

Mergers: Commission approves Mars' acquisition of AniCura, subject to conditions

Mars is a global company active in various sectors of consumer products. It supplies pet food through its Mars Petcare division, which is active amongst others in the dietetic pet food segment via its Royal Canin brand.

AniCura is a veterinary clinic chain, active in several EU Member States (Austria, Denmark, France, Germany, Italy, the Netherlands, Spain and Sweden). AniCura also owns VetFamily, a purchasing organisation for independent veterinary clinics. VetFamily is responsible for negotiating framework contracts for the benefit of its member clinics, including for the procurement of dietetic pet food.

The Commission's investigation

The Commission examined the effects of the proposed transaction on the **retail market of dietetic pet food sold by veterinarians**. Dietetic pet food is typically recommended by a veterinarian to meet the specific dietary requirements of a pet suffering from one or more health or dietary issues.

On the basis of its preliminary investigation, the Commission was concerned that the transaction, as originally notified, would have enabled Mars to shut out its dietetic pet food competitors from the downstream retail channels, namely the AniCura veterinary clinics and the VetFamily member clinics. This concern related to Denmark and Sweden where AniCura and VetFamily together account for a very significant share of sales of dietetic pet food.

As a result, the Commission was concerned that the transaction could affect the ability of other producers of dietetic pet food to compete with Mars. This could have resulted in higher prices, less choice or lower quality, as well as in a reduction in innovation in dietetic pet food.

The Commission found that no competition concerns would arise in the other countries where AniCura's and VetFamily's operate because a much smaller share of overall sales of dietetic pet food is sold in their clinics there.

The proposed remedies

To address the Commission's competition concerns, Mars offered to divest AniCura's VetFamily business in its entirety in the whole of Europe. As a result Mars will not be able to influence the purchasing activities of the clinics belonging to VetFamily. Instead, this business will be subject to competition from competitors to Mars.

The commitments thus fully address the Commission's concerns as they will significantly reduce Mars' overall influence on the downstream retail channels in Denmark and Sweden.

Therefore, the Commission concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns. The Commission's decision is conditional upon full compliance with the commitments.

Companies and products

Mars, based in the US, is a global company active in various consumer product sectors. Through its business division Mars Petcare, Mars is a pet food supplier, active in the dietetic pet food segment via its Royal Canin brand, which it markets throughout the EU. Mars also operates a veterinary health business in the US and the UK.

AniCura, based in Sweden, is a veterinary clinic chain, and operates over 200 clinics across several EU Member States and in Norway.

VetFamily is a purchasing organisation owned by AniCura. It is a partnership network for independent veterinary clinics that conducts joint purchasing of veterinary supplies for its members. Approximately 1000 clinics are currently members of VetFamily. VetFamily operates in Sweden, Denmark, Norway, Germany, and the Netherlands and is in the process of setting up operations in France, Austria and Spain.

Merger control rules

The transaction was notified to the Commission on 10 September 2018.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information on this case is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.9019](#)