

From: [REDACTED]
Sent: Monday, 12 August 2024 6:11 pm
To: Registrar
Cc: [REDACTED]
Subject: Foodstuffs Merger

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To Whom It May Concern:

We are a medium size supplier who supply primarily into the grocery industry.

There are issues with how the NZ grocery market operates. I however don't believe the proposed merger between FSSI and FSNI is at the core of the issue and therefore they should be allowed to merge.

It is my opinion that core to the sustained success and breadth of a diverse supply base is how all banners engage with the supply base on the category review processes and how therefore the consequential decisions on the number of stores you are ranged in and why, the number of facings and where product sits on shelf are made.

It is my opinion that the category review process should be a transparent fact based process.

Transparency of all data – there are certain parts of the data set that retailers use to determine whether one brand could be substituted for another brand. This substitutionability data is not released by Foodstuffs as part of the data that they currently sell (via DunnHumby). This is an example of what may be a critical factor in the decision process that we as the supply base are not allowed to have. I appreciate there needs to be confidentiality between buyer and seller vs the total market but between those parties should be transparency.

Cost of data – the retailers (not limited to grocery channel) sell their data to the supply base. The cost of this data can be prohibitive to many of the SME community. Data is at the core of what our decisions are made on. The ability to transform the core data into insights takes time and resource. Not all suppliers have the internal capability to do so.

The current prolonged process to determine if this merger should occur is causing material damage to the people whom work in this industry. From supplier to retailer to others. This prolonged period has

the industry being one that has become less attractive for recruitment. When people leave companies they are less likely to replace due to the uncertainty to what the industry will look like in the future. The mental and physical wellbeing is negatively impacting many in the industry. It is time to make a decision.