

From: Susan Mills
Sent: 04 October 2011
To: AngloLafarge
Cc: David.Warrington
Subject: Anglo American (Tarmac) / Lafarge Merger Inquiry

FAO: John Doyle.

Response on behalf of David Warrington, Managing Director of NWF Agriculture Ltd.

In response to your letter dated 21st September 2011, I would expect this acquisition to have an adverse effect on the supply and pricing of an essential material into NWF Agriculture Ltd.

NWF Agriculture Ltd., part of the NWF Group Plc, is the second largest animal feed compounder in the country. As a buyer of bulk raw material ingredients, a competitive market is essential if we are to achieve fair buying prices and so be able to provide good fair value to our farmer customers. In recent years, the number of suppliers of bulk raw materials into the UK for animal feed has contracted sharply and so has made our job of acquiring the material we require more difficult.

Many of the materials we require are priced with reference to Futures markets (e.g. our wheat is priced via the Euronext London Wheat Futures, our Soya is priced via the Chicago Exchange), and as such a fair market price can be established. Our bulk powders, Limestone and Salt, are not on futures markets and as such, I believe the best way to establish a fair price is through competition.

Currently we purchase Limestone bulk powder from Tarmac and one other company. There are very few suitable suppliers for this material. My concern for further merger comes from when, in recent years, the British Salt acquisition of a competitor seems to have had an adverse effect on our ability to purchase bulk salt at a fair price. I appreciate that the acquisition, although initially found against due to this very reason, was finally recommended as NCSW was planning to exit the market, however Salt prices appear to have increased far in excess of just the energy price rise we would have expected to see. Indeed, on asking for contracted supply, sometimes British Salt will not even offer a price as they have less competition so have put their volume into the more lucrative markets. As barriers for entry into salt/Limestone processing are prohibitively high, I can only see further contraction of supply through mergers such as the Anglo/Lafarge example as a bad thing.

If I can be of any further help, please do get in touch.

Regards,

Susan Mills

Raw Material Manager

NWF Agriculture Ltd., Wardle, Nantwich, Cheshire. CW5 6AQ.