



Our ref: AA1000527
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Dear Madam/Sir,

Ingham's Group Ltd– AA1000527 – interested party consultation

On 6 August 2020, the Australian Competition and Consumer Commission (the **ACCC**) received an application for authorisation from Ingham's Group. Ingham's seeks to coordinate with Turosi, Hazeldene's Chicken Farm and the Australian Chicken Meat Federation, (together the **Parties**) in relation to the production, processing and supply of chicken meat products in Victoria.

Ingham's has applied for authorisation, and requested urgent interim authorisation, to enable Ingham's, Turosi and Hazeldene's (the **Processors**) to coordinate their activities in Victoria to minimise the disruption that would otherwise be caused to chicken meat processing and supply caused by the introduction of the Stage 4 Restrictions imposed by the Victorian Government in response to the COVID-19 pandemic. On 7 August 2020, the ACCC granted interim authorisation to allow the Parties to engage in the conduct described below.

Given the urgency of the request, the ACCC did not have the opportunity to consult with interested parties prior to making its decision to grant interim authorisation. The ACCC is now seeking views from potentially affected parties to assist its ongoing assessment of this application. The ACCC can also review its decision to grant interim authorisation at any time.

This letter invites your views on two main issues:

1. Firstly, if you have been directly impacted by the conduct under the interim authorisation, what is your experience to date.
2. Secondly, whether you have any comments on the likely public benefits and detriments from the proposed conduct, whether the ACCC should authorise the conduct until 31 December 2020, or an alternative period, and whether any conditions should be placed on the authorisation.

We are interested in hearing from you at any time during the ACCC's assessment process in relation to point 1. We request submissions in relation to point 2 by **Friday 28 August 2020**.

You are welcome to pass this letter on to others who may wish to make submissions.

The application for authorisation

Ingham's seeks authorisation for the Parties to discuss, enter into or give effect to any contract, arrangement or understanding, or engage in any conduct, between themselves which has the purpose of:

1. facilitating, coordinating or ensuring the production and processing of chicken and chicken meat products in Victoria in order to:

- i. meet ongoing demand; and
 - ii. adequately deal with the supply of live chickens currently “on farm” without the need to euthanise flocks;
2. sharing or coordinating the use of essential personnel, facilities and inputs (including chickens) in order to process as many chickens as possible by the Processors.

(the **Proposed Conduct**).

Ingham’s only seeks authorisation for the Parties to engage in the Proposed Conduct for the purpose of seeking to maximise the number of chickens that are able to be processed, so as to minimise the impact that the Government restrictions may have on the capacity of Processors to process chickens, and the associated impacts on growers and customers. The ACCC’s interim authorisation decision contained such a restriction on the purpose of any coordination.

Authorisation does not extend to:

- collective decisions relating to the price at which the Processors acquire or supply goods or services; or
- collective decisions relating to the arrangements between the Processors and their respective chicken growers, or the supply arrangements between the Processors and their respective customers.

The Proposed Conduct is intended to form a temporary response to the difficulties which the Processors face as a result of the COVID-19 crisis and the Restrictions. Participation by the Parties is voluntary.

A full copy of the application for authorisation and the ACCC’s Statement of Reasons in granting the interim authorisation is available on the ACCC’s [authorisations public register](#).

Submissions

Submissions on the cooperation permitted by the interim authorisation

The ACCC is seeking submissions on the cooperation permitted by the interim authorisation.

The ACCC invites submissions on the cooperation permitted by the interim authorisation at any stage over the coming months.

In particular, we seek your views on the following issues:

Questions for growers with relationships with the Processors, and customers of the Processors

1. Have you identified or do you anticipate any negative effects due to the cooperation permitted by the interim authorisation?
2. Have you identified or do you anticipate any benefits for your business due to the cooperation permitted by the interim authorisation?
3. Do you consider that the cooperation permitted by the interim authorisation could reduce competition beyond the end of the COVID-19 pandemic?
4. Should any changes be made to the interim authorisation?

We invite you to provide copies of documentary evidence of any of the above, if available.

Submissions for purposes of the draft determination

The ACCC will issue a draft determination setting out its preliminary views about the public benefits, effects on competition, and public detriments likely to result from the application for authorisation. Our focus will be on the potential for the authorisation to reduce competition beyond the end of the COVID-19 pandemic.

The ACCC invites submissions for the purposes of the draft determination from all interested parties.

In particular, we seek your views on the following issues:

5. What do you anticipate are the likely public benefits of the Proposed Conduct, and why?
6. What do you anticipate are the likely public detriments of the Proposed Conduct, and why?
7. Is the Proposed Conduct likely to have any enduring effects on competition between the Processors?
8. Should the ACCC authorise the conduct until 31 December 2020, a shorter period, a longer period, or not at all?

In order for your submission to be taken into account in the draft determination please provide it at any time up until **Friday 28 August 2020**.

We recognise that the COVID-19 situation may be causing disruptions to your normal operations. You may wish to contact us by phone to discuss your views before this deadline.

How to make a submission

Please email your submission to adjudication@accc.gov.au, with the subject 'AA1000527 – Ingham's – submission'. Please contact Hannah Ransom or Mandy Bendelstein on the numbers below if you wish to provide comments by phone. We will type up your comments, which will form a record of oral submission.

Your submission **will** be placed on the ACCC's [authorisations public register](#) unless we have approved a request (with reasons) for us to exclude part or all of the submission from the public register. (see [Guidelines for Excluding Information from the Public Register](#) for more information on how to make a request and how we assess requests).

This letter has been placed on the ACCC's public register. If you have any questions or wish to discuss any aspect of this matter, please do not hesitate to contact Hannah Ransom on (02) 6243 1255 or Mandy Bendelstein on (02) 9102 4037.

Yours sincerely,



David Hatfield
Director
Adjudication Branch