

Woolrite Ltd  
P O Box 295,  
Ashburton

27 April 2011

Anthony Stewart  
Senior Investigator  
Commerce Commission  
WELLINGTON

Dear Sir,

**We strongly disagree with the proposed acquisition by Cavalier to obtain the ultimate control of NZWSI.**

We have been heavily involved in the New Zealand wool industry since 1937, servicing Canterbury wool growers as wool handlers, and in later years as wool growers. It is our belief that there is no way that this proposed action would benefit the agricultural sector.

NZWSI over recent years has developed sound grower relationships and incentives.

- Purelana (a direct supply from grower to scour)
- The only company to provide regular market information to the grower that includes newsletters on trends etc.
- New Zealand owned wool company with New Zealand grower shareholders.
- We have found NZWSI to have an open door policy with farmers.

The lack of opposition would ultimately result in the wool grower being hugely disadvantaged. A monopoly in any industry would benefit only one person/business and that is the person/business who has the monopoly. Everyone else in the chain suffers and is at the mercy of this one outlet -in this case it would be Cavalier.

Question for the commission to consider:

- Who is going to benefit from this acquisition – certainly not the grower?
- What New Zealand businesses have a monopoly and how does this benefit their clients?
- How can a single wool scouring company be of benefit to the grower? – We believe the result would be higher scouring prices, or the wool would be shipped overseas in its greasy state and bypass the New Zealand wool servicing industry altogether?
- Why limit the grower and carpet manufactures options?

***Take away the competition and the flood gates open for an increase in scouring cost and 'god help the grower'. Competition is an essential ingredient of any industry.***

Yours faithfully,



Milton Hulme

Woolrite Director

On behalf of the Hulme Family, Ashburton, Mid Canterbury