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Dear Sir/Madam.

I am writing to express concern as an observer in that I am a woolgrower, at the proposed merger between Cavalier and Lamperire, including their respective minority shareholders.

When Lamperire bought Wool Services International the opponents to the purchase expressed concern at future anti competitive outcomes as a result of.

This merger will bring such outcomes to fruition; in that Lamperire operates 2 modern wool scours at present as does Cavalier.

The outcome of the merger would see the no of scours reduced to 2, both of which would be owned by Cavalier.

Such a merger will create a monopoly not good for the industry, and will be anti competitive in nature.

The woolgrower will be the ones that will pay the bill in terms of increased scouring costs, further reducing the profitability of the industry.

Whilst it is claimed that China has significant and increasing scouring capability and indeed is scouring NZ sourced wool, it must be noted that they are still scouring approximately 22% of the wool they import, the same as in 1988.

It is my view that such a merger is anti competitive, and is therefore breaching the purpose of the section 27 of the Commerce Act.

Particularly in that an "arrangement" is being created in the form of a merger. The "purpose" of which will be to reduce competition, and the "likely effect" will be higher costs for growers as a consequence of increased scouring charges to competing wool exporters.

I hope that the Commission will look long and hard at this merger proposal, given that history to date shows that the free market has not worked for the wool industry.

A good example is current wool prices; with this past week I sold wool at \$3.85 per kg. The same as in the mid 1980s.

How much further before it becomes uneconomic to harvest?

Yours faithfully  
Mike Plowman

A handwritten signature in black ink, appearing to read "Mike Plowman".