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PUBLIC VERSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus […]. Where possible the information omitted has been replaced by ranges of figures or a general description.

Zuivelcoöperatie FrieslandCampina U.A.
Stationsplein 4
3818 LE Amersfoort
The Netherlands

Subject: **Case M.11939 – FRIESLANDCAMPINA / MILCOBEL**
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004 ([1]) and Article 57 of the Agreement on the European Economic Area ([2])

Dear Sir or Madam,

(1) On 17 September 2025, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which Zuivelcoöperatie FrieslandCampina U.A. ('**FrieslandCampina**', the Netherlands) intends to merge with Milcobel CV (**'Milcobel'**, Belgium) (the '**Transaction**'). ([3]) FrieslandCampina and Milcobel are designated hereinafter as the 'Parties'.

([1]) OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this Decision.
([2]) OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').
([3]) OJ C, C/2025/5166, 24.9.2025.

1. THE PARTIES AND THE OPERATION

(2) **FrieslandCampina** is a Dutch dairy cooperative consisting of around 14 000 dairy farmers in the Netherlands, Germany and Belgium. FrieslandCampina processes milk into a wide range of dairy products and ingredients. It supplies consumer products, such as milk, yogurt, cheese, infant nutrition and desserts, products for the professional market, such as cream and butter products, ingredients and semi-finished products for producers of infant nutrition, the food industry and the pharmaceutical sector. Part of the FrieslandCampina Group is Velder, a specialised cheese wholesaler, which FrieslandCampina acquired in 2013. Velder sells both cheeses produced by FrieslandCampina and cheeses that are procured from third parties. ([4])

(3) **Milcobel** is a Belgian dairy cooperative company consisting of around 1 400 dairy farmers in Belgium, France and the Netherlands. Milcobel develops, produces and sells a range of dairy products for consumers and ingredients for professional and industrial customers worldwide. Milcobel also owns: (i) Kaasbrik NV ('Kaasbrik', Belgium), specialised in the packaging, shredding and cutting of both cheeses produced by Milcobel and cheeses sourced from third parties, (ii) Kaasimport Jan Dupont NV ('Dupont', Belgium), a specialised cheese wholesaler offering both cheeses produced by Milcobel and cheeses that are procured from third parties and full-service intermediary in the supply chain, offering storing, cutting, or slicing, and packaging services for own and third-party products, and (iii) Camal SA ('Camal', Belgium), a dairy wholesaler. ([5])

(4) The Transaction consists in the acquisition pursuant to a framework agreement dated 4 September 2025 of assets and liabilities of Milcobel by FrieslandCampina, within the meaning of Article 3(1)(b) of the EC Merger Regulation.

(5) […] ([6])

2. UNION DIMENSION

(6) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million ([7]) (FrieslandCampina: EUR 12.9 billion; Milcobel: EUR […], both in 2024). Each of them has a Union-wide turnover in excess of EUR 250 million (FrieslandCampina: EUR […]; Milcobel: EUR […], both in 2024) but they do not both achieve more than two-thirds of their aggregate Union-wide turnover within one and the same Member State. The notified operation therefore has a Union dimension pursuant to Article 1(2) of the Merger Regulation.

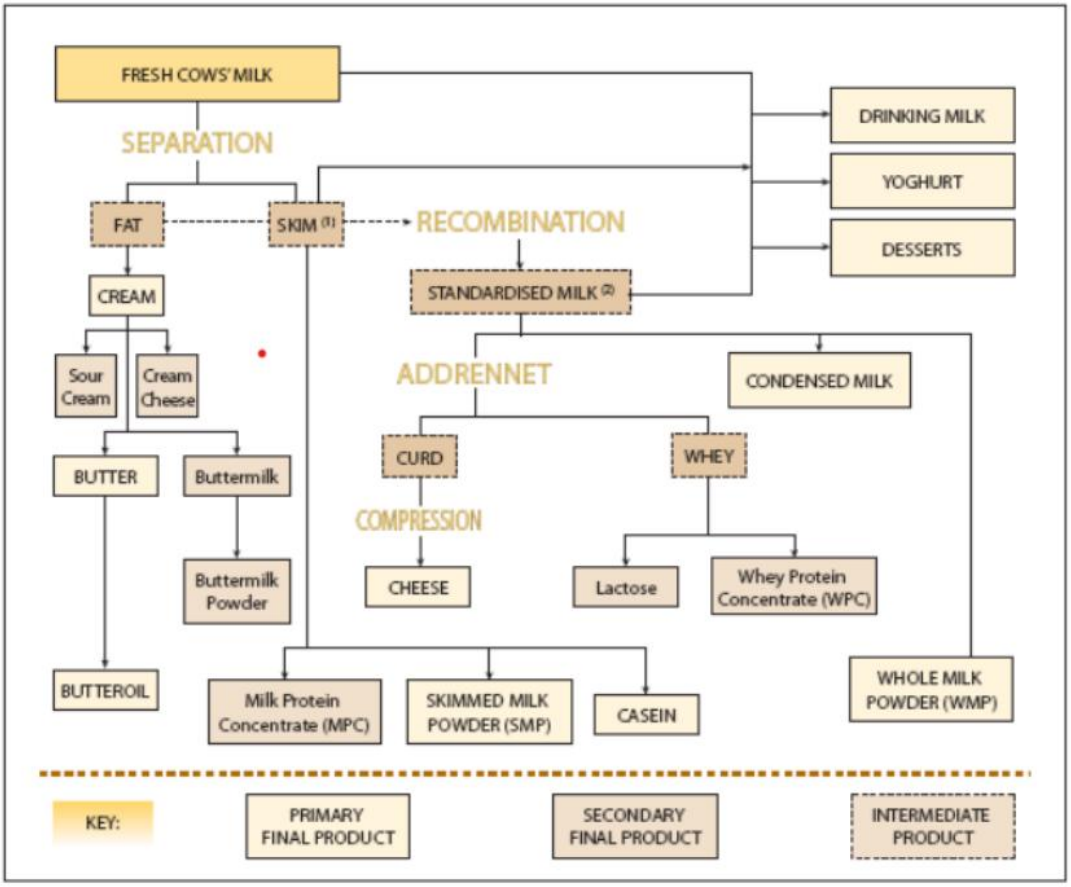
3. INDUSTRY OVERVIEW

(7) The dairy sector comprises a series of interrelated product markets, reflecting the wide variety of milk-based end products. The typical business model for dairy companies, notably dairy cooperatives, is to process the raw milk collected from farmers into a wide variety of dairy products. The fact that the raw material - raw milk – is common to these products leads to prices of dairy products following

([4]) Form CO, para. 120.
([5]) Form CO, para. 122.
([6]) In the Merger Agreement of 20 December 2024, […](the 'Cooperative Merger'). […]. See Form CO, paras. 46-51.
([7]) Turnover calculated in accordance with Article 5 of the Merger Regulation.

similar trends. Raw milk consists of several nutritional components: fat, proteins, lactose (milk sugar) and minerals. For some dairy products, only the non-fat components (notably proteins and lactose) are used. Other products, notably butter and cream, are made from the milk fat. Many key products such as cheese and milk contain a mix of fat and non-fat components. Some products – in particular cream, buttermilk and whey – are, in essence, by-products resulting from the production of the primary dairy products such as drinking milk and cheese. The diagram below shows how the fat and non-fat components of raw milk can be used for different applications.

Figure 1 – Dairy valorisation model



(1) SKIM = protein + other solids (lactose + minerals) + water
(2) STANDARDISED MILK = of a fat content adjusted by the addition of skim or cream
Source: Trevor Smith - dairy industry consultant

Source: Form CO, paragraph 105.

(8) Depending on the processing technology used – as well as the type of product – the resulting products may be fresh and required to be stored refrigerated, or long-life and capable of being stored at ambient temperatures. ([8]) As can be seen from the picture above, some products are final, while others are inputs (i.e. intermediate products) that are sold to industrial customers, mainly in the food, pharmaceutical or feed industry. ([9])

([8]) Form CO, para. 106.
([9]) Form CO, para. 106.

(9) Cheese constitutes by far the most important primary application for raw milk; more than 50% of the raw milk produced in the countries of establishment of the Parties is used to produce cheese. Given the milk-intensity of cheese production – approximately 9 kg of raw milk is needed to produce 1 kg of cheese – cheese is the most important destination for processing milk and is the best option to convert perishable milk into longer life dairy products. The farmers' milk income indirectly generated through cheese production is therefore very significant. This same milk-intensity also makes it virtually impossible for dairy producers to shift from the production of cheese to alternative applications. On the other hand, butter is to be located at the lower end of the value chain: basically, fat components of raw milk that find no alternative application are used to produce butter. ([10])

(10) Raw cow milk is produced by dairy farmers, who sell it either to a dairy cooperative, such as FrieslandCampina or Milcobel ([11]), or a private dairy company ([12]).

(11) A farmer deciding to join a cooperative as a member (as opposed to being a non-member supplier) has the following implications. First, the member farmer is required to invest in the cooperative to secure equity, with the amount of the investment generally linked to the volume of milk supplied. ([13]) In return the member farmer shares in the cooperative's profits and is represented in the latter's decision-making bodies. By contrast, when supplying raw milk to a private dairy company no equity investment is required, nor is there any form of profit-sharing. Second, the member farmer commits to supply all its milk to the cooperative. Conversely, the cooperative is obliged to accept and process all raw milk produced by its member farmers. ([14]) By contrast, in case of sale of raw milk to a private dairy company, the volumes and the duration of the supply agreement are the subject of a contractual agreement between the parties.

(12) Further, a dairy cooperative cannot unilaterally end its relationship with a member farmer. However, the member farmer can unilaterally leave the cooperative, observing a notice period as laid down in the cooperative's articles of association or other governing documentation, and can switch to another cooperative or decide to start supplying to a private dairy company. ([15])

4. RELEVANT MARKETS

4.1. Procurement of raw milk

(13) Both Parties procure raw milk from their member farmers and, to a much lesser extent, from independent raw milk suppliers (non-members). ([16]) FrieslandCampina procures both conventional raw milk as organic raw milk, ([17])

([10]) Form CO, para. 112.
([11]) Besides the Parties, dairy cooperatives currently active in Belgium and/or the Netherlands are Arla, Laiterie des Ardennes and DOC Kaas (which together with the cooperative Deutsches Milchkontor eG owns the German dairy company DMK GmbH).
([12]) Private dairy companies currently active in Belgium and/or the Netherlands include A-ware, Cono, Danone, Farmel, Inex, Lactalis and Vreugdenhil.
([13]) Form CO, paragraph 116.
([14]) Form CO, paragraph 109.
([15]) Form CO, paragraph 108.
([16]) Form CO, paragraphs 522 and 546.
([17]) Form CO, paragraph 523.

and it procures raw milk of both cows and goats. ([18]) Milcobel does not procure organic raw milk, but only conventional raw milk and neither does it procure raw milk of any other species than cows. ([19])

4.1.1. *Product market*

4.1.1.1. Past Commission decisions

(14) The Commission has previously concluded that the procurement of conventional raw milk and the procurement of organic raw milk constitute separate product markets. ([20]) The Commission has also considered a further sub-segmentation according to species (cow, goat and sheep), because of limited substitutability of the downstream end-products, but eventually left the market definition open. ([21])

4.1.1.2. Parties' views

(15) The Parties submit that Milcobel is neither active on the market for procurement of raw milk of any other species than cows nor active on the market for organic raw milk. Therefore, the Parties consider that for the purposes of assessing the Transaction, the exact market definition can be left open and submit that the competitive assessment should be focussed on the narrowest plausible level of the affected product market, the procurement of conventional raw cow's milk. ([22])

4.1.1.3. Commission's assessment

(16) The results of the market investigation confirmed that the procurement of conventional raw milk and the procurement of organic milk constitute separate product markets. Most respondents to the market investigation confirmed that the segmentation is still warranted. ([23]) They referred to the fact that organic raw milk is subject to strict regulations to be certified as organic. In addition, both have different pricing dynamics as organic raw milk commands a premium price compared to conventional raw milk, reflecting higher production costs and the added value in terms of health, environmental concerns and/or animal welfare. ([24])

(17) The results of the market investigation also confirmed that the procurement of raw milk can be further segmented according to species (cow, goat and sheep). ([25]) Respondents to the market investigation referred to the fact that raw cow, goat and sheep milk need to be collected and processed separately, that they have different characteristics such as taste, texture, nutritional composition and fat contents, different end-use applications, ([26]) and different price dynamics that reflect differences in product costs, supply volumes and demand. ([27])

([18]) Form CO, fn. 106 and para. 212.
([19]) Form CO, paragraph 134.
([20]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, para. 52.
([21]) Commission decision of 14 June 2011 in case M.6242 – *Lactalis / Parmalat*, para. 9.
([22]) Form CO, para. 134-134.
([23]) Replies to Questionnaire to competitors, question C.A.2.
([24]) Replies to Questionnaire to competitors, question C.A.2.1.
([25]) Replies to Questionnaire to competitors, question C.A.1.
([26]) Raw cow milk is used for conventional dairy products such as cheese, butter and yoghurt, while raw goat and sheep milk are often used for speciality products to cater niche markets including consumers with allergies or cow milk intolerances.
([27]) Replies to Questionnaire to competitors, question C.A.1.1.

4.1.1.4. Conclusion

(18) The Commission considers that the exact product market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it under any plausible product market definition.

(19) For the purposes of assessing the Transaction, and in light of the fact that Milcobel is not active in the procurement of raw milk of any other species than cows, and does not procure organic raw cow milk, ([28]) the competitive assessment will focus on the narrowest plausible level of the affected product market, the procurement of conventional raw cow's milk.

4.1.2. *Geographic market*

4.1.2.1. Past Commission decisions

(20) In previous cases, the Commission has in some cases considered the market to be national ([29]) and in others left open whether the market is national or narrower. ([30]). As regards the Dutch market, the Commission concluded that the relevant geographic market for the procurement of raw milk is national in scope and includes the whole territory of the Netherlands. ([31])

4.1.2.2. Parties' views

(21) The Parties submit that for the purposes of this decision national markets should be considered because the Parties procure raw milk predominantly in the Netherlands (FrieslandCampina) and Belgium (Milcobel). ([32]) The Parties add that raw milk is often transported over distances of up to 200 km from the point of production and that considering the size of the Netherlands and Belgium, such distances would in almost all cases cover transporting distances within the entire country. ([33]) Especially as regards Belgium, they refer to the significant milk streams from Flanders to Wallonia with approximately 27,5% of raw milk collected by dairy facilities in Wallonia in 2020 coming from Flanders. ([34]) Finally, the Parties assert that procurement of raw milk predominantly takes place within the country and that importing raw milk only happens to a relatively limited extent. ([35])

4.1.2.3. Commission's assessment

(22) On the one hand, most competing dairy companies that responded to the market investigation stated that the conditions of competition for procuring raw milk are

([28]) Form CO, paragraph 134.
([29]) See for example Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, para. 80, Commission decision of 19 September 2006 in case M.4344 – *Lactalis / Nestlé JV (II)*, para. 34.
([30]) See for example Commission decision of 22 August 2010 in case *M.5875 – Lactalis / Puleva Dairy*, para. 37; Commission decision of 28 September 2012 in case *M.6627 – Arla Foods / Milch-Union Hocheifel*, para. 64; Commission decision of 3 March 2016 in case M.7573 – *DMK / DOC Kaas*, para. 22.
([31]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, para. 80.
([32]) Form CO, para. 136.
([33]) Form CO, para. 136.
([34]) Form CO, para. 136; See also: https://etat-agriculture.wallonie.be/contents/indicatorsheets/EAW-E2a-D.html.
([35]) Form CO, para. 136. The Parties explain that in 2023, import of bulk milk in the Netherlands amounted to less than 5% of the total raw milk production in the Netherlands.

generally the same at national level. ([36]) On the other hand, most competing dairy companies also submit that they procure milk locally, i.e. within a given area or radius from the respective production plant, with the estimated radius from the respondents ranging from 25km to 250km. ([37])

4.1.2.4. Conclusion

(23) For the purposes of this Decision, the precise geographic scope of the market for the procurement of raw milk can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it regardless of the geographic market definition. The competitive assessment will be carried out at the following plausible levels: the region of Flanders, Belgium, the Netherlands, the supranational region of Belgium and the Netherlands combined, the supranational region of the Netherlands and Flanders combined, and on local catchment areas around certain production plants of the Parties.

4.2. Production and supply of hard/semi-hard cheese

(24) Both Parties are active in the production and supply of hard/semi-hard cheese. FrieslandCampina produces branded and private label hard/semi-hard cheeses such as Gouda, Edam, Maasdam, Emmental, Mimolette, and some speciality cheeses in its production plants in the Netherlands.

(25) Milcobel produces in Belgium hard/semi-hard cheeses such as Gouda and speciality hard/semi-hard cheeses, including Nazareth light (which is a 30+/35+ cheese) and a hard/semi-hard beer cheese (which is a cheese with an additive).

4.2.1. *Product market*

(26) The Commission has previously distinguished between different categories of cheese, such as:

(a) hard/semi-hard cheese (e.g. Dutch-type cheese ([38]), Emmental, tilsit, cheddar, manchego and danbo); ([39])

(b) fresh cheese (e.g., mozzarella, ricotta, mascarpone, robiola and feta); ([40])

(c) soft cheese (e.g., crescenza, taleggio, gorgonzola and brie); ([41])

([36]) Replies to Questionnaire to competitors, question C.B.2.Respondents that stated that the relevant geographic market is narrower than national are all active in Germany and submit that the prices vary from region to region and that regional peculiarities have an influence on competition. Respondents that stated that the relevant geographic market is broader than national are less univocal and their responses vary between a regional market of Flanders and the Netherlands, a regional market of Belgium and the Netherlands, a regional market of Belgium, the Netherlands, and the western part of Germany, a regional market of Belgium, the Netherlands, France and Germany, and an EEA-wide market.

([37]) Replies to Questionnaire to competitors, question C.B.1.1.

([38]) Gouda, Maasdam and Edam (including their varieties with low salt, low fat etc.) are typical Dutch cheeses and henceforth referred to as "Dutch-type cheese". See M.5046 – *Friesland Foods / Campina*, paras. 482.

([39]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, paras. 500-504; Commission decision of 31 May 2023 in case M.10876 – *BSA (Lactalis) / Ambrosi*, para. 25.

([40]) Commission decision of 24 April 2006 in case M.4135 – *Lactalis / Galbani*, para. 9; Commission decision of 9 December 2019 in case M.9413 – *Lactalis / Nuova Castelli*, paras. 58-59.

([41]) Commission decision of 24 April 2006 in case M.4135 – *Lactalis / Galbani*, para. 9; Commission decision of 31 May 2023 in case M.10876 – *BSA (Lactalis) / Ambrosi*, para. 25.

(d) hard cheese (e.g., Parmigiano Reggiano, Grana Padano and pecorino); ([42]) and

(e) semi-hard cheese, (e.g., asiago, fontina, paste filate and provolone). ([43])

(27) According to Commission precedents, each cheese category could be further segmented by type of cheese based on consumers' preferences or the unique characteristics of products. ([44])

(28) In previous cases, the Commission also considered segmenting the cheese market by type of presentation (such as sliced cheese, cheese sold at variable and fixed weight), type of milk used and protected geographical status. ([45])

(29) As far as Dutch-type cheese is concerned, in *Friesland Foods/Campina* the Commission concluded that:

(a) Dutch-type cheese forms part of a market that is separate from other hard/semi-hard cheeses in the Netherlands;

(b) The main varieties of Dutch-type cheese (namely Gouda, Maasdam and Edam) are likely to constitute separate markets, though ultimately the relevant product market definition was left open;

(c) Nature ([46]) and rindless ([47]) cheeses are likely to constitute separate markets, though ultimately the relevant product market definition was also left open;

(d) Branded and private label/unbranded cheeses belong to the same relevant product market;

(e) There are separate markets for (i) the supply to retailers, (ii) the supply to industrial customers, (iii) the supply to specialised cheese wholesalers ([48]) whose customers are retailers and (iv) the supply to out-of-home wholesalers ("OOH") ([49]), whose customers are hotels, restaurant, catering services and filling stations;

(f) There is a possible distinction between the supply to specialised cheese wholesalers of 15-day-old nature cheese and other nature cheese, although also the relevant product market definition was left open;

(g) The supply to retail needs to be distinguished from the supply to OOH wholesalers and industrial customers. In addition, the supply to retail has to be segmented between modern types of retail (supermarkets) on the one

([42]) Commission decision of 24 April 2006 in case M.4135 – *Lactalis / Galbani*, para. 9; Commission decision of 31 May 2023 in case M.10876 – *BSA (Lactalis) / Ambrosi*, para. 25.

([43]) Commission decision of 24 April 2006 in case M.4135 – *Lactalis / Galbani*, para. 9; Commission decision of 31 May 2023 in case M.10876 – *BSA (Lactalis) / Ambrosi*, para. 25.

([44]) See e.g. Commission decision of 9 December 2019 in case M.9413 – *Lactalis / Nuova Castelli*, para. 19 and the Commission's precedents referred to therein.

([45]) See e.g. Commission decision of 27 September 2012 in case M.6611 – *Arla Foods / Milk Link*, para. 36.

([46]) Nature cheese is cheese with a rind that is naturally ripened in a cheese storage by regularly turning the cheese. See Form CO, footnote 64.

([47]) Rindless, or foil, cheese is cheese that is packaged in a plastic bag with no contact to the outside environment, and as such does not have a rind and is not ripened. See Form CO, footnote 64.

([48]) Specialised cheese wholesalers form an intermediate level between the production and downstream levels. They mature and/or slice/pack and trade Dutch-type cheese. See Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, para. 531.

([49]) See Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, para. 441.

hand and specialised cheese shops, open markets and other small retail outlets ("classic retail") on the other. ([50])

(30) Each of these possible segmentations will be discussed below. In addition, the Commission will also consider a possible segmentation between Belgian and Dutch Gouda, as Milcobel is the only Party producing and supplying the former.

4.2.1.1. Dutch-type cheese vs. other hard/semi-hard cheeses

(31) In *Friesland Foods / Campina, FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander*, the Commission concluded that, in the Netherlands, Dutch-type cheese forms part of a separate market from other hard/semi-hard cheeses. ([51])

(32) The Parties submit that the relevant product market concerns the overall market for the production and supply of hard/semi-hard cheese. The Parties contend that, on the one hand, from a demand-side substitutability perspective, customers and consumers tend to consider hard/semi-hard cheeses as being interchangeable. On the other hand, the Parties submit that significant supply side substitutability between these types of cheese exists, mainly because the production process is essentially the same for each type of hard/semi-hard cheeses and these can thus typically be produced on the same production lines within a given production site. ([52])

(33) As far as Belgium is concerned, the Commission considers in light of the market investigation that a separate market for Dutch-type cheese would be warranted. In particular, most respondents that expressed a view stated that Dutch-type cheese (Gouda, Edam and Maasdam) belong to a market that is separate from other hard and semi-hard cheeses. ([53]) From a consumer point of view, respondents *inter alia* mentioned differences in taste, consumer preference, end use (i.e. Dutch-type cheese being mainly used as bread topping) and price. As regards supply-side substitutability, while the Parties submit that it is possible to produce Dutch-type and other hard/semi-hard cheeses on the same production lines, as they do to some extent ([54]), market feedback was more mixed. ([55])

(34) For the purposes of this Decision, the precise market definition can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it irrespective of the plausible market definition.

4.2.1.2. Gouda vs. Maasdam vs. Edam

(35) In *Friesland Foods/Campina*, the Commission found that consumers would not switch easily between Gouda, Maasdam and Edam due to differences in taste and consumption patterns. In addition, the Commission found that supply-side substitution between Gouda, Maasdam and Edam in the Netherlands would be

([50]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, paras. 500-504; Commission decision of 12 April 2013 in case M.6722 – *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander*, para. 54.

([51]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, paras. 500-504; M.6722, paras. 25-28.

([52]) Form CO, paras. 144-161.

([53]) Questionnaire to competitors, question D.A.1.; questionnaire to wholesalers, question C.A.1.; questionnaire to customers, question C.A.1.

([54]) Form CO, paras. 150-152.

([55]) Responses to questionnaire to competitors, question D.A.1.; questionnaire to wholesalers, question C.A.1.; questionnaire to customers, question C.A.1.

unlikely to be sufficiently immediate and effective. Nevertheless, the Commission left open the precise market definition as it did not have any material impact on the competitive assessment. ([56])

(36) In *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander,* however, the market investigation was inconclusive as regards the existence of possible separate markets for Gouda, Maasdam and Edam cheeses. ([57])

(37) The Parties submit that – as a result of the demand- and supply-side substitutability considerations as described above – there is one overall market for hard/semi-hard cheese, including in the Netherlands. However, the Parties submit that the market definition can ultimately be left open, because the Transaction will in any event not lead to a significant impediment of effective competition. ([58])

(38) The market investigation is inconclusive as regards the existence of possible separate markets for Gouda, Maasdam and Edam cheeses. ([59]) Several respondents stated that Gouda, Maasdam and Edam are not interchangeable from a consumer point of view due to differences in taste and texture. However, a similar number of respondents were of the opposite view. From a supply-side perspective, several respondents explained that the production processes for all Dutch-type cheeses are largely similar and switching from the production of one type to another type is generally easy. That said, it also follows from the market investigation and from the Parties' response that there are many more producers of Gouda than there are of Maasdam and Edam. Further, several respondents explained that there is strong demand for Gouda in Belgium and the Netherlands whereas Maasdam and Edam have been developed as a Dutch alternative to Emmental with a focus on export.

(39) In any event, for the purposes of this Decision, the precise market definition can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it irrespective of the plausible market definition.

4.2.1.3. Belgian Gouda vs. Dutch Gouda

(40) The Commission has in past decisions never considered a possible segmentation between Belgian and Dutch Gouda. Belgian Gouda is Gouda cheese produced in Belgium with milk of Belgian origin while Dutch Gouda is Gouda cheese produced in the Netherlands with milk of Dutch origin.

(41) For the reasons set out above at paragraph (32), the Parties submit that the relevant product market concerns the overall market for the production and supply of hard/semi-hard cheese. Therefore, the Parties consider that Gouda is not a separate product market and that a distinction between Belgian and Dutch Gouda is not appropriate.

(42) The results from the market investigation as regards a possible segmentation between Belgian and Dutch Gouda are mixed. While more respondents that expressed a view consider both to belong to the same market than the other way

([56]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, paras. 505-507.

([57]) Commission decision of 12 April 2013 in case M.6722 – *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander*, para. 31.

([58]) Form CO, para. 161.

([59]) Responses to questionnaire to competitors, question D.A.3.; questionnaire to wholesalers, question C.A.2.; questionnaire to customers, question C.A.2.

round, several wholesalers indicated that clients are asking specifically for Belgian or Dutch Gouda. ([60]) Further, all modern retailers active in Belgium that responded to the market investigation explained that they need to offer their customers both private label and branded Gouda of both Belgian and Dutch origin as part of their assortment. ([61]) This echoes the Parties' explanation that 'Milcobel has previously supplied Belgian origin cheeses to [retailer], [retailer[, [retailer] and [retailer]. For each of these modern retailers, Belgian gouda cheeses were never tendered/negotiated as a package with Dutch gouda cheeses. In the case of [retailer[and [retailer[, the tenders related specifically to Belgian gouda cheeses only. In the case of [retailer] and [retailer], the supply of Belgian origin cheeses was determined based on contractual negotiations.' ([62]) The above suggests that Belgian and Dutch Gouda are not substitutes.

(43) In any event, for the purposes of this Decision, the precise market definition can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it irrespective of the plausible market definition.

4.2.1.4. Nature vs. rindless

(44) In *Friesland Foods/Campina*, the Commission found that a clear majority of specialised cheese wholesalers in the Netherlands considers rindless cheese to be of a lower quality than nature cheese, due to differences in taste, structure and colour. In addition, the Commission considered it unlikely that a possible supply-side substitution effect in the Netherlands would be sufficiently immediate and effective. However, the precise market definition was ultimately left open as it did not have a material impact on the competitive assessment. ([63])

(45) In *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander,* a clear majority of the replies to the Commission's requests for information confirmed that nature and rindless cheese have different characteristics in terms of taste, quality and price. From a supply-side perspective, however, approximately one third of the Dutch-type cheese producers responding to the Commission's market investigation stated that they produce nature and rindless cheese on the same production lines. Another producer which currently uses different equipment stated that it would not be particularly expensive to switch from the production of nature to rindless and vice-versa. ([64]) Ultimately, the question as to whether separate markets exist for nature and rindless Dutch-type cheese was left open in that case as no serious doubts would arise even under the narrowest market definition. ([65])

(46) The Parties do not consider a distinction between nature and rindless cheese to be a relevant distinction and submit that there is no difference in quality between nature and rindless cheese and customers often do not even notice whether the cheese they are buying is nature or rindless. In addition, the Parties submit that,

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([60]) Responses to questionnaire to competitors, question D.A.2.; questionnaire to wholesalers, question C.A.3.; questionnaire to customers, question C.A.3.

([61]) Responses to questionnaire to customers, question C.A.5.

([62]) Form CO, para. 461.

([63]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, paras. 508-523.

([64]) Commission decision of 12 April 2013 in case M.6722 – *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander*, para. 35.

([65]) Commission decision of 12 April 2013 in case M.6722 – *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander*, para. 36.

from a supply-side perspective nature and rindless cheese can be and is in practice often produced on the same production lines. ([66])

(47) Most competitors, wholesalers and customers that expressed a view in the market investigation consider that nature and rindless Dutch cheese belong to separate markets, with several respondents referring to differences in quality and/or price. ([67])

(48) In any event, for the purposes of this Decision, the precise market definition can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it irrespective of the plausible market definition.

4.2.1.5. Branded vs. private label/unbranded

(49) In *Friesland Foods/Campin*a and *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander*, the Commission found that branded, private label and unbranded Dutch-type cheeses belong to the same product market as (i) only a small part of all sales of Dutch-type cheese at retail level are producer-branded or wholesaler-branded while producers and specialised wholesalers often focus both on branded and on private label/unbranded products, (ii) modern retailers agreed that branded products and private label products compete on the shelves and (iii) although there were some differences at procurement level, as private label products are typically procured following a call for tenders, supermarket chains in the Netherlands also procure private label/unbranded cheese on the basis of bilateral negotiations. ([68])

(50) The market investigation in *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander* revealed that a number of suppliers are active only or predominantly in the branded or private label/unbranded segments. In addition, a majority of customers responded that customers do not see branded and private label/unbranded Dutch-type cheese as substitutable because of brand loyalty or differences in taste and quality. However, the Commission left open the question as to whether separate markets exist for branded Dutch-type cheese and private label/unbranded Dutch-type cheese can be left open as no serious doubts would arise even under the narrowest market definition. ([69])

(51) The Parties submit that branded, private label and unbranded cheese all belong to the same market but that, in any event, the market definition can ultimately be left open as even on the narrowest possible market there is no significant impediment to effective competition. ([70])

(52) The results of the market investigation are mixed, with views as to whether private label hard and semi-hard cheese and branded hard/semi-hard cheese - including further segmentations thereof in (i) Dutch type cheeses and/or (ii) Gouda and/or

([66]) Form CO, para. 183.
([67]) Responses to questionnaire to competitors, question D.A.5.; questionnaire to wholesalers, question C.A.5.; questionnaire to customers, question C.A.7.
([68]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, paras. 524-529.
([69]) Commission decision of 12 April 2013 in case M.6722 – *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander*, paras. 39-40.
([70]) Form CO, paras. 172-174.

(iii) Gouda of Belgian/Dutch origin - belong to separate markets or not almost evenly split. ([71])

(53) In any event, for the purposes of this Decision, the precise market definition can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it irrespective of the plausible market definition.

4.2.1.6. Sales channel

(54) In *Friesland Foods/Campina*, the Commission found that the sale of Dutch-type cheese at the retail level on the one hand and the sale of Dutch-type cheese at the OOH and industry levels on the other hand fall within different product markets. This is because of differences in packaging, prices and business models. ([72])

(55) In addition, in *Friesland Foods/Campina* the Commission found important differences in offerings, supply structures, know-how and logistics between modern retail (i.e. supermarkets) on the one hand and other types of retail outlets (such as specialised cheese shops, open markets, ambulant stands) on the other hand. Accordingly, the Commission found it appropriate to define a separate market for the sale of Dutch-type cheese to modern types of retail. ([73]) The Commission came to the same conclusion in *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander.* ([74])

(56) The Parties consider any segmentation between distribution channels to be artificial given the pluralistic role of a lot of market players active in the area of (hard/semi-hard) cheese. While not all cheese suppliers are active across all channels, there is significant overlap in the supplier base across channels, and each channel has numerous alternatives to satisfy demand. ([75])

(57) To the extent the Commission wishes to consider a segmentation between distribution channels, the Parties submit that the modern and classic retail channels within the hard/semi-hard cheese market in any event do not need to be segmented. While there may be differences between the retail channels, there is a high degree of demand-side substitutability. Consumers tend to purchase cheese from both the modern and classic retail channel interchangeably. Factors that may influence the choice between the two channels include proximity and price. The Parties consider that in case of a (lasting) price increase in either channel, consumers are inclined to buy their cheese from the other channel. The classic retail and modern retail channel thus exert competitive pressure on each other, and should therefore not be distinguished. In principle, there is no significant difference between the cheese supplied to the classic and modern retail channels and suppliers are active across multiple channels. ([76])

(58) Most competitors, wholesalers and customers that expressed a view in the market investigation consider that for hard/semi-hard cheese (including potential

([71]) Responses to questionnaire to competitors, question D.A.6.; questionnaire to wholesalers, question C.A.7; questionnaire to customers, question C.A.8.

([72]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, paras. 540-549.

([73]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, paras. 550-558.

([74]) Commission decision of 12 April 2013 in case M.6722 – *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander*, paras. 49-54.

([75]) Form CO, para. 163.

([76]) Form CO, para. 164.

narrower product segments) the modern retail sales channel, the traditional retail sales channel, the out-of-home ('OOH')/industry sales channel (and the wholesale channel ([77]) are separate markets. ([78])

(59) More specifically, said respondents referred to differences between the various channels in terms of customers, prices and products, as well as regards the products' presentation (i.e. entire wheels/blocks vs. smaller pieces, slices, dices and grated) and packaging, with modern retailers generally purchasing cheese that is already packed for resale to consumers. Suppliers active in this segment therefore need to have captive capacity for these services or procure these services from third parties.

(60) In view of the above, the Commission concludes that a separate market exists for sales of Dutch-type cheese (and potential narrower product segments) to modern retailers. In addition, for the purposes of this Decision, the Commission will also assess possible markets for sales to wholesalers, classic retailers ([79]) and OOH/industry although the market definition in this respect can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it irrespective of the plausible market definition.

4.2.1.7. 15-day-old nature Dutch-type cheese vs. other nature Dutch-type cheese

(61) In *Friesland Foods/Campina*, the Commission noted that 15-day-old nature Dutch-type cheese is a semi-finished product whose maturing is a fundamental part of the commercial activity of specialised cheese wholesalers and does therefore not satisfy the same demand as matured cheese. Furthermore, Dutch producers would need sufficient ripening capacities to significantly increase their production of 15-day-old cheese. However, the question whether a further segmentation into 15-day-old nature cheese and nature cheese older than 15 days was ultimately be left open as this question did not have a material impact on the competitive assessment. ([80]) The question was similarly left open in *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander.* ([81])

(62) The Parties submit that this distinction is not relevant in the present case since Milcobel does not sell 15-day-old nature Dutch-type cheese to specialised wholesalers as it matures Dutch-type cheese within its own facilities and therefore the Parties do not overlap in the sale of 15-day-old Dutch-type nature cheese to specialised cheese wholesalers. ([82])

([77]) Specialised cheese wholesalers do not sell cheese directly to the final consumer level. The Parties explain that In Belgium (as well as other countries), differently than in the Netherlands, wholesalers typically have more of a distributor role, carrying a range of cheese types and often also other food (and non-food) products. (RFI 8) The Commission will thus consider wholesale, and specialised wholesales in particular, in its assessment.

([78]) Responses to questionnaire to competitors, question D.A.4.; questionnaire to wholesalers, question C.A.4; questionnaire to customers, question C.A.4.

([79]) It shall be noted that Friesland Campina does not sell cheese to the classic retail in Belgium (Form CO, para. 656).

([80]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, paras. 535-539.

([81]) Commission decision of 12 April 2013 in case M.6722 – *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander*, paras. 45-48.

([82]) Form CO, para. 181.

(63) Wholesalers that expressed a view in the market investigation were almost evenly split on the question whether 15-day-old nature Dutch-type cheese and nature Dutch-type cheese older than 15 days belong to separate markets or not. ([83])

(64) For the purposes of this Decision, the precise market definition can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it irrespective of the plausible market definition.

4.2.1.8. Cheese format within the modern retail channel

(65) In *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander* and in *Lactalis / Leerdammer*, the Commission considered a segmentation within the modern retail channel based on the different formats in which cheese can be supplied (i.e., blocks/wedges, slices, grated and cubed/snacks).

(66) The Parties submit as a result of demand- and supply-side substitutability considerations there is one overall market for hard/semi-hard cheese. The Parties submit that, if anything, for consumers the cheese format is a more important distinguishing factor than the type of cheese. This is evidenced by the way that cheese is presented to consumers by retailers since, according to the Parties, they will present hard/semi-hard cheeses in their shops by format rather than type of cheese. ([84])

(67) The majority of competitors who expressed a view in the market investigation points towards a split of hard/semi-hard cheese by format within the modern retail channel ([85]).

(68) For the purposes of this Decision, the precise market definition can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it irrespective of the plausible market definition.

4.2.1.9. Conclusion

(69) In light of the above, for the purposes of this Decision, the Commission concludes that there is a separate product market for the sale of Dutch-type cheese to modern types of retail. The need for a further distinction between Gouda, Maasdam and Edam, between private label and branded, between Belgian and Dutch Gouda, between nature and rindless cheese, and between cheese formats can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it irrespective of the plausible market definition.

(70) To the extent they constitute affected markets, for each sales channel (i.e. classic retail, modern retail, OOH/industry and wholesalers), the following segments will be assessed hereinafter: (i) sale of hard/semi-hard cheese, (ii) sale of Dutch-type cheese; (iii) sale of nature Dutch-type cheese; (iv) sale of rindless Dutch-type cheese; (v) sale of branded Dutch-type cheese; (vi) sale of private-label Dutch-type cheese; and (vii) sale of Dutch-type cheese in different formats. Each of the

([83]) Responses to questionnaire to wholesalers, question C.A.6.
([84]) Form CO, paragraphs 160 and 161.
([85]) Responses to questionnaire to wholesalers, question D.A.7.

segments referred to in (ii) – (iv) could also be defined more narrowly as only comprising Dutch Gouda, Belgian Gouda, Maasdam or Edam respectively. ([86])

4.2.2. *Geographic market*

4.2.2.1. Commission's practice

(71) In *Friesland Foods/Campina* and *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander* the Commission concluded that the market for the sale of Dutch-type cheese (including potential narrower definitions) to specialised cheese wholesalers and modern retailers, OOH and were national in scope, that is, limited to the Netherlands. ([87]). In *DMK / DOC Kaas* the Commission concluded that no element of the market investigation suggested that the specificities that warranted such finding did not also apply to sales to OOH and industry. ([88])

4.2.2.2. Parties' views

(72) The Parties submit that the Commission has concluded in some cases that the narrowest plausible market for the supply of cheese is national in scope, and in other cases left the exact market definition open while citing differences in customer preferences and competitive conditions. ([89])

(73) The Parties state that although for some cheese producers (including Milcobel, given its focus on Belgian origin cheese) competition mainly takes place at a national level, the competitive dynamics for other producers, such as FrieslandCampina, focusing on high-volume commodity cheese, take place on a wider level, comprising multiple countries. Therefore, the Parties consider a regional North-West European market comprising at least the Netherlands, Belgium and Germany appropriate. ([90])

(74) The Parties do not discuss the impact on the geographic market definition of a narrower product market definition, i.e. Dutch cheese or segments thereof, or of a segmentation per sales channel.

4.2.2.3. Commission's assessment

4.2.2.3.1. Supply to modern retailers in Belgium

(75) Modern retailers active in Belgium that responded to the market investigation provided mixed responses as regards the relevant geographic market for their procurement of Dutch-type cheese (and potential narrower product segments), except for what will be said below as regards Belgian Gouda. ([91])

(76) While some indicated that they procure Dutch-type cheese (and potential narrower product segments) at national level (i.e. Belgium), one indicated that they procure said cheese from a region comprising (at least) Belgium and the Netherlands.

([86]) It is to be recalled that no overlaps exist between the Parties for Belgian Gouda.

([87]) Commission decision of 17 December 2008 in case M.5046 – *Friesland Foods / Campina*, paras. 550-558; Commission decision of 12 April 2013 in case M.6722 – *FrieslandCampina / Zijerveld & Veldhuyzen and Den Hollander*, paras. 56-64.

([88]) Commission decision of 3 March 2016 in case M.7573 – *DMK / DOC Kaas*, paras. 63-65.

([89]) Form CO, para. 192.

([90]) Form CO, paras. 193-194.

([91]) Responses of 5 modern retailers in Belgium to the to questionnaire to customers, questions C.B.1 and C.B.2.

(77) As regards Belgian Gouda, most modern retailers active in Belgium that responded to the market investigation however indicated that they consider the relevant geographic market to be national in scope.

4.2.2.3.2. Supply to wholesalers

(78) As regards the supply to wholesalers, the market investigation yielded mixed results. Most respondents considered that the market for Dutch-type cheese (including narrower segmentations thereof) is regional or even EEA wide, except for Belgian Gouda for which most respondents considered the market to be national. ([92])

4.2.2.4. Conclusion

(79) For the purposes of this Decision, the precise geographic market definition of Dutch-type cheese (and potential narrower product segments) can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it irrespective of the plausible market definition. The competitive assessment will be carried out at the narrowest level, i.e. national.

4.3. **Production and supply of low-moisture mozzarella**

(80) FrieslandCampina does not produce low moisture mozzarella itself. It has tolling agreements for the supply of low-moisture mozzarella with A-Ware and DMK, which it then sells through its subsidiary Velder. Milcobel produces and sells its own low-moisture mozzarella. The Parties submit that they do not overlap in the branded segment. ([93])

4.3.1. *Product market*

4.3.1.1. Past Commission decisions

(81) The Commission has previously considered that mozzarella is a separate market, distinct from other fresh cheeses. ([94]) In addition, the Commission has found that mozzarella is to be further segmented by type of milk, into buffalo and cow mozzarella. ([95])

(82) Further sub-segmentations by sales channel and by packaging (private label and branded) have also been envisaged. However, the precise market definition for these potential sub-segmentations was ultimately left open. ([96])

([92]) Responses to questionnaire to competitors, questions D.B.1. – D.B.5.; questionnaire to wholesalers, questions C.B.1 and C.B.2.; questionnaire to customers, questions C.B.1 and C.B.2.

([93]) Form CO, paragraph 783.

([94]) Commission decisión in case M.10876 – *BSA (Lactalis) / Ambrosi*, paras. 57, 64 and 70, Commission decisión in case M.4135 – *Lactalis / Galbani*, para. 9; Commission decision in case M.9413 – *Lactalis / Nuova Castelli*, paras. 43, 44, 50, 51, 57-59.

([95]) Commision decision in case M.10876 – *BSA (Lactalis) / Ambros*i, para. 58 and 70, Commision decision in case M.4135 – *Lacalis / Galbani*, para. 13; Commision decision in case M.6242 – *Lactalis / Parmalat*, paras. 52-53; Commision decision in case M.9413 – *Lactalis / Nuova Castell*i, para. 34.

([96]) Commision decision in case M.10876 – *BSA (Lactalis) / Ambrosi*, para. 78 and Commision decision in case M.9413 – *Lactalis / Nuova Castelli*, para. 96.

(83) The Commission has not previously considered low-moisture mozzarella in its decisions, nor a separate market for grated low-moisture mozzarella. However, it has previously discussed to a limited extent dry cow mozzarella. ([97])

4.3.1.2. Parties' views

(84) **First**, the Parties submit that when considering the moisture content of mozzarella, two different variants exist: high moisture mozzarella (with a moisture content of at least 52%) and low moisture mozzarella (with a moisture content typically between 45% and 52%). ([98]) Low moisture mozzarella is typically used as an ingredient for further processing (such as for instance as an ingredient for pizzas) and not direct consumption. ([99])

(85) **Second**, the Parties submit that within the market for low moisture mozzarella, there is a separate market for mozzarella that is supplied as an ingredient for food manufacturing applications to industrial customers. According to the Parties, this type of mozzarella should be distinguished from other types of mozzarella, such as low moisture mozzarella sold to the retail channel, due to its application and the dynamics in the food industry. However, the Parties explain that regardless of whether the low moisture mozzarella is supplied as a food ingredient to industrial customers or sold to retailers, the type of mozzarella remains the same. ([100]) Further, the Parties claim that it is not necessary to consider a further segmentation by distribution channel for low moisture mozzarella, beyond separate channels for low moisture mozzarella sold to retail channels and to industrial customers. ([101])

(86) **Third**, the Parties submit that a segmentation between private label and branded is not relevant. This is because the vast majority of low-moisture mozzarella is used by food producers as a commodity input in their production process, and only a small part is sold in the retail channel. In addition, from the small volumes sold in the retail channel, a large part is sold as private label. Overall, the Parties argue that brands do not play a significant role in this market. ([102])

(87) **Fourth**, with regard to a further segmentation of low moisture mozzarella based on format, the Parties claim that such a sub-segmentation is not warranted. In the first place, low moisture mozzarella for food manufacturing for industrial customers is generally sold in blocks and may subsequently be grated in the supply chain for food manufacturing either by food producers or by shredders. In the second place, mozzarella blocks that are frozen immediately after production can be grated after a longer time than for the non-frozen one (which should be done within two weeks after production). Once these blocks reach the customer, they can shred the mozzarella after it has been thawed. ([103])

([97]) Commision decision in case M.10876 – *BSA (Lactalis) / Ambrosi*, paras. 17, 18 and 455 and Commision decision in case M.9413 – *Lactalis / Nuova Castelli*, para. 285. The Parties submit in footnote 123 of the Form CO that low moisture mozzarella corresponds to dry cow mozzarella as mentioned in the aforementioned cases.

([98]) Form CO, para. 236.

([99]) Form CO, para. 256.

([100]) Form CO, para. 237.

([101]) Form CO, para. 258.

([102]) Post-notification RFI 3, response to question 15.

([103]) Form CO, paras. 259 and 260.

4.3.1.3. Commission's assessment

(88) **First**, the results of the market investigation provided a strong indication that separate product markets exist for low moisture mozzarella and for high moisture mozzarella. The majority of customers and competitors explained that low moisture mozzarella has a different end-use, different taste, production method, compared to high moisture mozzarella. ([104])

(89) **Second**, with regard to the distinction between the sales channels, the results of the market investigation support that such distinction should be made. The majority of customers and competitors that expressed an opinion indicated that there is a difference in the conditions of competition, i.e. pricing structures, supply volumes, packaging formats, entry conditions specific to each sales channel and intended use between the modern retail channel (e.g. supermarkets), traditional retail, industrial customers, as well as the OOH channel. ([105])

(90) **Third,** in respect to the type of packaging, the results of the market investigation has provided evidence that while from a demand side substitutability, customers expressed mixed views on whether branded low moisture mozzarella is part of the same market as private label mozzarella, from the supply-side perspective, a majority of competitors indicated that these are part of the same market. ([106]) Competitors submitted that brand is not a significant differentiation factor in this market. This is because low moisture mozzarella is primarily used as an ingredient in cooking, rather than a final consumer good, producers typically operate the same production line to produce both branded and private label low moisture mozzarella, and as a result are generally able to easily switch production between branded and private label. ([107])

(91) **Fourth**, in respect to the distinction based on format, the views of the market participants were mixed: while customers generally consider that different formats, such as blocks and grated do not compete with each other or with other formats, competitors indicated that a block format could compete with a grated one. ([108])

4.3.1.4. Conclusion

(92) In light of the above, for the purposes of this Decision, the competitive assessment will be carried out with respect to low moisture mozzarella. In respect to the plausible differentiation (i) between private label and branded, (ii) by format and (iii) by sales channel the precise market definition can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it irrespective of the plausible market definition.

([104]) Replies to questionnaire to customers, questions D.A.1 and D.A.1.1 and replies to questionnaire to competitors, questions E.A.1. and E.A.1.1.

([105]) Replies to questionnaire to customers, questions D.A.2 and D.A.2.1 and replies to questionnaire to competitors, questions E.A.2 and E.A.2.1.

([106]) Replies to questionnaire to customers, questions D.A.3 and D.A.3.1.

([107]) Replies to questionnaire to competitors, questions E.A.3 and E.A.3.1.

([108]) Replies to questionnaire to competitors, question E.A.4.1-E.A.4.-2 and replies to questionnaires to customers, questions D.A.4.1 – D.A.4.2.

4.3.2. *Geographic market*

4.3.2.1. Commission's decisional practice

(93) In previous cases, the Commission carried out its assessment at the narrowest level, i.e. national level, while leaving the market definition open. ([109])

4.3.2.2. Parties' views

(94) The Parties submits that, while it can be left open, the geographic market should be considered as EEA-wide, or regional North-West Europe, as supply can be wider than national, considering that some customers organise European-wide calls for tenders and suppliers can supply cheese cross-border. ([110])

4.3.2.3. Commission's assessment

(95) **First**, from a demand-side perspective, the majority of customers indicated that sourcing of low moisture mozzarella occurs within the EEA. In the first place, while some customers referred to sourcing at a national level, others highlighted a more regional focus, namely a market comprising Belgium, Germany and the Netherlands. These indicated that regional sourcing is primarily driven by the need to maintain a high standard of quality assurance and to minimise transport costs. Customers typically do not consider the origin of low moisture mozzarella as a decisive factor for end consumers. Their purchasing decisions are instead influenced by characteristics such as taste, usage, and meltability of the products. ([111])

(96) In the second place, the majority of customers indicated that conditions of competition, such as the identity of suppliers, pricing, quality levels are broadly homogeneous across the EEA. A significant part of the customers indicated however that such considerations (identity of suppliers, price, quality) indicate that the market should have a regional dimension. ([112])

(97) **Second**, from a supply side perspective, the vast majority of competitors indicated that they typically supply low moisture mozzarella throughout the EEA. The conditions of competitions (the identity of suppliers, product quality and pricing structures) are generally consistent across the EEA. ([113])

4.3.2.4. Conclusion

(98) In light of the above, for the purpose of this Decision, the competitive assessment for the supply of low moisture mozzarella will be carried out at the narrowest level, i.e. a national level. However, the precise geographic market definition can be left open as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it under any plausible geographic market definition, including at national, regional ([114]) or EEA level.

([109]) M.10876 – *BSA (Lactalis) / Ambrosi,* para. 163, M.7232 – *Charterhouse / Nuova Castelli*, para. 15; M.6522 – *Groupe Lactalis / Skanemejerier*, para. 28; M.4135 – *Lactalis / Galbani*, para. 18; M.6242 – *Lactalis / Parmalat*, para. 55; M.9413 – *Lactalis / Nuova Castell*i, para. 120.

([110]) Form CO, para. 241.

([111]) Replies to questionnaire to customers, questions D.B.1. and D.B.1.1.

([112]) Replies to questionnaire to customers, questions D.B.2. and D.B.2.1.

([113]) Replies to questionnaire to competitors, questions E.B.2 and E.B.2.1.

([114]) In their response to post-notification RFI 3, the Parties confirmed that the Transaction does not lead to any affected markets, considering a regional market, under any plausible market segmentation.

4.4. **Production and supply of bulk butter**

4.4.1. *Product market*

4.4.1.1. Past Commission decisions

(99) In previous cases, the Commission found that there are separate product markets for butter sold in bulk and sold in packets. ([115]) The Commission also considered that bulk butter and vegetable fats belong to separate product markets. ([116]) The Commission also found that bulk butter can be divided into basic butter, non-fractionated butter oil (or, simply, "butter oil") and fractionated butter oil (or, simply, "fractionated butter"). ([117])

4.4.1.2. Parties' view

(100) The Parties indicate that the market for butter might be part of a wider market containing also vegetable fats, which may be positioned as a cheaper replacement for butter, as they submit that plant-based butter alternatives are increasing in importance, largely due to considerations of environmental impact. ([118])

4.4.1.3. Commission's assessment

(101) The outcome of the market investigation confirms that the market for the supply of butter constitutes a separate market from the supply of vegetable fats. ([119]) The majority of market participants that expressed an opinion confirmed that butter and vegetable fats cream are separate markets because of differences in applications, taste, customers' preferences and price levels. ([120])

(102) Moreover, the results of the market investigation also confirmed that the market for the supply of butter can be segmented between the supply of bulk butter and the supply of packet butter. ([121]) The majority of market participants that expressed an opinion confirmed that bulk butter and packet butter are separate markets because they have different applications. Bulk butter is typically sold to industrial customers as an ingredient, while packet butter is typically sold to retailers as an end-product. ([122])

The Parties assessed the regional level as Belgium, Germany and the Netherlands. Further, the Parties provided market shares at regional level, including Ireland (alongside Belgium, Germany and the Netherlands), as the Parties submit that low moisture mozzarella produced in Ireland competes on the same market as the low-moisture mozzarella that is produced in Belgium. The Transaction does not lead to affected markets on any plausible regional market segment, even considering a market comprising Belgium, Germany, the Netherlands, and Ireland.

([115]) M.10876 – *BSA (Lactalis) / Ambrosi*, decision of 31 May 2023, para. 157; M.6722 – *Frieslandcampina / Zijerveld & Veldhuyzen And Den Hollander*, decision of 12 April 2013, paras. 109-112.

([116]) M.5046 – *Friesland Foods / Campina*, decision of 17 December 2025, para. 834; M.10876 – *BSA (Lactalis) / Ambrosi*, decision of 31 May 2023, para. 157.

([117]) M.5046 – *Friesland Foods / Campina*, decision of 17 December 2025, para. 834.

([118]) Form CO, paragraph 284.

([119]) Replies to Questionnaire to competitors, question F.A.2., replies to Questionnaire to customers, question E.A.2.

([120]) Replies to Questionnaire to competitors, question F.A.2.1., replies to Questionnaire to customers, question E.A.2.1.

([121]) Replies to Questionnaire to competitors, question F.A.1., replies to Questionnaire to customers, question E.A.1.

([122]) Replies to Questionnaire to competitors, question F.A.1.1., replies to Questionnaire to customers, question E.A.1.1.

4.4.1.4. Conclusion

(103) For the purposes of this Decision, the precise product market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it regardless of the product market definition. The competitive assessment will be carried out at the narrowest plausible level at which the Parties compete, distinguishing butter from vegetable fats and distinguishing butter sold in packets from butter sold in bulk.

4.4.2. *Geographic market*

4.4.2.1. Past Commission decisions

(104) In previous decisions, the Commission considered the geographic market for bulk butter to be EEA-wide ([123]) while also considering the narrowest plausible geographic market for bulk butter, which is national in scope. ([124])

4.4.2.2. Parties' view

(105) The Parties submit that the market segments for butter are at least EEA-wide, if not worldwide, as bulk butter can be transported over long distances, its transport costs are relatively low and import and export of butter are very common. ([125]) Moreover, the Parties submit that here is no need to have a local infrastructure to be able to sell into a country. Indeed, while FrieslandCampina only produces butter in the Netherlands and Milcobel only produces butter in Belgium, they both sell butter cross borders. ([126])

4.4.2.3. Commission's assessment

(106) The outcome of the market investigation indicates that the geographic scope of the market for the supply of bulk butter is larger than national, encompassing at least the region of Belgium, the Netherlands and Germany.

(107) A majority of market participants replied that they typically supply or purchase bulk butter anywhere within the EEA ([127]), because the origin of the product is generally not relevant to them and the quality and technical specifications do not vary across countries. ([128])

(108) However, a significant share of customers that expressed an opinion replied that the geographic area where the conditions of competition (e.g. same suppliers, same quality, same prices) for procuring bulk butter are generally the same is the region comprising Belgium, the Netherlands and Germany, because they consider that the quality of butter is the same in those countries. ([129])

([123]) M.6627 – *Arla Foods/Milch-Union Hocheifel*, para. 88; M.5046 – *Friesland Foods / Campina*, decision of 17 December 2025, para. 834.

([124]) M.9413 – *Lactalis / Nuova Castelli*, para. 128; M.10876 – *BSA (Lactalis) / Ambrosi*, decision of 31 May 2023, para. 168.

([125]) Form CO, paragraph 286.

([126]) Form CO, paragraph 289.

([127]) Replies to Questionnaire to competitors, question F.B.1., replies to Questionnaire to customers, question E.B.1.

([128]) Replies to Questionnaire to competitors, question F.B.1.1., replies to Questionnaire to customers, question E.B.1.1.

([129]) Replies to Questionnaire to customers, question E.B.2.

4.4.2.4. Conclusion

(109) For the purposes of this Decision, the precise geographic market definition for the supply of bulk butter can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it regardless of the geographic market definition. The competitive assessment will be carried out at the narrowest plausible market where the Parties' activities overlap and where the Transaction gives rise to affected markets, i.e. national markets limited to Belgium and the Netherlands.

4.5. **Production and supply of bulk cream**

(110) Bulk cream is a by-product in the production of cheese and skimmed milk powder. Bulk cream is traded in large containers and can be used to produce butter, as a raw material for food products (ice cream, pastries, confectionery, etc.), to produce coffee whiteners, or can be further processed and packaged to be sold to the final consumer as fresh or sterilised cream. ([130])

4.5.1. *Product market*

4.5.1.1. Past Commission decisions

(111) In previous decisions, the Commission identified separate segments for bulk cream and non-bulk cream as they are supplied to different customer groups and are intended for different uses: while bulk cream is sold in tanker loads to butter makers or large food processors, non-bulk cream is sold in different types of containers (pallecons, pergals, polybottles or pots) to the catering trade or small food processors or multi-nationals. ([131])

4.5.1.2. Parties' views

(112) The Parties do not hold a view departing from Commission's precedents and agrees that bulk cream and non-bulk cream are distinct markets. ([132])

4.5.1.3. Commission's assessment

(113) The outcome of the market investigation indicates that the market for the supply of bulk cream constitutes a distinct market from the supply of non-bulk cream. ([133]) The majority of market participants that expressed an opinion confirmed that bulk cream and non-bulk cream are separate markets because of differences in packaging, types of buyers and intended use. ([134])

([130]) M.11699 – *A-ware Dairy & Cream / The Dairy Food Group*, decision of 14 April 2025, para. 8.

([131]) M.3130 – *Arla Foods / Express Dairies*, decision of 10 June 2003, para. 13; M.3130 – *Arla Foods / Express Dairies*, decision of 10 June 2003 relating to a partial referral to the competent authorities of the United Kingdom, para. 31; M.10260 – *Lactalis / Leerdammer*, decision of 26 August 2021, paras. 74 and 81; M.7434 – *Müller UK & Ireland / Dairy Crest Dairy Operations*, relating to a full referral to the competent authorities of the United Kingdom, para. 28; M.11699 – *A-ware / Dairy Food Group*, decision of 14 April 2025, para. 12.

([132]) Form CO, paragraph 316.

([133]) Replies to Questionnaire to competitors, question G.A.1., replies to Questionnaire to customers, question F.A.1.

([134]) Replies to Questionnaire to competitors, question G.A.1.1., replies to Questionnaire to customers, question F.A.1.1.

4.5.1.4. Conclusion

(114) In light of the above, the Commission considers that the supply of bulk cream and the supply of non-bulk cream constitute distinct markets.

4.5.2. *Geographic market*

4.5.2.1. Past Commission decisions

(115) The Commission has previously considered that the market for the supply of bulk cream could be potentially larger than national, but ultimately the Commission left the precise geographic market definition open and carried out its assessment at the narrowest level (i.e., the national level). ([135])

4.5.2.2. Parties' views

(116) The Parties submit that the market for bulk cream is at least EEA-wide, if not worldwide, as bulk cream has a longer shelf life than regular milk and therefore can be transported over longer distances. ([136]) Moreover, the Parties submit that there is no need to have a local infrastructure to be able to sell bulk cream into a country. Indeed, while FrieslandCampina only produces cream in production facilities in the Netherlands and Romania, and Milcobel only in Belgium, both Parties sell not only in the Netherlands and in Belgium, but also across Europe. ([137])

4.5.2.3. The Commission's assessment

(117) The outcome of the market investigation confirms that the geographic scope of the market for the supply of bulk cream is larger than national. However, the outcome of the market investigation was inconclusive whether the geographic scope is regional, at least encompassing Belgium, the Netherlands and Germany, or even EEA-wide. ([138])

(118) The majority of market participants that expressed an opinion replied that geographic area where the conditions of competition (e.g. same suppliers, same quality, same prices) for purchasing or supplying bulk cream are generally the same is larger than national. A significant share of customers that expressed an opinion replied the geographic area encompassing Belgium, the Netherlands and Germany while a significant share of competitors replied the geographic area of the EEA. ([139])

4.5.2.4. Conclusion

(119) For the purposes of this Decision, the precise geographic market definition for the supply of bulk cream can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it regardless of the geographic market definition upheld. The competitive assessment will be carried out at the narrowest plausible market where the Parties'

([135]) M.10260 – *Lactalis / Leerdammer*, para. 90.
([136]) Form CO, paragraph 319.
([137]) Form CO, paragraph 817.
([138]) Replies to Questionnaire to competitors, question G.A.1., replies to Questionnaire to customers, question F.A.1.
([139]) Replies to Questionnaire to competitors, question G.A.2., replies to Questionnaire to customers, question F.A.2.

activities overlap and where the Transaction gives rise to affected markets, i.e. national markets limited to Belgium and to the Netherlands.

4.6. **Production and supply of whole milk powder**

(120) Milk powder (whole and skimmed) is made from milk which has been pasteurised, condensed and heated so as to dehydrate the milk until it attains a powder form. In the food industry, milk powder is used for the production of a variety of food products, for instance soups, bakery ingredients, and emulsions. Additionally, milk powder is used in the feed industry. ([140])

4.6.1. *Product market*

4.6.1.1. Past Commission decisions

(121) In its precedents, the Commission left open whether milk powder belongs to a separate product market or whether milk powder belongs to a wider market. In a previous decision, the Commission left open whether milk powder and fluid milk concentrate belong to the same market. ([141]) In past decisions, the Commission considered that milk powder could be part of a market, encompassing whey powder, permeate and lactose. ([142]) In a decision, the Commission left open whether whey powder and skimmed milk constitute separate relevant product markets within the veal production chain or these are part of a wider product market. ([143])

4.6.1.2. Parties' views

(122) The Parties submit that the market for milk powder should be part of a wider ingredients market, which in any event includes whey powder. The Parties further submit that it is not necessary to further segment the market for milk powder, as they consider that whole milk powder ("WMP") is substitutable with skimmed milk powder ("SMP") for applications in the food industry. ([144])

4.6.1.3. The Commission's assessment

(123) The outcome of the market investigation indicates that milk powder is not part of a wider market and constitutes a distinct market from whey powder and fluid milk concentrate ([145]), because they serve different applications and have different technical properties. ([146]) Moreover, the majority of market participants that expressed an opinion indicated that the market for the supply of milk powder can be further segmented into the markets for the supply of whole milk powder and

([140]) Form CO, paragraphs 341 and 345.
([141]) M.6627 – *Arla Foods / Milch-Union Hocheifel*, decision of 28 September 2012, paras. 55-57.
([142]) M.7573 – *DMK / DOC Kaas*, decision of 3 March 2016, para. 81; M.6611 – *Arla Foods / Milk Link*, decision of 27 September 2012, para. 52.
([143]) M.3535 – *Van Drie / Schils*, decision of 8 December 2004, para. 11.
([144]) Form CO, paragraph 347.
([145]) Replies to Questionnaire to competitors, question H.A.1., replies to Questionnaire to customers, question G.A.1., replies to Questionnaire to competitors, question H.A.2., replies to Questionnaire to customers, question G.A.2.
([146]) Replies to Questionnaire to competitors, question H.A.1.1., replies to Questionnaire to customers, question G.A.1.1., replies to Questionnaire to competitors, question H.A.2.1., replies to Questionnaire to customers, question G.A.2.1.

of skimmed milk powder because of their differences in product characteristics, customers and applications. ([147])

4.6.1.4. Conclusion

(124) For the purposes of this Decision, the precise product market definition can be left open, as the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it regardless of the product market definition. The competitive assessment will be carried out at the narrowest plausible level at which the Parties compete in, distinguishing milk powder from whey powder and fluid milk concentrate and distinguishing between whole milk powder and skimmed milk powder.

4.6.2. *Geographic market*

4.6.2.1. Past Commission decisions

(125) In previous decisions, the Commission considered that the geographic market for milk powder could be EEA-wide. ([148])

4.6.2.2. Parties' views

(126) The Parties submit that the market is at least EEA-wide. ([149])

4.6.2.3. The Commission's assessment

(127) The outcome of the market investigation confirms that the geographic scope of the market for the supply of milk powder is at least EEA-wide. Market participants indicated that they typically purchase or supply milk powder anywhere within the EEA or even globally, because milk powder can easily be transported and stored and is a highly standardised product. ([150])

4.6.2.4. Conclusion

(128) In view of the above, the Commission concludes that the geographic market definition for the supply of milk powder is at the EEA level. The Transaction does not give rise to an affected market in the supply of milk powder at the EEA level as the Parties' combined market shares are below 10%. For that reason, the Commission will not carry any competitive assessment for the supply of milk powder.

5. COMPETITIVE ASSESSMENT

5.1. Introduction and identification of affected markets

(129) Under Article 2(2) and (3) of the Merger Regulation, the Commission must assess whether a proposed concentration would significantly impede effective

([147]) Replies to Questionnaire to competitors, question H.A.3., replies to Questionnaire to customers, question G.A.3.

([148]) M.6627 – *Arla Foods / Milch-Union Hocheifel*, decision of 28 September 2012, paras. 91-93; M.3535 – *Van Drie / Schils*, decision of 8 December 2004, para. 20.

([149]) Form CO, paragraph 351.

([150]) Replies to Questionnaire to competitors, questions H.B.1. and H.B.2., replies to Questionnaire to customers, questions G.B.1. and G.B.2., replies to Questionnaire to competitors, questions H.B.1.1. and H.B.2.1., replies to Questionnaire to customers, questions G.B.1.1. and G.B.2.1.

competition in the internal market or in a substantial part of it, in particular through the creation or strengthening of a dominant position.

(130) In this respect, a merger may entail horizontal and/or non-horizontal (namely, vertical or conglomerate) effects. Horizontal effects are those deriving from a concentration where the undertakings concerned are actual or potential competitors of each other in one or more of the relevant markets concerned. Vertical effects are those deriving from a concentration where the undertakings concerned are active on different or multiple levels of the supply chain. Conglomerate effects are those deriving from a concentration where the undertakings concerned are in a relationship which is neither horizontal nor vertical. A concentration may involve all three types of effects. In such a case, the Commission will appraise horizontal and non-horizontal effects in accordance with the guidance set out in the relevant notices, that is to say the Horizontal Merger Guidelines ([151]) and the Non-Horizontal Merger Guidelines. ([152])

(131) In assessing the competitive effects of a merger, the Commission compares the competitive conditions that would result from the notified merger with the conditions that would have prevailed without the merger. In most cases, the competitive conditions existing at the time of the merger constitute the relevant comparison for evaluating the effects of a merger. However, in some circumstances, the Commission may take into account future changes to the market that can reasonably be predicted. ([153])

5.1.1. *Parties' market share methodology*

(132) The Parties submitted estimates of market shares across the different affected products and geographic markets. To this end, the Parties included their own sales data as well as various third-party sources used for the estimation of market sizes. ([154]) In cases where reliable external information was limited or unavailable, the Parties relied on their own industry knowledge and operational experience to construct estimates of competitors' relative positions.

(133) As regards the procurement of raw milk, the Parties submitted market share estimates at (i) national, (ii) regional, (iii) supranational region, and (iv) local level. These are based primarily on their own milk collection volumes, on market

([151]) Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings ('**Horizontal Merger Guidelines**'), OJ C31, 5.2.2004, p. 5.

([152]) Guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings ('**Non-Horizontal Merger Guidelines**'), OJ C 265, 18.10.2008.

([153]) Horizontal Merger Guidelines, paragraph 9; Non-Horizontal Merger Guidelines, paragraph 20.

([154]) Third party data includes: (i) American Dairy Producers Institute' annual report with regards the production and demand for dairy ingredients in the US (such as Whey products); (ii) Endupro's annual report on the global whey market; (iii) Euromonitor' consumption-level data for the supply of butter, cheese, cream, non-dairy and white dairy; (iv) Global Trade Tracker's statistics on EU-wide (industrial) mozzarella; (v) Proteus Insight's insights in European demand for industrial mozzarella; (vi) Nielsen's consumer market data for the supply of various cheeses and white dairy to modern retail channel; (vii) Shopperware's annual study that quantifies volumes in the cheese and adjacent market in Belgium; (viii) StoneX's market intelligence on monthly and yearly production with respect to dairy ingredients in the US (including whey products); (ix) ZMB's annual report on the overall European milk market and various dairy submarkets (including cheese, butter, cream and milk powder). The Parties' market share methodology.

size figures derived from third-party data, and on competitor shares constructed using the Parties' market intelligence and internal sources. ([155])

(134) At a more granular level, the Parties provided market share estimates for local catchment areas around their processing plants. Their methodology draws on farm-level milk collection data, drivetime calculations, and publicly available evidence on sourcing practices from certain rivals. The Parties nonetheless submit that such local estimates do not adequately reflect the competitive conditions for milk procurement, which they consider to be determined primarily at the national level.

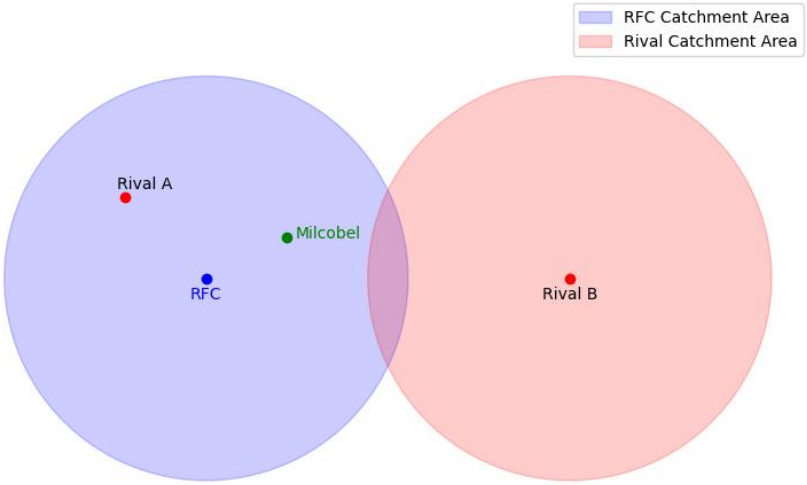
(135) The Parties define a catchment area around each of their processing plants, based on the "80% drivetime". To determine the 80% drivetime, the Parties identify all farmers for whom a given plant constitutes the primary delivery point, thereby covering 80% of the raw milk procured by that facility. On this basis, they calculate for each plant the shortest drivetime area encompassing at least 80% of the total milk volume collected from these farmers. As regards competitors' drivetime catchment areas, given the lack of available data, the Parties assume that their 80% drivetimes are equal to the average 80% drivetimes calculated for the Parties' facilities located within the same country.

(136) The Parties then include in the market share calculations for each of their plants' catchment area **all sales** from rival plants whose catchment area (based on the 80% drivetime) overlaps with the catchment area around the Parties' plant. As depicted in the conceptual example Figure 2 ([156]), Rival B (represented by a red point) lies largely outside the FrieslandCampina's catchment area (represented by a blue circle), although the two catchment areas do overlap slightly. According to the Parties methodology, their calculation includes not only all sales from Rival A, Milcobel and FrieslandCampina's plants, but also all sales from Rival B, due to the slight overlap in catchment areas.

([155]) Sources for market size vary depending on the year. For 2022 and 2023 market sizing: ZMB, Jahrbuch Milch 2024, and AMI, Marktbilanz Milch 2024; for 2024 market sizing: best estimates FrieslandCampina based on market intelligence and internal sources. Competitor data based on FrieslandCampina and Milcobel market intelligence and corrected for organic raw milk based on market average. Form CO, para. 567.

([156]) FrieslandCampina represents the conceptual centroid of a given FrieslandCampina's plant; Milcobel represents the conceptual centroid of a given Milcobel's plant; Rival A represents a conceptual rival plant located within the catchment area of the FrieslandCampina's plant, while Rival B represents a conceptual rival plant located outside the said catchment area.

Figure 2 – Conceptual catchment area example



Source: Commission's depiction

(137) In practice, including all sales from rival plants within overlapping catchment areas means that whenever the catchment area of a Parties' plant overlaps with the catchment area of a rival plant, all sales from the rival plant are included in the market share reconstruction for the catchment area around the Parties' plant, irrespective of the extent of such overlap. In the Commission's view this approach does not correctly reflect the extent of the competitive constraint exerted by rival plants (which does depend on the extent of the overlap between the two plants' respective catchment areas).

(138) Furthermore, the Parties made an exception for two relatively large rival plants ([157]), which in the Parties' view source milk from more distant areas than the typical plant. To reflect this, the Parties included the sales of these two rival plants also in the market shares calculations for catchment areas for which, based on the typical 80% driving time, the two rivals' plants would not overlap with the catchment area around the Parties' plant. While the Commission acknowledges that procurement conditions may vary depending on factors such as facility size and location, the Parties did not sufficiently substantiate this adjustment. Moreover, the Parties did not apply this exception consistently across all rivals. In particular, the opposite might occur, where smaller rival facilities may not even overlap with the Parties' catchment areas if they are able to meet their needs from closer sources. The Parties submit alternative scenarios seeking to account for these considerations.

(139) In light of the above, the Commission has adjusted the Parties' local market share methodology so as to include in the market share calculations for each catchment area around the Parties' plant only the sales of plants located within that catchment area. ([158]) For instance, following Figure 2's depiction, given the fact that Rival B's plant does not fall inside FrieslandCampina's catchment area (blue circle), under the adjustment, none of its sales are considered into the market share calculation and only FrieslandCampina, Milcobel and Rival A sales would be included. This adjustment results in lower combined market shares compared to

([157]) [rival plant] (Belgium) and [rival plant] (Germany). Parties' catchment area analysis, Section 3.2.
([158]) See also Revised Market Definition Notice, para. 109.

the Parties' own methodology. Therefore, in any event, irrespective of the methodology applied, the Parties do not attain market shares that would suggest a significant competitive position, as set out in Section 5.1.2.

(140) As regards cheese, the Parties provided market share estimates across a number of categories (namely hard/semi hard cheese, gouda, abbey, and other cheeses) and distribution channels (namely modern retail, wholesalers, OOH and classic retail). In particular, the Parties submitted figures for the supply of hard and semi-hard cheese to the main distribution channels in Belgium and the Netherlands, as well as for the overall hard and semi-hard cheese markets in other countries where their activities overlap. Separate estimates were also provided for specific product types such as Gouda and abbey-type cheeses in Belgium and the Netherlands. In addition, the Parties submitted estimates for soft cheeses, hard cheeses, fresh cheeses, semi-hard goat cheeses and industrial mozzarella in the other overlapping countries. Where reliable data on market size and competitor sales volumes were not available from external sources, the Parties relied on further assumptions, drawing on trade data, industry information and their own knowledge of competitor capacities and product ranges. ([159])

(141) The Parties also submitted market share estimates for non-cheese markets, including butter, cream, milk powder, whey, as well as white dairy and non-dairy products. These estimates were constructed using available third-party data and industry statistics, complemented by the Parties' own market knowledge and internal data in order to approximate market size and their own market positions.

5.1.2. *Affected markets and market shares*

(142) The Transaction gives rise to the following horizontally affected markets:

(a) The market for the procurement of raw milk ([160]) in (i) Belgium, (ii) the Netherlands, (iii) Region of Flanders and (iv) the supranational region of the Netherlands and Flanders.

Table 1: Market shares in the procurement of raw milk (volume) market shares at national, subnational level, 2022-2024

Company	Belgium			The Netherlands			Flanders		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Friesland-Campina	[0-5]%	[0-5]%	[0-5]%	[60-70]%	[60-70]%	[50-60]%	[5-10]%	[5-10]%	[5-10]%
Milcobel	[20-30]%	[10-20]%	[10-20]%	[0-5]%	[0-5]%	[0-5]%	[30-40]%	[30-40]%	[20-30]%
Combined	**[20-30]%**	**[20-30]%**	**[20-30]%**	**[60-70]%**	**[60-70]%**	**[50-60]%**	**[40-50]%**	**[30-40]%**	**[30-40]%**

([159]) The Parties' market share methodology. Section 4.

([160]) In the remainder of this Decision, references to raw milk are references to conventional raw cow's milk.

Company	Belgium			The Netherlands			Flanders		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Laiterie des Ardennes	[20-30]%	[20-30]%	[20-30]%				[20-30]%	[20-30]%	[10-20]%
Arla	[10-20]%	[10-20]%	[10-20]%	[0-5]%	[0-5]%	[0-5]%	[5-10]%	[5-10]%	[5-10]%
A-ware	[10-20]%	[10-20]%	[10-20]%	[10-20]%	[10-20]%	[5-10]%	[20-30]%	[20-30]%	[20-30]%
Inex	[5-10]%	[5-10]%	[5-10]%				[5-10]%	[5-10]%	[5-10]%
Danone	[0-5]%	[0-5]%	[0-5]%				[0-5]%	[0-5]%	[0-5]%
Farmel	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%
CONO				[0-5]%	[0-5]%	[0-5]%			
Vreugdenhil				[5-10]%	[5-10]%	[5-10]%			
Lactalis				[5-10]%	[5-10]%	[5-10]%			
DOC/DMK				[0-5]%	[0-5]%	[0-5]%			
Others	[10-20]%	[10-20]%	[10-20]%	[5-10]%	[5-10]%	[5-10]%	[0-5]%	[0-5]%	[0-5]%
Market size	*5,356*	*5,181*	*5,206*	*14,405*	*14,373*	*14,377*	*3,115*	*3,139*	*3,219*

Source: Parties' estimates (Data pack - Procurement of raw milk dated June 2025 and Parties' response to the Commission's RFI 4, annex 2.1)

Table 2: Market shares in the procurement of raw milk (volume) market shares at supranational level, 2022-2024

Company	the Netherlands and Flanders			Belgium and the Netherlands		
	2022	2023	2024	2022	2023	2024
FrieslandCampina	[50-60]%	[50-60]%	[50-60]%	[40-50]%	[40-50]%	[40-50]%
Milcobel	[5-10]%	[5-10]%	[5-10]%	[5-10]%	[5-10]%	[0-5]%
Combined	**[60-70]%**	**[50-60]%**	**[50-60]%**	**[50-60]%**	**[50-60]%**	**[40-50]%**
Laiterie des Ardennes	[0-5]%	[0-5]%	[0-5]%	[5-10]%	[5-10]%	[5-10]%
Arla	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%
A-ware	[10-20]%	[10-20]%	[10-20]%	[10-20]%	[10-20]%	[10-20]%
Inex	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%
Danone				[0-5]%	[0-5]%	[0-5]%
Farmel				[0-5]%	[0-5]%	[0-5]%

Company	the Netherlands and Flanders			Belgium and the Netherlands		
	2022	2023	2024	2022	2023	2024
CONO				[0-5]%	[0-5]%	[0-5]%
Vreugdenhil	[0-5]%	[5-10]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%
Lactalis	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%
DOC/DMK	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%
Others	[0-5]%	[0-5]%	[10-20]%	[5-10]%	[5-10]%	[10-20]%
Market size	*16,733*	*16,882*	*16,919*	*19,761*	*19,554*	*19,583*

Source: Parties' estimates (Data pack - Procurement of raw milk dated June 2025 and Parties' response to the Commission's RFI 4, annex 2.1)

(b) The local markets for the procurement of conventional raw cow's milk in several catchment areas around the Parties' plants

Table 3: Local market shares in the procurement of raw milk in several catchment areas around the Parties' plants, Parties' baseline scenario, 2024 ([161])

Competitor	Catchment area FrieslandCampina's production plant in Maasdam	Catchment area FrieslandCampina's production plant in Veghel	Catchment area Milcobel's production plant in Kallo	Catchment area Milcobel's production plant in Langemark	Catchment area Milcobel's production plant in Moorslede	Catchment area FrieslandCampina's production plant in Aalter
FrieslandCampina	[20-30]%	[20-30]%	[20-30]%	[5-10]%	[5-10]%	[10-20]%
Milcobel	[5-10]%	[0-5]%	[10-20]%	[10-20]%	[10-20]%	[10-20]%
Combined	***[20-30]%***	***[20-30]%***	***[30-40]%***	***[20-30]%***	***[20-30]%***	***[30-40]%***
A-ware	[0-5]%	[0-5]%	[0-5]%	[5-10]%	[5-10]%	[0-5]%
Ingredia				[5-10]%	[5-10]%	[0-5]%
Klaver Kaas	[0-5]	[0-5]				
Lactalis	[5-10]%	[5-10]	[5-10]%			[5-10]%
Lactinov				[0-5]%		[0-5]%
Laiterie de l'Avesnois (LDA)				[0-5]%		[0-5]%
Little cheese farm	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%
Inex	[0-5]%	[0-5]%	[0-5]%	[5-10]%	[5-10]%	[0-5]%
Novandie				[0-5]%	[0-5]%	[0-5]%
Ozgazi	[0-5]%	[0-5]%	[0-5]%	[0-5]%		[0-5]%
Rouveen	[0-5]%	[0-5]%	[0-5]%	[0-5]%		[0-5]%
Savencia	[0-5]%		[0-5]%	[0-5]%	[0-5]%	[0-5]%
Sodiaal				[0-5]%	[0-5]%	[0-5]%
Laiterie des Ardennes	[10-20]%	[5-10]%	[10-20]%	[10-20]%	[20-30]%	[10-20]%

([161]) Totals may not add up due to rounding.

Competitor	Catchment area FrieslandCampina's production plant in Maasdam	Catchment area FrieslandCampina's production plant in Veghel	Catchment area Milcobel's production plant in Kallo	Catchment area Milcobel's production plant in Langemark	Catchment area Milcobel's production plant in Moorslede	Catchment area FrieslandCampina's production plant in Aalter
Terre des Fromages	[0-5]%	[0-5]%	[0-5]%	[0-5]%		[0-5]%
Hochwald		[5-10]%				
Groendal	[0-5]%		[0-5]%	[0-5]%	[0-5]%	[0-5]%
Arla	[10-20]%	[10-20]%	[10-20]%	[20-30]%	[20-30]%	[10-20]%
Chimay			[0-5]%	[0-5]%		[0-5]%
Cono	[5-10]%	[0-5]%				
DOC/DMK		[5-10]%				
Dairy Food Group (A-Ware)	[0-5]%	[0-5]%	[0-5]%	[0-5]%		[0-5]%
Danone	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%	[0-5]%
De Graafstroom	[0-5]%	[0-5]%	[0-5]%			[0-5]%
Vreugdenhil	[5-10]%	[5-10]%	[10-20]%			[10-20]%
De Moerenaar			[0-5]%	[0-5]%	[0-5]%	[0-5]%
F&S		[0-5]%				
Farm Dairy	[0-5]%	[0-5]%				
Farmel	[0-5]%	[0-5]%				
Flandrien	[0-5]%		[0-5]%	[0-5]%	[0-5]%	[0-5]%
Fromagerie Biologique du Vielsalm						[0-5]%
Globemilk	[0-5]%	[0-5]%				
Henri Willig	[0-5]%	[0-5]%				
Market size	*14311*	*18322*	*12230*	*8746*	*7606*	*13021*

Source: Parties' estimates (Data pack – Updated catchment area dated July 2025) – Annex B primary only

(c) The market for the supply of hard/semi-hard cheese to the modern retail channel (Total) in Belgium.

Table 4: Market shares in the supply of hard/semi-hard cheese to the modern retail channel, Belgium, 2022 - 2024 (Total). Volume in kt. ([162])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[20-30]%	[20-30]%	[20-30]%
Milcobel	[5-10]%	[5-10]%	[5-10]%
Combined	***[30-40]%***	***[30-40]%***	***[20-30]%***
A-ware	[5-10]%	[10-20]%	[10-20]%
Ammerland	[0-5]%	[0-5]%	[0-5]%
Bel	[0-5]%	[0-5]%	[0-5]%
Cono	[0-5]%	[0-5]%	[0-5]%
DOC/DMK	[0-5]%	[0-5]%	[0-5]%

([162]) Totals may not add up due to rounding.

Competitor	Market share 2022	Market share 2023	Market share 2024
Entremont	[5-10]%	[5-10]%	[5-10]%
Jermi	[0-5]%	[0-5]%	[0-5]%
Lactalis	[0-5]%	[0-5]%	[0-5]%
Le Berger Comtois	[0-5]%	[0-5]%	[0-5]%
Savencia	[5-10]%	[5-10]%	[5-10]%
Sodiaal	[0-5]%	[0-5]%	[0-5]%
Vache Bleue	[5-10]%	[5-10]%	[5-10]%
Vergeer	[5-10]%	[5-10]%	[5-10]%
Other competitors	[10-20]%	[10-20]%	[10-20]%
Market size	*76*	*74*	*75*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH - Belgium

(d) The market for the supply of hard/semi-hard cheese to the modern retail channel (Private label) in Belgium.

Table 5: Market shares in the supply of hard/semi-hard cheese to the modern retail channel, Belgium, 2022 - 2024 (Private label). Volume in kt. ([163])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[30-40]%	[20-30]%	[20-30]%
Milcobel	[5-10]%	[5-10]%	[5-10]%
Combined	***[40-50]%***	***[30-40]%***	***[30-40]%***
A-ware	[10-20]%	[10-20]%	[10-20]%
Ammerland	[0-5]%	[0-5]%	[0-5]%
Bel	[0-5]%	[0-5]%	[0-5]%
Cono	[0-5]%	[0-5]%	[0-5]%
DOC/DMK	[0-5]%	[0-5]%	[0-5]%
Entremont	[5-10]%	[5-10]%	[5-10]%
Jermi	[0-5]%	[0-5]%	[0-5]%
Lactalis	[0-5]%	[0-5]%	[0-5]%
Le Berger Comtois	[0-5]%	[0-5]%	[0-5]%
Savencia	[0-5]%	[0-5]%	[5-10]%
Sodiaal	[0-5]%	[0-5]%	[0-5]%
Vache Bleue	[0-5]%	[0-5]%	[5-10]%
Vergeer	[5-10]%	[5-10]%	[5-10]%
Other competitors	[10-20]%	[10-20]%	[10-20]%
Market size	*60*	*60*	*61*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH - Belgium

([163]) Totals may not add up due to rounding.

(e) The market for the supply of hard/semi-hard cheese to the total downstream distribution channels (i.e. the modern retail channel, the classic retail channel, the OOH channel and the wholesalers channel) in Belgium.

Table 6: Market shares in the supply of hard/semi-hard cheese to the total downstream distribution channels Belgium, 2022-2024. Volume in kt. ([164])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[10-20]%	[10-20]%	[10-20]%
Milcobel	[5-10]%	[5-10]%	[5-10]%
Combined	***[20-30]%***	***[20-30]%***	***[20-30]%***
Others	[70-80]%	[70-80]%	[80-90]%
Market size	*122*	*118*	*118.8*

Source: Form CO, Table 8.43.

(f) The market for the supply of hard/semi-hard cheese to wholesalers in Belgium.

Table 7: Market shares in the supply of hard/semi-hard cheese to wholesalers, Belgium, 2022 – 2024. Volume in kt. ([165]) ([166])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[20-30]%	[30-40]%	[20-30]%
Milcobel	[5-10]%	[5-10]%	[5-10]%
Combined	***[30-40]%***	***[40-50]%***	***[20-30]%***
A-ware	[10-20]%	[5-10]%	[10-20]%
Cono	[5-10]%	[0-5]%	[0-5]%
DMK/Uniekaas	[5-10]%	[5-10]%	[5-10]%
Entremont	[0-5]%	[0-5]%	[0-5]%
Groupe France Frais	[0-5]%	[0-5]%	[0-5]%
Maaz	[5-10]%	[5-10]%	[5-10]%
Vache Bleue	[0-5]%	[0-5]%	[0-5]%
Vandersterre	[5-10]%	[5-10]%	[5-10]%
Other competitors	[20-30]%	[20-30]%	[20-30]%
Market size	*36*	*34*	*34*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH - Belgium

(g) The market for the supply of hard/semi-hard Dutch-type cheese to wholesalers in Belgium.

([164]) Totals may not add up due to rounding.
([165]) Totals may not add up due to rounding.
([166]) The Parties have no reason to believe that their market shares considering sales to specialised wholesalers would materially differ from their market shares accounting for all types of wholesalers. (RFI 9)

Table 8: Market shares in the supply of hard/semi-hard "Dutch type" cheese to wholesalers, Belgium, 2022 – 2024. Volume in kt. ([167]) ([168])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[20-30]%	[40-50]%	[20-30]%
Milcobel	[5-10]%	[5-10]%	[0-5]%
Combined	***[30-40]%***	***[40-50]%***	***[30-40]%***
A-ware	[10-20]%	[10-20]%	[10-20]%
Cono	[5-10]%	[5-10]%	[5-10]%
DMK/Uniekaas	[5-10]%	[5-10]%	[5-10]%
Flandrien	[0-5]%	[0-5]%	[0-5]%
Groupe France Frais	[0-5]%	[0-5]%	[0-5]%
Loicq	[0-5]%	[0-5]%	[0-5]%
Maaz	[5-10]%	[5-10]%	[5-10]%
Vandersterre	[5-10]%	[5-10]%	[5-10]%
Vergeer	[0-5]%	[0-5]%	[0-5]%
Other competitors	[5-10]%	[5-10]%	[5-10]%
Market size	*23*	*22*	*22*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH - Belgium

(h) The market for the supply of hard/semi-hard "other type" cheese to wholesalers in Belgium.

Table 9: Market shares in the supply of hard/semi-hard "Other type" cheese to wholesalers, Belgium, 2022 – 2024. Volume in kt. ([169]) ([170])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[10-20]%	[10-20]%	[10-20]%
Milcobel	[10-20]%	[10-20]%	[5-10]%
Combined	***[20-30]%***	***[20-30]%***	***[20-30]%***
Arla	[5-10]%	[5-10]%	[5-10]%
Emmi	[5-10]%	[5-10]%	[5-10]%
Entremont	[10-20]%	[10-20]%	[10-20]%
Groupe France Frais	[5-10]%	[5-10]%	[5-10]%
Maaz	[5-10]%	[5-10]%	[5-10]%
Savencia	[5-10]	[5-10]%	[5-10]%
Vache Bleue	[10-20]%	[10-20]%	[10-20]%
Other competitors	[20-30]%	[20-30]%	[20-30]%
Market size	*13*	*12*	*12*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH - Belgium

([167]) Totals may not add up due to rounding.
([168]) The Parties have no reason to believe that their market shares considering sales to specialised wholesalers would materially differ from their market shares accounting for all types of wholesalers. (RFI 9)
([169]) Totals may not add up due to rounding.
([170]) The Parties have no reason to believe that their market shares considering sales to specialised wholesalers would materially differ from their market shares accounting for all types of wholesalers. (RFI 9)

(i) The market for the sourcing of hard/semi-hard "Dutch-type" cheese to wholesalers in Belgium.

Table 10: Market shares in the sourcing of hard/semi-hard "Dutch type" cheese to wholesalers, Belgium, 2022 – 2024. Volume in kt. ([171])

Wholesaler	Market share 2022	Market share 2023	Market share 2024
Dupont	[10-20]%	[10-20]%	[5-10]%
Camal	[0-5]%	[0-5]%	[0-5]%
Kaasbrik	[0-5]%	[0-5]%	[0-5]%
Milcobel	***[20-30]%***	***[10-20]%***	***[10-20]%***
Cocks/Charles	[5-10]%	[5-10]%	[5-10]%
Huppa	[5-10]%	[5-10]%	[5-10]%
Lucokaas	[5-10]%	[5-10]%	[5-10]%
Others	[50-60]%	[60-70]%	[60-70]%
Market size	*23.4*	*21.7*	*21.7*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH - Belgium

(j) The market for the sourcing of Gouda cheese to wholesalers in Belgium

Table 11: Market shares in the sourcing of Gouda cheese to wholesalers, Belgium, 2022 – 2024. Volume in kt. ([172]) ([173])

Supplier	Market share 2022	Market share 2023	Market share 2024
Dupont	[20-30]%	[10-20]%	[5-10]%
Camal	[0-5]%	[0-5]%	[0-5]%
Kaasbrik	[0-5]%	[0-5]%	[0-5]%
Milcobel	***[20-30]%***	***[10-20]%***	***[10-20]%***
Market size	*16.7*	*15.7*	*15.8*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH - Belgium

([171]) Totals may not add up due to rounding.
([172]) Totals may not add up due to rounding.
([173]) The Parties have no reason to believe that their market shares considering sales to specialised wholesalers would materially differ from their market shares accounting for all types of wholesalers. (RFI 9)

(k) The market for the sourcing of Dutch Gouda cheese to wholesalers in Belgium

Table 12: Market shares in the sourcing of Dutch Gouda cheese to wholesalers, Belgium, 2022 – 2024. Volume in kt. ([174]) ([175])

Supplier	Market share 2022	Market share 2023	Market share 2024
Dupont	[20-30]%	[10-20]%	[5-10]%
Camal	[0-5]%	[0-5]%	[0-5]%
Kaasbrik	[0-5]%	[0-5]%	[0-5]%
Combined	***[20-30]%***	***[10-20]%***	***[10-20]%***
Others	[70-80]%	[80-90]%	[80-90]%
Total market size	*14*	*13.6*	*13.2*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH - Belgium

(l) The market for the sourcing of "Other type" cheese to wholesalers in Belgium

Table 13: Market shares in the sourcing of "Other type" cheese to wholesalers, Belgium, 2022 – 2024. Volume in kt. ([176]) ([177])

Wholesaler	Market Share 2022	Market Share 2023	Market Share 2024
Kaasbrik	[20-30]%	[20-30]%	[20-30]%
Camal	[5-10]%	[5-10]%	[5-10]%
Dupont	[10-20]%	[10-20]%	[5-10]%
Milcobel	***[40-50]%***	***[40-50]%***	***[30-40]%***
From-Un	[10-20]%	[10-20]%	[10-20]%
Vache Bleue	[10-20]%	[10-20]%	[10-20]%
Cocks/Charles	[5-10]%	[5-10]%	[5-10]%
Huppa	[5-10]%	[5-10]%	[5-10]%
Lucokaas	[5-10]%	[5-10]%	[5-10]%
Others	[10-20]%	[10-20]%	[10-20]%
Market size	*12.6*	*12.5*	*12.4*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH - Belgium

([174]) Totals may not add up due to rounding.

([175]) The Parties have no reason to believe that their market shares considering sales to specialised wholesalers would materially differ from their market shares accounting for all types of wholesalers. (RFI 9)

([176]) Totals may not add up due to rounding.

([177]) The Parties have no reason to believe that their market shares considering sales to specialised wholesalers would materially differ from their market shares accounting for all types of wholesalers. (RFI 9)

(m) The market for the supply of hard/semi-hard Dutch-type cheese to the total downstream distribution channels in Belgium.

Table 14: Market shares in the supply of hard/semi-hard "Dutch type" cheese to total downstream distribution channels, Belgium, 2022 – 2024. Volume in kt. ([178])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[10-20]%	[10-20]%	[10-20]%
Milcobel	[10-20]%	[10-20]%	[5-10]%
Combined	***[20-30]%***	***[20-30]%***	***[20-30]%***
Others	[70-80]%	[70-80]%	[70-80]%
Market size	*79.3*	*74.8*	*75.6*

Source: Form CO, Table 8.49.

(n) The market for the supply of hard/semi-hard Dutch-type cheese to the modern retail channel (Total) in Belgium.

Table 15: Market shares in the supply of hard/semi-hard "Dutch type" cheese to the modern retail channel, Belgium, 2022 - 2024 (Total). Volume in kt. ([179])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[30-40]%	[20-30]%	[20-30]%
Milcobel	[10-20]%	[10-20]%	[10-20]%
Combined	***[40-50]%***	***[40-50]%***	***[30-40]%***
A-ware	[5-10]%	[10-20]%	[10-20]%
Ammerland	[0-5]%	[0-5]%	[0-5]%
Bel	[0-5]%	[0-5]%	[0-5]%
Bieres De Chimay	[0-5]%	[0-5]%	[0-5]%
Cono	[0-5]%	[0-5]%	[0-5]%
DOC/DMK	[0-5]%	[0-5]%	[5-10]%
De Kazerij	[0-5]%	[0-5]%	[0-5]%
Jermi	[0-5]%	[0-5]%	[0-5]%
Lactalis	[0-5]%	[0-5]%	[0-5]%
Orval	[0-5]%	[0-5]%	[0-5]%
Savencia	[5-10]%	[5-10]%	[5-10]%
Vache Bleue	[0-5]%	[0-5]%	[0-5]%
Vergeer	[10-20]%	[10-20]%	[10-20]%
Westland	[0-5]%	[0-5]%	[0-5]%
Other competitors	[0-5]%	[5-10]%	[5-10]%
Market size	*49*	*47*	*48*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH - Belgium

([178]) Totals may not add up due to rounding.
([179]) Totals may not add up due to rounding.

(o) The market for the supply of hard/semi-hard Dutch-type cheese to the modern retail channel (Private label) in Belgium.

Table 16: Market shares in the supply of hard/semi-hard "Dutch type" cheese to the modern retail channel, Belgium, 2022 - 2024 (Private label). Volume in kt. ([180])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[30-40]%	[30-40]%	[30-40]%
Milcobel	[10-20]%	[10-20]%	[5-10]%
Combined	***[50-60]%***	***[40-50]%***	***[40-50]%***
A-ware	[10-20]%	[10-20]%	[10-20]%
Ammerland	[5-10]%	[5-10]%	[5-10]%
Bel	[0-5]%	[0-5]%	[0-5]%
Bieres De Chimay	[0-5]%	[0-5]%	[0-5]%
Cono	[0-5]%	[0-5]%	[0-5]%
DOC/DMK	[5-10]%	[5-10]%	[5-10]%
De Kazerij	[0-5]%	[0-5]%	[0-5]%
Jermi	[0-5]%	[0-5]%	[0-5]%
Lactalis	[0-5]%	[0-5]%	[0-5]%
Orval	[0-5]%	[0-5]%	[0-5]%
Savencia	[0-5]%	[0-5]%	[0-5]%
Vache Bleue	[0-5]%	[0-5]%	[0-5]%
Vergeer	[10-20]%	[10-20]%	[10-20]%
Westland	[0-5]%	[0-5]%	[0-5]%
Other competitors	[0-5]%	[0-5]%	[0-5]%
Market size	*38*	*37*	*38*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH – Belgium

([180]) Totals may not add up due to rounding.

(p) The market for the supply of hard/semi-hard Dutch-type cheese to the out-of-home channel in Belgium.

Table 17: Market shares in the supply of hard/semi-hard "Dutch type" cheese to the out-of-home channel, Belgium, 2022 - 2024. Volume in kt. ([181])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[0-5]%	[0-5]%	[0-5]%
Milcobel	[5-10]%	[0-5]%	[0-5]%
Combined	***[5-10]%***	***[5-10]%***	***[5-10]%***
Beevers (Beemster)	[5-10]%	[5-10]%	[5-10]%
Bidfood	[5-10]%	[5-10]%	[5-10]%
Maaz	[5-10]%	[5-10]%	[5-10]%
Solucious (Colruyt)	[5-10]%	[5-10]%	[5-10]%
Vache Bleue	[5-10]%	[5-10]%	[5-10]%
Vandersterre	[5-10]%	[5-10]%	[5-10]%
Vergeer	[5-10]%	[5-10]%	[5-10]%
Others	[40-50]%	[40-50]%	[40-50]%
Market size	*24.6*	*22.9*	*23.1*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - HSH – Belgium

(q) The market for the supply of Gouda to the total downstream distribution channels in Belgium.

Table 18: Market shares in the supply of Gouda to the total downstream distribution channels, Belgium, 2022 - 2024. Volume in kt. ([182])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[20-30]%	[20-30]%	[20-30]%
Milcobel	[10-20]%	[10-20]%	[10-20]%
Combined	***[30-40]%***	***[30-40]%***	***[30-40]%***
A-ware	[5-10]%	[5-10]%	[5-10]%
Ammerland	[0-5]%	[0-5]%	[0-5]%
Cono	[0-5]%	[0-5]%	[0-5]%
DOC/DMK	[0-5]%	[0-5]%	[0-5]%
Maaz	[0-5]%	[0-5]%	[0-5]%
Vandersterre	[0-5]%	[0-5]%	[0-5]%
Vergeer	[10-20]%	[10-20]%	[10-20]%
Other competitors	[20-30]%	[20-30]%	[20-30]%
Market size	*54*	*52*	*53*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - Gouda-Belgium

([181]) Totals may not add up due to rounding.
([182]) Totals may not add up due to rounding.

(r) The market for the supply of Gouda cheese to the modern retail channel in Belgium.

Table 19: Market shares in the supply of Gouda to the modern retail channel, Belgium, 2022 - 2024. Volume in kt. ([183])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[40-50]%	[30-40]%	[30-40]%
Milcobel	[10-20]%	[10-20]%	[10-20]%
Combined	***[50-60]%***	***[50-60]%***	***[40-50]%***
A-ware	[10-20]%	[10-20]%	[10-20]%
Vergeer	[10-20]%	[10-20]%	[10-20]%
DOC/DMK	[0-5]%	[5-10]%	[5-10]%
Ammerland	[5-10]%	[5-10]%	[5-10]%
Cono	[5-10]%	[5-10]%	[5-10]%
Jermi	[0-5]%	[0-5]%	[0-5]%
Other competitors	[5-10]%	[5-10]%	[5-10]%
Market size	*35*	*34*	*34*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - Gouda-Belgium

(s) The market for the supply of Gouda (private label) to the modern retail channel in Belgium.

Table 20: Market shares in the supply of Gouda to the modern retail channel (private label), Belgium, 2022 - 2024. Volume in kt. ([184])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[40-50]%	[40-50]%	[30-40]%
Milcobel	[10-20]%	[10-20]%	[10-20]%
Combined	***[50-60]%***	***[50-60]%***	***[40-50]%***
A-ware	[10-20]%	[10-20]%	[10-20]%
Vergeer	[10-20]%	[10-20]%	[10-20]%
DOC/DMK	[5-10]%	[5-10]%	[5-10]%
Ammerland	[5-10]%	[5-10]%	[5-10]%
Jermi	[0-5]%	[0-5]%	[0-5]%
Other competitors	[0-5]%	[0-5]%	[5-10]%
Market size	*31*	*30*	*30*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - Gouda-Belgium

([183]) Totals may not add up due to rounding.
([184]) Totals may not add up due to rounding.

(t) The market for the supply of Gouda (branded) to the modern retail channel in Belgium.

Table 21: Market shares in the supply of Gouda to the modern retail channel (branded), Belgium, 2022 - 2024. Volume in kt. ([185])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[5-10]%	[10-20]%	[5-10]%
Milcobel	[20-30]%	[20-30]%	[20-30]%
Combined	***[30-40]%***	***[30-40]%***	***[30-40]%***
De Kazerij	[5-10]%	[5-10]%	[10-20]%
Vache Bleue	[0-5]%	[0-5]%	[0-5]%
Cono	[40-50]%	[40-50]%	[40-50]%
Westland	[5-10]%	[5-10]%	[5-10]%
Other competitors	[0-5]%	[0-5]%	[0-5]%
Market size	*4*	*4*	*4*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - Gouda-Belgium

(u) The market for the supply of Gouda cheese to wholesalers in Belgium.

Table 22: Market shares in the supply of Gouda to wholesalers, Belgium, 2022 - 2024. Volume in kt. ([186]) ([187])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[30-40]%	[50-60]%	[30-40]%
Milcobel	[5-10]%	[0-5]%	[0-5]%
Combined	***[40-50]%***	***[50-60]%***	***[30-40]%***
A-ware	[10-20]%	[10-20]%	[10-20]%
Vandersterre	[5-10]%	[5-10]%	[5-10]%
DMK/Uniekaas	[5-10]%	[5-10]%	[5-10]%
Maaz	[5-10]%	[5-10]%	[5-10]%
Vergeer	[0-5]%	[0-5]%	[0-5]%
Other competitors	[10-20]%	[10-20]%	[10-20]%
Market size	*17*	*16*	*16*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - Gouda-Belgium

([185]) Totals may not add up due to rounding.
([186]) Totals may not add up due to rounding.
([187]) The Parties have no reason to believe that their market shares considering sales to specialised wholesalers would materially differ from their market shares accounting for all types of wholesalers. (RFI 9)

(v) The market for the supply of Gouda to the out-of-home channel in Belgium.

Table 23: Market shares in the supply of Gouda to out-of-home, Belgium, 2022 - 2024. Volume in kt. ([188])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[0-5]%	[0-5]%	[0-5]%
Milcobel	[5-10]%	[5-10]%	[0-5]%
Combined	***[5-10]%***	***[5-10]%***	***[5-10]%***
Others	[90-100]%	[90-100]%	[90-100]%
Market size	*17.6*	*16.6*	*16.7*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - Gouda-Belgium

(w) The market for the supply of Dutch Gouda to the total downstream distribution channels in Belgium.

Table 24: Market shares in the supply of Dutch Gouda to the total downstream distribution channels, Belgium, 2022 - 2024. Volume in kt. ([189])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[30-40]%	[30-40]%	[30-40]%
Milcobel	[5-10]%	[0-5]%	[0-5]%
Combined	***[30-40]%***	***[30-40]%***	***[30-40]%***
A-ware	[5-10]%	[5-10]%	[10-20]%
Cono	[0-5]%	[0-5]%	[0-5]%
DOC/DMK	[0-5]%	[0-5]%	[5-10]%
Maaz	[0-5]%	[0-5]%	[0-5]%
Vandersterre	[0-5]%	[0-5]%	[0-5]%
Vergeer	[10-20]%	[10-20]%	[10-20]%
Other competitors	[20-30]%	[20-30]%	[20-30]%
Market size	*43*	*41*	*41*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - Gouda-Belgium

([188]) Totals may not add up due to rounding.
([189]) Totals may not add up due to rounding.

(x) The market for the supply of Dutch Gouda (Total) to the modern retail channel in Belgium.

Table 25: Market shares in the supply of Dutch Gouda to the modern retail channel, Belgium, 2022 - 2024. Volume in kt. ([190])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[50-60]%	[40-50]%	[40-50]%
Milcobel	[5-10]%	[5-10]%	[0-5]%
Combined	***[50-60]%***	***[50-60]%***	***[50-60]%***
A-ware	[10-20]%	[10-20]%	[10-20]%
Vergeer	[10-20]%	[10-20]%	[10-20]%
DOC/DMK	[5-10]%	[5-10]%	[5-10]%
Cono	[5-10]%	[5-10]%	[5-10]%
Other competitors	[0-5]%	[0-5]%	[0-5]%
Market size	*26*	*25*	*25*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - Gouda-Belgium

(y) The market for the supply of Dutch Gouda (private label) to the modern retail channel in Belgium.

Table 26: Market shares in the supply of Dutch Gouda to the modern retail channel (private label), Belgium, 2022 - 2024. Volume in kt. ([191])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[50-60]%	[50-60]%	[50-60]%
Milcobel	[5-10]%	[5-10]%	[0-5]%
Combined	***[60-70]%***	***[50-60]%***	***[50-60]%***
A-ware	[10-20]%	[10-20]%	[20-30]%
Vergeer	[10-20]%	[10-20]%	[10-20]%
DOC/DMK	[5-10]%	[5-10]%	[5-10]%
Market size	*24*	*22*	*23*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - Gouda-Belgium

([190]) Totals may not add up due to rounding.
([191]) Totals may not add up due to rounding.

(z) The market for the supply of Dutch Gouda to wholesalers in Belgium.

Table 27: Market shares in the supply of Dutch Gouda to wholesalers, Belgium, 2022 - 2024. Volume in kt. ([192]) ([193])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[30-40]%	[50-60]%	[30-40]%
Milcobel	[5-10]%	[0-5]%	[0-5]%
Combined	***[40-50]%***	***[60-70]%***	***[40-50]%***
A-ware	[20-30]%	[10-20]%	[20-30]%
Vandersterre	[10-20]%	[5-10]%	[10-20]%
DMK/Uniekaas	[10-20]%	[5-10]%	[10-20]%
Maaz	[10-20]%	[5-10]%	[10-20]%
Vergeer	[0-5]%	[0-5]%	[0-5]%
Market size	*14*	*14*	*13*

Source: Parties' estimates (Data pack – FCO dated September 2025) – Competitor estimates - Gouda-Belgium

(aa) The market for the supply of low-moisture mozzarella to the modern retail channel (Total) in Belgium.

Table 28: Market shares in the supply of low-moisture mozzarella to the modern retail channel, Belgium, 2022 - 2024. Volume in kt. ([194])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[20-30]%	[10-20]%	[10-20]%
Milcobel	[30-40]%	[30-40]%	[30-40]%
Combined	***[50-60]%***	***[40-50]%***	***[40-50]%***
A-ware	[10-20]%	[10-20]%	[10-20]%
Lactalis	[10-20]%	[10-20]%	[10-20]%
European Dairy Company (FFP and Vache Bleue)	[0-5]%	[0-5]%	[5-10]%
Bayerische Milchindustrie	[5-10]%	[5-10]%	[5-10]%
Other	[10-20]%	[10-20]%	[10-20]%
Market size	*2*	*2*	*3*

Source: FCO, Table 8.139.

([192]) Totals may not add up due to rounding.
([193]) The Parties have no reason to believe that their market shares considering sales to specialised wholesalers would materially differ from their market shares accounting for all types of wholesalers. (RFI 9)
([194]) Totals may not add up due to rounding.

(bb) The market for the supply of low-moisture mozzarella to the modern retail channel (Private label) in Belgium.

Table 29: Market shares in the supply of low-moisture mozzarella to the modern retail channel (private label), Belgium, 2022 - 2024. Volume in kt. ([195])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[20-30]%	[20-30]%	[10-20]%
Milcobel	[30-40]%	[30-40]%	[40-50]%
Combined	***[60-70]%***	***[50-60]%***	***[50-60]%***
A-ware	[20-30]%	[20-30]%	[20-30]%
European Dairy Company (FFP)	[0-5]%	[0-5]%	[10-20]%
Bayerische Milchindustrie	[5-10]%	[5-10]%	[5-10]%
Other	[10-20]%	[10-20]%	[10-20]%
Market size	*2*	*2*	*2*

Source: FCO, Table 8.140.

(cc) The markets for the supply of bulk butter in Belgium.

Table 30: Market shares in the supply of bulk butter, Belgium, 2022 – 2024. Volume in kt. ([196])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[10-20]%	[10-20]%	[10-20]%
Milcobel	[5-10]%	[5-10]%	[5-10]%
Combined	***[10-20]%***	***[20-30]%***	***[20-30]%***
Solarec (Laiterie des Ardennes)	[10-20]%	[10-20]%	[10-20]%
Royal VIV Buisman	[10-20]%	[10-20]%	[10-20]%
Corman	[10-20]%	[10-20]%	[10-20]%
Lactalis	[5-10]%	[5-10]%	[5-10]%
A-ware	[5-10]%	[5-10]%	[5-10]%
Lakeland Dairies	[0-5]%	[0-5]%	[0-5]%
Other competitors	[10-20]%	[10-20]%	[10-20]%
Market size	*74.2*	*75.1*	*75.5*

Source: Parties' estimates ([197])

([195]) Totals may not add up due to rounding.
([196]) Totals may not add up due to rounding.
([197]) Form CO, paragraph 801.

(dd) The markets for the supply of bulk butter in the Netherlands.

Table 31: Market shares in the supply of bulk butter, the Netherlands, 2022 – 2024. Volume in kt. ([198])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[20-30]%	[30-40]%	[30-40]%
Milcobel	[0-5]%	[0-5]%	[0-5]%
Combined	***[30-40]%***	***[30-40]%***	***[30-40]%***
Royal VIV Buisman	[10-20]%	[10-20]%	[10-20]%
Interfood	[10-20]%	[10-20]%	[10-20]%
Lactalis	[10-20]%	[5-10]%	[5-10]%
Corman	[5-10]%	[5-10]%	[5-10]%
Geris	[5-10]%	[5-10]%	[5-10]%
Lakeland Dairies	[0-5]%	[0-5]%	[0-5]%
Other competitors	[5-10]%	[5-10]%	[5-10]%
Market size	*118.1*	*117.4*	*118.7*

Source: Parties' estimates ([199])

(ee) The markets for the supply of bulk butter in Belgium and the Netherlands.

Table 32: Market shares in the supply of bulk butter, Belgium & the Netherlands, 2022 – 2024. Volume in kt. ([200])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[20-30]%	[20-30]%	[20-30]%
Milcobel	[0-5]%	[0-5]%	[0-5]%
Combined	***[20-30]%***	***[30-40]%***	***[30-40]%***
Royal VIV Buisman	[10-20]%	[10-20]%	[10-20]%
Lactalis	[10-20]%	[5-10]%	[5-10]%
Corman	[5-10]%	[5-10]%	[5-10]%
Interfood	[5-10]%	[5-10]%	[5-10]%
Solarec (Laiterie des Ardennes)	[5-10]%	[5-10]%	[5-10]%
Lakeland Dairies	[0-5]%	[0-5]%	[0-5]%
Geris	[0-5]%	[0-5]%	[0-5]%
A-ware	[0-5]%	[0-5]%	[0-5]%
Other competitors	[5-10]%	[5-10]%	[5-10]%
Market size	*192.3*	*192.5*	*194.2*

Source: Parties' estimates ([201])

([198]) Totals may not add up due to rounding.
([199]) Form CO, paragraph 801.
([200]) Totals may not add up due to rounding.
([201]) Form CO, paragraph 801.

(ff) The markets for the supply of bulk cream in Belgium.

Table 33: Market shares in the supply of bulk cream, Belgium, 2022 – 2024. Volume in kt. ([202])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[20-30]%	[20-30]%	[20-30]%
Milcobel	[5-10]%	[5-10]%	[0-5]%
Combined	***[30-40]%***	***[20-30]%***	***[20-30]%***
A-ware	[10-20]%	[10-20]%	[10-20]%
Inex	[10-20]%	[10-20]%	[10-20]%
Other competitors	[30-40]%	[40-50]%	[40-50]%
Market size	*33.9*	*35*	*35.5*

Source: Parties' estimates ([203])

(gg) The markets for the supply of bulk cream in the Netherlands.

Table 34: Market shares in the supply of bulk cream, the Netherlands, 2022 – 2024. Volume in kt. ([204])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[30-40]%	[30-40]%	[30-40]%
Milcobel	[5-10]%	[5-10]%	[5-10]%
Combined	***[40-50]%***	***[40-50]%***	***[40-50]%***
A-ware	[10-20]%	[10-20]%	[10-20]%
DMK	[5-10]%	[5-10]%	[5-10]%
Vreugdenhil	[5-10]%	[5-10]%	[5-10]%
Other competitors	[30-40]%	[30-40]%	[30-40]%
Market size	*69.3*	*69.9*	*70.8*

Source: Parties' estimates ([205])

([202]) Totals may not add up due to rounding.
([203]) Form CO, paragraph 815.
([204]) Totals may not add up due to rounding.
([205]) Form CO, paragraph 815.

(hh) The markets for the supply of bulk cream in Belgium and the Netherlands.

Table 35: Market shares in the supply of bulk cream, Belgium & the Netherlands, 2022 – 2024. Volume in kt. ([206])

Competitor	Market share 2022	Market share 2023	Market share 2024
FrieslandCampina	[30-40]%	[20-30]%	[20-30]%
Milcobel	[5-10]%	[5-10]%	[5-10]%
Combined	***[30-40]%***	***[30-40]%***	***[30-40]%***
A-ware	[10-20]%	[10-20]%	[10-20]%
DMK	[5-10]%	[5-10]%	[5-10]%
Inex	[0-5]%	[0-5]%	[0-5]%
Vreugdenhil	[0-5]%	[0-5]%	[0-5]%
Other competitors	[30-40]%	[30-40]%	[30-40]%
Market size	*103.2*	*104.9*	*106.2*

Source: Parties' estimates ([207])

(143) The Transaction would also give rise to the following vertically affected markets:

(a) the upstream market for the supply of Gouda cheese to specialised wholesalers in Belgium

(b) and the following downstream markets:

(1) the market for the supply of Gouda cheese to the classic retail channel (see Table 36);

Table 36: Market shares in the supply of Gouda cheese to classic retail channel, Belgium, 2022 - 2024. Volume in kt. ([208])

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[0-5]%	[0-5]%	[0-5]%
Milcobel	[30-40]%	[20-30]%	[10-20]%
Combined	***[30-40]%***	***[20-30]%***	***[10-20]%***
Other competitors	[60-70]%	[70-80]%	[80-90]%
Market size	*2.3*	*2.1*	*2*

Source: Parties' estimates ([209])

(2) the market for the supply of Gouda cheese to the modern retail channel (see Table 19);

(3) the market for the supply of Gouda cheese to the OOH customers (see Table 37).

([206]) Totals may not add up due to rounding.
([207]) Form CO, paragraph 815.
([208]) Totals may not add up due to rounding.
([209]) Form CO, paragraph 678.

Table 37: Market shares in the supply of Gouda cheese to out-of-home channel, Belgium, 2022 - 2024. Volume in kt.

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[0-5]%	[0-5]%	[0-5]%
Milcobel	[5-10]%	[0-5]%	[0-5]%
Combined	***[5-10]%***	***[5-10]%***	***[5-10]%***
Other competitors	[90-100]%	[90-100]%	[90-100]%
Market size	*17.6*	*16.6*	*16.7*

Source: Parties' estimates ([210])

(144) The Transaction would also affect the following markets because of conglomerate links between the Parties which could potentially allow the combined entity to leverage its market power (i.e., markets where the individual or combined market shares of the Parties exceed 30% by revenue in 2024 and in which at least one Party is active whilst the other Party is active on a neighbouring market):

(a) The market for the supply of Dutch Gouda to modern retailers in Belgium (see Table 25),

(b) The market for the supply of Belgian Gouda to modern retailers in Belgium (see Table 38).

Table 38: Market shares in the supply of Belgian Gouda to modern retail channel, Belgium, 2022 - 2024. Volume in kt.

Competitor	Market shares 2022	Market shares 2023	Market shares 2024
FrieslandCampina	[0-5]%	[0-5]%	[0-5]%
Milcobel	[80-90]%	[80-90]%	[70-80]%
Combined	***[80-90]%***	***[80-90]%***	***[70-80]%***
Loicq	[5-10]%	[5-10]%	[5-10]%
De Kazerij (Flandrien)	[0-5]%	[5-10]%	[5-10]%
De Moerenaar	[5-10]%	[5-10]%	[0-5]%
Market size	*4.5*	*4.8*	*4.8*

Source: Parties' estimates ([211])

5.2. Horizontal overlaps and vertical links not leading to affected markets

(145) The Transaction also results in horizontal overlaps for 116 of other markets listed below. However, none of these overlaps give rise to affected markets within the meaning of recital 25(g) Annex I to Regulation (EU) 2023/914 ([212]), as they meet the conditions for review under point 5 or benefit from the flexibility clauses of

([210]) Form CO, paragraph 678.
([211]) Form CO, paragraph 679.
([212]) Commission Implementing Regulation (EU) 2023/914 of 20 April 2023 implementing Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings and repealing Commission Regulation (EC) No 802/2004, OJ L 119, 5.5.2023, p. 22.

point 8 of the Notice on Simplified Treatment ([213]). Therefore, these overlaps will not be further discussed in this decision. ([214])

Table 39: Market shares in 2024 for markets that meet the conditions for review under point 5 or benefit from the flexibility clauses of point 8 of the Notice on Simplified Treatment.

Segment	Geographic area	Friesland Campina share	Milcobel share	Combined	Delta HHI	Condition met
Butter > Packet butter	Belgium	[0-5]%	[0-5]%	[0-5]%	7	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > High-moisture mozzarella > Modern retail channel > Total	Belgium	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > High-moisture mozzarella > Modern retail channel > Branded	Belgium	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Belgium	[5-10]%	[5-10]%	[10-20]%	102	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Mozzarella > Modern retail channel > Total	Belgium	[0-5]%	[5-10]%	[5-10]%	17	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Mozzarella > Modern retail channel > Branded	Belgium	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Mozzarella > Modern retail channel > Private label	Belgium	[0-5]%	[5-10]%	[5-10]%	31	Point 5(d)(i)(aa)
Cheese > Goat cheese > Modern retail channel > Total	Belgium	[0-5]%	[0-5]%	[0-5]%	3	Point 5(d)(i)(aa)
Cheese > Goat cheese > Out-of-home / industrial channel	Belgium	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Cheese > Goat cheese > Specialized wholesalers	Belgium	[30-40]%	[0-5]%	[40-50]%	35	Point 5(d)(i)(bb)
Cheese > Hard / Semi-hard cheese > Total > Downstream market	Belgium	[10-20]%	[5-10]%	[20-30]%	181	Point 8(a)
Cheese > Hard / Semi-hard cheese > Total > Modern retail channel > Branded	Belgium	[0-5]%	[10-20]%	[10-20]%	54	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Total > Out-of-home / industrial channel	Belgium	[0-5]%	[0-5]%	[5-10]%	9	Point 5(d)(i)(aa)

([213]) Commission Notice on a simplified treatment for certain concentrations under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings 2023/C 160/01, OJ C 160, 5.5.2023, p. 1.

([214]) The Parties explain also that there is only an overlap with regards to the supply of Edam cheese to the modern retail channel in Belgium, and the wholesale channels in Belgium, France and the Netherlands. In each case, the Parties estimate that the combined market share is below 50% and the delta HHI is below 150. The Parties also explain that for Maasdam there is only overlap in relation to the modern retail channel in Belgium, and the wholesale channels in Belgium, France, the Netherlands and Spain. The Parties estimate that their combined market share in Belgium remains below 25% (and, to the extent the Parties' combined market share would exceed 20% for any segment, that the conditions relating to the flexibility clause apply). In the wholesale channels in Belgium, France, the Netherlands and Spain the Parties' combined market shares also remains below the relevant thresholds, and the HHI delta is less than 150 in view of Milcobel's negligible sales volumes. (RFI 7)

Segment	Geographic area	Friesland Campina share	Milcobel share	Combined	Delta HHI	Condition met
Cheese > Hard / Semi-hard cheese > Dutch-type > Modern retail channel > Branded	Belgium	[0-5]%	[10-20]%	[10-20]%	102	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Dutch-type > Out-of-home / industrial channel	Belgium	[0-5]%	[0-5]%	[5-10]%	11	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Other > Downstream market	Belgium	[5-10]%	[0-5]%	[10-20]%	45	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Other > Modern retail channel > Total	Belgium	[10-20]%	[0-5]%	[10-20]%	32	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Other > Modern retail channel > Private label	Belgium	[10-20]%	[0-5]%	[10-20]%	43	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Other > Out-of-home / industrial channel	Belgium	[0-5]%	[5-10]%	[5-10]%	4	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Other > Specialized wholesalers	Belgium	[10-20]%	[5-10]%	[20-30]%	227	Point 8(a)
Cheese > Hard cheeses > Modern retail channel > Total	Belgium	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Dairy > Milk > Long-life milk > Modern retail channel > Total	Belgium	[10-20]%	[0-5]%	[10-20]%	1	Point 5(d)(i)(aa)
Dairy > Milk > Long-life milk > Modern retail channel > Private label	Belgium	[10-20]%	[0-5]%	[10-20]%	1	Point 5(d)(i)(aa)
Dairy > Milk > Long-life milk > Specialized wholesalers > Total	Belgium	[0-5]%	[0-5]%	[0-5]%	1	Point 5(d)(i)(aa)
Dairy > Other dairy drinks > Long-life chocolate flavoured dairy drinks > Modern retail channel > Private label	Belgium	[30-40]%	[0-5]%	[30-40]%	0	Point 5(d)(i)(bb)
Dairy > Other dairy drinks > Long-life chocolate flavoured dairy drinks > Specialized wholesalers > Total	Belgium	[20-30]%	[0-5]%	[20-30]%	0	Point 5(d)(i)(bb)
Dairy > Yoghurt > Plain yoghurt > Modern retail channel > Total	Belgium	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Dairy > Yoghurt > Value-added yoghurt > Modern retail channel > Total	Belgium	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Dairy > Yoghurt > Value-added yoghurt > Specialized wholesalers > Total	Belgium	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Dairy > Yoghurt > Yoghurt drinks > Specialized wholesalers > Total	Belgium	[40-50]%	[0-5]%	[40-50]%	1	Point 5(d)(i)(bb)
Milk powder > Skimmed milk powder	Belgium	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Milk powder > Total milk powder	Belgium	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Milk powder > Whole milk powder	Belgium	[0-5]%	[5-10]%	[5-10]%	1	Point 5(d)(i)(aa)

Segment	Geographic area	Friesland Campina share	Milcobel share	Combined	Delta HHI	Condition met
Non-dairy > Non-dairy drinks > Long-life other flavoured non-dairy drinks > Modern retail channel > Total	Belgium	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Bulgaria	[0-5]%	[0-5]%	[5-10]%	11	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Czechia	[5-10]%	[10-20]%	[20-30]%	189	Point 8(a)
Cheese > Fresh cheeses > Industrial mozzarella	Denmark	[0-5]%	[0-5]%	[5-10]%	21	Point 5(d)(i)(aa)
Butter > Total	EEA	[5-10]%	[0-5]%	[5-10]%	6	Point 5(d)(i)(aa)
Butter > Bulk butter	EEA	[5-10]%	[0-5]%	[5-10]%	12	Point 5(d)(i)(aa)
Butter > Packet butter	EEA	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	EEA	[5-10]%	[0-5]%	[5-10]%	43	Point 5(d)(i)(aa)
Cream > Bulk cream	EEA	[5-10]%	[0-5]%	[5-10]%	10	Point 5(d)(i)(aa)
Milk powder > Skimmed milk powder	EEA	[0-5]%	[0-5]%	[5-10]%	6	Point 5(d)(i)(aa)
Milk powder > Total milk powder	EEA	[0-5]%	[0-5]%	[5-10]%	11	Point 5(d)(i)(aa)
Milk powder > Whole milk powder	EEA	[0-5]%	[0-5]%	[5-10]%	11	Point 5(d)(i)(aa)
Whey > Whey permeate	EEA	[0-5]%	[5-10]%	[5-10]%	7	Point 5(d)(i)(aa)
Whey > Whey protein concentrate > WPC 60-80	EEA	[5-10]%	[0-5]%	[5-10]%	30	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Estonia	[0-5]%	[0-5]%	[0-5]%	3	Point 5(d)(i)(aa)
Butter > Bulk butter	France	[5-10]%	[0-5]%	[5-10]%	17	Point 5(d)(i)(aa)
Butter > Packet butter	France	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	France	[0-5]%	[5-10]%	[5-10]%	36	Point 5(d)(i)(aa)
Cream > Bulk cream	France	[0-5]%	[0-5]%	[0-5]%	3	Point 5(d)(i)(aa)
Dairy > Dairy desserts > Fresh dairy desserts > Total > Specialized wholesalers > Total	France	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Milk powder > Skimmed milk powder	France	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)

Segment	Geographic area	Friesland Campina share	Milcobel share	Combined	Delta HHI	Condition met
Milk powder > Total milk powder	France	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Milk powder > Whole milk powder	France	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Butter > Bulk butter	Germany	[0-5]%	[0-5]%	[0-5]%	1	Point 5(d)(i)(aa)
Butter > Packet butter	Germany	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Germany	[0-5]%	[0-5]%	[5-10]%	10	Point 5(d)(i)(aa)
Cream > Bulk cream	Germany	[0-5]%	[0-5]%	[0-5]%	1	Point 5(d)(i)(aa)
Milk powder > Skimmed milk powder	Germany	[0-5]%	[0-5]%	[0-5]%	2	Point 5(d)(i)(aa)
Milk powder > Total milk powder	Germany	[0-5]%	[0-5]%	[0-5]%	1	Point 5(d)(i)(aa)
Milk powder > Whole milk powder	Germany	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Whey > Raw (liquid) whey	Germany	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Butter > Bulk butter	Greece	[0-5]%	[0-5]%	[0-5]%	2	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Total > Modern retail channel > Total	Greece	[30-40]%	[0-5]%	[30-40]%	1	Point 5(d)(i)(bb)
Cheese > Hard / Semi-hard cheese > Total > Specialized wholesalers	Greece	[10-20]%	[0-5]%	[10-20]%	65	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Total	Greece	[20-30]%	[0-5]%	[20-30]%	52.8	Point 8(a)
Milk powder > Skimmed milk powder	Greece	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Milk powder > Total milk powder	Greece	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Ireland	[0-5]%	[5-10]%	[5-10]%	0	Point 5(d)(i)(aa)
Cream > Bulk cream	Ireland	[0-5]%	[0-5]%	[0-5]%	1	Point 5(d)(i)(aa)
Butter > Bulk butter	Italy	[5-10]%	[0-5]%	[5-10]%	4	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Italy	[0-5]%	[0-5]%	[5-10]%	24	Point 5(d)(i)(aa)
Cream > Bulk cream	Italy	[0-5]%	[0-5]%	[0-5]%	1	Point 5(d)(i)(aa)
Milk powder > Skimmed milk powder	Italy	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)

Segment	Geographic area	Friesland Campina share	Milcobel share	Combined	Delta HHI	Condition met
Milk powder > Total milk powder	Italy	[0-5]%	[0-5]%	[0-5]%	1	Point 5(d)(i)(aa)
Milk powder > Whole milk powder	Italy	[0-5]%	[0-5]%	[0-5]%	1	Point 5(d)(i)(aa)
Butter > Packet butter	Luxembourg	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Dairy > Dairy desserts > Fresh dairy desserts > Total > Specialized wholesalers > Total	Luxembourg	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Butter > Packet butter	Netherlands	[10-20]%	[0-5]%	[10-20]%	0	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Netherlands	[10-20]%	[5-10]%	[20-30]%	192	Point 8(a)
Cheese > Hard / Semi-hard cheese > Total > Modern retail channel > Total	Netherlands	[20-30]%	[0-5]%	[20-30]%	4	Point 5(d)(i)(bb)
Cheese > Hard / Semi-hard cheese > Total > Modern retail channel > Branded	Netherlands	[10-20]%	[0-5]%	[10-20]%	0	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Total > Modern retail channel > Private label	Netherlands	[20-30]%	[0-5]%	[20-30]%	5	Point 5(d)(i)(bb)
Cheese > Hard / Semi-hard cheese > Total > Specialized wholesalers	Netherlands	[30-40]%	[0-5]%	[30-40]%	29	Point 5(d)(i)(bb)
Cheese > Hard / Semi-hard cheese > Dutch-type > Modern retail channel > Total	Netherlands	[20-30]%	[0-5]%	[20-30]%	3	Point 5(d)(i)(bb)
Cheese > Hard / Semi-hard cheese > Dutch-type > Modern retail channel > Branded	Netherlands	[10-20]%	[0-5]%	[10-20]%	0	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Dutch-type > Modern retail channel > Private label	Netherlands	[20-30]%	[0-5]%	[20-30]%	4	Point 5(d)(i)(bb)
Cheese > Hard / Semi-hard cheese > Dutch-type > Specialized wholesalers	Netherlands	[40-50]%	[0-5]%	[40-50]%	24	Point 5(d)(i)(bb)
Cheese > Hard / Semi-hard cheese > Other > Modern retail channel > Total	Netherlands	[10-20]%	[0-5]%	[10-20]%	11	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Other > Modern retail channel > Branded	Netherlands	[30-40]%	[0-5]%	[30-40]%	6	Point 5(d)(i)(bb)
Cheese > Hard / Semi-hard cheese > Other > Modern retail channel > Private label	Netherlands	[0-5]%	[0-5]%	[0-5]%	2	Point 5(d)(i)(aa)
Cheese > Hard / Semi-hard cheese > Other > Specialized wholesalers	Netherlands	[20-30]%	[0-5]%	[20-30]%	44	Point 8(a)
Cheese > Hard cheeses > Out-of-home / industrial channel	Netherlands	[20-30]%	[0-5]%	[20-30]%	2	Point 8(a)
Cheese > Hard cheeses > Specialized wholesalers	Netherlands	[10-20]%	[0-5]%	[20-30]%	132	Point 8(a)
Cheese > Hard cheeses > Classic retail channel > Total	Netherlands	[20-30]%	[0-5]%	[20-30]%	8	Point 8(a)

Segment	Geographic area	Friesland Campina share	Milcobel share	Combined	Delta HHI	Condition met
Dairy > Dairy desserts > Fresh dairy desserts > Total > Specialized wholesalers > Total	Netherlands	[20-30]%	[0-5]%	[20-30]%	0	Point 8(a)
Dairy > Yoghurt > Plain yoghurt > Specialized wholesalers > Total	Netherlands	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Dairy > Yoghurt > Value-added yoghurt > Specialized wholesalers > Total	Netherlands	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Milk powder > Skimmed milk powder	Netherlands	[20-30]%	[0-5]%	[20-30]%	50	Point 8(a)
Whey > Raw (liquid) whey	Netherlands	[0-5]%	[0-5]%	[5-10]%	13	Point 5(d)(i)(aa)
Butter > Bulk butter	Poland	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Poland	[0-5]%	[0-5]%	[5-10]%	16	Point 5(d)(i)(aa)
Cream > Bulk cream	Poland	[0-5]%	[0-5]%	[0-5]%	1	Point 5(d)(i)(aa)
Milk powder > Skimmed milk powder	Poland	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Milk powder > Total milk powder	Poland	[0-5]%	[0-5]%	[0-5]%	1	Point 5(d)(i)(aa)
Butter > Bulk butter	Portugal	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Portugal	[10-20]%	[10-20]%	[20-30]%	207	Point 8(a)
Cheese > Fresh cheeses > Industrial mozzarella	Romania	[5-10]%	[5-10]%	[10-20]%	73	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Slovakia	[0-5]%	[5-10]%	[10-20]%	63	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Slovenia	[0-5]%	[5-10]%	[5-10]%	4	Point 5(d)(i)(aa)
Cheese > Fresh cheeses > Industrial mozzarella	Spain	[10-20]%	[5-10]%	[20-30]%	184	Point 8(a)
Milk powder > Total milk powder	Spain	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)
Milk powder > Whole milk powder	Spain	[0-5]%	[0-5]%	[0-5]%	0	Point 5(d)(i)(aa)

Source: Parties' estimates ([215])

([215]) Form CO, Annex 08.05.

(146) Furthermore, the Transaction results in additional horizontal overlaps for 2 other markets, where the combined market share is above […]% with an increment below [0-5]%, listed below.

(a) The market for the supply of branded dairy long-life milk to the modern retail channel in Belgium.

(b) The market for the supply of long-life chocolate flavoured dairy drinks to the modern retail channel in Belgium.

(147) Even though the combined market share of the Parties exceeds […]% on these markets, it is unlikely that the Transaction will significantly impede effective competition, where the increment is only *de minimis*, the structure and dynamics of the markets remaining essentially the unchanged. Accordingly, the negligible increment indicates that the Transaction does not materially alter the competitive dynamics and therefore will not be assessed in detail in this decision.

5.3. **Horizontally affected markets – Procurement of raw milk**

5.3.1. *Introduction*

(148) The Transaction gives rise to horizontally affected markets in relation to the procurement of raw milk in the region of Flanders, in Belgium, in the Netherlands, in the supranational region of Belgium and the Netherlands combined, in the supranational region of the Netherlands and Flanders combined, and on local catchment areas around certain production plants of the Parties.

(149) In Section 5.3.3 the Commission will assess the horizontal overlap in the market for the procurement of raw milk in Flanders. Section 5.3.4 will explain why the same conclusions hold for the narrower local catchment areas and for the wider supranational region of the Netherlands and Flanders combined.

(150) Regarding the national Belgian market for the procurement of raw milk, the Parties' combined market share was [20-30]% in 2024. According to paragraph 18 of the Horizontal Merger Guidelines, "*concentrations which, by reason of the limited market share of the undertakings concerned are not liable to impede effective competition may be presumed to be compatible with the common market […] an indication to this effect exists, in particular, where the market share of the undertakings concerned does not exceed 25%*". In addition, the increment in market concentration in this case would be small, with FrieslandCampina having only [0-5]% of the relevant market. Furthermore, Milcobel's market shares have been in consistent decline over the past three years. ([216]) Therefore, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for procurement of raw milk in Belgium.

(151) Regarding the national Dutch market for the procurement of raw milk, the Parties' combined market share was [50-60]% in 2024. However, the increment brought about by the Transaction was very limited, namely [0-5]%, in light of Milcobel's limited activities in the Netherlands. Milcobel only has [0-50] member farmers in the Netherlands located mainly in the south of the Netherlands, near the border with Belgium. Therefore, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial

([216]) See Table 1.

part of it as a result of horizontal non-coordinated effects on the market for procurement of raw milk in Belgium.

5.3.2. *Parties' views*

(152) The Parties submit that irrespective of the geographic scope the Transaction does not give rise to any competition concern neither for competing dairy companies nor for dairy farmers for the following reasons. ([217])

(153) **First**, the Parties submit that the merger will not reduce access to raw milk for any of their competitors because the vast majority of raw milk that is procured by the Parties is used for captive purposes, for the production of dairy products. They further submit that the same is true for most competitors and that no competitor is reliant to a meaningful extent on raw milk supplied by either of the Parties on any downstream market. ([218]) The Parties also submit that there are no material barriers preventing competitors to recruit members as dairy farmers can typically terminate their membership by observing a short notice period. ([219])

(154) **Second**, the Parties submit that dairy farmers have many alternative outlets apart from the Parties, in both the Netherlands and Belgium, ([220]) and that, like competing dairy farmers, there are no material barriers preventing farmers from switching to another dairy company. ([221]) The Parties submit that this is evidenced by the substantial number of member farmers that left the Parties' respective cooperatives over the past 5 years and often to another dairy company, resulting in a significant decline in market shares of the Parties (see Table 1). ([222])

(155) **Third**, the Parties submit that they are not close competitors but rather complementary with respect to the collection areas for the procurement of raw milk because Milcobel's member base is primarily located in Belgium while FrieslandCampina's member base is primarily located in the Netherlands. ([223]) To further explain that the Parties do not exercise significant competitive pressure on each other in terms of recruiting member farmers, they also submit that over the past five years both Parties lost significant numbers of members of which only a negligible percentage of farmers switched to the other Party. ([224])

(156) **Fourth**, the Parties submit that as a result of the complementarity of the Parties' collection areas, the merger leads to a marginal to minimal market share increment within the respective geographic markets in which they overlap ([0-5]% in Belgium and [0-5]% in the Netherlands). ([225])

([217]) Form CO, para. 622.
([218]) Form CO, para. 595.
([219]) Form CO, para. 598.
([220]) Form CO, para. 620.
([221]) Form CO, para. 598.
([222]) Form CO, para. 598.
([223]) Form CO, para. 610.
([224]) Milcobel submits that out of […] member farmers, […] switched to FrieslandCampina for the period 2020-2024 (a switching rate of [0-5]%), representing […] kilotons of raw milk supply annually. FrieslandCampina submits that it is not aware of any members switching to Milcobel over the past five years. The Parties in any event consider that it could only be a very small percentage of FrieslandCampina members that switched to Milcobel, if any, given that Milcobel hardly had any new members in the past five years. See Form CO, para. 612 and 615.
([225]) Form CO, para. 610.

5.3.3. *Procurement of raw milk in Flanders*

5.3.3.1. The Commission's assessment

(157) The Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the procurement of raw milk in the region of Flanders for the following reasons.

(158) **First**, the Parties' combined markets share is moderate. As seen in Table 1, the combined entity will have a market share of [30-40]%. In addition, while FrieslandCampina's market shares remained consistent over the past three years in Flanders, Milcobel's market shares were in consistent decline, i.e. [40-50]% in 2022, [30-40]% in 2023, and [30-40]% in 2024. Moreover, its member count dropped starkly from [2000-3000] dairy farmers in 2020 to [1000-2000] dairy farmers in 2024, a decline of [40-50]%, with an associated decline in terms of volume from [1000-2000] to [500-1000] kilotons of raw milk or [40-50]%. ([226])

(159) This significant decline is consistent with the view of many dairy farmers and interest groups from the dairy sector expressed during pre-notification calls as they perceived the acquisition of Milcobel as a logical step due to its poor performance and welcomed FrieslandCampina as a buyer due to its superior product portfolio and higher milk price. ([227])

(160) It is also consistent with the economic rationale of the Transaction from Milcobel's perspective, as in recent years it has been faced with declining results and, as a result, a gradual loss of its members. ([228]) Accordingly, Milcobel explains that it is vital for it to partner with FrieslandCampina to safeguard the continued viability of the cooperative as it forms a way to reverse a downwards trend and create a more robust combined business. ([229])

(161) **Second**, the increment brought about by the Transaction is limited. The Transaction brings about an increment of [5-10]%. FrieslandCampina consistently had a market share below 10% over the past 3 years. The limited increment brought about by the Transaction is unlikely to impact the current structure of the market.

(162) **Third**, sufficient alternative competitors remain on the market. As seen in Table 1, the combined entity will continue to face competitors such as A-ware ([20-30]%), LDA ([10-20]%), Arla ([5-10]%), Inex ([5-10]%), Danone ([0-5]%) and Farmel ([0-5]%). The results of the market investigation confirmed that dairy farmers are being approached by other buyers than the Parties, including Arla, A-ware and Farmel. ([230]) Most dairy farmers indicated during pre-notification calls that they have sufficient alternative buyers and referred to A-

([226]) Form CO, para. 549.

([227]) Minutes of a call with dairy farmer located in Flanders, dated 18 June 2025, para. 9; Minutes of a call with dairy farmer located in Flanders, dated 23 June 2025, para. 4 and 9; Minutes of a call with dairy farmer located in Flanders, dated 20 June 2025, para. 7, 9, 16 and 17; Minutes of a call with dairy farmer located in Flanders, dated 25 June 2025, para. 10 and 14; Minutes of a call with dairy farmer located in Flanders, dated 18 June 2025, para. 9 and 14; Minutes of a call with dairy farmer located in Flanders, dated 24 July 2025, para. 5, 8, and 11; Minutes of a call with dairy farmer located in Flanders, dated 27 August 2025, para. 10; Minutes of a call with interest group, dated 26 June 2025, para. 17 and 18.

([228]) Form CO, para. 64 and 65.

([229]) Form CO, para. 64 and 65.

([230]) Questionnaire to dairy farmers ('Vragenlijst voor melkboeren), question B.B.2.

ware, LDA, Arla, Inex, Danone, Farmel, Vreugdenhil and Mikka as potential buyers or active buyers who approached them to procure raw milk. ([231])

(163) **Fourth**, barriers to switch are low. The results of the market investigation showed that one third of the mainly cooperative member dairy farmers – which face higher barriers to switch than independent/non-member dairy farmers ([232]) – that responded to the market investigation switched buyers since 2021. ([233]) Moreover, the lack of hurdles is evidenced by the substantial number of member farmers that have left the Parties' respective cooperatives over the past five years, often switching to another dairy company while on some occasions they ceased their activities entirely. ([234])

(164) **Fifth**, market participants generally confirmed that the Transaction would have a neutral or even positive impact.

(165) The majority of dairy farmers that responded during the market investigation indicated that the Transaction would either have a positive or neutral impact on their company. ([235]) Moreover, no dairy farmer indicated during the market investigation that the Transaction would have a negative impact on the market for the procurement of raw milk. ([236])

(166) While some dairy farmers during pre-notification calls noted that the reduced number of alternative buyers could lead to a lower milk price, ([237]) most dairy farmers and interest groups from the dairy sector indicated that the current milk price will remain high due to the high demand for milk caused by the current milk shortage in the market. ([238]) This is consistent with the Parties' submission that the overall number of farmers has been steadily decreasing over the years, and that this trend is expected to continue due to reasons such as an ageing farmer population facing a lack of succession for their farm and increasing regulation which demotivates farmers to enter the market, continue in the market or invest in their farm, due to reduced profit margins. ([239])

([231]) Minutes of a call with dairy farmer located in Flanders, dated 18 June 2025, para. 5; Minutes of a call with dairy farmer located in Flanders, dated 20 June 2025, para. 5; Minutes of a call with dairy farmer located in Flanders, dated 25 June 2025, para. 7; Minutes of a call with dairy farmer located in Flanders, dated 18 June 2025, para. 8; Minutes of a call with dairy farmer located in Flanders, dated 24 July 2025, para. 6; Minutes of a call with dairy farmer located in Flanders, dated 27 August 2025, para. 4 and 5.

([232]) Non-member farmers can sell their available raw milk to any buyer of raw milk and typically do so on the basis of supply contracts, which are typically short-lasting, e.g. a year, allowing the dairy company to reevaluate periodically based on its dairy needs to continue or terminate the supply relationship, and allowing the dairy farmer to switch to supplying another dairy company, e.g. if that dairy company offers a higher raw milk price. See Form CO, para. 843 and 845.

([233]) Questionnaire to dairy farmers ('Vragenlijst voor melkboeren'), question B.B.3.

([234]) FrieslandCampina lost [500-1000] member farmers in net figures over the period 2020-2024, representing [500-1000]kt of raw milk, see Form CO, table 8.30; Milcobel had a stark and consistent decline in terms of member farmers over the period 2020-2024, see para. (158).

([235]) Questionnaire to dairy farmers ('Vragenlijst voor melkboeren'), Question B.C.1.

([236]) Questionnaire to dairy farmers ('Vragenlijst voor melkboeren'), Question B.C.2.

([237]) Minutes of a call with dairy farmer located in Flanders, dated 18 June 2025, para. 15; Minutes of a call with dairy farmer located in Flanders, dated 24 July 2025, para. 13.

([238]) Minutes of a call with dairy farmer located in Flanders, dated 20 June 2025, para. 6 and 18; Minutes of a call with dairy farmer located in Flanders, dated 25 June 2025, para. 12; Minutes of a call with dairy farmer located in Flanders, dated 18 June 2025, para. 12; Minutes of a call with dairy farmer located in Flanders, dated 24 July 2025, para. 9; Minutes of a call with dairy farmer located in Flanders, dated 27 August 2025, para. 4 and 6; Minutes of a call with interest group, dated 25 June 2025, para. 7 and 15; Minutes of a call with interest group, dated 26 June 2025, para. 15.

([239]) Form CO, para. 927.

(167) The majority of dairy companies that responded to the market investigation consider that the Transaction will have a neutral impact on their ability to retain and attract dairy farmers in Belgium, ([240]) as well as on their ability to compete in downstream markets in Belgium. ([241]) The Commission notes that there is no reason to consider that such impact outcome for the stated parameters would not also apply for the region of Flanders, i.e. a region within Belgium.

5.3.3.2. Conclusion

(168) For the reasons above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the procurement of raw milk in the region of Flanders.

5.3.4. *Procurement of raw milk in the other possible geographic markets where the activities of the Parties overlap*

(169) As explained above at paragraph (23), the precise geographic scope of the market for the procurement of raw milk can be left open for the purposes of this Decision.

(170) Considering a possible local geographic market definition that is narrower than the region of Flanders, there are 6 catchment areas where both FrieslandCampina and Milcobel collect raw milk, i.e. the catchment areas surrounding FrieslandCampina's plants in Aalter, Maasdam and Veghel and surrounding Milcobel's plants in Kallo, Langemark and Moorslede.

(171) Considering a geographic market that is broader than the region of Flanders, the Parties' activities also overlap in the supranational region of Belgium and the Netherlands combined and the supranational region of the Netherlands and Flanders combined. ([242])

(172) The competitive assessment as regards the procurement raw milk in the region of Flanders applies equally to these remaining geographic areas. Market dynamics between farmers and dairy companies that procure raw milk are similar, i.e.:

(a) sufficient ([243]) or even more ([244]) buyers active on the market;

(b) a high demand for milk caused by the current shortage of milk resulting in a high milk price for dairy farmers;

(c) low barriers for dairy farmers to switch to another buyer; and

(d) Milcobel's poor performance resulting in a low milk price and declining market shares.

(173) In addition, regarding the market for the procurement of raw milk in the supranational region of Belgium and the Netherlands combined and the supranational region of the Netherlands and Flanders combined, the increment brought about by the Transaction was limited, namely [0-5]% and [5-10]% in

([240]) Excluding market participants that did not know the impact on their ability to retain or attract dairy farmers. Questionnaire to competitors, question C.D.1.

([241]) Questionnaire to competitors, question C.D.1.

([242]) Regarding Belgium, the Netherlands and the supranational region of Belgium and the Netherlands combined see para. (150)-(173).

([243]) See Table 3.

([244]) See Table 2.

2024 respectively. Moreover, the Parties' combined market shares have been in consistent decline over the past three years. ([245])

(174) For these reasons, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the procurement of raw milk in the local catchment areas around FrieslandCampina's plants in Aalter, Maasdam and Veghel and the local catchment areas around Milcobel's plants in Kallo, Langemark and Moorslede, in the supranational region of Belgium and the Netherlands combined, and in the supranational region of the Netherlands and Flanders combined.

5.4. Horizontally affected markets – dairy products in Belgium

5.4.1. *Supply of hard/semi-hard cheese*

(175) The Transaction gives rise to horizontally affected markets in relation to the supply of hard/semi-hard cheese (including potential narrower product segments) to wholesalers, respectively modern retailers, in Belgium.

5.4.1.1. Supply to wholesalers in Belgium

(176) The Transaction gives rise to the following horizontally affected markets in the distribution channel to wholesalers: ([246])(i) hard/semi-hard cheese, and its potential segmentations of (ii) Dutch-type cheese, (iii) Gouda, and (iv) Dutch Gouda.

(177) The Parties submitted that they have no access to market data to reliably estimate the market size and market shares on a segmentation for nature cheese, but have no reason to believe that their combined market share within a hypothetical segment for nature cheese would be significantly higher than in a hypothetical market for the supply of Dutch-type cheese. Therefore, for the purpose of this Decision, the Commission will carry out the assessment on the basis of the market shares on the hypothetical market for the supply of Dutch-type cheese.

5.4.1.1.1. Parties' views

(178) The Parties submit that the Transaction does not give rise to any competition concern for the following reasons. ([247])

(a) A large number of market players will remain active in the supply of hard/semi-hard cheese, including large players such as A-ware, MAAZ, DOC/DMK (Uniekaas), Vandersterre, CONO and Beevers, and France Frais.

(b) The Parties' offerings differ since (i) Milcobel almost exclusively focuses on nature cheese, selling only negligible amounts of rindless cheese, while FrieslandCampina focuses on both types of cheeses, and (ii) unlike FrieslandCampina, Milcobel only sells a limited volume of PDO ('protected denomination of origin') cheeses.

([245]) See Table 2.
([246]) The Parties note that the market structure and competitive dynamics do not materially differ when considering only specialised wholesalers. (RFI 8)
([247]) Form CO, paragraphs 731-740.

(c) With many other cheese suppliers with sufficient capacity active on this market, competing wholesalers would still have a range of alternatives to source their cheese from.

5.4.1.1.2. The Commission's assessment

(179) The Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the supply of hard/semi-hard cheese (including potential narrower product segments) to specialised wholesalers in Belgium, for the following reasons.

(180) **First**, the combined market share estimated by the Parties and provided in Table 7, Table 8, Table 9, Table 22 and Table 27 above, is moderate ranging from [20-30]% for hard/semi-hard cheese overall to [30-40]% for Dutch-type cheese. The only exception is the segment for Dutch Gouda, where the combined market share is [40-50]%, however the [0-5]% increment brought about by the Transaction is very limited.

(181) **Second**, wholesalers have sufficient possibilities of switching supplier. Among the wholesalers that responded to the market investigation, one voiced concern that Belgian Gouda will be hard to procure at scale from other producers. ([248]) However, none of the remaining wholesalers indicated a type of hard/semi-hard cheese for which they would not be able to find an alternative supplier. ([249]) In addition, the majority of wholesalers confirmed that it would be easy to switch from one supplier to another. ([250]) Some respondents indicated as alternative suppliers of (i) Dutch-type cheese Ammerland, CONO, A-Ware, and DOC/DMK, and of (ii) Gouda: A-Ware, CONO, DOC/DMK, De Kazerij (Flandrien) and Lactalis. ([251])

(182) **Third,** barriers to entry are low. Most competitors that expressed a view consider that the barriers to start supplying hard/semi-hard cheese in Belgium or to significantly expand one's presence are low or moderate. ([252]) They explained that a supplier active in the supply of hard/semi-hard cheese outside of Belgium could easily enter that market. Moreover, they indicate that barriers are low or moderate because the Belgian market is rather large, the difference in quality of the products is rather small and the industry requires limited R&D and technological development. ([253])

(183) **Fourth**, most competitors and wholesalers active in the supply of hard/semi-hard cheese (including possible narrower product segments) in Belgium expressing an opinion believe that the Transaction would not have a negative impact on their business. ([254])

5.4.1.2. Supply to modern retailers in Belgium

(184) The Transaction gives rise to the following horizontally affected markets in the distribution channel to modern retailers: (i) hard/semi-hard cheese, and its potential segmentations of (ii) private label hard/semi-hard cheese, (iii) Dutch-

([248]) Questionnaire to wholesalers, question C.C.2.
([249]) Questionnaire to wholesalers, question C.C.2.
([250]) Questionnaire to wholesalers, question C.C.6.
([251]) Questionnaire to wholesalers, question C.C.1.
([252]) Responses to questionnaire to competitors, question D.C.4.
([253]) Responses to questionnaire to competitors, question D.C.4.1.
([254]) Responses to questionnaire to competitors, questions D.D.3. and D.D.4.

type cheese, (iv) private label Dutch type cheese, (v) Gouda, (vi) branded Gouda, (vii) private label Gouda, (viii) Dutch Gouda, and (ix) private label Dutch Gouda. ([255])

(185) The Parties explained that they do not have market share information available for the hard/semi-hard cheese market segmented by format, but that either they would not overlap on some segmentation ([256]) or they expect their market shares would not differ from the market share not split by format. Therefore, for the purpose of this Decision, the Commission will carry out the assessment on the basis of the market shares on the hypothetical market for the supply of hard/semi-hard cheese.

(186) The Parties submitted that they have no access to market data to reliably estimate the market size and market shares on a segmentation for nature cheese, but have no reason to believe that their combined market share within a hypothetical segment for nature cheese would be significantly higher than in a hypothetical market for the supply of hard/semi-hard cheese. Therefore, for the purpose of this Decision, the Commission will carry out the assessment on the basis of the market shares on the hypothetical market for the supply of hard/semi-hard cheese.

5.4.1.2.1. Parties' views

(187) The Parties submit that the Transaction does not give rise to any competition concern for the following reasons.

(a) The Parties' combined market shares do not give rise to competitive concerns since the increment is modest and the shares have been declining in the past years ([257])

(b) There will remain a large number of other competitors active on the Belgian market ([258])

(c) The Parties are not close competitors, but rather have a complementary proposition, in particular when it comes to Dutch-type cheese, since Milcobel mostly supplies branded cheese in cubes/balls made from Belgian origin milk whereas FrieslandCampina mostly supplies private label sliced and grated cheese. ([259])

5.4.1.2.2. The Commission's assessment

(188) The Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the supply of hard/semi-hard cheese (including potential narrower product segments) to the modern retail segment in Belgium, for the following reasons.

(189) **First**, despite the Parties' significant combined market shares in certain segments, the combined market shares have been decreasing in all segments from 2022 to 2024, as seen in section 5.1.2. For all segments, except for the segment in the

([255]) Milcobel does not produce Dutch Gouda, but purchases it from [dairy companies and wholesalers]. (RFI 2, question 4).
([256]) PN RFI 5, footnote 5.
([257]) Form CO, paragraph 683-686.
([258]) Form CO, paragraph 690-695.
([259]) Form CO, paragraph 702.

supply of branded Gouda to the modern retail channel where combined market shares decreased from [30-40]% to [30-40]%, the decrease was significant.

(190) The combined markets between 2022 and 2024 decreased

(a) from [30-40]% to [20-30]% in the overall market for the supply of hard/semi-hard cheese to the modern retail channel,

(b) from [40-50]% to [30-40]% in the overall market for the supply of private label hard/semi-hard cheese to the modern retail channel,

(c) from [50-60]% to [40-50]% in the market for the supply of private label hard/semi-hard "Dutch type" cheese to the modern retail channel,

(d) from [50-60]% to [40-50]% in the market for the supply of Gouda to the modern retail channel,

(e) from [50-60]% to [40-50]% in the market for the supply of private label Gouda to the modern retail channel,

(f) from [50-60]% to [50-60]% in the market for the supply of Dutch Gouda to the modern retail channel,

(g) from [60-70]% to [50-60]% in the market for the supply of private label Dutch Gouda to the modern retail channel.

(191) **Second**, sufficient alternative competitors remain on the market. In all segments, except branded Gouda where CONO holds a [40-50]% market share, A-ware and Vergeer are active with a market share of at least the same size as Milcobel, ranging from [10-20] to [20-30]% for A-ware and from [5-10] to [10-20]% for Vergeer, followed by other smaller players.

(192) This is confirmed by the results of the market investigation. The majority of the modern retailers who expressed an opinion indicated that alternative suppliers for Gouda are A-ware, CONO and De Moerenaar, Vergeer and Westland, when considering also Dutch-type cheeses. ([260])

(193) **Third**, most competitors that expressed a view consider that the barriers to start supplying hard/semi-hard cheese in Belgium or to significantly expand one's presence are low or moderate. ([261]) They explained that a supplier active in the supply of hard/semi-hard cheese outside of Belgium could easily enter that market. Moreover, they indicate that barriers are low or moderate because the Belgian market is rather large, the difference in quality of the products is rather small and the industry requires limited R&D and technological development. ([262])

(194) **Fourth**, modern retailers seem to be able to switch to alternative suppliers on balance. Even though most modern retailers expressed that it will be difficult to switch from one supplier of HSH to another for some specific product

([260]) Responses to questionnaire to customers, question C.C.1.
([261]) Responses to questionnaire to competitors, question D.C.4.
([262]) Responses to questionnaire to competitors, question D.C.4.1.

types ([263])([264]), the majority of competitors who expressed a view consider that switching supplier is easy for modern retailers, especially in the private label segment ([265]). Those competitors explained that modern retailers can indeed easily terminate supply contracts, and they have access to several credible alternatives. ([266])

(195) **Fifth**, while most modern retailers and competitors consider that the Parties are closely competing, ([267]) the Commission notes that the Parties offer hard/semi-hard cheese from different milk origins, as FrieslandCampina offers hard/semi-hard cheese Dutch origin and Milcobel offers hard/semi-hard cheese of Belgian origin. ([268])

(196) **Sixth**, the majority of competitors and modern retailers who expressed an opinion consider that the impact of the Transaction on their company will be neutral. ([269])

5.4.1.3. Conclusion

(197) For the reasons above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the markets for the supply of Dutch-type cheese (including potential narrower product segments) in Belgium, irrespective of the sales channel.

5.4.2. *Production and supply of low moisture mozzarella*

(198) The Transaction gives rise to a horizontally affected market in relation to the supply of low-moisture mozzarella in Belgium to the modern retail. ([270])

5.4.2.1. Parties' views

(199) The Parties submit that the Transaction does not give rise to any competition concern for the following reasons. ([271])

(200) **First**, FrieslandCampina's market shares have been decreasing since 2022, demonstrating the competitive pressure that it faces. In 2024, the majority of its sales of low-moisture mozzarella in Belgium to the modern retail channel was to [retailer]. Recently, FrieslandCampina has lost this volume in a new tender round in favour of [third party]. As a result, FrieslandCampina's sales volume in the

([263]) One modern retailer explained that switching from one supplier of HSH to another would be difficult for HSH products of a Belgian origin as they consider that alternative suppliers are not yet able to meet their volume demand. Another one explained that switching would be difficult for branded products as each brand has its own specificity. However, those two modern retailers considered that switching from one supplier of HSH to another would be easy (i) for HSH products of a Dutch origin given the presence of credible alternative suppliers and (ii) for private label products.

([264]) Responses to questionnaire to customers, question C.C.7.

([265]) Responses to questionnaire to competitors, question D.C.5.

([266]) Responses to questionnaire to competitors, question D.C.5.1.

([267]) Responses to questionnaire to customers, question C.C.5 and responses to the questionnaire to competitors, question D.C.3.

([268]) Form CO, para. 696.

([269]) Responses to questionnaire to customers, question C.D.2.

([270]) The Transaction leads to affected markets only in respect to the supply of low-moisture mozzarella in Belgium to the modern retail channel. For all other channels the simplified procedure applies. This is also confirmed in respect to a possible further segmentation based on format (*i.e.* blocks vs grated) in post-notification RFI 6. The Parties are not active in the supply of branded low-moisture mozzarella to the modern retail in Belgium.

([271]) Form CO, para. 794.

modern retail in Belgium will drop from [0-1] kilotons in 2024 to [0-1] in 2025, representing a market share of less than [0-5]%. ([272])

(201) **Second**, the Parties will continue to face competition from large suppliers of low moisture mozzarella, including private label, while barriers to entry are low. The Parties claim that due to the small size of the market for low moisture mozzarella ([…] kilotons in 2024) supplied to the retail channel in Belgium, any suppliers of low moisture mozzarella to other channels (such as the industrial channel for which low moisture mozzarella is provided to food manufacturing) ([…] kilotons) could easily start supplying the modern retail, either in grated form or as a block, to be grated by the retailer itself or by third parties. ([273])

(202) The Parties further explain that Laiterie des Ardennes is a recent entrant in low moisture mozzarella for food manufacturing to industrial customers having a current capacity of [30-35] kilotons, with expansion plans. Considering the small size of the market for low moisture mozzarella to the modern retail channel in Belgium compared to the size of the market for low moisture mozzarella for food manufacturing for industrial customers, Laiterie des Ardennes could supply the full volume of low moisture mozzarella to the moder retail in Belgium. ([274])

(203) **Third**, retailers enter into tenders for grated cheese overall, therefore suppliers of hard/semihard cheese could easily enter the market. According to the Parties, low moisture mozzarella is predominantly sold in grated form. For example, FrieslandCampina exclusively sold grated low moisture mozzarella to the modern retail channel in Belgium in 2022-2024, while Milcobel sold low moisture mozzarella in the modern retail channel predominantly to [modern retailer], which assumingly grated the mozzarella itself. ([275])

(204) **Finally**, the Parties explain that A-Ware and DMK could supply low moisture mozzarella from the same production facilities where they produce low-moisture mozzarella for FrieslandCampina under the tolling agreements. ([276])

5.4.2.2. The Commission's assessment

(205) The Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the supply of low-moisture mozzarella to modern retail in Belgium, for the following reasons.

(206) **First**, although the combined market share estimated by the Parties and provided in Section 5.1.2 above, is significant, it is expected that the increment brought by the Transaction will decrease significantly, reaching only [0-5]% (equivalent to […] kilotons) (from [10-20]% in 2024 on an overall market for low moisture

([272]) Form CO, para. 788. According to the Parties, [third party] does not produce low moisture mozzarella, but it procures it from third parties, including FrieslandCampina. Its sourcing from FrieslandCampina is limited. FrieslandCampina estimates that [third party] processes around 15 kilotons of industrial mozzarella on a yearly basis, of which it procures less than […] kiloton from FrieslandCampina. Therefore, according to the Parties, [third party] is not reliant on FrieslandCampina for its sourcing of industrial/low moisture mozzarella and therefore a competitor to the Parties.

([273]) Form CO, para. 790.

([274]) Form CO, para. 791.

([275]) Form CO, para. 792.

([276]) Form CO, para. 791.

mozzarella to the retail channel, to [0-5]% in 2025). This is due to the loss of the contract with [retailer]. ([277]) ([278])

(207) **Second**, the Parties will continue to face competition from other suppliers of low moisture mozzarella in Belgium. The results of the market investigation indicated that there are several alternative suppliers of low moisture mozzarella to the modern retail sales channel in Belgium, such as A-ware ([10-20]%), Lactalis ([10-20]%), European Dairy Company – Flanders Food Production and Vache Bleue ([5-10]%), Bayerische Milchindustrie ([5-10]%). Market participants also mentioned Arla, Fronterra, Vergeer Laiterie des Ardennes as a credible alternative supplier by several customers. ([279])

(208) **Third**, switching to other suppliers appears to be easy. This was confirmed by the vast majority of customers, which considered that switching is possible within a relative short period of time and at relatively moderate cost. ([280])

(209) **Fourth**, barriers to entry and expansion are low, in particular due to the fact that the product is simple and undifferentiated. This is illustrated by the fact that there has been entry on the market for low moisture mozzarella in the modern retail sales channel in the past five years, by Solarec and Flanders Food Production. ([281])

(210) **Fifth**, since the low moisture mozzarella supplied to the modern retail channel is the same to the one supplied to other channels, such as low moisture mozzarella for food manufacturing, suppliers from other channels could easily start supplying the modern retail channel. The size of the market for low moisture mozzarella sold to the modern retail channel is limited compared to the size of low moisture mozzarella for food manufacturing, which is the same type of mozzarella. Further, several customers identified other cheese suppliers, such as Arla and DMK (which supply outside Belgium) as credible alternatives to the Parties, suggesting that competitive constraints could extend beyond Belgium and beyond low moisture mozzarella to the modern retail channel. ([282])

(211) **Finally**, a majority of customers and competitors expressing an opinion believe that the impact of the Transaction on the market for low-moisture mozzarella to the retail channel in Belgium would be neutral, without a negative impact on their business. ([283])

5.4.2.3. Conclusion

(212) For the reasons above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the plausible market for the supply for low moisture mozzarella overall and private label to the modern retail sales channel in Belgium.

([277]) Form CO, para. 788.

([278]) The Parties submit in post-notification RFI 6 that tenders for private label low-moisture mozzarella in the modern retail channel in Belgium are typically held every six months. This relatively short contract duration and often tender processes resulting in contract changes indicate that there is limited market power and that there are alternative suppliers.

([279]) Replies to questionnaire to customers, question D.C.1.

([280]) Replies to questionnaire to customers, question D.C.5.

([281]) Replies to questionnaire to customers, question D.C.4.1.

([282]) Replies to questionnaire to customers, question D.C.1.

([283]) Replies to questionnaire to customers, question D.D.1. and replies to questionnaire to competitors, questions ED.1.

5.4.3. *Production and supply of bulk butter*

(213) The Transaction gives rise to a horizontally affected market ([284]) in relation to the supply of bulk butter in Belgium. ([285])

5.4.3.1. Parties' views

(214) The Parties submit that the Transaction does not give rise to any competition concern for the following reasons. ([286])

(a) Milcobel is a small player in the supply of bulk butter, bringing an increment to the combined entity well below 10%.

(b) There are several sizeable competitors active in the supply of bulk butter.

5.4.3.2. The Commission's assessment

(215) The Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the supply of bulk butter in the Netherlands, for the following reasons.

(216) **First**, as seen in Table 30, the Parties' combined market share is very moderate, as it is below 25%. This has been consistent over the past three years, the Parties' combined market share even being below 20% in 2022. Moreover, the increment brought by Milcobel is limited as it is below 10%, which has been consistent over the past three years. Therefore, following the Transaction, the combined market share of the combined entity is unlikely to impact the current structure of the market.

(217) **Second**, sufficient alternative competitors remain on the market. As seen in Table 30, Solarec (Laiterie des Ardennes), Royal VIV Buisman, Corman, Lactalis, A-ware and Lakeland Dairies are the main alternatives to the Parties on the market for the supply of bulk butter, each holding a market share ranging from around [0-5]% to around [10-20]% in 2024.

(218) The majority of the market participants that expressed an opinion during the market investigation confirmed that, following the Transaction, customers will have access to enough alternative suppliers of bulk butter in Belgium. ([287]) Respondents to the market investigation listed Solarec (LDA), Corman, Lactalis, Royal VIV Buisman, Lakeland Dairies, Interfood, Geris and A-ware as credible alternatives to the Parties. ([288]) Moreover, a large majority of respondents

([284]) While the Parties have a combined market share between 20 and 25% on the market for the supply of bulk butter in Belgium (i.e. [20-25]%), they do not request the application of the flexibility clause under point 8 of the Notice on Simplified Procedure (see paragraph 795 of the Form CO).

([285]) The Transaction does not give rise to an affected market in relation to the supply of bulk butter at the EEA level or at the regional level encompassing Belgium, the Netherlands and Germany, where the Parties hold a combined market share around or below 10% in 2024 (see Form CO, paragraphs 304 and 805). Moreover, the Transaction does not give rise to an affected market in relation to the supply of packed butter in Belgium and the Parties do not overlap in the market for the supply of vegetable fats.

([286]) Form CO, paragraphs 801 and 806.

([287]) Replies to Questionnaire to competitors, question F.C.2., replies to Questionnaire to customers, question E.C.2.

([288]) Replies to Questionnaire to customers, question E.C.1.

indicated that customers could easily switch from one supplier of bulk butter to another one. ([289])

(219) **Third**, the majority of the respondents to the market investigation indicated that the Transaction will not have a negative impact on their company. ([290])

5.4.3.3. Conclusion

(220) For the reasons above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the supply of bulk butter in Belgium. ([291])

5.4.4. *Production and supply of bulk cream*

(221) The Transaction gives rise to a horizontally affected market in relation to the supply of bulk cream in Belgium. ([292])

5.4.4.1. Parties' views

(222) The Parties submit that the Transaction does not give rise to any competition concern for the following reasons. ([293])

(a) Milcobel is a modest player in the supply of bulk cream and brings a small increment to the combined entity (i.e. below 5%).

(b) The Parties will continue to face several significant players in the market for the supply of bulk cream in Belgium such as Inex and A-ware.

5.4.4.2. The Commission's assessment

(223) The Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the supply of bulk cream in Belgium, for the following reasons.

(224) **First**, as seen in Table 33, the Parties' combined market share is moderate. Their combined market share is below 30% in 2024 and even has decreased over the past three years, i.e. from [30-40]% to [20-30]%. Moreover, the increment brought by Milcobel is very limited as it is in 2024 below 5% and has significantly decreased since 2022, from [5-10]% to [0-5]%. Therefore, following the Transaction, the combined market share of the combined entity is unlikely to impact the current structure of the market.

([289]) Replies to Questionnaire to competitors, question F.C.5., replies to Questionnaire to customers, question E.C.6.

([290]) Replies to Questionnaire to competitors, question F.D.1., replies to Questionnaire to customers, question E.D.2.

([291]) Similar conclusion applies for basic bulk butter, as the Parties confirmed that the market structure and the competitive dynamics do not change significantly considering the market for the supply of basic bulk butter (i) in Belgium and (ii) in the Netherlands, compared to market structure and the competitive dynamics in the market for the supply of overall bulk butter (i) in Belgium and (ii) in the Netherlands. See reply to RFI 6.

([292]) The Transaction does not give rise to an affected market in relation to the supply of bulk cream at the EEA level or at the regional level encompassing Belgium, the Netherlands and Germany, where the Parties hold a combined market share around or below 10% in 2024 (see Form CO, paragraphs 331 and 334). Moreover, the Transaction does not give rise to an affected market in relation to the supply of non-bulk cream in Belgium.

([293]) Form CO, paragraphs 820-822.

(225) **Second**, sufficient alternative competitors remain on the market. As seen in Table 33, A-ware and Inex are the main alternatives to the Parties on the market for the supply of bulk cream, each holding a market share around [10-20]% in 2024.

(226) The majority of the market participants that expressed an opinion during the market investigation confirmed that, following the Transaction, customers will have access to enough alternative suppliers of bulk cream in Belgium. ([294]) Respondents to the market investigation listed A-ware, Inex, Vreugdenhil, DMK and several others as credible alternatives to the Parties. ([295]) Moreover, a large majority of respondents indicated that customers could easily switch from one supplier of bulk cream to another one. ([296])

(227) **Third**, the majority of the respondents to the market investigation indicated that the Transaction will not have a negative impact on their company. ([297])

5.4.4.3. Conclusion

(228) For the reasons above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the supply of bulk cream in Belgium.

5.5. Horizontally affected markets – dairy products in the Netherlands

5.5.1. *Production and supply of bulk butter*

(229) The Transaction gives rise to a horizontally affected market in relation to the supply of bulk butter in the Netherlands. ([298])

5.5.1.1. Parties' views

(230) The Parties submit that the Transaction does not give rise to any competition concern for the following reasons. ([299])

(a) Milcobel is a small player in the supply of bulk butter, bringing an increment to the combined entity below 5%.

(b) There are several sizeable competitors active in the supply of bulk butter.

5.5.1.2. The Commission's assessment

(231) The Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of

([294]) Replies to Questionnaire to competitors, question G.C.2., replies to Questionnaire to customers, question F.C.2.

([295]) Replies to Questionnaire to customers, question F.C.1.

([296]) Replies to Questionnaire to competitors, question G.C.5., replies to Questionnaire to customers, question F.C.5.

([297]) Replies to Questionnaire to competitors, question G.D.1., replies to Questionnaire to customers, question F.D.2.

([298]) The Transaction does not give rise to an affected market in relation to the supply of bulk butter at the EEA level or at the regional level encompassing Belgium, the Netherlands and Germany, where the Parties hold a combined market share around or below 10% in 2024 (see Form CO, paragraphs 304 and 805). Moreover, the Transaction does not give rise to an affected market in relation to the supply of packed butter in the Netherlands and the Parties do not overlap in the market for the supply of vegetable fats.

([299]) Form CO, paragraphs 801 and 806.

horizontal non-coordinated effects on the market for the supply of bulk butter in the Netherlands, for the following reasons.

(232) **First**, as seen in Table 31, the Parties' combined market share is moderate, [30-40]% in 2024. This has been consistent over the past three years. Moreover, the increment brought by Milcobel is very limited as it is below 5%. This has also been consistent over the past three years. Therefore, following the Transaction, the combined market share of the combined entity is unlikely to impact the current structure of the market.

(233) **Second**, sufficient alternative competitors remain on the market. As seen in Table 31, Royal VIV Buisman and Interfood, Lactalis, Corman, Geris and Lakeland Dairies are the main alternatives to the Parties on the market for the supply of bulk butter, each holding a market share ranging from around [5-10]% to around [10-20]% in 2024.

(234) The majority of the market participants that expressed an opinion during the market investigation confirmed that, following the Transaction, customers will have access to enough alternative suppliers of bulk butter in the Netherlands. ([300]) Respondents to the market investigation listed Royal VIV Buisman, Solarec (LDA), Corman, Lactalis, Lakeland Dairies, Interfood, Geris and A-ware as credible alternatives to the Parties. ([301]) Moreover, a large majority of respondents indicated that customers could easily switch from one supplier of bulk butter to another one. ([302])

(235) **Third**, the majority of the respondents to the market investigation indicated that the Transaction will not have a negative impact on their company. ([303])

5.5.1.3. Conclusion

(236) For the reasons above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the supply of bulk butter in the Netherlands.

5.5.2. *Production and supply of bulk cream*

(237) The Transaction gives rise to a horizontally affected market in relation to the supply of bulk cream in the Netherlands. ([304])

([300]) Replies to Questionnaire to competitors, question F.C.2., replies to Questionnaire to customers, question E.C.2.

([301]) Replies to Questionnaire to customers, question E.C.1.

([302]) Replies to Questionnaire to competitors, question F.C.5., replies to Questionnaire to customers, question E.C.6.

([303]) Replies to Questionnaire to competitors, question F.D.1., replies to Questionnaire to customers, question E.D.2.

([304]) The Transaction does not give rise to an affected market in relation to the supply of bulk cream at the EEA level or at the regional level encompassing Belgium, the Netherlands and Germany, where the Parties hold a combined market share around or below 10% in 2024 (see Form CO, paragraphs 331 and 334). Moreover, the Transaction does not give rise to an affected market in relation to the supply of non-bulk cream in the Netherlands.

5.5.2.1. Parties' views

(238) The Parties submit that the Transaction does not give rise to any competition concern for the following reasons. ([305])

(a) Milcobel is a modest player in the supply of bulk cream and brings a small increment to the combined entity (i.e. below 10%).

(b) The Parties will continue to face several significant players in the market for the supply of bulk cream in the Netherlands such as A-ware, DMK and Vreugdenhil.

5.5.2.2. The Commission's assessment

(239) The Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the supply of bulk cream in the Netherlands, for the following reasons.

(240) **First**, as seen in Table 34, the Parties' combined market share is moderate ([40-50]% in 2024). This has been consistent over the last three years. Moreover, the increment brought by Milcobel is limited as it is below 10%, which has also been consistent over the past three years. Therefore, following the Transaction, the combined market share of the combined entity is unlikely to impact the current structure of the market.

(241) **Second**, sufficient alternative competitors remain on the market. As seen in Table 34, A-ware, DMK and Vreugdenhil are the main alternatives to the Parties on the market for the supply of bulk cream, each holding a market share ranging from around [5-10]% to around [10-20]%.

(242) The majority of the market participants that expressed an opinion during the market investigation confirmed that, following the Transaction, customers will have access to enough alternative suppliers of bulk cream in the Netherlands. ([306]) Respondents to the market investigation listed A-ware, Vreugdenhil, DMK, Inex and several others as credible alternatives to the Parties. ([307]) Moreover, a large majority of respondents to the market investigation indicated that customers could easily switch from one supplier of bulk cream to another one. ([308])

(243) **Third**, the majority of the respondents to the market investigation indicated that the Transaction will not have a negative impact on their company. ([309])

5.5.2.3. Conclusion

(244) For the reasons above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of horizontal non-coordinated effects on the market for the supply of bulk cream in the Netherlands.

([305]) Form CO, paragraph 820-822.

([306]) Replies to Questionnaire to competitors, question G.C.2., replies to Questionnaire to customers, question F.C.2.

([307]) Replies to Questionnaire to customers, question F.C.1.

([308]) Replies to Questionnaire to competitors, question G.C.5., replies to Questionnaire to customers, question F.C.5.

([309]) Replies to Questionnaire to competitors, question G.D.1., replies to Questionnaire to customers, question F.D.2.

5.6. Vertically affected markets in Belgium

5.6.1. *Introduction*

(245) As explained in paragraph (3), Milcobel is active as a specialised wholesaler in Belgium through its subsidiaries Camal, Dupont and Kaasbrik. ([310]) Therefore, the Transaction gives rise to vertical links between the Parties in Belgium between the producer level, where both Parties are active, and the specialised wholesaler level, where only Milcobel is active, for the sales to the classic retail channel.

(246) Therefore, the Transaction gives rise to vertical links between the Parties in Belgium between:

(a) the upstream market for the supply of Dutch-type cheese to specialised wholesalers, where both FrieslandCampina and Milcobel are active, and the downstream market for the supply of Dutch-type cheese to the classic retail channel where Milcobel is active,

(b) the upstream market for the supply of Gouda to specialised wholesalers, where both FrieslandCampina and Milcobel are active, and the market for the supply of Gouda to the classic retail channel where Milcobel is active.

(247) Furthermore, modern retailers and OOH players can purchase cheese directly from producers, or purchase through specialised wholesalers, as shown in Figure 3. This Figure shows that FrieslandCampina in Belgium supplies the wholesalers, and, FrieslandCampina and its wholesaler Velder, supply the modern retail channel and the OOH. Milcobel supplies the wholesalers, and, Milcobel and its wholesalers Dupont, Camal and Kaasbrik, supply the modern retail channel, the classic retail channel and the OOH. Therefore, the Transaction give rise to horizontal overlaps between the Parties both at the upstream level (production and supply of cheese to specialised wholesalers – see Section 4.2.2.3.2) and at downstream level (distribution of cheese to modern retailers – see Section 4.2.2.3.1 ([311]) and distribution of cheese to OOH). The Commission will consider the position of the Parties in the downstream market considering both their role as producers and as specialised wholesalers.

(248) The Transaction gives also rise to vertical links between the Parties in Belgium between:

(a) the upstream market for the supply of Dutch-type cheese to specialised wholesalers and the downstream market for the supply of Dutch-type cheese to the modern retail channel,

(b) the upstream market for the supply of Gouda cheese to specialised wholesalers and the downstream market for the supply of Gouda to the modern retail channel,

(c) The upstream market for the supply of Dutch Gouda to specialised wholesalers and the downstream market for the supply of Dutch Gouda to the modern retail channel.

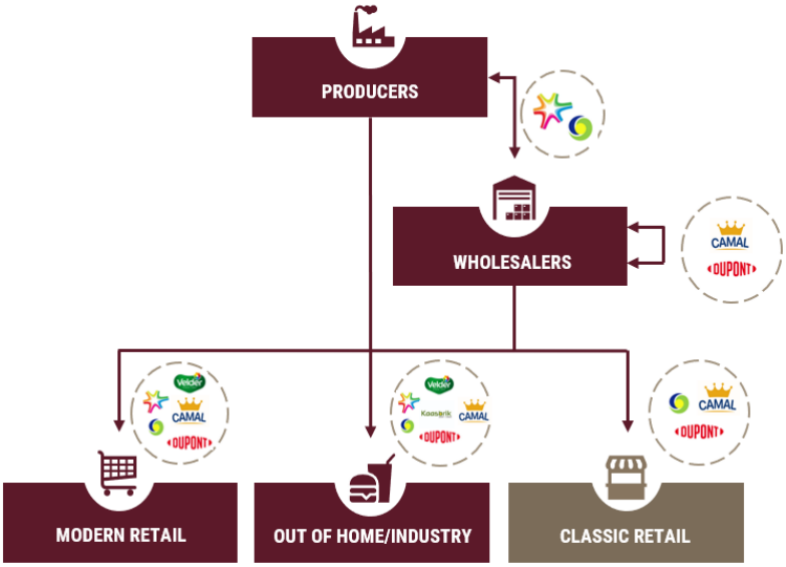
([310]) The Commission also considered whether the Transaction will give rise to a vertical relationship between the Parties regarding packaging services since FrieslandCampina procures some services from third parties. However, Milcobel submitted that it is not active in the provision of packaging services to third parties (with the exception of a one-off agreement that has been terminated and the service will be discontinued as of January 2026).

([311]) The Commission notes that the downstream market of distribution of cheese, under all plausible market definition, to the OOH is not an affected market.

(d) the upstream market for the supply of Dutch-type cheese to specialised wholesalers and the downstream markets for the supply of Dutch-type cheese to the OOH channel,

(e) the upstream market for the supply of Gouda to specialised wholesalers and the downstream market for the supply of Gouda to the OOH channel.

Figure 3 – Overview of the hard/semi-hard cheese market in Belgium



Source: Form CO, figure 8.5

5.6.2. *Legal framework*

(249) Pursuant to the Commission Guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings (the 'Non-Horizontal Merger Guidelines') ([312]) a vertical merger may result in anticompetitive foreclosure effects where actual or potential rivals' access to supplies or markets is hampered or eliminated as a result of the merger, thereby reducing these companies' ability and/or incentive to compete. Such foreclosure may discourage entry or expansion of rivals or encourage their exit. Foreclosure thus can be found even if the foreclosed rivals are not forced to exit the market: it is sufficient that the rivals are disadvantaged and consequently led to compete less effectively. ([313])

(250) More specifically, the Non-Horizontal Merger Guidelines distinguish between two main ways in which vertical mergers may significantly impede effective competition, namely input foreclosure and customer foreclosure.

(a) Input foreclosure arises where, post-merger, the new entity would be likely to restrict access to the products or services that it would have otherwise supplied absent the merger, thereby raising its actual or potential downstream rivals' costs by making it harder for them to obtain supplies of the input under similar prices and conditions as absent the merger. ([314]) For

([312]) Guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings, OJ C 265, 18.10.2008, p.6-25.
([313]) Non-Horizontal Merger Guidelines, paragraph 29.
([314]) Non-Horizontal Merger Guidelines, paragraph 31.

a Transaction to raise input foreclosure competition concerns, the combined entity must have a significant amount of market power upstream. ([315]) In assessing the likelihood of an anticompetitive input foreclosure strategy, the Commission has to examine whether (i) the combined entity would have the ability to substantially foreclose access to inputs, (ii) whether it would have the incentive to do so, and (iii) whether a foreclosure strategy would have a significant detrimental effect on competition downstream. ([316])

(b) Customer foreclosure may occur when a supplier integrates with an important customer in the downstream market. ([317]) Because of this downstream presence, the combined entity may foreclose access to a sufficient customer base to its actual or potential rivals in the upstream market (the input market) and reduce their ability or incentive to compete. ([318]) According to the Non-Horizontal Merger Guidelines, for a Transaction to raise customer foreclosure competition concerns, it must be the case that the vertical merger involves a company which is an important customer with a significant degree of market power in the downstream market. ([319]) In assessing the likelihood of an anticompetitive customer foreclosure scenario, the Commission has to examine whether (i) the combined entity would have the ability to foreclose access to downstream markets by reducing its purchases from its upstream rivals, (ii) whether it would have the incentive to reduce its purchases upstream, and (iii) whether a foreclosure strategy would have a significant detrimental effect on consumers in the downstream market. ([320])

(251) The Commission will analyse the vertical link arising from the Transaction against this framework in the remainder of this Section.

5.6.3. *The Parties' views*

(252) The Parties submit that no foreclosure concerns will arise in any of the vertically affected markets, regardless of whether the Parties' (combined) position in the modern retail, classic retail or out-of-home/industrial channel is considered. ([321])

(253) The Parties consider that:

(a) Milcobel (through Dupont and Camal) does not have the ability to significantly expand these companies' activities […], Dupont and Camal are therefore unable to efficiently scale up their operations even if the combined entity would be able to foreclose competing wholesalers.

(b) Both FrieslandCampina and Milcobel already supply large volumes of cheese to wholesalers, while also being active at the wholesale level. The incentives to supply cheese to wholesalers will not change as a result of the

([315]) Non-Horizontal Merger Guidelines, paragraph 35.
([316]) Non-Horizontal Merger Guidelines, paragraph 32.
([317]) According to the Non-Horizontal Merger Guidelines the terms 'downstream' and 'upstream' are used to describe the (potential) commercial relationship that the merging entities have with each other. Generally, the commercial relationship is one where the 'downstream' firm purchases the output from the 'upstream' firm and uses it as an input in its own production, which it then sells on to its customers. The market where the former transactions take place is referred to as the intermediate market (upstream market). The latter market is referred to as the downstream market.
([318]) Non-horizontal Merger Guidelines, paragraph 58.
([319]) Non-horizontal Merger Guidelines, paragraph 61.
([320]) Non-horizontal Merger Guidelines, paragraph 59.
([321]) Form CO, paragraph 738.

Transaction. Further, as regards sales to the classic retail the Parties do not directly compete since Dupont has a fine-meshed distribution network in Belgium while Velder fulfils a similar role in the Netherlands.

(c) The Parties submit that they do not have an incentive to foreclose competing wholesalers. While the Parties are selling relatively large volumes of cheese to individual wholesalers, such wholesalers are selling cheese in much smaller volumes to a dispersed range of individual downstream customers. For a foreclosure strategy to be profitable, the combined entity would need to ensure that ceasing supplies of such relatively large volumes of cheese to individual wholesalers would prompt a sufficiently large number of individual customers of such wholesalers, who are typically purchasing much smaller volumes of cheese on an individual basis, to switch to the Parties' wholesale activities (i.e., Dupont or Camal). According to the Parties, it is therefore highly unlikely that a foreclosure strategy would be profitable. ([322])

5.6.4. *The Commission's assessment*

5.6.4.1. Input foreclosure

(254) The Commission assessed whether the Transaction could give rise to input foreclosure concerns whereby the combined entity would stop or decrease its sales to wholesalers competing downstream. This strategy could result in the exclusion of wholesalers which compete with Milcobel in sales to the classic retail channel and with FrieslandCampina and Milcobel in sales to the modern retail channel and OOH. For the sake of clarity, the Parties are not active in the classic retail channel, modern retailer channel, nor OOH.

5.6.4.1.1. Input foreclosure affecting wholesalers supplying the classic retail channel

(255) The combined entity is active at the production and wholesale levels in Belgium:

(a) upstream the combined entity is active in the market for the supply of (i) Dutch-type cheese and (ii) Gouda to wholesalers with a market share of [30-40]% and [30-40]% respectively, as shown in Table 8 and Table 22,

(b) downstream Milcobel ([323]) is active in the supply of (i) Dutch-type cheese with a market share of [10-20]% and (ii) Gouda to the classic retail channel with a market share of [10-20]%, as shown in Table 36.

(256) The Commission assessed whether the Transaction could give rise to input foreclosure concerns and considers that the combined entity would be unlikely to have the ability to engage in input foreclosure in the classic retail channel for the following reasons.

(257) **First**, the combined position of the Parties in the upstream market for the supply to wholesalers is moderate and the increment is also limited. The increment brought by the Transaction is of [0-5]% in both cases and the combined market shares described above are moderate.

(258) **Second,** there are alternative suppliers of cheese to wholesalers. For the supply of Dutch-type cheese, as shown in Table 8, there following competitors have a

([322]) RFI 3, question 16.

([323]) FrieslandCampina has no sales to the classic retail channel in Belgium and the Parties do not compete in this hypothetical segment in Belgium. (paragraph 739 of the Form CO)

position larger than Milcobel: A-ware with [10-20]%, CONO with [5-10]% and DMK with [5-10]%. As shown in Table 11, for the supply of Gouda cheese, A-ware has a market share of [10-20]%, followed by Vandersterre, DMK/Uniekaas and Maaz all with a market share of [5-10]%. In both cases, there are other suppliers selling to specialised wholesalers.

(259) **Third,** the majority of wholesalers confirmed that it would be easy to switch from one supplier to another ([324]) and some respondents indicated as alternative suppliers of (i) Dutch-type cheese Ammerland, CONO, A-Ware, and DOC/DMK and of (ii) Gouda A-Ware, CONO, DOC/DMK, De Kazerij (Flandrien) and Lactalis. ([325])

(260) **Fourth**, no wholesaler expected an impact on their company from the Transaction. ([326])

(261) Therefore, the Commission considers that the combined entity lacks the ability to engage in an input foreclosure strategy to exclude wholesalers from selling in the classic retail channel. Given that the conditions under the Non-Horizontal Guidelines are cumulative, the Commission does not need to take a position of whether the two other conditions are satisfied.

5.6.4.1.2. Input foreclosure affecting wholesalers supplying the modern retail channel

(262) The combined entity is active at the production and wholesale levels in Belgium:

(a) upstream in the market for the supply to wholesalers of (i) Dutch-type cheese with a market share of [30-40]% as shown in Table 8, (ii) Gouda with a market share of [30-40]% as shown in Table 22, and (iii) Dutch Gouda with a market share of [40-50]% as shown in Table 27;

(b) downstream in the market for the supply to modern retailers ([327]) of (i) Dutch-type cheese, (ii) Gouda, and (iii) Dutch Gouda to with a combined market share respectively of [30-40]%, [40-50]% and [40-50]%, as described in Table 15, Table 19 and Table 25.

(263) The Commission assessed whether the Transaction could give rise to input foreclosure concerns and considers that the combined entity would be unlikely to have the ability to engage in input foreclosure for (i) Dutch-type cheese and (ii) Gouda for the following reasons.

(264) **First**, the combined position of the Parties upstream for (i) Dutch-type cheese and (ii) Gouda are moderate and the increments are also limited. The increment brought by the Transaction is of [0-5]% in both cases and the combined market shares described above are moderate.

(265) **Second,** there are alternative suppliers of cheese to wholesalers. For the supply of Dutch-type cheese, as shown in Table 8, there following competitors have a position larger than Milcobel: A-ware with [10-20]%, Cono with [5-10]% and DMK with [5-10]%. As shown in Table 22, for the supply of Gouda cheese, A-ware has a market share of [10-20]%, followed by Vandersterre, DMK/Uniekaas and Maaz all with a market share of [5-10]%. In both cases, there are other suppliers selling to wholesalers.

([324]) Replies to Questionnaire to wholesalers, question C.C.6.
([325]) Replies to Questionnaire to wholesalers, question C.C.1.
([326]) Replies to Questionnaire to wholesalers, question C.D.3.
([327]) Sales to the modern retail channel from both producers and wholesalers are included.

(266) **Third,** the majority of wholesalers confirmed that it would be easy to switch from one supplier to another ([328]) and some respondents indicated as alternative supplier of Dutch type cheese Ammerland, CONO, A-Ware, and DOC/DMK and of (ii) for Gouda A-Ware, CONO, DOC/DMK, De Kazerij (Flandrien) and Lactalis. ([329])

(267) **Fourth**, no wholesaler expected an impact on their company from the Transaction. ([330])

(268) As regards (iii) Dutch Gouda, since Milcobel does not produce it, but it purchases it from third Parties (including FrieslandCampina), there already exists a vertical link between the Parties pre-Transaction.

(269) The market investigation showed that some wholesalers indicated as alternative supplier of Dutch Gouda, CONO, DOC/DMK, and Lactalis ([331]) and no wholesaler expected an impact on their company from the Transaction. ([332])

(270) Moreover, FrieslandCampina already pre-Transaction sells Dutch Gouda directly to modern retailers in Belgium and, at the same time, it sells also Dutch Gouda to wholesalers. Given that the combined entity will face no change in market power upstream, its incentives to foreclose will only be changed by the increment downstream, which is limited to [0-5]%.

(271) Therefore, the Commission considers that the combined entity lacks the ability to engage in an input foreclosure strategy excluding wholesalers from selling to the modern retail channel in the upstream market for Dutch-type cheese.

(272) The Commission concludes that the combined entity lacks the ability to engage in an input foreclosure strategy excluding wholesalers from selling to the modern retail for (i) Dutch-type cheese (ii) Gouda, and (iii) Dutch Gouda.

5.6.4.1.3. Input foreclosure affecting wholesalers supplying the OOH channel

(273) The combined entity is active at the production and wholesale levels in Belgium:

(a) upstream in the market for the supply of (i) Dutch-type cheese to wholesalers with a market share of [30-40]% as shown in Table 8, (ii) Gouda to wholesalers with a market share of [30-40]% as shown in Table 22,

(b) downstream in the market for the supply of (i) Dutch-type cheese and (ii) Gouda to the OOH with a market share of [5-10] and [5-10]% respectively, as described in Table 17 and Table 23.

(274) The Commission assessed whether the Transaction could give rise to input foreclosure concerns and considers that the combined entity would be unlikely to have the ability to engage in input foreclosure in the OOH channel for the following reasons.

(275) **First**, the combined position of the Parties in the upstream market for the supply to wholesalers is moderate and the increment is also limited. The increment brought by the Transaction is of [0-5]% in both cases and the combined market shares described above are moderate.

([328]) Replies to Questionnaire to wholesalers, question C.C.6.
([329]) Replies to Questionnaire to wholesalers, question C.C.1.
([330]) Replies to Questionnaire to wholesalers, question C.D.3.
([331]) Replies to Questionnaire to wholesalers, question C.C.1.
([332]) Replies to Questionnaire to wholesalers, question C.D.3.

(276) **Second,** the same conditions in terms of available alternatives for wholesalers and responses from wholesalers described in paragraphs (258), (259), (260) are met.

(277) Therefore, the Commission considers that the combined entity lacks the ability to engage in an input foreclosure strategy excluding wholesalers from selling to the OOH. Therefore, given that the conditions under the Non-Horizontal Guidelines are cumulative, the Commission does not need to take a position of whether the two other conditions are satisfied.

5.6.4.2. Customer foreclosure affecting cheese producers supplying wholesalers

(278) The combined entity is active at the production and wholesale levels in Belgium:

(a) upstream both Parties are active in the production and supply of (i) Dutch-type cheese with a combined market share of [30-40]%, (ii) of Gouda with a combined share of [40-50]%, (iii) of Dutch Gouda with a combined market share of [40-50]% and (iv) of other type of hard/semi-hard cheese with a combined market share of [20-30]%. ([333])

(b) downstream, only Milcobel is active as a wholesaler in the market for the sourcing by wholesalers of (i) Dutch-type cheese with a share of [10-20]%, (ii) of Gouda with a share of [5-10]%, (iii) of Dutch Gouda with a share of [10-20]% and (iv) of other type of hard/semi-hard cheese with a share of [30-40]%, as shown in Table 10, Table 11, Table 12 and Table 13.

(279) The Commission assessed whether the Transaction could give rise to customer foreclosure concerns whereby the combined entity at wholesale level could purchase its cheese volumes from FrieslandCampina and exclude other cheese producers and considers that the combined entity would be unlikely to have the ability or the incentive to engage in such customer foreclosure for the following reasons.

(280) The results of the market investigation indicate that the combined entity would not have the ability to foreclose competitors for the following reasons.

(281) **First**, the combined entity does not have a strong degree of market power, since its market share is below [10-20]% in the (downstream) markets for the sourcing by wholesalers of (i) Dutch-type cheese, (ii) Gouda, (iii) Dutch Gouda. As regards other hard/semi-hard cheese, where the combined entity holds[30-40]% in the downstream market, the Commission notes that given that the Parties only supply a limited volume of other hard/semi-hard cheese, the combined entity would need to still purchase from other suppliers. Indeed, in 2024 even if the combined entity had purchased all the other hard/semi-hard cheese from Milcobel and FrieslandCampina, these volumes would have covered less than [60-70]% of its purchases. ([334])

(282) **Second**, the majority of competitors on the upstream market who expressed an opinion submitted that there will be sufficient specialised wholesalers, hence wholesalers, in Belgium to sell their products to post-Transaction. ([335])

([333]) Add-on to RFI 1.
([334]) Commission's calculations based on tables 8.99 and 8.106 of the Form CO.
([335]) Replies to Questionnaire to competitors, question D.C.6.

(283) **Third**, the majority of competitors on the upstream market who expressed an opinion does not expect a negative impact of the Transaction on their company for the production and supply to wholesalers of (i) Dutch type cheese, (ii) Gouda, (iii) Dutch Gouda and (iv) other hard/semi-hard cheese. ([336])

(284) **Fourth**, sales to wholesalers is only one sales channel for competitors among other. As explained by one competitor who sells cheese to both Dupont and modern retailers "*it could happen that it [the Company] competes with wholesalers to which it sold its own cheese products. However, [the Company] argues that retailers like Delhaize would never buy [the Company]'s […] cheeses like […] from Dupont instead of the Company.*" ([337]) Therefore, the Commission considers that cheese producers could also sell to other channels. ([338])

(285) Therefore, the Commission considers that the combined entity lacks the ability to engage in a customer foreclosure strategy. Given that the conditions under the Non-Horizontal Guidelines are cumulative, the Commission does not need to take a position of whether the two other conditions are satisfied.

5.6.5. *Conclusion*

(286) In light of the above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of the vertical relationship between FrieslandCampina and Milcobel's activities as a supplier of Gouda (and under any other possible subsegments) to wholesalers in Belgium and Milcobel's activities as a wholesaler in the classic retail channel and both Parties as wholesalers in the modern channels and the OOH in Belgium.

5.7. Conglomerate effects

5.7.1. *Introduction*

(287) The Transaction would add Milcobel's dairy products to FrieslandCampina's dairy product portfolio offered in Belgium. However, following the Transaction, the combined entity would likely not engage into bundling or tying strategies between product categories, as the Parties do not offer rebates *across* product categories to modern retailers, but only *within* a certain product category. ([339]) Moreover, product categories (such as cheese, milk powder, butter) tend to be tendered or negotiated separately by modern retailers ([340]). Therefore, the Transaction could not give rise to bundling or tying strategies *between* different product categories, however it could give rise to such strategies between products *within* the same product category.

(288) Consequently, the Commission investigated whether the Transaction could give rise to bundling or tying strategies within the product category of cheese.

(289) First, within the category of cheese, as seen in Table 38, Milcobel holds a significant market share for the supply of Belgian Gouda to the modern retail channel in Belgium, around [70-80]%, while FrieslandCampina is not active in

([336]) Replies to Questionnaire to competitors, question D.D.3.
([337]) Paragraph 22, non-confidential minutes of a call with a competitor on 18 August 2025.
([338]) Paragraph 22, non-confidential minutes of a call with a competitor on 18 August 2025.
([339]) Form CO, paragraphs 449-451.
([340]) Form CO, paragraph 459.

the supply of Belgian Gouda. Following the Transaction, the combined entity would then add Milcobel's Belgian Gouda to FrieslandCampina's portfolio.

(290) Second, several modern retailers submitted that Milcobel is the main producer and supplier of Belgian Gouda, which is essential in their cheese assortment. They also indicated that Milcobel is the only supplier able to meet their large volume demand of Belgian Gouda. ([341])

(291) Should distinct product markets be defined for Belgian Gouda and Dutch Gouda, these markets are closely related as they are purchased by the same set of customers (i.e. modern retailers) for the same end use. As such, the Transaction could give rise to conglomerate effects, which would be in this case bundling or tying strategies between, on the one hand, Belgian Gouda and, on the other hand, Dutch Gouda in the modern retail channel.

5.7.2. *Legal framework*

(292) According to the Non-Horizontal Guidelines, in the majority of circumstances, conglomerate mergers will not lead to any competition problems. ([342])

(293) However, foreclosure effects may arise when the combination of products in related markets may confer on the combined entity the ability and incentive to leverage a strong market position from one market to another closely related market by means of tying or bundling or other exclusionary practices. While tying and bundling have often no anticompetitive consequences, in certain circumstances such practices may lead to a reduction in actual or potential competitors' ability or incentive to compete. This may reduce the competitive pressure on the combined entity allowing it to increase prices. ([343])

(294) In assessing the likelihood of such a scenario, the Commission examines, first, whether the merged firm would have the ability to foreclose its competitors ([344]), second, whether it would have the economic incentive to do so ([345]) and, third, whether a foreclosure strategy would have a significant detrimental effect on competition, thus causing harm to consumers. ([346]) These factors are cumulative and often examined together as they are closely intertwined.

(295) In order to be able to foreclose competitors, the combined entity must have a significant degree of market power, which does not necessarily amount to dominance, in one of the markets concerned. The effects of bundling or tying can only be expected to be substantial when at least one of the merging parties' products is viewed by many customers as particularly important and there are few relevant alternatives for that product. ([347]) Further, for foreclosure to be a potential concern, it must be the case that there is a large common pool of customers, which is more likely to be the case when the products are complementary. ([348]) Finally, bundling is less likely to lead to foreclosure if rival firms are able to deploy

([341]) Call with a customer on 4 July 2025, call with a customer on 30 July 2025.
([342]) Non-Horizontal Guidelines, paragraph 92.
([343]) Non-Horizontal Guidelines, paragraphs 91 and 93.
([344]) Non-Horizontal Guidelines, paragraphs 95-104.
([345]) Non-Horizontal Guidelines, paragraphs 105-110.
([346]) Non-Horizontal Guidelines, paragraphs 111-118.
([347]) Non-Horizontal Guidelines, paragraph 99.
([348]) Non-Horizontal Guidelines, paragraph 100.

effective and timely counter-strategies, such as single-product companies combining their offers. ([349])

(296) The incentive to foreclose competitors through bundling or tying depends on the degree to which this strategy is profitable. ([350]) Bundling and tying may entail losses or foregone revenues for the combined entity. ([351]) However, they may also allow the combined entity to increase profits by gaining market power in the tied goods market, protecting market power in the tying good market, or a combination of the two. ([352])

(297) It is only when a sufficiently large fraction of market output is affected by foreclosure resulting from the concentration that the concentration may significantly impede effective competition. If there remain effective single-product players in either market, competition is unlikely to deteriorate following a conglomerate concentration. ([353]) The effect on competition needs to be assessed in light of countervailing factors such as the presence of countervailing buyer power or the likelihood that entry would maintain effective competition in the upstream or downstream markets. ([354])

5.7.3. *Parties' views*

(298) The Parties submit that the Transaction cannot give rise to conglomerate effects, for the following reasons. ([355])

(a) FrieslandCampina already has a broad product portfolio, which will not significantly change following the Transaction as Milcobel's portfolio of products will not substantially broaden FrieslandCampina's existing product portfolio.

(b) The small or negligible increment brought about by Milcobel is unlikely to alter the ability or incentives for FrieslandCampina to engage in a strategy of tying or bundling its product portfolio.

(c) The customer base can vary significantly depending on the product concerned. For example, commodity products like milk powder, whey, bulk butter and bulk cream, and industrial mozzarella are sold to wholesalers, traders or industrial customers depending on the specific need of those customers, and the sector they focus on, whereas products like hard/semi-hard cheese, soft and fresh cheeses are mainly sold to customers in other distribution channels.

(d) Modern retailers are sophisticated buyers who enjoy significant buyer power vis-à-vis the Parties. Modern retailers typically organise tenders or enter into negotiations on a per product or at most product group basis, sometimes even applying different procurement models to different product groups, and with often different people within the procurement organisation being responsible for different product categories. Moreover, modern retailers do not tender or negotiate Belgian Gouda and Dutch Gouda together.

([349]) Non-Horizontal Guidelines, paragraph 103.
([350]) Non-Horizontal Guidelines, paragraph 105.
([351]) Non-Horizontal Guidelines, paragraph 106.
([352]) Non-Horizontal Guidelines, paragraph 108.
([353]) Non-Horizontal Guidelines, paragraph 113.
([354]) Non-Horizontal Guidelines, paragraph 114.
([355]) Form CO, paragraphs 447-462.

(e) While Milcobel today holds a strong position on the supply for Belgian origin cheese, Milcobel does not offer any discounts conditional on the purchase of other products and has never engaged in other bundling or tying practices. Moreover, Milcobel faces strong competition for the supply of Belgian origin cheese from credible competitors who have sufficient production capacity.

5.7.4. *The Commission's assessment*

(299) For the reasons set out below and based on the results of the market investigation, the Commission considers that the combined entity would not have the ability to engage in a strategy of bundling Belgian Gouda with Dutch Gouda in the modern retail channel. Therefore, given that the conditions under the Non-Horizontal Guidelines are cumulative, the Commission does not need to take a position of whether the two other conditions are satisfied.

(300) For the reasons set out below, the Commission considers that the combined entity would not have the ability to engage in a strategy of bundling Milcobel's Belgian Gouda with FrieslandCampina's Dutch Gouda in the modern retail channel.

(301) **First**, for the purposes of this Decision, the Commission considers that the combined entity does not have market power on the market for the supply of Belgian Gouda to modern retailers in Belgium as Milcobel faces credible competitors that can also produce and supply Belgian Gouda to modern retailers in Belgium, such as Loicq, De Kazerij (Flandrien) and De Moerenaar, as seen in Table 38.

(302) **Second,** the Parties did not conduct a bundling or a tying strategy in the past three years. Modern retailers that expressed an opinion during the market investigation confirmed that in the past three years they have not been offered a bundled deal, where two or more dairy products were sold together at a discounted price, by FrieslandCampina nor by Milcobel, except for one instance where Milcobel offered a bundled deal to one modern retailer which turned it down. ([356])

(303) Moreover, modern retailers that expressed an opinion during the market investigation indicated that, in the past three years, they have not been required to purchase one or several of FrieslandCampina's products nor of Milcobel's products to be able to buy another product of the same company. ([357])

(304) **Third**, the majority of modern retailers that expressed an opinion during the market investigation indicated that the combined entity will not become a more interesting supplier given its larger portfolio of products, as they already have access to the Parties' entire range of product. ([358])

(305) **Fourth,** should the Parties conduct a bundling or a tying strategy following the Transaction, customers could retaliate against such strategy, as the results of the market investigation indicated that the Parties do not supply any product that could not be replaced by modern retailers from an alternative supplier. Modern retailers could then easily turn to alternative suppliers to replace the Parties' products.

([356]) Replies to Questionnaire to customers, questions H.3, H.3.1., H.4, H.4.1.
([357]) Replies to Questionnaire to customers, questions H.5, H.5.1., H.6, H.6.1.
([358]) Replies to Questionnaire to customers, questions H.10-H.10.1.

(306) This is confirmed by the fact that the Parties do not seem to offer any 'must have' dairy product to the modern retailers. According to the results of the market investigation, a majority of customers that expressed an opinion indicated that FrieslandCampina and Milcobel do not offer any 'must have' dairy product. ([359]) A majority of competitors that expressed an opinion confirmed that neither FrieslandCampina nor Milcobel offer any dairy product that would be difficult for modern retailers to source (individually or in bundle) from an alternative supplier. ([360])

(307) Moreover, while half of the modern retailers that expressed an opinion during the market investigation indicated that their ability to resist or respond effectively to a tying strategy (e.g. by turning to alternative suppliers) depended on the products involved, the other half of modern retailers confirmed that they would have the ability to resist or respond effectively to such a strategy. ([361]) The latter confirmed that they are able to turn to alternative suppliers able to produce and supply comparable products to ones of the Parties. ([362])

(308) **Fifth**, should the Parties conduct a bundling or a tying strategy following the Transaction, customers could retaliate against such strategy, as the results of the market investigation also indicated that, according to competitors, modern retailers in Belgium have buyer power. A majority of competitors that expressed an opinion also confirmed that modern retailers in Belgium have a significant buyer power towards their suppliers of dairy products. ([363]) They submit that the food retail market in Belgium is highly concentrated, with a limited number of players controlling more than 75% of the Belgian market. ([364])

(309) Based on the above, the Commission concludes that the combined entity will not have the ability to conduct any bundling or tying strategies between, on the one hand, Belgian Gouda and, on the other hand, Dutch Gouda in the modern retail channel.

5.7.5. *Conclusion*

(310) In view of the above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market or a substantial part of it as a result of the conglomerate relationship between the Parties' activities in the supply of Belgian Gouda to the modern retail channel on the one hand, and the Parties' activities in the supply of Dutch Gouda to the modern retail channel on the other hand.

([359]) Replies to Questionnaire to customers, question H.7.
([360]) Replies to Questionnaire to competitors, question K.2.
([361]) Replies to Questionnaire to customers, questions H.11.
([362]) Replies to Questionnaire to customers, questions H.11.1.
([363]) Replies to Questionnaire to competitors, question K.4.
([364]) Replies to Questionnaire to competitors, question K.4.1.

6. CONCLUSION

(311) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Teresa RIBERA
Executive Vice-President