

COMPLETED ACQUISITION BY LONG CLAWSON DAIRY LIMITED OF MILLWAY, BEING THE STILTON AND SPECIALITY CHEESE BUSINESS OF DAIRY CREST GROUP PLC

Terms of reference

1. In exercise of its duty under section 22(1) of the Enterprise Act 2002 ("the Act") to make a reference to the Competition Commission ("the CC") in relation to a completed merger the Office of Fair Trading ("the OFT") believes that it is or may be the case that –
 - (a) a relevant merger situation has been created in that:
 - (i) Millway being the Stilton and speciality cheese business of **Dairy Crest Group plc**, has ceased to be distinct from **Long Clawson Dairy Limited**, being an enterprise; and
 - (ii) as a result, the condition specified in section 23(3) of the Act prevails or prevails to a greater extent with respect to the supply of Blue Stilton in the United Kingdom; and
 - (b) the creation of that situation has resulted or may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services including the supply of Blue Stilton in the United Kingdom.
2. Therefore, in exercise of its duty under section 22(1) of the Act, the OFT hereby refers to the CC, for investigation and report within a period ending on 24 March 2009, the following questions in accordance with section 35(1) of the Act-
 - (a) whether a relevant merger situation has been created; and
 - (b) if so, whether the creation of that situation has resulted or may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.
3. In relation to the question whether a relevant merger situation has been created, the CC shall exclude from consideration one of the subsections (1) and (2) of section 23 of the Act if they find that the other is satisfied.

Simon Pritchard
Senior Director, Mergers
Office of Fair Trading
8 October 2008