

4 March 2011

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**PUBLIC**

**by email**

### **CAVALIER WOOL HOLDINGS LIMITED (CWH) AUTHORISATION APPLICATION**

- 1 Thank you for meeting with Godfrey Hirst on 24 February in relation to the above application.
- 2 Godfrey Hirst, as the leading manufacturer and supplier of carpet to the New Zealand market, is vitally interested in this matter. Already a leading manufacturer of woollen and synthetic carpet in Australia, Godfrey Hirst expanded its carpet manufacturing business to Auckland in 1986. It subsequently acquired its own yarn spinning plant in Christchurch. In 2007 Godfrey Hirst acquired the assets of Feltex New Zealand out of receivership. The restructured Godfrey Hirst group now has capacity to produce over 2.5 million broadloom metres of carpet annually from its state of the art plants, selling under its two main brands in New Zealand, Feltex and Godfrey Hirst.
- 3 As will be apparent from that initial meeting, Godfrey Hirst is strongly opposed to CWH's proposal to acquire New Zealand Wool Services International Limited (NZWSI). Put bluntly, that acquisition would have the effect of eliminating all existing competition in the markets for scouring services.
- 4 Potential competition would provide no effective constraint on the merged entity's complete dominance of the markets for scouring services. The bald claim in the application that "nothing has changed in the market" since the Commission's consideration of CWH's 2008 application to acquire Godfrey Hirst's scours ("CWH's previous application") is clearly incorrect. A potential entrant seeking to enter the scouring market after implementation of the current proposal would face a single ubiquitous competitor which has all the advantages of scale and efficiencies that the application claims.
- 5 Further, the major impediment to entry identified in CWH's previous application – namely, obtaining resource consent for new wool scour operations – now would be difficult to overcome. The conversions to dairying referred to in the application, especially in the Canterbury region, have resulted in increasing demand for water take, with many catchments there now either fully or over allocated. Water availability would constrain the ability of wool scour operations to assimilate waste.
- 6 To elaborate, wool scouring is essentially the process of washing greasy wool in hot water and detergent to remove the non-wool contaminants and then drying it.

There are a number of variables that would impact on the ease in obtaining the required resource consents for a wool scour. These include:

- 6.1 The location of the proposed scour;
  - 6.2 The suitability of the land use zoning of the site;
  - 6.3 The rules that apply to contaminant discharge, any water takes or any other scour operations;
  - 6.4 The ability, or otherwise, to transfer existing resource consents held for the site to the wool scour applicant;
  - 6.5 The extent of the environmental effects from the activity;
  - 6.6 The extent of the opposition from neighbours, environmental groups, hapu or other interested parties; and
  - 6.7 The extent of other demands on available water or other resources required to assimilate waste.
- 7 Obviously these factors will differ from site to site. It is therefore simplistic and misleading to make a generalised comment that “nothing has changed” in relation to all those matters that might preclude a new scour being established.
  - 8 Further, the timeframe for obtaining resource consents is not short. In normal circumstances, a contested hearing would take approximately six months; and any appeal to the Environment Court would extend that time considerably.
  - 9 CWH’s outright acquisition of Lanolin Trading – and control of the New Zealand market for wool grease – would also act as a new barrier to potential entrants to the scouring market. All wool grease is traded through Lanolin Trading, presently operated as a co-operative by CWH and NZWSI. Any new entrant scourer could effectively be denied that avenue to trade its wool grease, being a valuable by-product of the scouring process. The new entrant could also be denied access to all the intellectual property and industry know-how that Lanolin Trading has amassed as a co-operative.
  - 10 In short, de novo entry into the scouring market now is most unlikely.
  - 11 The claim in the application that overseas wool scourers – especially in China – would impose constraint is facile. Most scouring capacity in China – like that in Australia – is configured to process the fine wool mostly required by the Chinese textile and apparel manufacturing industries. In any event, the cost of sending New Zealand wool to China for scouring would be prohibitive.
  - 12 The cost of scouring New Zealand wool in China for return to New Zealand is estimated at [     ], as follows:
    - (a) Dumping and New Zealand freight to port [     ]

- (b) Return freight [ ] [ ]
- (c) Holding costs [ ] [ ]
- (d) Chinese scouring costs [ ] [ ]
- (e) Chinese HD packing/dumping [ ]
- 13 This compares to the current cost of scouring in New Zealand of approximately [ ], significantly more expensive, not cheaper as CWH suggest.
- 14 Indeed, it is unclear whether an HD packing or wool dumping service would even be available in China for returning the scoured wool to New Zealand.
- 15 In addition to removing all existing competition and deterring potential new entry, the acquisition would have serious vertical integration consequences for those downstream markets for which strong wool is the primary input. Such markets include manufacturing of carpets and other textile products. New Zealand and Australian carpet and textile manufacturers currently further process up to 30% of the New Zealand wool clip, adding significant value (in excess of \$1 billion to their respective economies).
- 16 Those adverse vertical integration consequences are ignored totally by the application, which claims that the proposed acquisition “will, ultimately, reduce vertical integration.” That claim is patently misleading.
- 17 First, as described above, CWH’s outright acquisition of Lanolin Trading creates a new barrier to entry to the scouring market. Second, and more seriously, all downstream processors of strong wool would become dependent on a single scourer, CWH, which itself is a rival processor.
- 18 At present the New Zealand wool industry has 2 scourers of strong wool – CWH and NZWSI – which not only compete, but do so employing quite different business models. CWH, as well as scouring all the Cavalier Group’s own carpet wool requirements, also operates as a commission scourer, providing scouring services to a number of wool merchants, Godfrey Hirst and other further processors of wool.
- 19 NZWSI operates primarily as a merchant scourer, which typically purchases, scours and ships the broad range of wool types required by its export customers for further processing. That different business model requires NZWSI to employ a more innovative approach to its operations as it has to modify its offering to meet the differing demands of its user clients.
- 20 Importantly, however, NZWSI also provides merchant scouring services for New Zealand downstream processors, including [ ]. [ ]
- [ ] The increasing importance of NZWSI as an alternative scourer, and the incentive and potential for NZWSI to increase its commission scouring operations, was stressed in CWH’s previous application.

21 CWH, as a commission scourer, currently must “compete” with NZWSI for Godfrey Hirst’s scouring requirements, to the extent that NZWSI itself will scour any wool that NZWSI supplies to Godfrey Hirst. If CWH were allowed to acquire NZWSI’s scours and operations there would be both loss of NZWSI’s present incentive to innovate, as well as potential for price increases and price discrimination by the merged entity.

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24 Importantly, Godfrey Hirst would not be the only firm so adversely affected. All downstream processors of strong wool would face increased costs and decreased levels of service from the merged entity. Those downstream processors would extend to Australian carpet manufacturers, including Godfrey Hirst, who are presently reliant on supply of strong wool from New Zealand wool merchants.

25 Even if the merged entity were not to take advantage of its market power to increase prices and/or reduce service levels, the rationalisation of New Zealand’s scouring capacity onto one site each in the North Island and South Island would give rise to substantial additional risk of business interruption. Fire, earthquake and industrial action are all real risks.

26 The commercial rationale claimed in the application for the proposed acquisition is misleading. Reference is made to the report of Wool Taskforce and the sweeping claim made that the proposed transaction “reflects one step in maintaining and enhancing value ... by adding value to greasy wool grown in New Zealand.”.

27 In fact, the acquisition will do the opposite. Essentially, the Wool Taskforce report stresses the need to raise demand for products made from strong wool by developing “entirely new products, uses, and markets for strong wool”. That is, wool is better treated as a core ingredient in further processing, than as a commodity.

28 That transformation will not happen if further processors become captive to a single supplier of scouring services.

29 The putative existence of scouring capacity in China will provide no relief to a New Zealand (or Australian) manufacturer of strong wool products, if it involves a [ ] increase in the cost of scouring. In any event, that Chinese scouring capacity – like the Australian scours – is configured to process the fine wool required by Chinese textile and apparel manufacturing industries.

30 New Zealand manufacturers of carpets and other strong wool products require on shore a competitive and innovative scouring service for the strong wool that New Zealand produces. The New Zealand wool industry simply will not transform in the way the Wool Taskforce postulates if the Commission allows the creation of a bottleneck at scouring level.

31 In indentifying the counterfactual the application endeavours to down play the resulting loss of competition, by suggesting the exit of NZWSI’s wool scouring assets in any event, through that plant being acquired by a Chinese buyer and relocated to China. That claim is fanciful. Chinese scourers have ready recourse to modern, purpose-built plant that is better configured for dealing with the fine wools that Chinese manufacturers mostly require.

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33 Adopting NZWSI scours’ continued independent existence as a proper counterfactual, it is apparent that the lessening of competition consequences would be substantial and real.

34 Against that, the benefits claimed in the application have little substance – some productive efficiencies; proceeds from sale of land and buildings; and claimed quality improvements.

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36 The Commission’s own long-standing guidelines to the analysis of public benefits and detriments mandate that there not be acceptance of any one party’s estimation of detriments and benefits. Rather, that the business community have well-focused input on the matter. That testing cannot happen unless more detail of the applicant’s claims and NERA’s analysis is revealed.

37 Nevertheless Castalia, at Godfrey Hirst’s request, has endeavoured to provide a detailed critique of the applicant’s claims and NERA’s analysis. This is still work in progress but Castalia’s initial economic analysis and preliminary assessment is **attached** as Appendix A. Castalia demonstrates that the benefits claimed from the proposed acquisition – assuming they were to occur – are not such that the acquisition should be permitted. On the contrary, except on a best/best case basis - where “one has to make some very unrealistic quantitative assumptions and to ignore important market effects” - the detriments arising from the complete horizontal aggregation of wool scouring services together with the vertical impact on downstream wool processing, would likely outweigh those benefits by a substantial margin.

- 38 As a person vitally interested in the outcome of this application and able to assist the Commission, further, Godfrey Hirst will want to receive, and the opportunity to comment on the Commission's draft determination, and would want to attend a conference held in relation to the application. Indeed, it is vital that such a conference be held given the respective ranges identified by NERA and Castalia for the various categories of detriments and benefits. Those ranges can only be narrowed by the focussed input of the business community that a conference would allow for.
- 39 Attached as Appendix B are Godfrey Hirst's more detailed comments on specific paragraphs of the application.
- 40 Please note that the whole of this initial submission and Castalia's outline is commercially sensitive. Godfrey Hirst will make its public submissions on the Commission's draft determination.

Yours faithfully

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**APPENDIX A**  
**CASTALIA'S ANALYSIS**

**APPENDIX B**

**COMMENTS ON SPECIFIC PARAGRAPHS OF APPLICATION**

**(All numbers refer to paragraph numbers of application)**

- 2.3 The proposed acquisition includes 50% of the shares in Lanolin Trading, mean that CWH then would own 100% of the shares in Lanolin Trading. The assets of that cooperative company include all the intellectual property which has been developed and paid for over many years by the whole of the woolscouring industry in New Zealand.

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- 2.4 NZWSI's register currently includes 3800 minority shareholders who are mostly woolgrowers who with a desire to be involved in the wool industry beyond the farm gate.
- 3.2 Refer comments on para 2.3.
- 4.3 The application does not outline what CWH's intention with regard to the trading division of NZWSI other than to say that CWH does not intend to remain the owner of NZWSI's wool exporting/merchant business. This business could be divested or simply allowed to lapse. This is critically important as NZWSI exports a significant proportion (claimed to be up to 35%) of the clip. If the business is allowed to lapse, NZWSI's current share of the export/merchant market presumably would be distributed amongst remaining exporters. That concentration in itself would represent a reduction in competition (at export level) and has the potential to impact the New Zealand wool industry in a negative way.

Further, should NZWSI Trading simply cease operations, there is no certainty that existing exporters would be able to finance the additional business available to them, particularly at a time when banks are generally tightening up on their lending and credit insurance (a condition of most bank facilities) is becoming more difficult to obtain. Thus, wool growers would lose an important avenue to export markets.

- 5.9 Contrary to CWH's claims, there is now an expectation of *increased* wool production, provided the recent wool price rises can be sustained. Presently farmers are earning approx \$20 per ewe after shearing costs, compared to wool production being regarded as a marginal business only 12 months ago.



- 5.10 That previous forecast of a steady or slightly declining flock was a result of the poor lambing percentage for 2010 due to adverse weather, combined with the highest meat company schedule prices for many years. Long term, the current expectation is that sheep numbers will start to grow, provided meat and wool prices remain stable.
- 5.11 The Wool Taskforce reported prior to the increase in wool and sheep meat prices that occurred in the second half of 2010 and have continued into the 2011 season.
- 5.12 More recently, the media has been highlighting increased wool prices with woolgrowers interviewed stating they will increase production provided the prices don't fall. It is true that the adverse weather events of 2010 disrupted this, but wool and sheep meat growers have clearly signalled their intention to increase output.
- 5.13 Wool scouring does not "add value" to wool other than the processing cost itself, which is estimated to be \$60 million per year. Value is only added to wool through further processing such as carding, spinning, felting, manufacturing into carpet. As the Wool Taskforce stresses, "strong wool is simply an ingredient in further manufacturing". Value will not be added if the creation of a bottleneck at scouring deters that further manufacturing from occurring within New Zealand.
- 5.14 This is wrong. Rationalisation of the scouring industry in New Zealand to date has been the result of two separate factors. Firstly, the declining clip as a result of falling sheep numbers, resulting in less wool available for processing. Secondly, scours themselves have become bigger and more efficient, with only the largest and most technologically advanced remaining competitive and viable.
- 5.19 This is wrong. Exports of greasy wool have *not* increased in the past decade but remained relatively steady. This has resulted in an increase to the *percentage* of the clip that is exported greasy as a result of the reduced total clip. Further, Greasy exports of wool to China comprise mainly mid-micron wools such as T100 and T107 (25-32 micron), not coarse carpet wools (>35 micron).

The chart attached as Schedule 1 details wool dumped in New Zealand 2003-2008. Greasy wool exports are understood not to have increased in terms of total volume in the subsequent two years.

- 5.19 The statement that the top 18 scours in China have a capacity of twice the existing New Zealand scouring capacity (5 scours including Clive) implies that Chinese processing is less efficient in comparison and therefore provides limited competition to New Zealand. The fact is that scouring in China is predominately targeted towards fine and mid micron wools for the apparel and hand knitting markets, rather than carpet types that New Zealand processing is focussed on. Processing efficiency is greatly reduced with fine wools in particular as fine wools cannot be scoured at the same production rates as mid micron coarse wools. The top 18 Chinese scours referred to are largely incapable of processing New Zealand strong/coarse wool types and therefore represent no competition to CWH.

- 5.20 Refer previous comments on para 5.15. Further, the claim of 18% greasy wool exports quoted suggests that there has been a slight decline in greasy wool export volume since 2009. The chart attached on Schedule 2 indicates that while almost 22% of wool was dumped rather than scoured in 2003/4, that percentage in fact has been reducing.
- 5.21 Installing new scouring capacity in New Zealand is not a matter of simply installing a scour. One of the biggest barriers for a new entry would be gaining the necessary resource consents, which could take years, particularly if anyone objected (such as an incumbent processor), not to mention the cost. Given that profit is so volume sensitive a new scour in New Zealand is highly unlikely due to the total cost involved. Finally, refer comments regarding para 2.3. If CWH owned 100% of Lanolin Trading and all its wool scouring intellectual property, that intellectual property would not be shared with a new entrant, thus setting the barrier to entry even higher.
- 5.22 It is unlikely that any efficiency gains or reduced production costs will be passed on to customers. CWH is a company that is now 50% owned by investor shareholders with no experience or interest in growing the New Zealand wool industry. Rather, they may be expected to maximize the return on their investment in CWH.
- 5.26 The rationalising of Kaputone and Whakatu scours would create significant risk for all New Zealand and Australian carpet and textile manufacturing industries if a disaster or breakdown at either of the two remaining working sites were to occur. Put simply, the remaining site could not meet demand, even with Clive back on line. This would cause potentially catastrophic interruption to every wool exporter and carpet and textile manufacturer within New Zealand and Australia, should a major loss or natural disaster occur at either of the CWH sites. There is no discussion of this anywhere in the application. Revenues from the further processing businesses put at risk would exceed \$1 billion.
- 5.50 The Clive plant does not have the capacity to meet demand in the event that either CWH's Awatoto or Timaru sites were to suffer a catastrophic event such as earthquake, fire or industrial action.
- 9.2 The statement that 85% of New Zealand's wool is exported is wrong. Approximately 1 million bales are produced in New Zealand. [

] This equates to 200-270,000 bales or 20-27% of the clip.

There are also other Australian carpet manufacturers such as Victoria Carpets and Tuffmaster that are heavily reliant on New Zealand scoured wool. Again, Chinese processing is not a cost effective viable option with return freight and dense packing costs overriding reduced Chinese scouring tariffs.

- 9.7 This is misleading. New Zealand may grow only 8% of the wool produced internationally; however, this represents in excess of 26% of the strong wool produced globally and supplies around 45% of the global carpet industry. Australia represents 20% of global wool production but this comprises mainly fine wool.

Coarse wool and fine wool are completely different products and should not be compared or considered as the same product market for the purposes of this application. The CWH application refers to the almost complete transfer of Australian wool processing to China over the past decade, but ignores the issue of wool type. The reason that New Zealand still has a scouring industry is because we grow the majority of carpet wool produced internationally and we have a large local carpet manufacturing industry that is dependent on that wool and having it scoured.

- 9.8 This is wrong, refer 5.15 comments. It is suggested that merchants currently export greasy wool for scouring on their account in China. This is not the case as greasy wool exported by a merchant is sold to a manufacturer who may blend it with wool from other countries at their discretion however with the merchant having no involvement post delivery.
- 11.2 The application does not note that a further 25% interest in CWH was acquired by the ACC in 2009. Post-acquisition, those 2 institutional investors would have a 50% interest in all of New Zealand's scouring capacity, with an incentive to maximise their return through increased scouring charges.
- 12.4 Refer para 4.3 comments.
- 14.2 Acquisition by overseas interests of the NZWSI shares presently for sale would require OIO consent and the potential post-acquisition relocation of the scouring assets to China would be a matter for the OIO to consider. [
- ].
- 14.3 Refer para 9.7 comments. Of the scours closed and exported from New Zealand most have gone to South America, USA and India, not China.
- 15.17 There is no reference within the application to wool used within New Zealand and Australia. This is significant and represents at least 20% of the total clip (but a significantly higher percentage of the strong wool produced in New Zealand). Not only are there financial constraints (cost of dumping and China return freight) to consider but also environmental concerns. Processing carpet in New Zealand with Chinese scoured New Zealand wool would add significantly to the carbon footprint of the finished product. Further, both Cavalier and Godfrey Hirst participate in Environmental Choice programs that require wool to be processed in approved and certified scours, of which there are none in China and it would be extremely difficult for Chinese processors to gain approval to these Australasian schemes.
- 15.21 There is an obvious error with the claim that 21% of New Zealand's wool is scoured in China. This is not possible because greasy wool exports only total 18%.
- 15.22 The claim that it is cheaper to scour wool in China ignores the additional costs that would be faced by Australasian wool processors who would require the wool to be returned to New Zealand or Australia. These costs would include:
- (a) dense packing or dumping in China;

- (b) return freight to New Zealand or Australia; and
- (c) additional financing costs due to the additional time it would take to take delivery of the scoured product.

These additional costs are estimated at a minimum of [ ]. After allowing for New Zealand dumping, freight to and scouring within China (using the CWH figures) a true scouring cost of around [ ] is indicated.

There is also an error relating to the amount of greasy wool that can be exported in a single container with the maximum weight being 21,000kg greasy or 17,000kg clean. The affect of this would likely see 17,000kg parcels of wool traded rather than the present 20,000kg and this would add an additional 2.2c/kg cost.

- 15.25 Refer 15.17 comments regarding Godfrey Hirst's ability to have wool scoured in China. The comparative cost analysis does not include dense packing of scoured wool in China or return freight to New Zealand as it assumes the wool will be further processed there. Freight out of China is more expensive than freight in. Also, there is the time involved. Chinese scouring of New Zealand wool will take longer so there is an additional cost of funding wool whilst it is being scoured. Finally, the CWH contains an error relating to the quantities that can be shipped, as greasy wool exports are limited to less than 17000 clean kgs or around 21000 greasy kgs per standard 20' container.
- 15.28 If it were cost effective for wool to be scoured in China for export (as scoured wool) then this would already be happening, in which case there would be figures to support it. The much more likely scenario is that all wool scoured in China is also further processed there. That is, New Zealand wool is simply exported as a raw ingredient for value add further processing them in China.
- 15.29 Most, if not all of the scours listed are fine wool scours that are not capable of processing New Zealand strong/carpet wool types.
- 15.30 Most, if not all of the examples quoted represent fine wool scours not capable of processing New Zealand strong/carpet wool types.
- 15.31 The examples quoted represent fine wool scours not capable of processing New Zealand strong/carpet wools. The Top Master scour is an Andar product designed to process fine wool. The Andar product designed to process coarse wool is known as a Card Master scour.
- 15.32 This relates to the Australian wool industry which is Merino dominated, unlike the New Zealand wool industry which is strong/carpet wool focussed.
- 15.35 Charguer/Schneider deal in fine/Merino wool not strong/carpet wool.
- 15.42 CWH did have an arrangement in place with [ ] that provided substantially cheaper scouring for wool that would otherwise be scoured in China. Also, it is disclosed prior to processing whether the scoured wool is for use within New Zealand, suggesting that CWH could impose a surcharge for this if they desired

in the knowledge that the cost of processing in China was significantly more expensive for wool that has to be returned to New Zealand.

16 Refer 5.21 comments regarding the cost of entry into wool scouring in New Zealand.

18.13 In the event that either of the two remaining scours fails there will be insufficient capacity to meet processing demand within New Zealand. At present, if any of the 4 existing sites failed the remaining sites could meet existing demand for scouring.

18.19 Merchants margins are not affected by the scouring tariff, which is a fixed cost that is taken into account when they sell wool. If the scouring tariff decreased then merchants would likely adjust their costing in order to remain competitive with each other. This would benefit the purchaser of the wool, not the grower, scourer or merchant.

18.44 Fig 5 (6) should include 2009/10 figures. Also, this includes all wool types tested including greasy wool exports and wool processed at NZWSI plants. It is assumed that CWH processes the same mix of wool types and colour.

18.44 Fig 6 (7). Another explanation could be that CWH processing was below industry standard and has now improved to an acceptable level. Also, should include 2010 figures.

18.56 This seems to imply that the merchant's "benefit" will be an ability to provide scoured wool to current specification using cheaper woolmix. That assumes that scouring costs will not be increased for the enhanced proved scouring service.

18.71 This states that CWH will be able to increase tariffs because they can produce a whiter scoured product and that merchants will be happy with this. As per 18.19 above, the cost of scouring is a fixed part of the merchant's costing and the more likely potential benefactors of increased scouring efficiency would be either the end user through a lower scoured wool price or CWH through a higher scouring tariff with no competing scour of scoured wool there is nothing to prevent CWH from increasing scouring tariff.

18.78/9 The markets quoted are dissimilar to New Zealand. Refer para 9.7 comments.

18.8 The sale of NZWSI to overseas interests would require OIO consent, which could be opposed if there were risk of the assets being relocated out of New Zealand.

18.82 Any wool super store would require cooperation between brokers, which is unlikely to occur.

19.14 Refer 15.25 and 15.28 above.

19.2 Commission scouring prices have already increased following the sale of the GH scouring business to CWH.

19 There is no detriment mentioned relating to the risk of potential business interruption to local and Australian based carpet manufacturers and wool processors.

This is a major concern as an industry contributing our \$1 billion to GDP will be seriously exposed in the event that either of CWH's two sites were to become incapacitated for even a short period of time.

**SCHEDULE 1**
**PROJECTED GREASY BALES DUMPED IN NEW ZEALAND**

<b><u>Dump store locations</u></b>	<b><u>Owned by</u></b>	<b>Actual 2002/3</b>	<b>Actual 2003/4</b>	<b>Actual 2004/5</b>	<b>Actual 2005/6</b>	<b>Actual 2006/7</b>	<b>Proj 2007/8</b>	<b>Est 2008/9</b>
Hawkes Bay Wool Dumpers	Cavalier		[-]	[-]	[-]	[-]	[-]	[-]
Clive Dump (incl gsy blend)	Clifton Wool Scour	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Wanganui Wool Dumpers	Cargill	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Napier Wool Dumpers		[-]	[-]	[-]	[-]	[-]	[-]	[-]
<b>Total N.I greasy bales dumped</b>		[-]	[-]	[-]	[-]	[-]	[-]	[-]
CHCH Wool Dumpers (incl gsy blend)	Clifton Wool Scour	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Timaru Wool Dump	Cavalier	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Dunedin Wool Dump	Clifton Wool Scour	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Invercargill Wool Dump (incl gsy blend)	Clifton Wool Scour	[-]	[-]	[-]	[-]	[-]	[-]	[-]
PGG Wool Dumpers	Pyne Gould	[-]	[-]	[-]	[-]	[-]	[-]	[-]
CSL Dump	Godfrey Hirst	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Ferrier South Canterbury	Standard/Furhman/Modiano/Ferrier	[-]	[-]	[-]	[-]	[-]	[-]	[-]
<b>Total S.I greasy bales dumped</b>		[-]	[-]	[-]	[-]	[-]	[-]	[-]
<b>Total N.Z greasy bales dumped</b>		[-]	[-]	[-]	[-]	[-]	[-]	[-]

SCHEDULE 2

*Wool Processed in NZ (bales)*

		2007/8		2006/7		2005/6		2004/5		2003/4		2002/3	
Scoured	North	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	South	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	Total	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Dumped	North	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	South	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	Total	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Total	North	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	South	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	Total	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]

*Wool Processed in NZ (kgs)*

		2007/8		2006/7		2005/6		2004/5		2003/4		2002/3	
Scoured	North	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	South	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	Total	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Dumped	North	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	South	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	Total	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
Total	North	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	South	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]
	Total	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]	[-]