



Australian  
Competition &  
Consumer  
Commission

GPO Box 3131 Canberra ACT 2601  
23 Marcus Clarke Street Canberra ACT  
tel: (02) 6243 1111 fax: (02) 6243 1199  
www.accc.gov.au

# NEWS RELEASE

## ACCC WILL NOT OPPOSE PROPOSED ACQUISITIONS OF INTERESTS IN GLENCORE AGRICULTURE

The Australian Competition and Consumer Commission will not oppose the proposed acquisitions of 40% and 9.99% of Glencore Agriculture Limited (Glencore Agriculture) respectively by Canada Pension Plan Investment Board (CPPIB) and British Columbia Investment Management Corporation (bcIMC).

“The ACCC conducted inquiries with customers, suppliers, and competitors. Based on these, the ACCC is of the view that neither of the proposed acquisitions would be likely to substantially lessen competition in any market,” ACCC Chairman Rod Sims said.

Through its subsidiary, Viterra, Glencore Agriculture has a strong position in the supply of upcountry grain storage and handling, and bulk grain port terminal services in South Australia. CPPIB and bcIMC have various interests in the grain supply chain and interests of 33% and 12% respectively in the rail operator Pacific National.

The ACCC considered whether common interests in Glencore Agriculture and Pacific National would reduce the ability of rivals in rail or grain to compete.

“The ACCC does not consider that the acquisition gives Glencore Agriculture the incentive to use its position in the grain supply chain in South Australia to adversely affect Pacific National’s rivals. The nature of the minority interests and the fact that Pacific National does not provide grain rail haulage services in South Australia were important considerations. Furthermore, the incumbent rail company, Genesee & Wyoming, is the dominant provider of grain rail haulage in South Australia and owns most of the relevant below-rail network,” Mr Sims said.

“The ACCC also considered whether CPPIB and bcIMC could use their influence over Pacific National, which is the main provider of grain rail haulage in NSW and Victoria, to foreclose Glencore Agriculture’s rivals. However, the nature of the minority interests involved, and the market position of other grain logistics providers and traders, such as GrainCorp, make it unlikely CPPIB and bcIMC would have the ability or the incentive to engage in such a strategy.”

The ACCC also considered whether the cross-ownership interests would result in commercially sensitive information being shared between related entities to the detriment of competition.

“There are several constraints on the two proposed shareholders’ abilities to share Glencore Agriculture’s commercially sensitive information. Further, Glencore plc will retain majority ownership of Glencore Agriculture and has a commercial incentive to prevent such disclosure,” Mr Sims said.

### Background

Glencore Agriculture is a company ultimately owned by Glencore plc. Glencore Agriculture’s operations in Australia include grain production, grain trading, operating port terminal facilities, and providing grain storage and handling services.

CPPIB is an investment management organisation based in Toronto that invests the funds of Canada’s national pension plan. CPPIB is proposing to acquire 40% of Glencore Agriculture.

bclMC is one of Canada's largest institutional investors investing on behalf of public sector clients in British Columbia. bclMC is proposing to acquire 9.99% of Glencore Agriculture.

The bclMC proposed acquisition is conditional on completion of the CPPIB proposed acquisition but not vice versa. Although the ACCC reviewed both acquisitions simultaneously, it considered the competitive effects of each acquisition separately.

Further information is available at [www.accc.gov.au](http://www.accc.gov.au)

**Media enquiries**

**ACCC Media 1300 138 917**

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