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Australian Competition and Consumer Commission Mergers Public Register

Acquirer:	Berri Limited
Target:	National Foods Limited
Initiation:	Parties
Market Definition:	The relevant market is for the production and wholesale supply of chilled and ambient fruit juice and fruit drink.
Merger Type:	Horizontal / Asset Sale
Guidelines Thresholds:	Crossed
Imports Above 10%:	No
Summary:	Berri Limited proposes to purchase the juice business of National Foods Limited, National Foods Juice Limited.

Competition Analysis:

Although the merger combines two of the larger fruit juice and fruit drink manufacturers in Australia, market inquiries indicated that it is a highly competitive market with a high degree of price competition and product innovation.

Competition is driven not only by the merger parties but also by a number of other smaller players. The ACCC considered it unlikely that competition would diminish substantially post-merger.

The ACCC conducted extensive market inquiries about consolidation in the juice industry generally and this matter specifically. The ACCC spoke to citrus growers, fruit juice, fruit drink and cordial manufacturers as well as major customers.

These discussions indicated that the acquisition would be unlikely to result in a significant reduction in competition in the relevant market. The ACCC also found that entry into the market has occurred recently. Barriers to entry are relatively low. Such low barriers should ensure that the industry remains competitive after the merger.

Information obtained by the ACCC indicated that the merger would be unlikely to have a negative impact on orange growers as they will still have many juice processors seeking their produce.

Outcome:	Not Opposed	Resolution:	N/A
Date Raised:	26-Aug-1999	Date Closed:	10-Nov-1999
