captured formal tender based upstream opportunities and some less formal procedures, including business/contract reviews and development briefs. FMN, paragraph 14.6.

<sup>78</sup> Parties' response to the CMA's RFI 3, paragraph 13.1.

82. The CMA also considers that the Parties' opportunities data has limitations. In the first instance, the CMA observes that Greencore did not conduct appropriate diligence to ensure its submissions accurately reflected its participation in a salad tender for a large grocery retailer. In particular, Greencore submitted that, [§]. This resulted in it providing inaccurate information to the CMA in its Issues Letter response.<sup>79</sup> As such, the CMA does not consider it appropriate to place material weight on the Parties' dataset.
83. Furthermore, the CMA considers that the Parties' opportunities dataset has other limitations:
- (a) The Parties' method of compilation increases the risk of inaccuracies as it, at least in part, relies on the recollections of sales representatives rather than systematically recorded information. Even if the CMA were to rely on such recollections, it would require limited sales representative churn in the past five years to gather a complete dataset.<sup>80</sup>
  - (b) The Parties may not have full oversight over which competitors participated in tenders as their competitors' involvement (or lack thereof) may not have been disclosed. Even where the Parties have identified bidders through contemporaneous evidence, it is not clear to what extent this captures the Parties' perceptions of which suppliers were competing rather than which suppliers actually competed for an opportunity.
  - (c) The Parties' opportunities data includes a large number of less formal opportunities where it is not clear that customers would necessarily be seeking concurrently competing offers from rival suppliers, for example, through single supplier 'contract/terms renegotiations'.<sup>81</sup>

#### 5.3.1.2.2 *Customers' tender dataset*

84. The CMA gathered tender data from all of the Parties' grocery retail customers. In particular, the CMA asked customers to provide information on the formal tenders that customers procured in the past five years<sup>82</sup> when Greencore and/or Bakkavor bid for the tender or were the incumbent.<sup>83</sup> The CMA sought to verify the customer

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<sup>79</sup> [§]

<sup>80</sup> In fact, after the CMA requested further information on a salad tender, as noted above in paragraph 82, as part of its Issues Letter response Greencore submitted that [§].

<sup>81</sup> Parties' response to the CMA's RFI 3, Annex 021.

<sup>82</sup> Or the most recent tender if it had been over five years since their previous tender. The CMA only received information on one tender that was more than five years ago.

<sup>83</sup> The CMA has focused on the tenders where at least one of the Parties bid. The CMA considers that these bids are the most important evidence from the customers' tender dataset as they show how closely the Parties constrain each other. In any event, the CMA also asked grocery retailers to provide details of the tenders where neither Party bid and neither Party was an incumbent supplier. Most grocery retailers provided no other additional bids (ie the Parties bid for all of their tenders).

data by requesting further information on tenders where customers told the CMA that both Parties bid.

85. The CMA considers that the tender data collected from customers is likely to be more reliable than the Parties' tender data. This is because customers oversee the procurement process and therefore will have full visibility of the contracts they have tendered and the suppliers that bid for those tenders, including those that were unsuccessful. Given that the CMA received responses from all of the Parties' grocery retail customers, the CMA therefore considers that the data from customers reflects good coverage across the relevant product categories.<sup>84</sup>
86. Additionally, the CMA considers that focusing on formal tenders rather than less formal opportunities, such as, 'contract/terms renegotiations' better captures the competitive interactions between suppliers in these markets. The CMA notes that the Parties have submitted that competition is best characterised as a bidding market where retailers manage tender processes.<sup>85</sup>
87. Furthermore, the tender data from customers is able to provide additional information that is not available in the Parties' tender dataset, such as, the extent to which customers thought bids from different providers were suitable for their specific requirements.
88. Overall, the CMA considers it appropriate to place more weight on the tender data gathered directly from customers compared to the Parties' data.

#### 5.3.1.2.3 *Reasons for not bidding*

89. The CMA asked the Parties about the reasons why they would not bid for a particular contract.
90. The Parties told the CMA that, in most of these cases, they lack the capacity, and [X] were in their view insufficient to justify further investment.<sup>86</sup> Bakkavor also submitted [X] and therefore carefully considers new opportunities.<sup>87</sup>
91. In general, the CMA considers where firms have significant spare capacity, they may be better able to compete. Conversely, firms facing capacity constraints may not be able to serve customers switching away from rivals and may provide a less

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<sup>84</sup> Given that the CMA verified the customer data on tenders where the Parties overlapped by seeking documentary evidence of those tenders, the CMA considers the customer data to be particularly reliable in instances where both Parties participated. In contrast, the CMA has not been able to cross-check the Parties' tender dataset given the reliance on discussions with sales representatives.

<sup>85</sup> FMN, paragraph 11.35.

<sup>86</sup> FMN, paragraphs 14.7(iv)(a) – 14.7(vi).

<sup>87</sup> FMN, paragraph 14.7(iv)(b).

effective constraint.<sup>88</sup> Nevertheless, the CMA notes that, in this case, the Parties may still pose constraints on each other given:

- (a) The Parties' response suggests a willingness to invest in capacity [X]. The tender data suggests that some retailers have very large contracts, and therefore the CMA considers it is realistic that sufficiently large enough opportunities arise where both Parties may choose to bid and expand their capacity as a result, and that they are well placed to do so given their size, reputation and proven ability to supply at scale. The Parties submitted that the typical notice periods under supplier contracts is 12 months, which allows suppliers to convert either internal white space or external brown field space into production facilities or areas in order to increase capacity.<sup>89</sup>
- (b) The Parties may lose, or partially lose, volumes with retailers, which will result in additional capacity to bid for new opportunities.

92. In relation to Bakkavor's submission that [X] retaining existing business, the CMA notes that:

- (a) Given Greencore's size and strengths in the relevant markets (see the competitive assessment for further details), it may be a key alternative for Bakkavor's existing customers as they can credibly threaten to switch to Greencore. This means that Bakkavor must remain competitive to avoid losing these customers (as acknowledged by Bakkavor).
- (b) The tender data suggests that Bakkavor has participated in opportunities where it is not the incumbent in chilled ready meals and chilled sauces. This demonstrates an ongoing willingness to compete, and reinforces Bakkavor's role as a competitive constraint.

93. Overall, the CMA considers that the reasons the Parties have submitted for not bidding for a particular contract does not preclude it from finding that the Parties pose a significant competitive constraint on each other.

### **5.3.2 Theory of Harm 1: Horizontal unilateral effects in the supply of own-label chilled sauces to grocery retailers in the UK**

94. Horizontal unilateral effects may arise when one firm merges with a competitor that previously provided a competitive constraint, allowing the merged entity profitably to raise prices or to degrade quality on its own and without needing to

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<sup>88</sup> [CMA129](#), paragraph 4.12.

<sup>89</sup> FMN, paragraph 12.57(iii).

coordinate with its rivals.<sup>90</sup> Horizontal unilateral effects are more likely when the parties to a merger are close competitors.<sup>91</sup>

95. The CMA considered evidence from the Parties (including submissions and internal documents) and from third-party competitors and customers. In particular, the CMA assessed:

- (a) the Parties' submissions;
- (b) shares of supply;
- (c) tender data;
- (d) internal documents; and
- (e) third-party evidence.

#### 5.3.2.1 *Parties' submissions*

96. The Parties submitted that they are not close competitors given their lack of competitive interactions in the opportunities data.<sup>92</sup> They added that large contracts are likely to attract a large number of competitors and be attractive to potential entrants, so it is unlikely that the Parties will be particularly important constraints on each other for these types of contracts.<sup>93</sup>

97. The Parties submitted that there are a number of strong constraints imposed on them by alternative chilled sauces (and chilled soups) manufacturers, such as 2SFG, Billington, and Kanes Foods (**Kanes**). The Parties also identified other players as having experienced recent growth, such as Hebridean Food Company, JDM Food Group (**JDM**), Solina and Vita Food Group (**Vita**).<sup>94</sup> Although noting that branded chilled sauces are yet to see the same extent of growth as branded chilled soup,<sup>95</sup> the Parties also submitted they will face strong competitive constraints from branded products, as well as pressure from grocery retailers to lower their prices or invest in promotional activity to compete with branded alternatives.<sup>96</sup> The Parties also submitted that ambient sauces pose a competitive constraint.<sup>97</sup>

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<sup>90</sup> [CMA129](#), paragraph 4.1.

<sup>91</sup> [CMA129](#), paragraph 4.8.

<sup>92</sup> FMN, paragraphs 15.82–15.84.

<sup>93</sup> Parties' response to the Issues Letter, 6 October 2025, paragraph 166.

<sup>94</sup> FMN, paragraphs 15.49–15.50.

<sup>95</sup> FMN, paragraph 15.60.

<sup>96</sup> FMN, paragraphs 12.73 (ii), 12.73(b) and 15.69–15.72.

<sup>97</sup> FMN, paragraph 15.73.

98. Additionally, Greencore submitted that Greencore has stopped bidding for [X] and noted [X] has limited additional capacity.<sup>98</sup>

### 5.3.2.2 Shares of supply

99. Table 1 below sets out the Parties' estimates of shares of supply for own-label chilled sauces.<sup>99</sup>

**Table 1: Estimates for share of supply for own-label chilled sauces**

<b>Manufacturer</b>	<b>Value 2024/25 (%)</b>
Greencore	[20-30]%
Bakkavor	[20-30]%
<b>Parties</b>	<b>[50-60]%</b>
Solina	[10-20]%
Billington	[5-10]%
2SFG	[5-10]%
Kanes	[5-10]%
Avondale	[5-10]%
Fenmarc	[0-5]%
Others	[0-5]%
<b>Total</b>	<b>100%</b>

Source: The Parties

100. Table 1 shows that Greencore and Bakkavor are the two largest suppliers by a significant margin, with market shares of [20-30]% each. The Merged Entity would have a significant share of [50-60]%% and be the largest supplier by a very large margin.

101. Table 1 shows there is a tail of other suppliers with shares of [10-20]% (Solina) or less than 10%, including Billington and 2SFG.

102. An internal document also notes that Greencore and Bakkavor have the largest shares in chilled sauces. There are a few other suppliers identified in the internal documents, for example 2SFG, Billington and Rondanini with relatively smaller shares.<sup>100</sup>

103. As discussed in the market definition section above, the CMA considers that the relevant market does not include branded chilled sauces or own-label chilled soups suppliers. Nevertheless, the CMA considers both to be relevant out-of-market constraints (from the demand-side and supply-side, respectively). As such, even if the CMA considered market shares including all of these suppliers (ie the broadest possible relevant market), the shares do not materially change. The

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<sup>98</sup> FMN, paragraph 14.7(vi)(b).

<sup>99</sup> The CMA notes that the shares do not change significantly when considering the number of packs.

<sup>100</sup> Greencore Internal Document, Attachment 065 to the FMN, '[X],' October 2024, page 59.

Merged Entity would still have a combined share of [50-60]% with only one other supplier having a share of [10-20]%. There is a long tail of other suppliers with shares less than 10%.

#### 5.3.2.2.1 CMA's view on shares of supply

104. The CMA considers that the shares of supply show Greencore and Bakkavor are the largest suppliers, and together account for the majority of supply in the market. There is a long tail of other suppliers with significantly smaller shares than the Parties.

#### 5.3.2.3 Tender data

##### 5.3.2.3.1 Parties' submissions

105. The Parties submitted analysis based on the opportunities dataset they assembled. The Parties submitted that this showed they have only overlapped [X] in chilled soups and chilled sauces.<sup>101</sup> They also submitted that Greencore has faced 2SFG and Hain more frequently than it has faced Bakkavor, and Bakkavor has faced 2SFG and Kanes more frequently than it has faced Greencore.<sup>102</sup>

##### 5.3.2.3.2 CMA assessment

106. The CMA has also considered the bidding frequency and win rates of the Parties and third parties for the relevant tenders using the tender data it has received from customers.<sup>103</sup> Considering these tenders, the CMA observes that:

- (a) While the Parties did not bid against each other frequently, Greencore won [X] that both Parties bid for,<sup>104</sup> which included both chilled soups and chilled sauces. By value, it was among the largest tenders for chilled sauces.<sup>105</sup>
- (b) Considering the tenders that Greencore bid for, Convenience Foods and 2SFG participated in more tenders than Bakkavor. Oscar Mayer, Solina and

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<sup>101</sup> Parties' response to the CMA's RFI 3, paragraph 13.16(i)(a).

<sup>102</sup> FMN, paragraph 15.49.

<sup>103</sup> The CMA notes that there are relatively few tenders for chilled sauces where one or both of the Parties bid. Given the limited sample size, the CMA has been cautious in interpreting the results of this analysis and has considered this evidence alongside other evidence, such as, the qualitative evidence that customers and competitors submitted to the CMA about the strengths of the Parties and their alternatives. Further, the CMA notes that some of these tenders were joint tenders for chilled soups and chilled sauces and, in these instances, it is not clear whether all competitors bid for the entire contract, or if they only bid for a portion (eg only chilled soups, or only chilled sauces).

<sup>104</sup> In addition, the CMA also understands that Bakkavor won a tender [X], although the CMA understands that Greencore did not bid [X].

<sup>105</sup> The CMA notes that this tender [X].

Convenience Foods<sup>106</sup> won a very limited number of tenders that Greencore lost.

- (c) Considering the tenders that Bakkavor bid for, Hain, 2SFG and OSI participated in more tenders than Greencore.<sup>107</sup> Billington and Greencore each won a very limited number of tenders that Bakkavor lost.<sup>108</sup> The CMA notes that all of the contracts that Hain bid for were for both chilled soups and chilled sauces, and it is not clear whether Hain bid for both parts of the contract, or only soup.

#### 5.3.2.3.3 CMA's view on tender data

107. The tender data shows that the Parties do not bid against each other frequently, but that they bid against each other in [REDACTED]. [REDACTED].<sup>109</sup>
108. The tender data also indicates that the Parties do face a range of competitors across tender opportunities; however, many of these tenders related to very small opportunities.
109. The CMA notes that the tender dataset appears to only capture a small portion of the total market value.<sup>110</sup> This may reflect that some contracts are awarded through alternative procurement methods, such as bilateral negotiations or rolling contracts, and that the Parties may not bid because they are currently capacity constrained (as discussed above). The CMA considers that the tender data therefore provides an incomplete picture of competitive dynamics and less weight should be placed on tender data relative to other sources of evidence, including shares of supply and third-party evidence (which may better reflect the actual constraints faced by the Parties).

#### 5.3.2.4 Internal documents

110. Evidence from internal documents indicates that the Parties are the largest suppliers in chilled sauces with few alternative suppliers being monitored.<sup>111</sup> For example, one Greencore document monitoring chilled pasta sauces indicates that the Parties supply grocery retailers with the most units sold. Further, this document outlines that the Parties' main competitors are 2SFG, Rondanini and Billington.<sup>112</sup> Another document also indicates that other suppliers have a

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<sup>106</sup> [REDACTED].

<sup>107</sup> The winner for one of the tenders that Bakkavor bid for was still to be confirmed when the CMA gathered information from customers.

<sup>108</sup> [REDACTED]. The winner of one tender was still to be confirmed at the time of the CMA's information request.

<sup>109</sup> [REDACTED].

<sup>110</sup> In particular, the total value of the tenders that the CMA received data for is a small portion of the total market value.

<sup>111</sup> See, for example, Greencore Internal Document, Attachment 065 to the FMN, '[REDACTED],' October 2024, pages 59-61. – Bakkavor Internal Document, Attachment 028 to the FMN, '[REDACTED],' March 2024, page 24.

<sup>112</sup> Greencore Internal Document, Attachment 012 to the FMN, '[REDACTED],' November 2024, page 26.

significantly smaller share as well as having a very limited presence in premium sauces.<sup>113</sup>

111. Further, a Bakkavor document suggests it may be able to scale up to fulfil a contract if needed: [redacted].<sup>114</sup>

### 5.3.2.5 *Third-party evidence*

#### 5.3.2.5.1 *Closeness of competition between the Parties*

112. The CMA asked customers to identify and rate the suitability of the suppliers they would invite if they were to re-tender their contracts. Almost all customers that responded said that Bakkavor is a suitable or very suitable supplier. Some of these customers referred to their existing relationship with Bakkavor and its proven capability.<sup>115</sup> Fewer customers provided a rating for Greencore, but those that did mostly said that Greencore is a suitable or very suitable supplier, and explained that Greencore was their current supplier<sup>116</sup> or that it has full capability to supply.<sup>117</sup> A few customers suggested that Greencore and Bakkavor were the only suitable suppliers for their requirements.<sup>118</sup>
113. During the CMA's calls with third parties, some customers also provided additional context on the closeness of competition between the Parties in chilled sauces.<sup>119</sup> In particular, one customer said that the Parties are the largest suppliers in chilled sauces and chilled soups, and that other suppliers are believed to be sub-scale and not able to satisfy its needs.<sup>120</sup> Two customers said they consider Greencore to be a close competitor to Bakkavor (together with Hain and 2SFG) in chilled sauces and chilled soups.<sup>121</sup>
114. Producers of chilled sauces identified Greencore and Bakkavor most frequently, and all respondents that identified them rated Greencore and Bakkavor as very strong competitors,<sup>122</sup> with one of these explaining that both Greencore and Bakkavor are dominant retail suppliers with multiple sites, scale and capacity.<sup>123</sup> Another specified that Greencore and Bakkavor are both established Italian chilled

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<sup>113</sup> See, for example, Greencore Internal Document, Attachment 065 to the FMN, '[redacted],' October 2024, page 59.

<sup>114</sup> Bakkavor Internal Document, Attachment 003 to the FMN, '[redacted],' January 2024, page 12.

<sup>115</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 3.

<sup>116</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 3.

<sup>117</sup> Response to the CMA questionnaire from a third party, September 2025, question 3.

<sup>118</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 3.

<sup>119</sup> The CMA notes that the discussions relating to this were held under the general topic chilled soups and chilled sauces.

<sup>120</sup> Note of a call with a third party, July 2025, paragraph 13.

<sup>121</sup> Note of a call with a third party, August 2025, paragraphs 5–7; and note of a call with a third party, August 2025, paragraph 12.

<sup>122</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 11.

<sup>123</sup> Response to the CMA questionnaire from a third party, September 2025, question 11.

sauces producers, with strong retail relations, credible quality and an ability to produce all category tiering.<sup>124</sup>

115. The CMA also asked competitors whether the Parties compete closely in the supply of chilled sauces in the UK. All respondents submitted that the Parties do compete closely,<sup>125</sup> and one explained that they have similar offerings.<sup>126</sup>

#### 5.3.2.5.2 *Strength of alternative constraints*

116. The CMA asked customers to identify and rate the suitability of the suppliers they would invite if they were to re-tender their contracts:
- (a) Of the Parties' competitors, 2SFG was identified most frequently. However, some of the grocery retailers responding said that 2SFG was unsuitable or very unsuitable. One of these said that 2SFG had repeatedly proved to be uncompetitive given their focus on premium tiers,<sup>127</sup> and another submitted that it did not show a willingness to increase their capacity.<sup>128</sup>
  - (b) Less than half of the customers identified Billington. Of those that did, some submitted that Billington was a very suitable supplier. One customer explained that Billington was its current supplier and it is competitive.<sup>129</sup> However, another said that Billington was unsuitable because its quality, capability and service requires improvement.<sup>130</sup>
  - (c) Less than half of the customers identified Hain. Additionally, some of these customers suggested it would be unsuitable for their requirements. One customer explained Hain is unsuitable because it does not currently produce sauces,<sup>131</sup> and another said that Hain does not have capacity and its processes would need to be improved.<sup>132</sup>
117. In terms of views on the Merger, some grocery retailers told the CMA the Merger would lead to a reduction of suppliers in the chilled sauces market thereby limiting competition;<sup>133</sup> for instance, one grocery retailer mentioned that it would reduce the number of viable suppliers from three to two.<sup>134</sup>

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<sup>124</sup> Response to the CMA questionnaire from a third party, September 2025, question 11.

<sup>125</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 12.

<sup>126</sup> Response to the CMA questionnaire from a third party, September 2025, question 12.

<sup>127</sup> Response to the CMA questionnaire from a third party, September 2025, question 3.

<sup>128</sup> Response to the CMA questionnaire from a third party, September 2025, question 3.

<sup>129</sup> Response to the CMA questionnaire from a third party, September 2025, question 3.

<sup>130</sup> Response to the CMA questionnaire from a third party, September 2025, question 3.

<sup>131</sup> Response to the CMA questionnaire from a third party, September 2025, question 3.

<sup>132</sup> Response to the CMA questionnaire from a third party, September 2025, question 3.

<sup>133</sup> Response to the CMA questionnaire from a third party, August 2025, question 4.

<sup>134</sup> Response to the CMA questionnaire from a third party, August 2025, question 4.

118. The CMA asked producers of chilled sauces to identify and rate the strength of their competitors:
- (a) 2SFG and Billington were identified by some producers and rated as very strong competitors by those producers. JDM was also identified by some competitors and rated as very suitable or neutral.<sup>135</sup>
    - (i) One supplier explained that, similar to Greencore and Bakkavor, 2SFG is a dominant retail supplier for chilled soups and chilled sauces, with multiple sites, scale and capacity.<sup>136</sup>
    - (ii) The same supplier submitted that JDM is a small to medium sized supplier of bespoke meat sauces.<sup>137</sup>
    - (iii) Another supplier said that Billington is strong in fresh chilled sauces.<sup>138</sup>
  - (b) Hain and Griffith Foods were each only identified once, but rated as strong or very strong competitors,<sup>139</sup> and no customer or competitor identified Kanes as a suitable supplier or strong competitor.<sup>140</sup>

#### 5.3.2.5.3 CMA's views on third-party evidence

119. Many customers and competitors indicated that the Parties are strong suppliers of chilled sauces. They generally identified that the Parties both have scale and proven capabilities. As such, the CMA considers that the Parties are close competitors and pose a significant constraint on each other.
120. The CMA also considers that third-party evidence on other competitors generally indicates that 2SFG and Billington pose some constraint on the Parties, though the CMA notes that the evidence on their strength as a supplier is mixed. However, the evidence indicates that other suppliers, including branded suppliers, are not suitable suppliers and pose a very limited constraint, if any, on the Parties.

#### 5.3.2.6 Conclusion on Theory of Harm 1

121. The CMA considers that the Parties closely compete in the supply of chilled sauces on the basis of:

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<sup>135</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 11.

<sup>136</sup> Response to the CMA questionnaire from a third party, September 2025, question 11.

<sup>137</sup> Response to the CMA questionnaire from a third party, September 2025, question 11.

<sup>138</sup> Response to the CMA questionnaire from a third party, September 2025, question 11.

<sup>139</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 11. Jardox, Culinary Food Group and OSI were also identified once, but rated as neutral or weak competitors.

<sup>140</sup> A third party explained that Kanes manufactures stir fry sauces, but does not manufacture other chilled sauces such as pasta sauces. Note of a call with a third party, August 2025, paragraphs 10-11. The CMA understands that Greencore is not active in this segment.

- (a) Shares of supply show they are the two largest suppliers, and together account for the majority of supply in the market.
- (b) This is supported by the Parties' internal documents indicating that there are only a few options outside the Parties.
- (c) The tender data shows the Parties faced each other head-to-head for a large chilled sauces contract. [X]. As stated in paragraph 92 above, capacity constraints may have prevented Bakkavor from bidding for other tenders, but the CMA considers that capacity may become available for the Parties in the future and there is also evidence that Bakkavor has bid for customers it wasn't currently serving in the past.
- (d) Many customers and all competitors said that the Parties are strong suppliers of chilled sauces. They generally identified that both have key capabilities and have developed their existing relationships with retailers. Some third parties said that the Parties are particularly strong in supplying Italian chilled sauces.

122. The CMA considers that there are few alternatives to the Parties in the supply of chilled sauces in the UK. In particular, the CMA considers that only Billington and 2SFG pose a material constraint on the Parties but this is a weaker constraint than the Parties pose on each other because:

- (a) Billington has a low share of supply and did not bid frequently against Greencore or Bakkavor; however, it did win [X] Bakkavor lost. Some customers and some suppliers identified Billington as a very suitable supplier or strong competitor.
- (b) 2SFG also has a low share of supply, but bid against the Parties more frequently than they bid against each other. However, it did not win any of these contracts. While customers identified 2SFG frequently as an alternative supplier, some suggested it was not strong.

123. Solina and Kanes also have low shares of supply of around 10% or less, and the evidence suggests that they are not strong suppliers of chilled sauces, and therefore do not pose a material constraint on the Parties:

- (a) Solina did not bid frequently against Greencore or Bakkavor, though it did win [X] Greencore lost. Only one customer and no suppliers identified Solina as a suitable supplier or strong competitor.
- (b) Kanes did not bid against the Parties in any of the tenders. Further, no customer or competitor identified it as a suitable supplier or strong competitor. The CMA understands that Kanes is primarily active in stir-fry sauces, and not across the whole chilled sauces market.

- (c) There is a tail of other suppliers that bid infrequently against the Parties, and which were either not identified frequently by customers or competitors, and/or were rated poorly by third parties. As such, the CMA considers that these other suppliers would not, individually or in aggregate, sufficiently constrain the Parties such that it would prevent an SLC.

124. The CMA considers that the out of market constraint from branded chilled sauces suppliers and own-label chilled soups suppliers would not, individually or in aggregate, sufficiently constrain the Parties such that it would prevent an SLC.

- (a) The CMA notes that even if it considered it appropriate to include branded chilled sauces suppliers and own-label chilled soups suppliers in the market, shares of supply do not materially change.
- (b) Further, own-label chilled soups suppliers not present in own-label chilled sauces bid infrequently against the Parties, were not identified frequently by customers or competitors, and/or were rated poorly by third parties.
- (c) Finally in relation to branded chilled sauces suppliers, as noted in paragraphs 48–50 above, the CMA considers that there is limited evidence that customers consider branded and own-label chilled sauces as substitutes, and the CMA has not seen evidence that indicates that branded suppliers are likely to switch into producing own-label chilled sauces.<sup>141</sup> In any event, as noted in paragraph 50 above the supply of branded chilled sauces to supermarkets is limited.

125. Accordingly, the CMA considers that the Merger gives rise to a realistic prospect of an SLC as a result of horizontal unilateral effects in the supply of chilled sauces.

### **5.3.3 Theory of Harm 2: Horizontal unilateral effects in the supply of own-label Italian chilled ready meals to grocery retailers in the UK**

#### *5.3.3.1 Parties' submissions*

126. The Parties submitted that they are not close competitors in chilled ready meals and compete against many strong well-established competitors (including 2SFG, Oscar Mayer, Pilgrim's Pride, Samworth, Compleat Food Group (**Compleat**), and Charlie Bigham's (a branded supplier)) and new entrants, which are well placed to continue to grow their share of the market (including Laila's Fine Foods (**Laila's**), Pro-Pak Foods (**Pro-Pak**) and Scotbeef).<sup>142</sup>

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<sup>141</sup> The CMA notes that branded chilled sauces suppliers not present in the supply of own-label chilled sauces appear infrequently against the Parties in the bidding data.

<sup>142</sup> FMN, paragraphs 15.1–15.4.

127. The Parties also submitted that the contracts for the supply of chilled ready meals to retailers continuously shift between a range of suppliers, which they said indicates a competitive market in which multiple players are capable and willing to fulfil major chilled ready meals contracts.<sup>143</sup>

### 5.3.3.2 Shares of supply

#### 5.3.3.2.1 Parties' submissions

128. The Parties submitted that they have predominantly been successful with different retailers and their shares are a reflection of their customers' successes/failures. Additionally, in relation to the shares of supply by cuisine, the Parties said that the broad number of cuisines means that segmenting the category by cuisine is largely an arbitrary exercise, and that there is no industry standard for determining whether a particular SKU fits within a particular cuisine as many SKUs may reasonably be classified under multiple categories.<sup>144</sup>

#### 5.3.3.2.2 CMA assessment

129. Table 2 sets out the Parties' estimates for shares of supply for own-label Italian chilled ready meals.<sup>145</sup>

**Table 2: Estimates of share of supply for own-label Italian chilled ready meals**

<b>Manufacturer</b>	<b>Value 2024/25 (%)</b>
Greencore	[40-50]%
Bakkavor	[30-40]%
<b>Parties</b>	<b>[70-80]%</b>
Samworth	[10-20]%
Oscar Mayer	[10-20]%
Other	[0-5]%
<b>Total</b>	<b>100%</b>

Source: The Parties

130. Table 2 shows that Greencore and Bakkavor are the two largest suppliers by a significant margin, with market shares of [40-50]% and [30-40]% respectively. The Merged Entity would have a share of [70-80]% and would be a clear market leader. Samworth and Oscar Mayer are the next largest suppliers of Italian chilled ready meals with market shares of [10-20]% each.

131. Table 2 above captures the share of standard Italian chilled ready meals. However, there are also non-standard ready meals, such as diet, healthier, premium, kids and value ready meals. While the data available meant it was not

<sup>143</sup> FMN, paragraph 15.7.

<sup>144</sup> FMN, paragraph 15.28.

<sup>145</sup> The CMA notes that the shares do not change significantly when considering the number of packs.

possible to calculate shares by cuisine for non-standard ready meals,<sup>146</sup> the CMA understands that 2SFG and Pilgrim's Pride supply non-standard Italian chilled ready meals to grocery retailers.

132. As discussed in the market definition section above, the CMA considers that there are separate markets for different cuisines in chilled ready meals. Nevertheless, the CMA recognises that there are out-of-market constraints (on the basis of both demand and supply-side substitution), and suppliers already producing other types of cuisine are likely to be a relatively strong out-of-market constraint. As such, the CMA has also considered market shares for all chilled ready meals to account for this constraint. These show that there are six suppliers with roughly similar share (Greencore, Bakkavor, 2SFG, Pilgrim's Pride, Oscar Mayer and Samworth).
133. The CMA has also considered branded chilled ready meals as an out-of-market constraint. The CMA found that including branded suppliers does not substantially change market shares in Italian chilled ready meals due to the limited presence of brands in chilled ready meals.

#### 5.3.3.2.3 *CMA's view on shares of supply*

134. Overall, the CMA considers that the shares of supply show Greencore and Bakkavor together account for the vast majority of supply in Italian chilled ready meals. Samworth and Oscar Mayer are the next largest suppliers. While 2SFG and Pilgrim's Pride have negligible shares in standard Italian chilled ready meals, their supply of non-standard Italian chilled ready meals suggests that they have some relevant capabilities in the market.
135. While the Parties submitted that the shares are really a reflection of their customers' successes/failures, the CMA considers that a manufacturer's ability to win and retain contracts, particularly for successful retailers, suggests the manufacturer has an attractive offering that supports the retailer's success.

#### 5.3.3.3 *Tender data*

##### 5.3.3.3.1 *Parties' submissions*

136. The Parties submitted analysis based on the dataset they assembled. The Parties said that this showed that they do not frequently bid against one another, with Bakkavor being only the fourth most frequently encountered rival for Greencore, after Oscar Mayer, Samworth, and Pilgrim's Pride and Greencore being the third

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<sup>146</sup> FMN, footnote 238. The Parties added that they expect the standard shares figures will be a broadly reliable proxy for shares of supply between cuisines for all chilled ready meals.

most frequently encountered rival on chilled ready meal opportunities, behind Oscar Mayer in terms of winners of opportunities lost by Bakkavor.<sup>147</sup>

#### 5.3.3.3.2 CMA assessment

137. The CMA has also considered the bidding frequency and win rates of the Parties and third parties for the relevant tenders using the tender data it has received from customers.<sup>148</sup>
138. Considering the tenders that included Italian chilled ready meals, the CMA observes that:
- (a) The Parties bid against each other in a small number of opportunities, including in relatively high value tenders. Greencore bid for the majority of the Italian chilled ready meal tenders that Bakkavor bid for and won [X] of these.<sup>149</sup> In comparison, Bakkavor bid for only a few of Italian chilled ready meal tenders that Greencore bid for.
  - (b) Oscar Mayer and Samworth bid against Greencore more frequently than Bakkavor did. All retailers that held tenders that Oscar Mayer bid for submitted that Oscar Mayer was a suitable or very suitable supplier, and it partially won a limited number of these tenders. Samworth also partially won a limited number of tenders.
  - (c) Some smaller suppliers, including Pro-Pak, David Wood and Laila's also bid for a few contracts. David Wood and Laila's partially won a limited number of low value contract(s).
  - (d) Some suppliers not currently active in standard Italian chilled ready meals also bid for Italian chilled ready meal tenders, including 2SFG and Pilgrim's Pride.<sup>150</sup> However, they were not successful in any that the Parties also bid for. Some customers suggested they would invite 2SFG and Pilgrim's Pride to an Italian chilled ready meal tender in the future.
139. As set out above, the CMA considers suppliers that currently supply other cuisines as an out-of-market constraint. As such, the CMA has also conducted a tender analysis for all chilled ready meals. The CMA found that there is an asymmetric constraint. In particular, the CMA found that when considering tenders that

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<sup>147</sup> Parties' response to the CMA's RFI 3, question 13(c) and Parties' submission to the CMA, 19 September 2025, (**Updated Bidding Data Submission**), pages 6 and 10.

<sup>148</sup> The CMA notes that there are relatively few tenders for Italian chilled ready meals where one or both of the Parties bid, and some of these also include other cuisines. Given the limited sample size, the CMA has been cautious in interpreting the results of this analysis and has considered this evidence alongside other evidence, such as, the qualitative evidence that customers and competitors submitted to the CMA about the strengths of the Parties and their alternatives.

<sup>149</sup> The outcome of one of these tenders was still to be decided when the CMA gathered its evidence.

<sup>150</sup> The CMA notes that some of these tenders also included other cuisines and in some instances it is not clear whether these suppliers bid for the Italian chilled ready meals SKUs, or only other cuisines.

Bakkavor bid for, Greencore was one of the most frequent bidders (alongside Oscar Mayer, Pilgrim's Pride and 2SFG). In comparison, when considering tenders that Greencore bid for, Oscar Mayer and Pilgrim's Pride bid significantly more than Bakkavor.<sup>151</sup>

#### 5.3.3.3.3 *CMA's view of tender data*

140. The tender data shows that the Parties have bid against each other for a few Italian chilled ready meals tenders, and Greencore has previously won where Bakkavor also bid. The contracts that Greencore won are the largest tenders, which is consistent with the shares of supply.
141. The tender data also suggests that the Parties face competition from other suppliers. In particular, Oscar Mayer and Samworth bid against the Parties consistently, and, in some instances, the Parties also face suppliers with small or no activity in Italian chilled ready meals (2SFG, Pilgrim's Pride, Pro-Pak, David Wood and Laila's).

#### 5.3.3.4 *Internal documents*

142. The Parties internal documents indicate that the Parties monitor competitors on an 'infrequent and ad hoc' basis.<sup>152</sup>
143. A Greencore '[<] document considers the Parties, Oscar Mayer and Samworth to be the major suppliers of Italian chilled ready meals. The CMA considers this indicates that while the Parties are strong suppliers, Oscar Mayer and Samworth also provide a strong constraint on the Parties.<sup>153</sup> These documents also note that Pilgrim's Pride and 2SFG are strong suppliers across different chilled ready meal cuisines and are particularly strong within Asian and Indian chilled ready meals.
144. In addition, the CMA considers that the Parties' internal documents are consistent with the CMA's tender data analysis.

#### 5.3.3.5 *Third-party evidence*

##### 5.3.3.5.1 *Closeness of competition between the Parties*

145. The CMA asked customers to identify the suppliers they would invite if they were to re-tender their contracts, and indicate how suitable of a supplier they consider them to be for their requirements:

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<sup>151</sup> 2SFG, Compleat, Fullers and Samworth also bid slightly more frequently against Greencore than Bakkavor did.

<sup>152</sup> Greencore Internal Document, Attachment 098 to the FMN, '[<]', May 2025, page 87.

<sup>153</sup> Greencore Internal Document, Attachment 065 to the FMN, '[<]', October 2024, page 48.

- (a) Over half of customers submitted Greencore is a suitable or very suitable supplier. In their explanations of their ratings, some of these customers suggested that Greencore has strong capabilities in Italian chilled ready meals.<sup>154</sup> For example, one customer said that Italian chilled ready meals is a core competency for Greencore.<sup>155</sup>
  - (b) A few customers submitted Bakkavor is a very suitable supplier, some were neutral, and a few submitted that Bakkavor would be an unsuitable supplier.
  - (c) A few customers indicated that the Parties have certain production sites that are focused on particular retailers, and they are therefore a less suitable provider for their own requirements.<sup>156</sup>
146. The CMA asked suppliers of chilled ready meals to identify and rate the strength of their competitors. Most own-label suppliers that responded to the question rated Greencore and Bakkavor as strong or very strong in Italian chilled ready meals,<sup>157</sup> and all respondents submitted that the Parties compete closely.<sup>158</sup>
147. Most grocery retailers had a neutral or mixed view of the Merger. Some suppliers suggested that the Merger may lead to synergies,<sup>159</sup> though one grocery retailer raised concerns about the level of consolidation in the market following previous mergers.<sup>160</sup> One grocery retailer told the CMA that the Merger could lead to a reduction to only three options in chilled ready meals,<sup>161</sup> and another indicated that a significant proportion of own-label supply would be controlled and supplied by the Parties across the UK grocery market following the Merger.<sup>162</sup>

#### 5.3.3.5.2 *Strength of alternative constraints*

148. Grocery retailers suggested that Oscar Mayer and Samworth are strong alternatives to the Parties in Italian chilled ready meals. Both Oscar Mayer and Samworth were rated as suitable or very suitable significantly more often than Bakkavor, and Oscar Mayer was rated suitable or very suitable by more grocery retailers than Greencore was. Overall, 2SFG was considered a moderately

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<sup>154</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 2.

<sup>155</sup> Response to the CMA questionnaire from a third party, September 2025, question 2.

<sup>156</sup> For example, one grocery retailer rated Bakkavor as neutral and said that Bakkavor's sites heavily prioritises another grocery retailer. Another noted that although Greencore currently supplies other products to them, it cannot supply Italian chilled ready meals as the particular site Greencore supplies from could not produce this cuisine. Response to the CMA questionnaire from a number of third parties, September 2025, question 2.

<sup>157</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 4.

<sup>158</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 5. Two branded suppliers also submitted that Greencore and Bakkavor are close competitors. One of these explained that the Parties both have significant market share in Italian chilled ready meals, and Italian chilled ready meals is Greencore's 'spike strength' category. Response to the CMA questionnaire from a number of third parties, September 2025, question 5.

<sup>159</sup> Response to the CMA questionnaire from a number of third parties, August 2025, question 4. See also note of a call with a third party, July 2025, paragraph 27 and note of a call with a third party, July 2025, paragraph 24.

<sup>160</sup> Response to the CMA questionnaire from a third party, August 2025, question 4.

<sup>161</sup> Response to the CMA questionnaire from a third party, August 2025, question 4.

<sup>162</sup> Response to the CMA questionnaire from a third party, August 2025, question 4.

suitable alternative by grocery retailers, with the same number of grocery retailers rating it and Bakkavor as suitable or very suitable.<sup>163</sup> Customer evidence suggests that other providers are not strong alternatives to the Parties.

149. As discussed above, the CMA asked customers to identify and rate the suitability of suppliers they would invite to a potential re-tender of their contracts. The CMA found that:

- (a) Of the Parties' competitors, Oscar Mayer was identified most frequently, and by almost all customers that responded to the question. Most of these customers submitted Oscar Mayer is a suitable or highly suitable supplier.
- (b) Samworth was identified by most of the customers that responded to the question, and more than half submitted Samworth is a suitable or highly suitable supplier. Other customers were neutral on Samworth's suitability, explaining that Samworth would likely require further site investment,<sup>164</sup> or that their capacity is unknown.<sup>165</sup>
- (c) 2SFG was identified by more than half of customers. Of these, more than half said that 2SFG was a suitable supplier or were neutral on it. Two of these customers explained that 2SFG had full capabilities in Italian chilled ready meals.<sup>166</sup> One customer who rated 2SFG neutrally told the CMA that it does not engage with 2SFG due to safety and risk issues.<sup>167</sup> However, some customers said it was unsuitable for their Italian chilled ready meal requirements.<sup>168</sup>
- (d) Pilgrim's Pride, Pro-Pak, David Wood, and Bombay Halwa were identified less frequently by grocery retailers and often considered neutral or unsuitable as suppliers.

150. When asked to identify and rate their competitors, a few suppliers identified only Greencore and Bakkavor;<sup>169</sup> one supplier identified Pilgrim's Pride, Oscar Mayer and Samworth as strong or very strong competitors;<sup>170</sup> and another supplier identified 2SFG and Samworth but rated them as neutral in terms of strength.<sup>171</sup>

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<sup>163</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 2.

<sup>164</sup> Response to the CMA questionnaire from a third party, September 2025, question 2.

<sup>165</sup> Response to the CMA questionnaire from a third party, September 2025, question 2.

<sup>166</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 2.

<sup>167</sup> Note of a call with a third party, July 2025, paragraph 23.

<sup>168</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 2.

<sup>169</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 4.

<sup>170</sup> Response to the CMA questionnaire from a third party, September 2025, question 4.

<sup>171</sup> The CMA notes that this competitor also scored Bakkavor neutral on strength and Greencore as weak. Response to the CMA questionnaire from a third party, September 2025, question 4.

#### 5.3.3.5.3 *CMA's views on third-party evidence*

151. Many customers and all competitors suggested that the Parties are strong suppliers of Italian chilled ready meals, albeit that Bakkavor received lower scores than Greencore and only few rated Bakkavor as a suitable supplier. As such, the CMA considers that third-party evidence indicates that the Parties are relatively close competitors and pose a constraint on each other.
152. Similarly, third-party evidence generally indicates that Oscar Mayer and Samworth have demonstrated capabilities to supply Italian chilled ready meals, and on average third parties rated these suppliers more favourably than the Parties. Third parties generally considered 2SFG as a moderately suitable alternative and Pilgrim's Pride and Pro-Pak were sometimes named as alternatives.

#### 5.3.4 **Conclusion on theory of harm 2**

153. The CMA considers that the Parties are large, successful suppliers of Italian chilled ready meals that have competed against each other for a few tenders. The CMA found that:
- (a) The shares of supply show they are the two largest suppliers, and together account for the majority of supply.
  - (b) The tender data shows that the Parties have bid against each other for a few tenders, and Greencore has previously won where Bakkavor has also bid. The contracts won by Greencore are the largest value tenders.
  - (c) Many customers and all competitors suggested that the Parties are strong suppliers of Italian chilled ready meals, but that Bakkavor is significantly weaker than Greencore.
  - (d) The entirety of Bakkavor's share is related to its supply of Italian chilled ready meals to [one customer], [X] servicing its existing relationships with retailers. The CMA considers that this is in line with the tender data and third-party evidence, which suggest Bakkavor competes weakly for other grocery retailers.
154. In any case, the CMA considers that the remaining constraints faced by the Merged Entity would be sufficient to offset any loss of competition and prevent the merger from resulting in an SLC.
155. Oscar Mayer and Samworth each pose a strong constraint on the Merged Entity through their ability to supply Italian chilled ready meals:
- (a) In terms of market shares, after the Parties, Samworth and Oscar Mayer are the next largest suppliers.

- (b) As regards tender opportunities, Oscar Mayer competes frequently against the Parties, and partially won [§<] that both Parties bid for. Samworth also competes frequently against the Parties, and partially won [§<] that Greencore bid for.
- (c) Further, many customers identified Oscar Mayer and Samworth as suitable suppliers for Italian chilled ready meals and rated them higher than the Parties. A few competitors also identified Oscar Mayer and/or Samworth as a relevant competitor in Italian chilled ready meals.
- (d) Further, given that retailer contracts generally have a long lead time and Oscar Mayer and Samworth have demonstrated capabilities in Italian chilled ready meals, the CMA considers that they are likely able to expand their capacity to supply grocery retailers.

156. 2SFG poses a material constraint on the Parties through its ability (in particular as perceived by customers) to supply Italian chilled ready meals. It is active in non-standard Italian chilled ready meals, a large supplier of other chilled ready meals,<sup>172</sup> and bid unsuccessfully for a number of Italian chilled ready meal contracts. Further, some customers considered 2SFG as a suitable alternative.

157. There are also some other suppliers that together pose some constraint on the Parties through their ability to supply Italian chilled ready meals. In particular, Pilgrim's Pride is active in non-standard Italian chilled ready meals, a large supplier of other cuisines,<sup>173</sup> and bid unsuccessfully in a few Italian chilled ready meal contracts. Further, smaller suppliers such as Pro-Pak, David Wood and Laila's bid for a few contracts and/or received some positive comments about their capabilities from customers.

158. In light of the remaining constraints from other suppliers, the Merger does not give rise to an SLC in the supply of Italian chilled ready meals.

### **5.3.5 Theory of Harm 3: Horizontal unilateral effects in the supply of own-label complex salads to grocery retailers in the UK**

#### *5.3.5.1 Parties' submissions*

159. The Parties submitted that they are not close competitors, citing bidding data that shows that they have not won or lost any salads opportunities to each other since

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<sup>172</sup> Which the CMA considers an important out-of-market constraint.

<sup>173</sup> Which the CMA considers an important out-of-market constraint.

2020.<sup>174</sup> The Parties further submitted that Bakkavor’s competitive significance has been in steady decline (particularly within complex salads).<sup>175</sup>

160. Additionally, the Parties submitted that there is a diverse and dynamic competitive landscape within salads with multiple competitors present, such as Avondale, Natures Way, Samworth, and Troy Foods (**Troy**), who will constrain the merged entity.<sup>176</sup>

### 5.3.5.2 Shares of supply

161. As set out in market definition, the CMA understands that there is a spectrum of complexity in salads, and that there is no bright line the CMA can use to determine which salads are ‘complex’ and which are ‘simple’. Nevertheless, the CMA considers that food-to-go salads are mostly complex, and while take-home salads can be simpler (eg including bagged salads) there are various types of take-home salads, such as dressed salads, that are complex. As such, the CMA has used food-to-go salads as a proxy for complex salads as regards its market shares analysis. However, the CMA has also considered shares of supply for all salads capturing the constraint from more complex take-home salads as well as the out of market constraint from simpler take-home salads. The CMA acknowledges that this is not a perfect reflection of competitive strength in complex salads, and therefore consider shares of supply with caution alongside other sources of evidence.

162. Table 3 sets out the Parties’ estimates of shares of supply for own-label retail salads.<sup>177</sup>

**Table 3: Estimates of shares of supply for own-label retail salads**

<b>Manufacturer</b>	<b>Food-to-go Salads Value 2024/25 (%)</b>	<b>Take-Home Salads Value 2024/25 (%)</b>	<b>All Salads Value 2024/25 (%)</b>
Greencore	[20-30]%	[5-10]%	[10-20]%
Bakkavor	[30-40]%	[20-30]%	[20-30]%
<b>Parties</b>	<b>[50-60]%</b>	<b>[30-40]%</b>	<b>[30-40]%</b>
Samworth	[10-20]%	N/A	[5-10]%
Kanes	[5-10]%	[0-5]%	[0-5]%
Troy	[0-5]%	[0-5]%	[0-5]%

<sup>174</sup> FMN, paragraphs 15.124-15.125.

<sup>175</sup> FMN, paragraphs 15.115 - 15.116.

<sup>176</sup> FMN, paragraphs 15.88-15.89(v).

<sup>177</sup> The CMA notes that the shares do not change significantly when considering the number of units.

Natures Way	[0-5]%	[30-40]%	[20-30]%
Avondale	[0-5]%	[5-10]%	[5-10]%
PDM	N/A	[5-10]%	[5-10]%
Vitacress	N/A	[5-10]%	[5-10]%
Agrial	N/A	[0-5]%	[0-5]%
Other	[10-20]%	[0-5]%	[0-5]%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

163. Table 3 shows that the Greencore and Bakkavor are the two largest suppliers in food-to-go salads, with market shares of [20-30]% and [30-40]% respectively. The Merged Entity would have a significant share of [50-60]% and be the largest supplier.
164. Samworth is the next largest supplier in food-to-go salads, with a market share of [10-20]%, followed by Kanes with a share of [5-10]%.
165. Considering all salads, Greencore and Bakkavor are two of the three largest suppliers in the market and would have a combined share of [30-40]%. Natures Way would be the next largest supplier, with a sizeable market share of [20-30]%. There is a long tail of other suppliers, including Avondale, PDM Produce (**PDM**) and Vitacress.

#### 5.3.5.2.1 CMA's view on shares of supply

166. The CMA considers that the shares of supply show that Greencore and Bakkavor together account for the majority of supply in the market. Samworth is the next largest supplier in food-to-go salads, followed by Kanes and a tail of other suppliers with significantly smaller shares than the Parties. When considering all salads, Natures Way is one of the largest suppliers, and has a similar share as Bakkavor, though Natures Way's revenues are primarily derived from its supply of take-home salads.

#### 5.3.5.3 Tender data

##### 5.3.5.3.1 Parties' submissions

167. The Parties submitted analysis based on the dataset they assembled. The Parties submitted that the bidding data does not indicate that Greencore is an important

competitor to Bakkavor in salads, but rather one of a large number of providers competing for such opportunities.<sup>178</sup>

#### 5.3.5.3.2 CMA assessment

168. The CMA has also considered the bidding frequency and win rates of the Parties and third parties for the relevant tenders using the tender data it has received from customers.<sup>179</sup> The CMA observes that:

- (a) Greencore won, or partially won, around [70-80]% of the tenders that it bid for.
- (b) Bakkavor was in fact only identified in [redacted].<sup>180</sup> This is consistent with Bakkavor's submission that [redacted].<sup>181</sup> Greencore, Bakkavor, Avondale, Vitacress and JWEuropean each won some lines of [redacted] where the Parties overlapped.
- (c) Natures Way was identified the most frequently in tenders that Greencore bid for by a significant margin, followed by Avondale. Natures Way also won the most frequently, although the majority of these were joint wins with Greencore. Avondale also won some tenders, though similarly these were all joint wins with Greencore. Kanes, Agrial and Samworth also bid against Greencore in a few tenders (ie more frequently than Bakkavor bid against Greencore).

#### 5.3.5.3.3 CMA's view on tender data

169. The tender data indicates that the Parties do not bid against each other frequently. The tender data also suggests Greencore is a strong supplier as it wins frequently in the salad tenders it participates in, but that Bakkavor is a much weaker competitor. While the Parties overlapped in, and jointly won a tender, this was also a joint win with three additional suppliers, suggesting that that customer has a number of credible alternatives. In addition, this customer rated a number of suppliers at least as highly as Bakkavor,<sup>182</sup> and submitted that the merger was unlikely to have a material impact on salads because it believes there are a number of other suppliers that can meet its requirements.<sup>183</sup>

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<sup>178</sup> Updated bidding data submission, page 15.

<sup>179</sup> The CMA asked customers to list the formal tenders where they had procured for the supply of own-label salads, and did not specify how to categorise salads into 'simple' and 'complex'. Nevertheless, most of the contracts the CMA received in response seem to be food-to-go salads or side salads. As such, the CMA believes that the tender data broadly reflects competition for complex salads.

<sup>180</sup> Excluding tenders for poke bowls.

<sup>181</sup> FMN, paragraph 14.7(c).

<sup>182</sup> [redacted].

<sup>183</sup> [redacted].

170. The tender data further shows that Natures Way bids the most frequently against Greencore by a significant margin and wins some of these tenders. Avondale is the next most frequent bidder against Greencore; all other suppliers bid and win infrequently against Greencore.

#### 5.3.5.4 *Internal documents*

171. The CMA considers that the internal documents indicate that the Parties view themselves as lead suppliers within salads, though they make a few references to competitors.

172. More specifically, one Greencore portfolio strategy document notes that:<sup>184</sup>

(a) Bakkavor leads the food-to-go salads segment with an estimated share of [X]% followed by Greencore at [X]%. Samworth, Kane's Foods and Troy were identified in the competitive landscape with much lower shares.

(b) Furthermore, this document also indicates that Greencore is the leader within take-home salads with an estimated share of [X]%, and Bakkavor has an estimate share of [X]%. Moreover, this document notes Natures Way as the second largest supplier within take-home salads alongside Avondale and Troy, who have relatively small shares.

173. Another Bakkavor internal document from September 2024 indicates that Bakkavor continues to move ahead of the market on salads, noting a [X] value share of [X]%, further illustrating its strength within salads.<sup>185</sup>

174. Additionally, one Greencore document indicates that the Parties supply most grocery retailers with food-to-go and ready-to-eat salads whereas, in contrast, the Parties' competitors, Samworth, Natures Way, Avondale, Kanes and Troy, supply relatively few grocery retailers.<sup>186</sup>

#### 5.3.5.5 *Third-party evidence*

##### 5.3.5.5.1 *Closeness of competition between the Parties*

175. The CMA asked customers to identify and rate the suitability of the suppliers they would invite if they were to re-tender their contracts.

(a) The majority of customers that rated Greencore said that it would be a suitable or very suitable supplier for their requirements. Some of these customers explained that Greencore has strong capabilities; for example,

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<sup>184</sup> Greencore Internal Document, Attachment 065 to the FMN, '[X],' October 2024, page 32.

<sup>185</sup> Bakkavor Internal Document, Attachment 027 to the FMN, '[X],' September 2024, page 32.

<sup>186</sup> Greencore Internal Document, Attachment 012 to the FMN, '[X],' November 2024, pages 28 and 29.

one customer said that Greencore has strong technical and development capabilities,<sup>187</sup> and another said Greencore had flexibility in its offering, and strong innovation and quality.<sup>188</sup>

- (b) Almost half of customers that rated Bakkavor said that it was a suitable or very suitable supplier, while some other customers were neutral on Bakkavor's strength.

176. The CMA asked producers of salads to identify their competitors and rate how strong of a competitor they are. Most respondents that identified them rated Greencore and Bakkavor as strong or very strong competitors,<sup>189</sup> and said the Parties were competing closely.<sup>190</sup> One of these producers said that Greencore has core capability across all formats, and Bakkavor has capability across the majority of formats.<sup>191</sup>

#### 5.3.5.5.2 *Strength of alternative constraints*

177. The CMA asked customers to identify the suppliers they would invite if they were to re-tender their contracts and indicate how suitable of a supplier they consider them to be for their requirements. While the CMA considers that 'simple' salads are an out-of-market constraint, it has set out the evidence available on 'simple' salad suppliers alongside 'complex' salad suppliers to reflect this constraint below:

- (a) Of the Parties' competitors, customers identified Samworth most frequently, and the majority of those customers said that Samworth was a suitable or very suitable supplier for their requirements. Some customers said that Samworth has a proven capability or competency.<sup>192</sup> The other customers suggested they would need to scope out Samworth's viability.<sup>193</sup>
- (b) Natures Way was also identified relatively frequently. While most of these customers said that Natures Way was not a suitable supplier,<sup>194</sup> one large customer said it had an existing relationship with Natures Way and it had proven capabilities.<sup>195</sup>
- (c) PDM was identified by some customers. All of these customers rated it as suitable or very suitable and highlighted its high quality, though one

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<sup>187</sup> Response to the CMA questionnaire from a third party, September 2025, question 6.

<sup>188</sup> Response to the CMA questionnaire from a third party, September 2025, question 6.

<sup>189</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 20.

<sup>190</sup> Response to the CMA questionnaire from a third party, September 2025, question 21.

<sup>191</sup> Response to the CMA questionnaire from a third party, September 2025, question 20.

<sup>192</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 6.

<sup>193</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 6.

<sup>194</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 6.

<sup>195</sup> Response to the CMA questionnaire from a third party, September 2025, question 6.

customer also noted its more limited offering and another said its prices can be commercially unviable.<sup>196</sup>

- (d) Kanes, Avondale and Vitacress were also identified by some customers. While some of these customers suggested that they have a more limited offering, some customers also suggested that these suppliers were strong within their offering. For example, one customer said that Avondale had strong innovation and quality across food-to-go and dressed salads.<sup>197</sup>
- (e) There was a long tail of other suppliers that were identified by one or two customers.

178. In terms of views on the Merger, one grocery retailer told the CMA the Merger may limit competition in the market for food-to-go salads by reducing the number of alternative suppliers.<sup>198</sup> Another grocery retailer told the CMA that the market for salads tends to be a little more fragmented than the markets for chilled ready meals or chilled sauces, and so it is less concerned about the impact of the Merger on this segment.<sup>199</sup>
179. As discussed above, the CMA asked suppliers of salads to identify and rate the strength of their competitors. Of the Parties' competitors, Natures Way was identified most frequently and rated as strong or very strong by those suppliers.<sup>200</sup> One supplier identified a long tail of other competitors.
180. Some customers and suppliers also suggested that growers were not strong alternatives for 'complex' salads. For example, one supplier said that, while there are a number of growers manufacturing simple salad bowls, it does not compete with growers in more complicated salad bowls.<sup>201</sup>

#### 5.3.5.5.3 CMA's views on third-party evidence

181. Many customers and competitors suggested that Greencore is a strong supplier of the types of salads the CMA considers to be complex salads such as food-to-go, and some third parties suggested Bakkavor is a strong supplier. They generally noted both have proven capabilities. As such, the CMA considers that third-party evidence suggests that the Parties are both considered strong suppliers.
182. The CMA considers that third-party evidence on other suppliers generally suggests that Samworth has proven capabilities and therefore poses a significant

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<sup>196</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 6.

<sup>197</sup> Response to the CMA questionnaire from a third party, September 2025, question 6.

<sup>198</sup> The CMA notes that this grocery retailer rated Bakkavor as very unsuitable and submitted it was unaware of Bakkavor's capabilities. Response to the CMA questionnaire from a third party, August 2025, question 4; and response to the CMA questionnaire from a third party, September 2025, question 6.

<sup>199</sup> Response to the CMA questionnaire from a third party, August 2025, question 4.

<sup>200</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 20.

<sup>201</sup> Note of a call with a third party, August 2025, paragraph 16.

constraint on the Parties. There is also some evidence that other suppliers, particularly Natures Way and PDM, are strong suppliers for certain customers and contracts, suggesting they pose some level of constraint, particularly for salads that are towards the simpler end of the spectrum. In addition, there is a long tail of other suppliers that a few third parties identified and rated highly and may therefore pose some level of constraint on the Parties.

### 5.3.6 Conclusion on Theory of Harm 3

183. On the basis of the evidence the CMA has received, the CMA considers that the Parties pose a constraint on each other, though the constraint that Greencore poses on Bakkavor is stronger than the reverse:

- (a) The shares of supply show Greencore and Bakkavor are the largest suppliers, and together account for the majority of supply in the market.
- (b) The tender data suggests that Greencore wins frequently in the salad tenders it participates in, but that Bakkavor does not bid often, and the Parties do not bid against each other frequently. Even where the Parties overlapped, the customer had a number of credible alternatives to the Parties.
- (c) Most customers and suppliers identified the strength of Greencore as a supplier, and some third parties also submitted that Bakkavor was a strong supplier.
- (d) The CMA considers that Bakkavor's submission that [X] consistent with a diminished constraint of Bakkavor on Greencore.

184. The CMA has also considered the strength of alternative constraints.

- (a) Overall, the evidence the CMA has received suggests Samworth poses a significant constraint on the Parties. In particular, Samworth is a large supplier that has material activity in complex salads, with a [10-20]% market share in food-to-go salads. Further, the customer tender dataset suggests that Samworth bid in a few tenders against Greencore (and bid against Greencore more frequently than Bakkavor did), and the majority of customers identified Samworth as a suitable supplier for salads.
- (b) The evidence also suggests that Natures Way and Avondale pose material constraints on the Parties, given that they participate in and win salad tenders relatively frequently, and much more frequently than Bakkavor does. Some customers also suggested that Natures Way and Avondale are suitable suppliers for their requirements. Further, Natures Way in particular has a material share in the supply of all salads, and some of these revenues are from the supply of complex salads. However, the CMA notes

that the evidence suggests both are a stronger constraint on salads towards the simpler end of the spectrum of salads than they are for complex salads, though both produce some complex salads.

- (c) The CMA also considers that there is a tail of other suppliers that pose some level of constraint. In particular, Kanes, Troy, PDM and Vitacress bid for some tenders and appear to be strong suppliers for certain customers.

185. In light of the remaining constraints from other suppliers, the Merger does not give rise to an SLC in the supply of complex salads.

## 6. ENTRY AND EXPANSION

186. Entry, or expansion of existing firms, can mitigate the initial effect of a merger on competition, and in some cases may mean that there is no SLC. The CMA will consider entry and/or expansion plans of rivals who do so in direct response to the merger as a countervailing measure that could prevent an SLC. In assessing whether entry or expansion might prevent an SLC, the CMA considers whether such entry or expansion would be timely, likely and sufficient.<sup>202</sup>

### 6.1 Parties' submissions

187. The Parties submitted that entry is likely to be timely, likely and sufficient because retailers sponsor entry and expansion that increases overall capacity.<sup>203</sup> For example sponsorship occurs through incubator programmes and large contracts with guaranteed volumes, and result in entry occurring within two years.<sup>204</sup> The Parties also submitted that grocery retailers retaliate against suppliers across other product lines and multi-home within product categories to ensure a pool of suppliers.<sup>205</sup> The Parties contend that for each product discussed in this decision, retailers will have viable alternative suppliers in order to exercise buyer power.<sup>206</sup>

188. The Parties also referenced other forms of entry and expansion, including from suppliers in adjacent markets and European-based suppliers.<sup>207</sup>

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<sup>202</sup> [CMA129](#), paragraph 8.31.

<sup>203</sup> Parties' submission to the CMA, 16 September 2025, paragraphs 2.1–2.3. See also Parties' response to the Issues Letter, 6 October 2025, pages 147–149.

<sup>204</sup> Parties' submission to the CMA, 16 September 2025, paragraphs 4.1–4.3. See also FMN, paragraph 20.4, Table 20.1, paragraph 20.5 and Table 20.2.

<sup>205</sup> Parties' submission to the CMA, 16 September 2025, paragraphs 2.3–2.4. See also Parties' response to the Issues Letter, 6 October 2025, pages 152–154.

<sup>206</sup> Parties' response to the Issues Letter, 6 October 2025, page 151.

<sup>207</sup> Parties' submission to the CMA, 16 September 2025, paragraph 4.4–4.6. See also FMN, paragraphs 20.1 and 20.2 and Parties' response to the Issues Letter, 6 October 2025, pages 155–159.

## 6.2 CMA's assessment

### 6.2.1 Buyer entry

189. As stated in the CMA's guidance, where a customer has the ability and incentive to trigger new entry, it may be able to restore competitive conditions to the levels that would have prevailed absent the merger.<sup>208</sup> The CMA's starting point is therefore to understand the extent to which there is a possibility of sponsored entry or self-supply. The CMA considers that the evidence from grocery retailers indicates that this is unlikely.
190. The CMA received evidence that only a few grocery retailers are likely to sponsor entry of a new manufacturer.<sup>209</sup> While a few grocery retailers indicated they would in theory consider sponsoring expansion, they often focused on the ability to provide long-term contracts to suppliers with existing capabilities or proven track records.<sup>210</sup> While the CMA acknowledges that partial sponsored entry has sometimes occurred the CMA has not received any evidence that sponsored entry would occur in relation to chilled sauces. Further, around half of the grocery retailers indicated they would not be willing or able to sponsor entry or expansion at all.<sup>211</sup>
191. The CMA also considers that the available evidence does not indicate that grocery retailers would pose a sufficient constraint on the Merged Entity via other forms of buyer power that are not sponsored entry. For retailers to meaningfully exercise buyer power, it is necessary for them to have viable alternatives to switch to.<sup>212</sup> As discussed above, the CMA considers the evidence indicates that there are limited viable alternatives for the supply of chilled sauces.

### 6.2.2 Other forms of entry and expansion

192. Further, the CMA has not received evidence that expansion by current suppliers of chilled sauces is likely. Although some suppliers of chilled sauces indicated they were exploring opportunities in relation to chilled sauces, they did not specify any plans to expand within the next two years.<sup>213</sup> Only one supplier indicated they have specific expansion plans they expected to materialise within the next two

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<sup>208</sup> [CMA129](#), paragraph 4.19.

<sup>209</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 7(a).

<sup>210</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 7(a).

<sup>211</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 7(a).

<sup>212</sup> [CMA129](#), paragraph 4.20. 'This is because a customer's buyer power depends on the available of good alternatives they can switch to'.

<sup>213</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 13. An internal document from Greencore also acknowledges that there is [redacted]: Greencore Internal Document, Attachment 012 to the FMN, '[redacted]', November 2024, page 26.

years. However, this supplier noted they are a small niche supplier.<sup>214</sup> The CMA considers that such expansion would only add limited capacity to the market.

193. Even if the CMA were to consider entry or expansion as a reaction to the Merger,<sup>215</sup> the evidence also suggests that entry for new entrants or expansion by small suppliers would be difficult. Around half of suppliers emphasised the need for capital investment in production facilities and machinery; distribution costs; and time to develop and trial recipes.<sup>216</sup> Further, one supplier explained that the market was consolidated with limited room to grow.<sup>217</sup>
194. For the reasons set out above, the CMA believes that entry or expansion would not be sufficient, timely or likely to prevent a realistic prospect of an SLC as a result of the Merger.

## **7. CONCLUSION ON SUBSTANTIAL LESSENING OF COMPETITION**

195. Based on the evidence set out above, the CMA believes that it is or may be the case that the Merger may be expected to result in an SLC as a result of horizontal unilateral effects in relation to the supply of own-label chilled sauces.

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<sup>214</sup> Response to the CMA questionnaire from a third party, September 2025, question 13.

<sup>215</sup> See Parties' response to the Issues Letter, 6 October 2025, page 155.

<sup>216</sup> Response to the CMA questionnaire from a number of third parties, September 2025, question 14.

<sup>217</sup> Response to the CMA questionnaire from a third party, September 2025, question 13.

# DECISION

196. Consequently, the CMA believes that it is or may be the case that (i) arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation; and (ii) the creation of that situation may be expected to result in an SLC within a market or markets in the United Kingdom.
197. The CMA therefore believes that it is under a duty to refer under section 33(1) of the Act. However, the duty to refer is not exercised whilst the CMA is considering whether to accept undertakings under section 73 of the Act instead of making such a reference.<sup>218</sup> The Parties have until 3 November 2025 to offer an undertaking to the CMA.<sup>219</sup> The CMA will refer the Merger for a phase 2 investigation<sup>220</sup> if the Parties do not offer an undertaking by this date; if the Parties indicate before this date that they do not wish to offer an undertaking; or if the CMA decides<sup>221</sup> by 10 November 2025 that there are no reasonable grounds for believing that it might accept the undertaking offered by the Parties, or a modified version of it.

**Joel Bamford**  
**Executive Director, Mergers**  
**Competition and Markets Authority**  
**27 October 2025**

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<sup>218</sup> Section [33\(3\)\(b\)](#) of the Act.

<sup>219</sup> Section [73\(2\)](#) of the Act.

<sup>220</sup> Sections [33\(1\)](#) and [34ZA\(2\)](#) of the Act.

<sup>221</sup> Section [73A\(2\)](#) of the Act.