



Craig Mostyn – Patmore Feeds

MN-60007

Phase 1 Determination

Acquisition may be put into effect

19 March 2026

1. Determination

Notified acquisition	Craig Mostyn Farms Pty Ltd (Craig Mostyn Farms)’s proposed acquisition of 100% of the share capital in Patmore Feeds Pty Ltd (Patmore Feeds) (the Acquisition).
Determination	The Australian Competition and Consumer Commission has determined under section 51ABZE(1) of the <i>Competition and Consumer Act 2010</i> (Cth) that the Acquisition may be put into effect.
Parties to the Acquisition	<p>The acquirer, Craig Mostyn Farms, is a wholly owned subsidiary of Craig Mostyn Holdings Pty Limited (together with its subsidiaries, Craig Mostyn). Craig Mostyn is an Australian food and agribusiness company. Craig Mostyn owns and operates pig farms across Western Australia and acquires pigs from third parties to produce pork at its pork abattoir and processing facility in Wooroloo, Western Australia. Craig Mostyn also has interests in beef and lamb processing and processes cattle and sheep at its abattoir located in Bunbury, Western Australia. Craig Mostyn’s meat products are sold under the Amelia Park, Linley Valley Pork and V&V Walsh brands.</p> <p>The target, Patmore Feeds, is a Western Australia-based producer of pelletised feed for livestock including cattle, pigs and sheep. It primarily supplies feed to livestock producers based within southern Western Australia.</p>
Reasons for determination	The reasons for the ACCC’s determination are set out in section 2.

2. Statement of reasons

- 2.1. When making a determination in Phase 1, the Australian Competition and Consumer Commission (**ACCC**) undertakes a competition assessment and considers whether it is appropriate for an acquisition to be approved or subject to further assessment in Phase 2 in accordance with section 51ABZJ of the *Competition and Consumer Act 2010* (Cth) (the **Act**). In doing so, the ACCC must have regard to the object of the Act and all relevant matters, including the interests of consumers.
- 2.2. For more information about the ACCC’s approach to considering notified acquisitions, see the ACCC’s [merger assessment guidelines](#) and [interim merger process guidelines](#).

Relationship between the parties

- 2.3. Craig Mostyn and Patmore Feeds (together the **Parties**) have an existing vertical relationship, as Patmore Feeds supplies pelletised pig feed to Craig Mostyn Farms.
- 2.4. In addition, there is an indirect vertical relationship as Craig Mostyn has interests in the processing and wholesale supply of lamb products and Patmore Feeds supplies sheep feed.

Competition assessment

- 2.5. The ACCC has considered the effects of the Acquisition by comparing the likely future state of competition if the Acquisition proceeds against the continuation of the current state of competition (being the likely future state of competition if the Acquisition does not proceed).
- 2.6. The ACCC has considered whether the Acquisition is likely to substantially lessen competition by:
- providing Craig Mostyn with the ability and incentive to foreclose rival pig feed producers by internalising a substantial share of its demand for pelletised pig feed and diverting demand from rival and independent/non-vertically integrated producers; or
 - providing Craig Mostyn with the ability and incentive to foreclose rival sheep feed producers by internalising a substantial share of its demand for pelletised sheep feed, and/or by leveraging its relationships with sheep producers that Craig Mostyn sources sheep from to steer those sheep producers' demand for sheep feed to itself, and diverting demand from rival and independent/non-vertically integrated producers.
- 2.7. The ACCC's assessment regarding each of these points is discussed further below.
- 2.8. In addition, the ACCC initially considered other possible theories of harm, including whether the merged entity would have the ability and incentive to foreclose rival pig or sheep producers by denying or degrading access to pelletised pig or sheep feed, respectively. These theories were dismissed as they were not supported by the material before the ACCC and, in particular, the ACCC considered there to be availability of alternative suppliers of such products.

Relevant areas of competition

Product dimension

- 2.9. The ACCC considered the competitive effects of the Acquisition on the supply of pelletised pig feed and the supply of pelletised sheep feed.

Geographic dimension

- 2.10. The Parties submitted that the relevant market is at least southern Western Australia. Feedback from market participants indicated that pelletised livestock feed (both pig feed and sheep feed) is generally produced and supplied within the boundaries of southern Western Australia.
- 2.11. The ACCC has primarily considered the impact of the Acquisition on competition in southern Western Australia, being an area generally bounded by Eneabba to the north-west and Esperance to the south-east. However, for the purposes of this assessment, it was not necessary for the ACCC to form a concluded view on the precise geographic scope of the affected markets as the competition assessment was the same regardless of whether a broader or narrower geographic market was adopted.

Vertical effects - Foreclosure of pelletised pig feed producers accessing customers in southern Western Australia

- 2.12. The ACCC considers that the Acquisition is unlikely to have the effect of substantially lessening competition in the supply of pelletised pig feed in southern Western Australia.
- 2.13. The ACCC considered whether Craig Mostyn would, post-Acquisition, have the ability and incentive to fully or partly foreclose rival pig feed producers' access to downstream customers. This could be the case if Craig Mostyn internalised all or a substantial proportion of its demand for pig feed. The ACCC considered whether such a diversion of volume away from rival pig feed producers would raise rivals' costs due to reduced scale and utilisation, rendering them less competitively effective and potentially unable to continue supplying pig feed to the market.
- 2.14. The ACCC considers that Craig Mostyn may have the ability to partly foreclose non-vertically integrated rival pig feed producers post-Acquisition. This is because based on information provided by the Parties and third parties, it is unlikely that non-vertically integrated rival pelletised pig feed producers would have access to a sufficient level of demand from alternative customers to fully replace Craig Mostyn's demand.
- 2.15. Information before the ACCC suggests that Craig Mostyn is likely to seek to self-supply a significant proportion of its pig feed requirements post-Acquisition, which is one of the key reasons for the Acquisition. However, the ACCC also understands, based on information before it, that Craig Mostyn also has an incentive to continue to source some pig feed externally post-acquisition to ensure security of feed supply and mitigate production and welfare risks.
- 2.16. While the ACCC considers that the Acquisition may remove a downstream customer from Craig Mostyn's non-vertically integrated upstream rivals, it is unlikely that this would have the effect of substantially lessening competition in the supply of pelletised pig feed. This is because information provided to the ACCC indicates that post-Acquisition, rival non-vertically integrated feed producers would likely respond to a reduction in demand from Craig Mostyn by seeking alternative customers. While such customers are unlikely to replace the requirements of Craig Mostyn, on the basis of the information before the ACCC, rival non-vertically integrated producers appear able to both adjust their operations and maintain sufficient capacity to continue to provide a competitive constraint post-Acquisition.
- 2.17. In addition, any expansion of feed production by vertically integrated pelletised pig feed producers in response to higher prices may also reduce the risk of a substantial lessening of competition in circumstances where these producers are willing to supply feed beyond their internal requirements.

Vertical effects - Foreclosure of pelletised sheep feed producers accessing customers in southern Western Australia

- 2.18. The ACCC considers that the Acquisition is unlikely to have the effect of substantially lessening competition in the supply of pelletised sheep feed in southern Western Australia.

- 2.19. The ACCC considered whether Craig Mostyn would, post-Acquisition, have the ability and incentive to foreclose rival sheep feed producers by removing key downstream customer(s) for sheep feed. For example, if Craig Mostyn internalised a substantial proportion of its sheep feed requirements, and/or leveraged its relationships with sheep producers that Craig Mostyn sources sheep from to steer those sheep producers' demand for sheep feed to itself. The ACCC considered whether such a diversion of volume away from rival sheep feed producers would raise rivals' costs due to reduced scale and utilisation, rendering them less competitively effective and potentially unable to continue supplying sheep feed to the market.
- 2.20. Information provided by the Parties and confirmed by third parties indicates that Craig Mostyn's sheep feed requirements, and any demand it could feasibly divert from affiliated sheep producers, is not sufficiently large to be of material or strategic importance for rival sheep feed producers.
- 2.21. Therefore, the ACCC considers that the loss of Craig Mostyn and affiliated sheep feed producers' demand is unlikely to materially increase rival feed producers' costs through reduced scale or utilisation, and render them less competitively effective.
- 2.22. As the ACCC found that Craig Mostyn was unlikely to have the ability to foreclose rival sheep feed producers from accessing downstream customers post-Acquisition, it was not necessary for the ACCC to consider whether Craig Mostyn would have the incentive to engage in such a strategy and whether it could have the effect of substantially lessening competition in the supply of sheep feed.

3. Applications for review

- 3.1. A notifying party, or other person who has been allowed to do so by the Australian Competition Tribunal, may apply for review if they are dissatisfied with the determination. Pursuant to section 100C of the Act, applications for review of the determination are to be made to the Australian Competition Tribunal before the end of 14 calendar days after this statement of reasons was included on the ACCC's Acquisitions Register. To confirm whether there has been any application for review, please contact the Australian Competition Tribunal.

Determination made by a division of the Commission constituted by a direction issued pursuant to section 19 of the Act