

**H. Bruce Anderson**

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Commerce Commission,  
44 The Terrace,  
Wellington,

27<sup>th</sup> April 2011

Dear Commissioners,

I have been a sheep farmer for 50 years and am quite dismayed at the draft determination announced by the Commission to give Cavalier Wool Holdings a monopoly of wool scouring in New Zealand.

I was on the board of Wool Marketing Association through the 1970's and 1980's. This was a company that scoured and exported (a merchant scourer) over 12 percent of a very large crossbred wool clip. I was also on the board of Mair and Company for some years. I have also held off farm positions on the boards of Landcorp, AgResearch and the Alliance Group. There are many issues in your decision which I believe would not stand close scrutiny. New Zealand Wool Services has a significant role as a Merchant Wool Scourer and their value is in being a total entity. If for example the export division was transferred it would be extremely difficult for the company to perform successfully without the scouring integration. I believe wool volumes would reduce for the residue marketing company and its future would be at risk. It would be like running a meat company without processing facilities.

The wool scouring industry in New Zealand over the years has been intensely competitive which has helped prices and reduced costs to farmers. This intensely competitive nature of the business has also been a catalyst for much innovation and research and development as competitors tried to gain the upper hand. If you create a monopoly, all this drive for improvement will be lost forever.

Finally, I am firmly of the view that should your interim decision translate to a final decision, the industry and farmers will most likely face increases in scouring charges of up to 50 percent.

Yours sincerely,



Bruce Anderson,