

II. GOODMAN FIELDER

4. Respondent Goodman Fielder is a corporation organized, existing and doing business under and by virtue of the laws of New South Wales, Australia, with its office and principal place of business located at 75 Talavera Road, Macquarie Park NSW 2113, Australia. Goodman Fielder's principal subsidiary in the United States, Goodman Fielder (USA) Inc., has a manufacturing facility located in Davenport, Iowa.
5. Respondent Goodman Fielder is engaged in, among other things, the manufacture and sale of gelatin.
6. Respondent Goodman Fielder is, and at all times herein has been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and is a corporation whose business is in or affects commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

III. THE PROPOSED ACQUISITION

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beef hide gelatin in the United States and the world. If the Proposed Acquisition were to be consummated, DGF Stoess would have a market share in the United States of more than 50 percent, in a highly concentrated market.

VI. ENTRY CONDITIONS

12. Substantial and effective expansion by smaller competitors in the relevant market sufficient to deter or counteract the anticompetitive effects of the Proposed Acquisition is unlikely to occur.
13. New entry into the relevant market would not occur in a timely manner to deter or counteract the adverse competitive effects of the Proposed Acquisition because it would take over two years for an entrant to accomplish the steps required for entry and achieve a significant market impact.

VII. EFFECTS OF THE ACQUISITION

14. The effects of the Proposed Acquisition, if consummated, may be substantially to lessen competition and to tend to create a monopoly in the relevant market in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, in the following ways, among others:
 - a. by eliminating actual, direct, and substantial competition between Goodman Fielder and DGF Stoess in the relevant market;
 - b. by further consolidating an already concentrated market, thereby substantially increasing the likelihood that DGF Stoess will unilaterally exercise market power in the relevant market;
 - c. by increasing the likelihood of collusion and coordinated interaction in the relevant market; and
 - d. by increasing the likelihood that customers of pigskin and beef hide gelatin would be forced to pay higher prices.

VIII. VIOLATIONS CHARGED

15. The Purchase Agreement constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.
16. The Proposed Acquisition, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this seventeenth day of April , 2002, issues its Complaint against Respondents DGF Stoess and Goodman Fielder.

By the Commission, Chairman Muris not participating.

Donald S. Clark
Secretary

SEAL: