



**Our ref:** IM-72708

27 September 2024

Land of the Ngunnawal people  
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Dear Interested Party

**Re: ACCC seeking your views: Proposed Acquisition of National Pies Pty Ltd by Patties Foods Pty Ltd.**

The Australian Competition and Consumer Commission (**ACCC**) is seeking your views on the proposed acquisition of National Pies Pty Ltd (**National Pies**) by Patties Foods Pty Ltd (**Patties**) (the **proposed acquisition**).

Patties is a producer and wholesale supplier of primarily frozen packaged meals, savoury products and sweets in Australia and New Zealand. National Pies is a producer and wholesale supplier of primarily chilled savoury products (mainly pies, sausage rolls and pasties) in Australia. National Pies also supplies some customers with frozen savoury products.

Further details about the products and brands supplied by Patties and National Pies are provided at **Attachment A**.

The ACCC's investigation is focused on the impact that the Proposed Acquisition would have on competition. In particular, we are seeking your views on:

- the closeness of competition between Patties and National Pies
- the degree to which other companies compete in the supply of chilled and frozen savoury products
- the extent to which consumers consider chilled and frozen savoury products to be substitutable

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by **11 October 2024** via email to [mergers@acc.gov.au](mailto:mergers@acc.gov.au) with the title: *Submission re: Patties/National Pies*. If you require more time to respond, please let us know.

If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact [mergers@acc.gov.au](mailto:mergers@acc.gov.au). Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

### ***Confidentiality of submissions***

The ACCC treats sensitive information it receives during a merger review as confidential, and will not publish your submission. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the Competition and Consumer Act 2010. Where the ACCC is required to disclose confidential information, we will notify you in advance where possible so that you have an opportunity to be heard. Therefore please clearly indicate if any information you provide is confidential. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Aggie Marek  
Acting General Manager  
Merger Investigations

## **Attachment A**

### **Acquirer – Patties**

Patties is a producer and wholesale supplier of primarily packaged meals, savoury products and sweets in Australia and New Zealand. It is owned by PAG Asia III LP (**PAG**).

Patties predominantly supplies supermarkets, and petrol and convenience stores via food service distributors.

Patties' retail brand names include Four'N Twenty, Patties Foods, Herbert Adams, On The Menu, Lean Cuisine, Fitness Outcomes, Weight Watchers, Leader, Leggo's, and Nannas. It also manufactures private label, corporate branded and other branded products.

Patties has three manufacturing facilities in Victoria and one in each of Adelaide, Perth, Brisbane and Auckland.

### **Target – National Pies**

National Pies is a producer and wholesale supplier of primarily chilled savoury products (mainly savoury pies, but also sausage rolls and pasties) in Australia. It supplies chilled savoury products to supermarkets across Australia.

It also produces and sells frozen savoury products to supermarkets and food service distributors.

Although National Pies does not manufacture private label products, end customers and corporate customers of food service distributors may present National Pies products as unbranded, with no packaging at point of sale.

### **Proposed acquisition**

Patties intends to acquire 100% of the shares in National Pies.

## **Attachment B**

1. Please describe your business or organisation.
2. Outline your interest in the proposed acquisition, including any commercial relationship(s) with Patties or National Pies.

### **Closeness of competition**

3. How closely do Patties and National Pies compete in the supply of chilled and frozen savoury products in Australia?
4. Identify the suppliers that compete with Patties and National Pies in Australia in the product segments outlined below.
  - a. Frozen savoury products
  - b. Chilled savoury products.

Please comment on the extent to which they compete with each of the parties, their relative size and range of product offerings.

### **Substitutability of chilled and frozen savoury products**

5. What are consumer preferences in purchasing chilled or frozen savoury products? In your response, please consider factors such as price, quality, convenience, shelf life and branding.
6. For business customers that purchase savoury products (such as petrol and convenience stores, sporting stadiums or commercial customers), what are their preferences between chilled and frozen savoury products. In your response, please consider factors such as price, quality, convenience, storage, shelf life and branding.
7. How readily can suppliers switch from manufacturing chilled savoury products to manufacturing frozen savoury products and vice versa? If possible, provide any recent examples.

### **Competitive constraint from new entry or expansion**

8. Please describe what is required to enter or expand in the supply of chilled or frozen savoury products in Australia? You may wish to comment on:
  - a. set-up costs for a new entrant or expansion costs for an existing competitor
  - b. whether new entrants need to secure customers before entry and, if so, the minimum scale required for new entry
  - c. customer brand loyalty
  - d. timeframes for new entry or expansion
  - e. any regulatory requirements or other barriers to new entry or expansion.

9. Are there any recent examples of entry or exit in the market for the supply of chilled or frozen savoury products in Australia? Are there any potential new suppliers of chilled or frozen savoury products in Australia?
10. Discuss the extent to which customers may be able to supply their own chilled or frozen savoury products, including:
  - a. any examples of customers (such as supermarkets, grocery stores, petrol and convenience stores, or food service distributors) supplying their own chilled or frozen savoury products
  - b. the expense and time required to commence self-supplying chilled or frozen ready meals.

**Other information or competition issues**

11. Provide any additional comments or identify other competition issues that you consider relevant to the ACCC's consideration of the proposed acquisition under section 50 of the *Competition and Consumer Act 2010* (Cth).