

From: [REDACTED]
Sent: Monday, 22 January 2024 2:08 pm
To: Registrar
Subject: Foodstuffs merger

You don't often get email from [REDACTED]. [Learn why this is important](#)

Dear Sir/Madam,

In respect to the proposed merger between Foodstuffs South Island & North Island, our company is against the merger for a number of reasons.

Firstly, the current structure gives us the opportunity to get ranging in one or other, with the ability to test market a product in a smaller operation to prove it's worth. If we get a decline from either FSNI or FSSI, we can always present the product to the other entity and potentially get a chance to prove the product. The two entities have also conducted their range reviews at different times of the year, meaning we might only have to wait a few months or so before we get another shot at ranging. In a merger there would be at best, one review a year and the outcome could kill the opportunity for one of our products/brands altogether.

The result of a merger would be less choice for consumers less opportunity for suppliers to test product viability.

We have already seen evidence of this in the way FSNI now conducts its range reviews on a centralised basis. Until recently, codes were issued at head office level and then we had the ability to sell in store by store, again building a case for wider ranging and distribution across their stores. This opportunity is now confined to one presentation at head office.

This later point is very relevant to New Zealand's once prevalent and innovative food start up industry. This 'in or out' approach is killing off many of these smaller boutique start-ups in their early stages, reducing choice for consumers and competition for the larger, more established suppliers. The merger will only acerbate this.

A merged Foodstuffs would also become considerably more powerful to resist competitor retailers coming into the market and establishing themselves.

In conclusion, the merger will be detrimental to consumer choice, bad for smaller local manufacturers and suppliers, and reduce the attractiveness and ability of competitor retailers to enter the NZ marketplace and improve competition, pricing and choice for New Zealanders.

Yours sincerely and in confidence.

