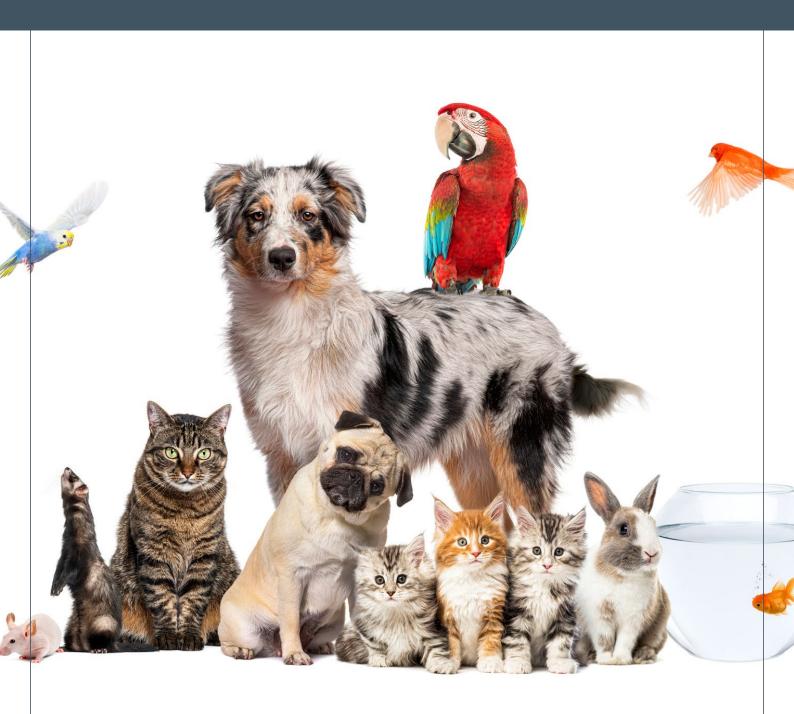
## WEBBER WENTZEL'S PET CARE BUSINESS OFFERING



## **WEBBER WENTZEL**

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The pet care industry is a broad and rapidly developing market with substantial growth potential, including segments such as pet food, veterinary care, nutritional supplements, and treats, grooming and boarding services, toys, beds, clothing, and accessories. It is also a significant segment for consumers, many of whom consider their pets as part of their families. This is evidenced by the growing trend for pet-friendly travel, accommodation, and activities.

As reflected in a viral meme circulating on social media, "Plants are the new pets. Pets are the new kids. Kids are now like exotic animals – you've got to be a little bit crazy or rich to have them".

## THE EVOLVING LANDSCAPE OF PET OWNERSHIP

In a 2023 BrandMapp study, it was noted that as of June 2023, 45% of middle to high-income South African adult consumers owned pets, most of which were dogs. **Brandon de Kock, director at WhyFive Insights** states that "The dog is no longer left out in the cold or tied up to bark in the backyard, and the cat isn't just an amusing mouse-killer that comes and goes. Families now have 'fur babies' and it's caused the pet market to boom in a range of ways".

Our leading cross-disciplinary team of experts advises clients ranging from manufacturers to distributors and retailers, on the wide-ranging challenges and priorities facing businesses in the pet care industry. We guide clients on the relevant industry standards and risks with a solid understanding of business and strategic imperatives, as well as the broader ecosystem.



Apart from assisting our clients with bolstering their standard terms of business and related documents by considering key legal and commercial considerations, we also advise on all aspects of our clients' commercial agreements and arrangements, including the drafting and negotiation of bespoke supply agreements, co-manufacturing agreements, distribution agreements, merchandising agreements, standard terms and conditions, service level agreements and disclaimers. Our clients within the pet care industry include Woolworths, RCL Foods and Martin & Martin.

Our experience also extends to mergers and acquisitions involving key role players in the industry, where we:

- Acted for Woolworths in its acquisition of a majority stake in Absolute Pets Pty Ltd.
- Acted for Acorn Agri & Food in its acquisition
  of the entire share capital of the Ascendis
  Animal Health division, being Ascendis Vet
  Pty Ltd, Ascendis Animal Health Pty Ltd, Kyron
  Prescriptions Pty Ltd and Kyron Laboratories Pty
  Ltd.
- Acted for Martin & Martin in the sale of its dry pet food manufacturing facility to AFGRI.
- Advised RCL Foods on its disposal of Vector Logistics Pty Ltd to EMIF II Investment Proprietary Limited for a consideration of ZAR 1,25 billion.
- Acted for Martin & Martin in its acquisition of the Purina pet food business from Nestle South Africa.
- Acted for Martin & Martin in its acquisition of the pet food products business from Nestle South Africa.

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We advise on all licences and other authorisations, approvals, registrations and permits required in terms of the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act, 1947, the Agricultural Products Standards Act, 1990, and other applicable legislation. A notable transaction in this regard is our involvement in **Acorn Agri & Food's** licensing requirements in its acquisition of Ascendis Vet Pty Ltd, Ascendis Animal Health Pty Ltd, Kyron Prescriptions Pty Ltd and Kyron Laboratories Pty Ltd.



We advise on all aspects of competition law, including merger control approval, prohibited practices, and conducting compliance reviews and training. We advise clients in the FMCG sector on competition law risks relating to contractual and commercial arrangements and restrictions, including exclusivity provisions, rebate provisions, procurement, distribution and resale, retail, and franchise arrangements, and digital/web-based platforms.



We offer a wide range of real estate-related services through our established team of real estate lawyers, notaries, conveyancers, and paralegals. We also work closely with our corporate, tax, finance, projects, dispute resolution and public law experts, to offer seamless solutions to complex property related matters.

Our services include immovable property-related transfers, drafting and negotiation of commercial lease agreements, servitudes, and other land use agreements, and reviewing title deeds to assess material risks, security of tenure, encumbrances, restrictive conditions and/or any other rights impacting a property.



We advise on all matters relating to IP, including brand strategy and protection, registration of trade marks, designs and domain names, IP portfolio management, IP litigation (trade marks, copyright, designs, patents, trade secrets, know-how, confidential information, goodwill, domain names), commercialisation of IP, including licensing arrangements, anti-counterfeiting, and advertising regulatory board matters. Our track record includes transactions where we:

- Acted for **Martin & Martin** on the licensing of the Epol trade mark.
- Advised Martin & Martin in relation to an Advertising Standards Authority complaint pertaining to certain claims made on its cat food product packaging.
- Advised on the IP aspects for Martin & Martin
  in its acquisition of the Purina pet food business
  from Nestle South Africa.
- Advised on the IP aspects for Martin & Martin in its acquisition of the pet food products business from Nestle South Africa.



All businesses in South Africa, whether it is a small family business or large retail chain, must be aware of health and safety hazards arising from their undertaking. Thereafter, these businesses should have policies and measures in place to mitigate employees and third parties from being harmed by exposure to those hazards. Our specialist occupational health and safety team partners with employers to understand their health and safety legal obligations, the regulatory environment (licensing and other engagements with enforcement regulators) and the implementation of legal solutions to mitigate risk. In addition, our team is also qualified to provide practical input on occupational health and safety management, and guide employers through health and safety legal processes such as investigations, litigation and prosecutions.

Depending on the needs of each business, we also offer tailored legal solutions such as occupational health and safety legal training, drafting bespoke health and safety risk management documents (including statutory letters of appointment, collective agreements, agreements with contractors, suppliers and/or clients, policies and procedures) and conducting investigations and advising on incident management.



We advise on all environment-related matters and specialise in assessing potential or existing environmental risks and liabilities in the context of a broad range of industries, including pet care. In addition to establishing licensing requirements and identifying opportunities for a business or project, we are able to audit compliance with legal requirements and provide assistance with environmental litigation and other legal challenges or disputes. We also specialise in advising on environmental aspects pertaining to closure, decommissioning, and rehabilitation. Some notable matters we have worked on in this regard include:

- Acting for RCL Foods in making representations, through the Consumer Goods Council of South Africa, to the national government to exempt RCL Foods and all other pet food production manufacturing facilities from the requirement for an atmospheric emission licence (matter ongoing).
- Acted for RCL Foods in an environmental permitting compliance-related matter for its Randfontein pet food manufacturing facility.
- Acted for Paws to Heaven, a pet crematorium, in environmental permitting compliance-related matters.



Every business faces potential conflicts of varying size, scope and complexity. Disputes can have a significant impact on resources, time management, and may result in reputational risks. Avoiding disputes is as strategically important as resolving them. In addition to assisting clients with a variety of litigation, we work to develop effective strategies to both avoid and resolve disputes, including comprehensive risk mitigation strategies. Our expertise has enabled us to assist Martin & Martin in settling various disputes pertaining to primary and secondary distribution contracts.

For more information on Webber Wentzel's Agribusiness, Food & Beverage Pet Care Business offering, please contact our sector leaders below.



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