

Foodcorp and Oceana fishing business deal approved

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The transaction between Foodcorp and Oceana was approved this week, subject to a divestiture condition imposed on the firms by the Competition Commission.



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Oceana acquired the fishing business of Foodcorp but was ordered by the commission to sell its Glenryck trademark and the small pelagic fish quota that was allocated to Foodcorp by the Department of Agriculture, Forestry and Fisheries.

The commission's investigation into the transaction found that it would affect competition negatively in the market for the harvesting, processing and marketing of canned pilchard. It would also have a detrimental effect on customers.

The commission said on Thursday that Foodcorp's fishing business essentially constitutes the business of harvesting, processing and selling deep-sea trawl hake, south coast rock lobster and small pelagic fish such as pilchards, anchovies and red eye.

It also owns the Glenryck brand.

Oceana is also active in the markets for harvesting, processing and selling deep-sea trawl hake, south coast rock lobster and small pelagic fish, and it owns the Lucky Star brand.

The transaction will result in the removal of Oceana's closest competitor.

Oceana last year paid an administrative penalty of almost R35m - or 5% of its affected turnover in 2010 - after admitting that it had contravened the Competition Act.

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