ISA layers on their feet again

Already announced in mid-April and expected for months, sale of the layer breeder business by Merial and Hubbard ISA became effective at the beginning of June. Alain Audubert, who has been appointed chairman of the newly reconstituted "ISA", is looking forward to leading the business again.

By Philippe Caldier

There had been rumors for quite some time, but in April it became clear that Hubbard-ISA had found a party interested in buying its layer breeding business. The new owners are private investors lead by Natexis Industrie, with the active contribution of O&C Partners, chaired by Alain Audubert who was CEO of ISA from 1983 to 1990. Mr. Audubert, former Senior Vice President of RP-R (today Aventis) has been appointed Chairman of the new entity and supervises the ISA Group Executive Committee, comprised of Benoît Pelé (President), William Bézilles (CEO of the commercial chicks activity), Jean-Pierre Rollin (C.F.O) and Pascal Charpentier (Marketing and Communication VP).

In an exclusive interview for World Poultry we asked the new chairman the details of the takeover.

Merial and Hubbard ISA agreed to sell the egg layer breeder business to private investors led by Natexis Industrie. When was the transaction closed and what is the content of the agreement?

Alain Audubert: “The transaction closed on June 2nd in Paris, after having received approval from the Antitrust Authorities. The newly reconstituted «ISA» Institut de Sélection Animale incorporates all layer breeding businesses on a worldwide basis of Hubbard –ISA as well as its commercial chick activities in France and the UK.

The research farms are located in France and in the US and Canada, respectively for ISA, Babcock and Shaver. The network of GPS farms around the world is part of the transaction, as well as the large production facilities in Europe, notably France. ISA is a fully owned subsidiary of its holding company CIV, itself controlled at more than 90% by Natexis Industrie, the balance being detained by the management team of ISA. Natexis Industrie is a fully owned subsidiary of Natexis Private Equity, which belongs to the Natexis Populaires Group. Natexis Industrie is focused on long term investments in innovative companies with a high growth potential”.

What will be the main consequences of this transaction on the former business activities?

Alain Audubert: “ISA today is number two worldwide in the layer business and has as its sole goal to regain its leadership position, particularly in the white egg segment. All the current teams have been confirmed in their position and are developing action plans, within a highly decentralized system.

The main consequence of this transaction will be a significantly increased presence at the field level, translating into a rejuvenated customer service in all its aspects”.

Will you keep the former brand names, well known by farmers?

Alain Audubert: “All the ISA, Babcock and Shaver birds will continue to be selected and marketed on a world-wide basis through the existing networks, since all the distribution contracts have been transferred to the new entity. ISA new management is very grateful for the loyalty and confidence continuously expressed by its independent distributors: it strongly believes this is the right approach to better service for top performing birds and top economic results for all the players in the egg industry.”

Which type of strategy do you expect from the new owners?

Alain Audubert: “The initiative in terms of strategy and growth belongs to the Executive team of ISA, which will present its projects to the Board of Directors of its holding company for approval and funding. Yves Roucaud, Chairman of Natexis Industrie, has sat for a long time on the Board of the former ISA and understands our industry very well. This is a guarantee for a fast decision making process, backed by the significant financial resources Natexis Industrie can further devote to the ISA-Babcock/Shaver Group”.

New focus for Hubbard and BUT

Following the new agreement, Merial will retain its broiler and turkey breeder units, Hubbard, British United Turkeys (BUT) and BUTA. Merial and Hubbard will also retain the former ISA and Shaver broiler breeder business, which will maintain its strong presence in Europe and Asia.

The broiler and turkey meat breeding business will be run as autonomous business units. The business will be structured regionally, for broilers Hubbard LLC (Americas), Hubbard Europe and Hubbard Asia, for turkeys, BUTA for the Americas and BUT for the rest of the world.

BUT is the global leader in turkey breeding. BUT turkeys lead in all sectors of the European markets and the recently launched T2 turkey is gaining share in North America.