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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/10/42/2024

**Decision¹ of the 116th Meeting of the Committee Responsible
for Initial Determinations Regarding the Proposed
Acquisition of Control by Mars, Incorporated of Kellanova**

ECONOMIC SECTOR: Fast Moving Consumer Goods



25 March 2025

¹ In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible, the information omitted has been replaced by ranges of figures or a general description.

The Committee Responsible for Initial Determinations,

Cognisant of Article 55 of the Treaty establishing the Common Market for Eastern and Southern Africa (the “**COMESA Treaty**”);

Having regard to the COMESA Competition Regulations of 2004 (the “**Regulations**”), and in particular Part 4 thereof;

Mindful of the COMESA Competition Rules of 2004, as amended by the COMESA Competition [Amendment] Rules, 2014 (the “**Rules**”);

Conscious of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation of 2015;

Having regard to the COMESA Merger Assessment Guidelines of 2014;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State;

Desirous of the overriding COMESA Treaty objective of strengthening and achieving convergence of COMESA Member States’ economies through the attainment of full market integration;

Determines as follows:

Introduction and Relevant Background

1. On 22 November 2024, the COMESA Competition Commission (“**Commission**”) received a notification of a merger regarding the Proposed Acquisition by Mars, Incorporated (“**Mars**” or the “**Acquiring Firm**”) of Kellanova (the “**Target Firm**”), pursuant to Article 24(1) of the Regulations.
2. Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the transaction between the parties would or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.
3. Pursuant to Article 13(4) of the Regulations, there is established a Committee Responsible for Initial Determinations, referred to as the CID. The decision of the CID is set out below.



The Parties

Mars (the “Acquiring Firm”)

4. The parties submitted that Mars is a company incorporated under the laws of Delaware in the United States of America. Mars is the ultimate parent company of the Mars group of companies.
5. Mars is a family-owned, multinational supplier of confectionery, food products, pet food and a provider of animal care services.
6. Mars operates its business in three segments, namely: (i) Snacking; (ii) Food and Nutrition; and (iii) Petcare.
7. Mars Snacking comprises of a range of chocolate, chewing gum, mints, fruity confections and snack bar brands. The parties submitted that Mars Snacking has more than 34,000 associates and its brands are available in more than 180 countries. The major brands of the Mars Snacking business globally include:
 - i. Chocolate confectionery: 3 Musketeers, American Heritage, Balisto, Bounty, Celebrations, Dove, Ethel M, Galaxy, M&M's, Maltesers, Mars, Milky Way, My M&M's, Snickers and Twix.
 - ii. Gum: 5 Gum, Airwaves, Altoids, Eclipse, Hubba Bubba, Orbit/Extra/Freedent, Rondo, Wrigley's Big Red, Wrigley's Doublemint, Wrigley's Extra, Wrigley's Juicy Fruit, Wrigley's Spearmint and Wrigley's Winterfresh.
 - iii. Sugar confectionery: Lifesavers, Skittles, Starburst and Trü frü.
 - iv. Savoury snacks: Combos.
 - v. Snack bars: KIND (including BE-KIND), 1 Munch, Nature's Bakery and Tracker.
8. The parties submitted that in the Common Market, Mars primarily supplies the following brands from its Snacking segment: Mars, Snickers, Twix, Bounty, Galaxy, Maltesers, M&M's, Wrigley's Extra and Skittles.
9. The parties submitted that under the Food and Nutrition segment, Mars Food & Nutrition provides healthy, tasty and affordable meals through a range of food products and sauces. It provides a range of food products and sauces including in the following areas: rice products, under the main brands Ben's Original, Seeds of Change, and Tasty Bite; ready to eat meals under the main brands Tasty Bite, Kevin's Natural Foods; sauces, under the main brands Dolmio, Kan Tong; and herbs and spices, mainly under the Masterfoods brand. It has over 2,000 associates and its brands are available in more than 30 countries.



10. The parties also submitted that in the Common Market, Mars primarily supplies the following products from its Food & Nutrition segment: Cocoavia, Dolmio, Masterfoods and Royco.
11. The parties further submitted that in the Petcare segment, Mars Petcare provides pet nutrition, health and veterinary services. It provides veterinary and diagnostic services and, in some cases, sells its own pet food brands through veterinary networks. Mars Petcare has 100,000 associates in more than 130 countries. The parties clarified that Mars does not provide veterinary or diagnostic services in the Common Market and it primarily supplies the following pet food brands from its petcare segment: Acana, Cesar, Iams, Greenies, Orijen, Royal Canin, Sheba and Whiskas. In the Common Market, Mars operates in Djibouti, Egypt, Kenya, Libya, Madagascar, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia and Uganda.

Kellanova (the “Target Firm”)

12. The parties submitted that Kellanova, formerly Kellogg Company, is a company incorporated under the laws of Delaware in the United States of America. The parties submitted that the shares of Kellanova are publicly traded on the New York Stock Exchange.
13. Kellanova² principally manufactures and markets snacks, such as crackers, savoury snacks, toaster pastries, granola, snack bars and bites, and convenience foods, such as ready-to-eat cereals, frozen waffles, veggie foods and noodles. Its products are manufactured and marketed globally and sold to retailers for resale to consumers.
14. The parties submitted that globally, Kellanova has a presence in 180 countries comprising four operating segments: (i) Snacks; (ii) Cereal; (iii) Frozen; and (iv) Noodles and Others.
15. In the snacks segment, Kellanova offers snack products including savoury snacks, toaster pastries, snack bars and bites. Snacks sales globally in 2023 represented approximately █% of Kellanova’s global revenues.³ Major snack brands offered globally include: Austin, Carr’s Crackers, Cheez-It, Club Crackers, Grahams Crackers, Pop-Tarts, Pringles, Rice Krispie Treats and RXBAR.
16. In the cereal segment, Kellanova offers various products containing grains and other ingredients under certain Kellogg’s brands globally. Cereal sales globally in 2023 represented approximately █% of Kellanova’s global revenues.⁴ Major cereal brands offered globally include: All-Bran, Apple Jacks, Bear Naked, Be

² The parties clarified that in October 2023, Kellanova completed the separation of its North American cereal business through a tax-free spin-off, which resulted in two independent public companies, WK Kellogg Co and Kellanova.

³ Confidential information claimed by the merging parties

⁴ Confidential information claimed by the merging parties



Natural, Choco Krispies, Coco Pops, Cocoa Lovers, Corn Flakes, Corn Pops, Cracklin' Oat Bran, Crispix, Crunchy Nut, Extra, FiberPlus, Froot Loops, Frosted Flakes, Frosted Mini Wheats, Frosties, Honey Bsss, Honey Smacks, K-Time, Krave, Müeslix, Nutri-Grain, Pure Organic, Raisin Bran, Rice Krispies, Smacks, Smart Start, Special K, Temmy's, Toasteds, Toppas, Town House, Trésor, Vector and Zesta.

17. In the frozen segment, Kellanova offers frozen waffles, pancakes and veggie foods. Frozen sales globally in 2023 represented approximately █% of Kellanova's global revenues.⁵ Major brands include: Eggo and MorningStar Farms.
18. In the noodles and others segment, Kellanova offers certain noodles and other products, primarily under the Kellogg's Instant Noodles brand. Noodles and other sales globally represented approximately █% of Kellanova's global revenues in 2023.⁶
19. In the Common Market, Kellanova primarily supplies the following brands: Bisco, Coco Lovers, Dato, Luxe, Nano, Temmy's, Nutrifit Cereals, Nutrifit Bars, Canu, Kellogg's Corn Flake, Pringles, Harvest, Coco Pops, Granola, Froot Loops, Kellogg's Noodles, Be Natural Snacks Bar, Crunch Nut Corn Flakes, Body Smart, Variety, Special K, Corn Pops, Coco Balls, Frosties, Rice Krispies, Crumbs Flakes, All Bran and Miel Pops. In the Common Market, the Target Firm operates in the Democratic Republic of Congo ("DRC"), Egypt, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Uganda, Zambia and Zimbabwe.

Jurisdiction of the Commission

20. Article 24(1) of the Regulations requires 'notifiable mergers' to be notified to the Commission. Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the "**Merger Notification Thresholds Rules**") provides that:

"Any merger, where both the acquiring firm and the target firm, or either the acquiring firm or the target firm, operate in two or more Member States, shall be notifiable if:

- a) the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds USD 50 million; and*
- b) the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds USD 10 million, unless each of the parties to a merger*

⁵ Confidential information claimed by the merging parties

⁶ Confidential information claimed by the merging parties



achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State”.

21. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived a turnover of more than the threshold of USD 50 million in the Common Market and they each derived a turnover of more than USD 10 million in the Common Market. In addition, the parties do not hold more than two-thirds of their respective aggregate turnover or asset value in one and the same Member State. The CID was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Article 23(5)(a) of the Regulations.

Details of the Merger

22. The notified transaction concerns the acquisition of sole control by Mars of Kellanova.
23. The parties submitted that in accordance with the Merger Agreement, Merger Sub 10VB8, LLC, a subsidiary of Mars, will merge with and into Kellanova, with Kellanova surviving the merger and becoming an indirect wholly owned subsidiary of Mars.

Competition Analysis

Consideration of the Relevant Markets

Relevant Product Market

24. Paragraph 7 of the Commission's Guidelines on Market Definition states that a ***“relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer/customer, by reason of the products’ characteristics, their prices and their intended use”***.
25. Mars is a supplier of confectionery, food products, pet food and a provider of animal care services. The Target on the other hand, manufactures and markets snacks, such as, crackers, savoury snacks, toaster pastries, granola, snack bars and bites and convenience foods, such as, ready-to-eat cereals, frozen waffles, veggie foods and noodles.
26. The parties submitted that the only overlap between the parties’ activities is in respect of snack bars at the global level. The parties clarified that Mars however does not sell any snack bars in the Common Market.
27. The CID observed that Mars supplies fruit and nut bars, which are marketed as nutritious snacks using natural, premium ingredients. The Target Firm on the other hand, supplies cereal bars which are marketed as breakfast or granola bars.



28. Given that Mars supplies fruit and nut bars while the Target Firm supplies cereal bars, for the purposes of this assessment, the CID focussed on the snack bars as this is the market where the effects of the transaction are likely to occur.
29. The CID noted that snack bars are usually distinguished from confectionaries and chocolate bars on the demand side, because they are perceived as a healthier alternative with less sugar and have a base which has a more nutritional value. On the demand side, more nutritional value is placed on cereals such as muesli and oats. Customers are becoming increasingly health conscious, and a higher value is placed on the consumption of those products which can lead to less future health problems⁷. Snack bars keep the ingredients in their most natural form, lower in sugar and sweeteners and higher in fiber as compared to chocolate bars. Snack bars are hence usually perceived as a healthier alternative than chocolate bars. For this reason, in an event of a 5-10% increase in the price of snack bars, the CID considered that it is unlikely that customers will switch their consumption to chocolate bars, and in this scenario, the chocolate bars supplied by Mars.
30. The parties submitted that Euromonitor defines snack bars as: "the aggregation of cereal bars, protein/energy bars, as well as fruit and nut bars."
31. The CID noted that cereal bars are ready to eat processed cereal grains, mixed with other components, such as nuts, dried fruits, yogurt, glucose/sugar syrup which are pressed into a solid bar shape. Cereal bars are usually consumed on-the-go, as a quick source of energy, as a replacement for a meal, especially breakfast or in between meals or before or after physical activities. The parties submitted that cereal bars include "breakfast bars, a breakfast replacement or substitute that can be filled with fruit, fortified with vitamins, and/or dried/powdered milk in some cases", "brunch bars/ muesli bars and chocolate or yoghurt coated cereal bars", and "granola bars, which are primarily made up of cereal grains (most commonly oats, but other grains such as wheat or corn can also be used)".
32. The CID observed that cereal bars can be chewy, baked and crunchy depending on the main ingredients, additive used and coating/decoration. The CID also noted that a possible segmentation between branded and private label products and has also assessed cereal bars under that distinction. While the CID was alive to the fact that cereal bars can be segmented according to the main ingredient used and the resulting texture and the brand, the CID was of the view that no further segmentation was required as this would not change the competitive assessment of the transaction.
33. Fruit and nut bars have as their main component fruits and nuts, which are processed into a bar shape, and this includes processing fruits into a paste so that

⁷ Michelle Klerks, Sergio Román, Ruud Verkerk & Luisma Sanchez-Siles, 'Are cereal bars significantly healthier and more natural than chocolate bars? A preliminary assessment in the German market' (2022) Journal of Functional Foods www.sciencedirect.com/science/article/pii/S175646462200010X



it holds the shape or processing the nuts with a sweet syrup to bind it all together to make it in the form of a bar. The CID noted the parties' submissions that fruit and nut bars include "fruit pastes and/or dried fruits and nut-based bars or a combination thereof" and "do not contain cereals" and "both ambient and chilled variants are included."

34. The CID also noted the parties' submissions that according to Euromonitor, the category of protein/energy bars refers to snack bars "with an energy positioning". "A key criterion of energy bars is that these bars are high in protein and are often nutritionally fortified to give an energy boost". "Terms to feature in sports positioning include 'performance,' 'sport,' 'training,' 'muscle building,' [and] 'recovery.'" The CID observed that this category often includes "energy bars in the traditional sense", "snack bars that address daily energy and nutrition needs", and "protein bars which are specifically positioned around sports, fitness or workout and owned by a sports protein company."
35. While the CID noted the potential segmentation of snack bars into cereals bars, fruit and nut bars and energy bars, the CID was of the view that for the purposes of the assessment of this transaction, a broad market for snack bars can be adopted. This is because from a demand side, all three types of bars are ready to eat on the go products which are designed to provide a quick source of energy to the consumer, irrespective of the main ingredient used.
36. The above notwithstanding, given the global overlap in the activities of the parties, the CID considered that a further narrowing of the market is not necessary as any alternative market definition will not alter the competitive assessment with respect to **the manufacturing and supply of snack bars**.
37. Based on the foregoing assessment and without prejudice to the CID's approach in similar future cases, the relevant product market was determined as **the manufacturing and supply of snack bars**.

Relevant Geographic Market

38. The Commission's Guidelines on Market Definition define the relevant geographic market as comprising ***"...the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas"***⁸.
39. The CID recalled from the parties' submission that Mars does not supply any snack bar in the Common Market. The CID further noted that the suppliers of snacks in the Common Market are mostly global manufacturers, including Mondalez, Nestlé,

⁸ Paragraph 8



Alpen, Weetabix and Bokomo. The CID further noted that the main producers of snack bars on a commercial scale in the Common Market are in Egypt and Kenya. The CID observed that commercial snack bars are imported in the Common Market from global suppliers based in South Africa, United Kingdom, China, India and United States of America.

40. The CID also noted that snack bars can also be manufactured on an artisanal basis under some private labels in some Member States. The CID noted that these suppliers however do not export outside the manufacturing country. For this reason, the CID was of the view that these manufacturers are marginal and will not impact the global market.
41. The CID observed that the parties consider the following global players as their competitors: General Mills, Mondelez, PepsiCo, Ferrero & related parties, Nestlé, Vitamin Well and Simply Good Foods Co.
42. In view of the above assessment, the CID concluded that the geographic scope for the manufacture and supply of snack bars is likely to be broader than the Common Market and may extend globally given that manufacturers and sellers are global players. Therefore, the CID determined the geographic scope for the manufacture and supply of snack bars as global.

Conclusion of Relevant Market Definition

43. Based on the foregoing assessment, and without prejudice to the CID's approach in similar future cases, the CID defined the relevant market as **the global market for the manufacturing and supply of snack bars.**

Consideration of Substantial Lessening of Competition or "Effect" Test Market Shares and Concentration

44. The parties submitted the following market shares as compiled by Euromonitor for the global supply of snack bars, per Table 1 below for the year 2023.

Table 1: Market shares for global suppliers of snack bars in 2023

Company	2023	
	Sales (USD million)	Share (%)
██████████	██████████	██████████
██████████	██████████	██████████



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Determination

48. The CID determined that the merger is not likely to substantially prevent or lessen competition in the Common Market or a substantial part of it, nor will it be contrary to public interest. The CID further determined that the transaction is unlikely to negatively affect trade between Member States.
49. The CID, therefore, approved the transaction.
50. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 25th day of March 2025

Commissioner Dr Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma

Commissioner Vipin Naugah

