

## JUSTICE NEWS

### Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Monday, April 3, 2017

## **Justice Department Requires Divestiture of Danone's Stonyfield Farms Business in Order for Danone to Proceed with WhiteWave Acquisition**

### **Divestiture Will Preserve Competition in Markets for Procurement of Raw Organic Milk and Sale of Fluid Organic Milk**

The Department of Justice announced today that it will require Danone S.A. to divest Danone's Stonyfield Farms business in order for Danone to proceed with its \$12.5 billion acquisition of The WhiteWave Foods Company Inc. The department said that, without the divestiture, the proposed acquisition likely would reduce competition between the two leading participants and top brands in the markets for raw and fluid organic milk, potentially harming dairy farmers in the northeast and U.S. consumers of fluid organic milk.

The Justice Department's Antitrust Division filed a civil antitrust lawsuit today in the U.S. District Court for the District of Columbia to block the proposed transaction. At the same time, the department filed a proposed settlement that, if approved by the court, would resolve the department's competitive concerns.

"The proposed acquisition would have blunted competition between the top two purchasers of raw organic milk in the northeast and the producers of the three leading brands of organic milk in the United States," said Acting Assistant Attorney General Brent Snyder of the Justice Department's Antitrust Division. "Today's proposed settlement will ensure competitive marketplaces for both farmers in the northeast that sell raw organic milk and consumers who purchase fluid organic milk in stores nationwide."

According to the department's complaint, as a result of Danone's long-term strategic partnership and supply and licensing agreements with WhiteWave's primary competitor, CROPP Cooperative (CROPP), the proposed acquisition would have provided incentives and opportunities for cooperative behavior between the two leading purchasers of raw organic milk in the northeast. This cooperation likely would have resulted in farmers receiving less favorable contract terms for the purchase of their raw organic milk. Similarly, the proposed acquisition would have aligned the interests of the producers of Stonyfield, Horizon and Organic Valley, the only three national fluid organic milk brands, and risked higher prices and fewer choices for U.S. consumers.

Under the terms of the proposed settlement, Danone must divest its Stonyfield Farms business to an independent buyer approved by the United States. The department said that the divestiture will sever Danone's and CROPP's strategic partnership thereby eliminating the entanglements between CROPP and the merged firm. As a result, the divestiture will preserve competition for the purchase of raw organic milk from northeast dairy farmers and the sale of fluid organic milk to consumers.

Danone is a France-based global food company that produces and sells a wide range of food products. Danone's annual sales for 2015 were approximately \$24.3 billion. Stonyfield Farms Inc., a subsidiary of Danone, is a Delaware corporation headquartered in Londonderry, New Hampshire. Stonyfield Farms produces and sells a range of organic dairy products.

WhiteWave is a Delaware corporation headquartered in Denver, Colorado. WhiteWave produces and sells a range of organic dairy products, including organic fluid milk, yogurt and cheese. WhiteWave had \$3.86 billion in sales in 2015.

As required by the Tunney Act, the proposed consent decree, along with the department's competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 8700, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the court may enter the final judgment upon a finding that it serves the public interest.

[Danone Complaint](#)

[Danone Explanation of Consent](#)

[Danone HSSO & PFJ](#)

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