

PUBLIC VERSION

**COMMERCE ACT 1986: BUSINESS ACQUISITION SECTION 66: NOTICE SEEKING
CLEARANCE**

11 July 2014

The Registrar
Business Acquisitions and Authorisations
Commerce Commission
PO Box 2351
WELLINGTON

Pursuant to s 66(1) of the Commerce Act 1986 notice is hereby given seeking **clearance** of a proposed business acquisition.

PUBLIC VERSION

1. SUMMARY OF APPLICATION

- 1.1 Lowé Corporation Limited, Taranaki By-Products Limited and Stephen Dahlenburg have incorporated a newly formed company Tuakau Proteins Ltd. Tuakau Proteins Ltd will acquire Lowé's Tuakau rendering and trucking businesses, Lowé's Hawera rendering plant and equipment and Dahlenburg's 50% interest in Kakariki Proteins Ltd on the terms described in this application.
- 1.2 The arrangement will allow Lowé to benefit from the technological expertise in enhancing efficiency that TBP can bring to its plant and equipment, the proven operational expertise of Dahlenburg, and the dedication of lines and plants that will allow Tuakau Proteins Ltd to enhance efficiencies and offer better prices and value to its customers, including the major meat companies.
- 1.3 The primary customers of rendering will continue to undertake their rendering through a mix of self-provision and use of third party/independent plants as they do today.
- 1.4 The drivers of this transaction are not unique to New Zealand. Around the world renderers, and their customers, are looking for renderers to increase value of output by offering species dedicated lines and to offer better prices than otherwise possible through operating and scale efficiencies. The value of such efficiencies to rendering customers through acquisitions/collaboration in rendering markets is recognised internationally. The parties' key rendering customers are supportive of the transaction.
- 1.5 At the same time enhancing the efficiency of the rendering plants will increase the amount of product that is processed by renderers into valuable end product sold into international markets, rather than simply ending up in New Zealand's landfill.
- 1.6 In summary, the parties see this transaction as enhancing efficiency, output and competition in the rendering markets in New Zealand.

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PART 1: TRANSACTION DETAILS

1. Provide the name of the acquirer (person giving notice), and the name and position of the individual responsible for the notice.

1.1 Lowe Corporation Limited through its wholly owned subsidiary, Graeme Lowe Protein Limited ("**Lowe**"), and Taranaki By-Products Limited ("**TBP**") and Stephen Dahlenburg ("**Dahlenburg**") as intending shareholders in a newly incorporated investment company Glenninburg Holdings Limited ("**Smith/DahlenburgCo**"), (collectively the "**Applicants**") have incorporated a newly formed company Tuakau Proteins Ltd ("**InvestCo**"). InvestCo will acquire Lowe's Tuakau rendering and trucking businesses, Lowe's Hawera rendering plant and equipment and Dahlenburg's 50% interest in Kakariki Proteins Ltd ("**Kakariki Proteins**") on the terms described in this application.

1.2 The Applicants' interests in Investco will be held as follows:

- (a) Lowe will hold 50.1%;
- (b) TBP and Dahlenburg will hold the remaining 49.9%, through Smith/DahlenburgCo,
- (c) TBP will hold 75% of Smith/DahlenburgCo and Dahlenburg will hold 25%.

1.7 The contact details of the parties that will ultimately have shareholdings in InvestCo are:

Lowe Corporation Limited
499 Coventry Road
HASTINGS 4172

Attention: Andrew Lowe
Telephone: 06 872 7700
Email: agl@lowecorp.co.nz

Taranaki By-Products Limited
325 South Road
HAWERA 4674

Attention: Glenn Smith
Telephone: 06 278 2070
Email: glenn@sbtgroup.co.nz

Stephen Dahlenburg
3 Cullwick Road
Mission Bay
AUCKLAND 1071

Attention: Steve Dahlenburg
Telephone: 0274 537 365
Email: steve@kakarikiproteins.co.nz

- 1.2 All correspondence and notices in respect of the application should be directed at the first instance to:

Russell McVeagh
Barristers & Solicitors
PO Box 8
AUCKLAND 1140

Attention: Sarah Keene / Troy Pilkington
Telephone: 09 367 8133
Email: sarah.keene@russellmcveagh.com
troy.pilkington@russellmcveagh.com

2. **Provide the name of the other merger parties, and the name/position of the relevant individual within the relevant merger parties.** The contact details of Kakariki Proteins are as follows:

Kakariki Proteins Ltd
1567A Kakariki Road
RD9
FEILDING 4779

Attention: Steve Dahlenburg
Telephone: 0274 537 365
Email: steve@kakarikiproteins.co.nz

3. **With respect to the merger parties, list the relevant companies and the person or persons controlling these directly or indirectly. Please use organisational charts or diagrams to show the structure of the ownership and control of the acquirer and participant(s) to the acquisition.**

Lowe Corporation Limited

- 3.1 The organisational chart of Lowe is included in **Appendix One**.

Taranaki By-Products Limited

- 3.2 The organisational chart of TBP is included in **Appendix Two**.

Kakariki Proteins Limited

- 3.3 The organisational chart of Kakariki Proteins is included in **Appendix Three**.

InvestCo

- 3.4 The intended organisational chart of InvestCo is included in **Appendix Four**.

Links between the parties

- 3.5 TBP owns a majority 50.1% share in Hawkes Bay Protein Limited ("**HBP**"), and Lowe owns a 49.9% share in HBP.

- 3.6 The organisational chart of InvestCo at **Appendix Four** also shows the links between the parties.

4. Provide details on what is to be acquired.

4.1 InvestCo, a newly incorporated company, will acquire Lowe's Tuakau rendering and trucking businesses, Lowe's Hawera rendering plant and equipment and Dahlenburg's 50% interest in Kakariki Proteins on the terms described in this application.

4.2 Lowe will hold 50.1% of Investco, and TBP and Dahlenburg will hold the remaining 49.9%, through Smith/DahlenburgCo, with TBP holding 75% of Smith/DahlenburgCo and Dahlenburg holding 25% of Smith/DahlenburgCo.

4.3 InvestCo will acquire:

(a) The assets, including contracts, of Graeme Lowe Protein Ltd's rendering and trucking businesses operated at Lapwood Road, Tuakau (excluding Graeme Lowe Protein Ltd's stock, debts and cash), which includes plant and equipment used for rendering bovine materials, poultry materials, and mixed species materials, trucks and collection routes;

(b) Graeme Lowe Protein Ltd's rendering plant and equipment currently situated at Tawhiti Road, Hawera, being plant and equipment used for rendering bovine material (excluding Graeme Lowe Protein Ltd's equipment at the site used for processing dissolved air flotation ("DAF") waste and dairy waste);

(c) 50% of the shares in Kakariki Proteins Limited, being a company that owns rendering plant and equipment used for rendering fish materials, poultry materials, porcine materials, and mixed species materials.

4.4 As part of the same series of transactions, Lowe will acquire 50% of Jackson Transport Ltd from TBP.

4.5 The Applicants are of the view that TBP and HBP will continue to operate as a separate group of companies post-transaction. [] This structure will mean that TBP and HBP on the one hand, and InvestCo and Kakariki Proteins on the other, will continue to operate as two independent heads in the market.

4.6 However, the parties are of the view that even if the Commission were to proceed on the basis that TBP and HBP are "associated" with InvestCo post-transaction that no substantial lessening of competition would arise for the reasons set out in this application.

5. Explain the commercial rationale for the proposed merger.

5.1 In March 2014, Lowe entered into a series of agreements with Silver Fern Farms ("SFF"), including a toll processing agreement to perform SFF's North Island rendering on a toll processing basis (the "SFF TPA").¹

5.2 SFF previously rendered by-products partly in-house and partly by outsourcing to independent service providers. In 2013 it tendered the bulk of its North Island renderable volumes to all service providers requesting a decrease in costs. SFF was looking to outsource its rendering volumes as its own facilities required capital investment. At that time SFF was looking for a long-term by-products partner who could deliver consistent quality and low prices not only in rendering but also in [] [] Lowe offered for rendering services, along with its ability to partner with SFF across a wide

¹ (26 March 2014). Leather Sale Leads Collaboration. Silver Fern Farms. Retrieved from: <http://www.silverfernfarms.com/news/leathers-sale-leads-collaboration>

range of other services [], resulted in SFF awarding its rendering [] business to Lowe. []

5.3 []

5.4 In order to win the SFF TPA, [] []

5.5 Lowe understands that a number of parties tendered against it in respect of the SFF TPA [] [] [].

5.6 Given Lowe [], Lowe needed to explore ways to deliver efficiencies in order to viably fulfil its obligations under that contract. Indeed, SFF supported the concept of Lowe seeking to enter into transactions of the nature that are the subject of this application to drive efficiencies in order to improve the quality of finished product and keep prices as low as possible by enabling line dedication and economies of scale.

5.7 The first step that Lowe identified to deliver those efficiencies was in respect of SFF's Hawkes Bay volumes, which have been sub-contracted to HBP, previously a third party/independent ovine dedicated renderer with a rendering facility at Awatoto, Napier. This saved SFF significant transport costs so that SFF's Hawkes Bay ovine volumes did not have to be transported to Lowe's rendering facility in Tuakau, some 380km away, and HBP's management had significant expertise, in particular, in ovine dedicated rendering (which Lowe does not). [] As part of that sub-contracting arrangement, Lowe acquired a minority 49.9% shareholding in HBP and HBP acquired from Lowe the SFF Pacific rendering equipment that Lowe purchased from SFF (those arrangements were entered into in March 2014). SFF is supportive of those arrangements. [] []

5.8 The HBP arrangement has proven the efficiencies that can be achieved through sub-contracting arrangements to rendering facilities that are closer to the source of the renderable materials and/or by directing volumes to those with particular management expertise and dedicated lines, and by maximising volumes through the most appropriate facilities.

5.9 Accordingly, the parties have identified that they can implement a similar arrangement to achieve efficiencies in respect of Lowe's facilities and Kakariki Proteins's only facility located at Feilding. As part of the acquisitions, the parties will also enter into sub-contracting arrangements (similar to the Lowe/HBP sub-contract) to direct SFF volumes acquired under the SFF contract to the closest and/or most appropriately geared rendering facility.

5.10 In brief, the efficiencies that the parties have identified are:

(a) **Transport and operational efficiency savings:** As part of the acquisitions, the parties will enter into toll processing arrangements to optimise processing and minimise distances travelled from source to rendering plant:

(i) [] [];

(ii) [];

(b) **Management efficiencies:** The acquisition, by providing Dahlenburg with an equity interest in, and therefore commitment to, the business, will enable Lowe to access and deploy the expertise of Dahlenburg, with a proven track record in efficiently managing smaller rendering sites, to also manage InvestCo's Tuakau facility. []. []. Accessing Dahlenburg's expertise in managing rendering plants is a key part of the rationale for the transaction from Lowe's perspective.

(c) **Technology efficiencies:** The transaction will enable the parties to each share their respective technology and innovation knowledge. [] These technology efficiencies will likely include:

- (i) Investment in new technologies to enhance efficiency, such as new heat/energy recovery technologies to lower utility costs;
- (ii) Investment in being able to access newer input streams to minimise waste going to landfill, for example through de-packaging technologies and to further enhance economies of scale;
- (iii) Investment in ensuring that customers' increasing requirements for stock food at specific protein and fat levels are continued to be met; and
- (iv) Investment in best practice environmental standards (effluent treatment, discharge to air).

5.11 The parties' major rendering customers are supportive of the need to achieve greater efficiencies in this industry in order to be able to deliver quality rendering services at lower prices [].

5.12 These efficiencies will enable InvestoCo to offer a more comprehensive and price competitive offering in competition with both its key third party/independent rendering competitors such as Wallace and PVL, and also in competition with the option of in-house rendering that a number of meat processors currently use.

6. Provide copies of the final or most recent versions of any document bringing about the proposed merger.

6.1 The transaction documents, once executed, will be provided to the Commission.

7. If any other jurisdiction's competition agency has been (or will be) notified of the proposed merger, please list each competition agency notified (or to be notified) and the date of the notification.

7.1 Not applicable. This is a transaction that only affects New Zealand.

PART 2: THE INDUSTRY

8. Describe the relevant goods or services supplied by the merger parties (it is sufficient to refer in general terms to activities in which there will be no aggregation).

Lowe

8.1 Lowe Corporation is a family owned company operating in the meat and meat by-products industries.

8.2 Lowe Corporation has operations in:

- (a) **Rendering:** with plants in Tuakau (Northern Waikato) and Hawera (Taranaki), and a 49.9% shareholding in Hawkes Bay Proteins Limited (Napier);

- (b) **Tanneries & fellmongery:** Hides, skins and pelts processing (a number of plants around New Zealand);
 - (c) **Farming Operations in the Hawkes Bay;** and
 - (d) **Property Development and Investments:** (including a 17% holding in Blue Sky Meats in the South Island).
- 8.3 Lowe's Tuakau rendering plant is an independent rendering facility, meaning that all of the material that it renders has been sourced from other suppliers.
- 8.4 Lowe offers a daily shop collection service that covers the northern North Island being the Auckland, Whangarei, Waikato, Bay of Plenty, King Country and Taupo regions. The nature and extent of this service is as follows:
- (a) An on-farm calf collection service, running from Northland, the wider Waikato, Bay of Plenty, south to Taupo and west to Taumaranui. This service operates through a network of contracted collectors in each region. Lowe pays for all calves collected that meet specifications. This is a seasonal service, available from mid-June through to the end of October.
 - (b) A shop waste collection service. This is a daily service, running from Taupo to Whangarei, including the Bay of Plenty. This service focuses on meat waste, and covers species such as bovine, ovine, equine, porcine, avian, piscine and caprine. Suppliers to whom this service is offered include: butchers, supermarkets, fish merchants, NZFSA licensed home kills, pork and poultry producers, and various other food processors.
- 8.5 The Tuakau plant is able to process bovine and poultry materials on dedicated lines, or all species/proteins (mixed pork/lamb/beef/chicken and ovine) together on a mixed species line, as well as processing raw blood material and feathers.
- 8.6 The outputs that Lowe Tuakau is able to produce are inedible tallow; poultry oil; bovine, poultry, and mixed species meat and bone meal; feather meal; and blood meal.
- 8.7 Lowe's Hawera rendering plant is a smaller third party/independent rendering facility that is dedicated to rendering bovine materials on behalf of SFF to produce Halal edible tallow and bovine meat and bone meal.

TBP

- 8.8 TBP is also a family owned company operating in rendering. Both TBP's Okaiawa plant and its HBP plant are independent rendering facilities.
- 8.9 Transport of raw materials to TBP is carried out by Jackson Transport Limited (a subsidiary of TBP). As well as servicing TBP, it also services HBP and Taranaki Bio-Extracts Ltd ("**Taranaki Bio-Extracts**"), and undertakes fertiliser haulage and work for other third party customers.
- 8.10 Jackson Transport collects raw materials from meat and poultry processing plants in the central and southern North Island. It also operates TBP's dead stock collection service in Taranaki and adjacent regions.
- 8.11 TBP's Okaiawa facility operates a [] bovine processing line (on behalf of large bovine abattoirs), a [] poultry line (on behalf of []), a [] feather line and a [] blood line. []

- 8.12 TBP also has a 50:50 JV with ANZCO at Okaiawa called Taranaki Bio-Extracts, which takes edible materials and uses a different process to rendering to turn those products into edible extracts for soup manufacturers.
- 8.13 TBP's HBP plant, based in Awatoto, Napier, is a dedicated ovine rendering line, with most of the ovine materials that it renders sourced from the south-eastern North Island (ie the Gisborne / Hawkes Bay regions).
- 8.14 []
- 8.15 The outputs that TBP is able to produce are bovine meat and bone meal; ovine meat and bone meal; mixed meat and bone meal; poultry meal; feather meal; blood meal; inedible tallow; and poultry oil.

Kakariki Proteins

- 8.16 Kakariki Proteins is a third party/independent renderer based near Feilding in the Manawatu-Wanganui region. Kakariki Proteins is owned 50% by Turk's, its largest poultry material supplier. Kakariki Proteins operates a mixed rendering line, with a particular focus on poultry (supplied by Turk's) Poultry Farm Ltd ("**Turk's**"), porcine and fish materials. It operates a regular collection mainly in the Wellington and lower North Island areas and also collects materials from the Auckland region, and will service food processing factories, home kills, supermarkets, and other suppliers of raw animal products.
- 8.17 The outputs Kakariki Proteins is able to produce are mixed meat and bone meal, fish meal, inedible tallow and poultry oil.

9. Describe the industry or industries affected by the proposed acquisition. Where relevant, describe how sales are made, the supply chain(s) of any product(s) or service(s) involved, and the manufacturing process. If relevant, provide a glossary of terms and acronyms.

- 9.1 Rendering is a cooking and separating process that turns what would otherwise be waste protein materials into usable outputs. The rendering process involves size reduction, high temperatures, separation, drying, milling, and conveying equipment. In essence, the materials are heated, which separates the materials into solids, fat, and water. The three elements are separated through various processes. Water is evaporated or discarded. Fat is cooled and treated to become tallow, and the solids are dried and ground into meat and bone meal.
- 9.2 Renderable materials include:

- (a) slaughter plant material (such as beef and sheep heads, feet, offal, bones, fat and blood) from the red meat industry;
- (b) material such as fat and bone discarded in preparing cuts for retail consumers trade;
- (c) out of specification packaged fast moving consumer goods;
- (d) poultry material including offal and feathers;
- (e) fish waste;
- (f) pork waste;

- (g) dairy waste; and
- (h) DAF waste.²
- 9.3 The primary sources of supply for renderable materials are meat, fish and poultry plants, grocery stores, butcher shops, home/farm kill and fallen stock.
- 9.4 The parties estimate there are over 20 rendering sites in New Zealand, with a number of different parties active in rendering in the North and South Islands.
- 9.5 The rendering equipment necessary to perform this process is available internationally from equipment suppliers.³
- 9.6 Rendering is either performed:
- (a) **In-house:** ie by meat processors' own internal rendering facilities (eg AFFCO, Alliance, Taylor Preston, Canterbury Meat Packers, SFF, Wilson Hellaby, Blue Sky Meats, Prime Range Meat, Tegel); or
- (b) **By a third party/independent renderer:** (eg Lowe, TBP, Wallace, PVL, Kakariki Proteins, South Canterbury By-Products, Keep It Clean, Value Proteins). This is typically done on one of the following bases:
- (i) Toll process;
- (ii) Toll process and marketing output on behalf of the supplier of the renderable materials; or
- (iii) Purchase of raw material at source and marketing output on the renderer's own account.
- Butchers, supermarkets, meat processors, and home-kill customers all may use third party/independent rendering services.
- 9.7 Some meat processors also compete in third party rendering, for example:
- (a) Wilson Hellaby owns PVL, a third party renderer based in Auckland;
- (b) AFFCO has moved in and out of third party rendering in response to available margins;
- (c) SFF owns 50% of South Canterbury By-Products, a third party renderer in the South Island; and
- (d) Turk's owns 50% of Kakariki Proteins.
- 9.8 Where the renderable material is rendered at a different site from the source of that material it is picked up by trucks equipped to carry renderable materials. The sealed bins necessary to carry renderable materials to rendering plants are readily available to transport providers. In addition to renderers having their own truck fleets, there are a

² Dissolved air flotation ("DAF") is a water treatment process that clarifies wastewaters (or other waters) by the removal of suspended matter such as oil or solids. Renderers can use the DAF process to recover proteins from dairy waste / effluent. For example, Fonterra uses DAF to process waste water at its Longburn site (see: <http://www.fonterra.com/global/en/about/our+locations/newzealand>).

³ For examples see:

- The Dupps Company: <http://www.dupps.com/>
- Haarslev: <http://www.haarslev.com/>
- Anco-Eaglin: <http://ancoeaglin.com/>

number of transport providers that offer services to transport meat by-products for the rendering industry (for example, Pyramid Trucking Ltd ("**Pyramid**"),⁴ Emmerson Transport Ltd ("**Emmerson**"),⁵ Hooker Pacific, Kam Transport (1989) Limited, Dave Hoskin Carriers Limited, FBT Transport).

9.9 In terms of the area that third party/independent renderers will collect from, there are no rendering facilities whose geographic range covers the entire North Island. In the parties' experience, the typical collection area that a rendering plant can economically cover is a three to four hour trucking radius from a rendering plant. This is because of the cost of freight and because the material spoils if transported too far. The parties' experience in this regard is consistent with the findings of competition regulators overseas (see paragraph 12.13 below):

9.10 The end products of rendering processes are:

- (a) Meat and bone meals. These are dry powders (meals) used in the production of pet and compound feeds, as well as in fertilisers. Meals may be produced using only one species of animal, or using various species (mixed meal).
- (b) Blood meal. This is a meal derived from the dried blood of various animal species. Due to its high nitrogen content, it is used as an animal food supplement for cattle, fish and poultry.
- (c) Feather meal. Poultry feathers are hydrolysed under high heat and pressure, and ground to a meal. The meal is high in protein and easily digestible, and is therefore valued for use in formulated animal feeds, aquaculture, and high nitrogen organic fertilisers.
- (d) Edible and inedible tallow. Tallow is created by heating suet (raw fat), separating the resultant oil from the remaining solids (called "cracklings"), and allowing that oil to cool to room temperature. Edible tallow is produced from beef fat, from cattle that have passed post and ante-mortem examinations. It is then refined and deodorised, and can be used as a deep frying medium or as shortening for baking. Inedible tallow is produced from a variety of species, and is widely used in industries such as the soap and chemical industries, as well as the biodiesel industry. Inedible tallow is also used as an additive in some non-ruminant animal feeds.
- (e) Poultry oil. This product is derived from rendered poultry waste, and is used in pet foods and in compound feeds for the pork and poultry industries.

9.11 The vast majority of rendered outputs are exported (TBP estimates [], Lowe estimates []). Of the volumes remaining in New Zealand, much is returned to the supplier of the animal products under a toll-processing arrangement [].

10. Describe the current industry trends and developments including the role of imports and exports, emerging technologies, and/or changes in supply and demand dynamics.

10.1 There are a number of key interrelated industry trends:

- (a) Red meat consumption continues to decrease in New Zealand year-on-year, and dairying is increasingly replacing beef/lamb farming, meaning that there is less renderable materials available for renderers.

⁴ <http://www.pyramidtrucking.co.nz/>

⁵ http://www.mia.co.nz/about_us/links_to_renderers/index.htm

- (b) Meat, poultry, fish processors are consistently increasing the proportion of their product that they process into usable outputs, for example for pet food (increased product recovery), which further causes the volumes of renderable materials available from such sources to decrease.
- (c) Offal, bones and fat are increasingly recovered for human food consumption due to increasing protein demand from developing nations thus steadily reducing the volumes of such material left for rendering.
- (d) There is significant excess rendering capacity in New Zealand, both in the North Island and South Island.
- (e) Councils are increasingly looking to divert waste streams from landfill into other uses, an example being the Auckland Council's Waste Management and Minimisation Plan. Rendering plants are increasingly being seen as a competitive alternative to landfills for the disposal of meat, poultry, fish, dairy by-product waste. For example, as the Waikato District Council noted:⁶

In addition to the services provided by the council, there are a number of significant private sector facilities in the Waikato district that serve our district and other areas; in particular Auckland and Hamilton. These include:

- Hampton Downs Landfill
- Envirofert composting and cleanfill operation
- Lowe Corporation rendering plant
- Enviro cleanfill and landfill.

These developments are incentivising renderers, where there is sufficient population density (only Auckland in New Zealand) to look to access additional input streams, such as picking up waste from restaurants.

- (f) Suppliers of renderable materials are increasingly requiring renderers to have strong environmental credentials, so that the supplier can advise its customers that its waste products are disposed of in an environmentally friendly manner (which is becoming increasingly important to overseas customers, particularly in the EU). In response, renderers are exploring more efficient rendering technologies, such as heat/energy recovery technologies and improving the ways in which they dispose of their own waste streams.
- (g) Renderers are turning to new technologies to access additional input streams for rendering, in particular by investing in:
 - (i) DAF; and
 - (ii) Depackaging technologies.⁷
- (h) Purchasers of rendered material are becoming increasingly stringent in their requirements, including requiring no cross-contamination of animal DNA, which requires operating different lines for different species.

⁶ (2012). Waste Management and Minimisation Plan. Waikato District Council. Retrieved from: <http://www.waikatodistrict.govt.nz/CMSFiles/69/69da4967-1ca9-4d31-b1b8-5f1c24501409.pdf>

⁷ (June 2012). Depackaging Organics to Produce Energy. BioCycle. Retrieved from: <http://www.dupps.com/FoodDepackagingBioCycle62012.pdf>

10.2 Given the above trends, which are also occurring globally, numerous industry commentators have observed the need for industry consolidation to achieve efficiencies, lower costs and "best in class" rendering quality in terms of output quality and environmental initiatives:

(a) As noted by MergerMarket:⁸

Companies in the business of recycling animal byproducts will continue to seek acquisitions, as they are impacted by the consolidation of their customers and suppliers in the global meat, poultry and fish processing industries, four industry sources told Mergermarket.

Faced with a capital-intensive industry and flat growth in the production of beef livestock, these players will also look to both team up with strategic peers for greater economies of scale, as well as diversify into complementary recycling businesses or form joint ventures to develop new revenue streams.

(b) As noted by large rendering company Sonac (now part of the Darling Group):⁹

These days, other rendering companies are starting to consolidate, especially in Europe and in the US. This results in a smaller number of more professional, large-scale competitors. As rendering is a sensitive business, we need to be very careful, especially with regards to diseases. In the long term, with consolidation, bigger companies can operate in a more professional way to dispel the negative image of animal by-products.

(c) As noted by the Scottish Government in its November 2010 Processing and Rendering Review:¹⁰

There is a worldwide trend towards consolidation in both the processing and rendering sectors to maximise economies of scale and increase efficiency gains. This could over time leave Scotland with fewer meat processing plants and potentially only one large scale rendering facility...

Further consolidation within these sectors is inevitable and should be actively encouraged to achieve efficiency gains.

11. Please highlight any relevant mergers that have occurred in this industry over the past three years.

11.1 In April 2014 Lowe acquired a minority 49.9% shareholding in HBP from TBP. TBP remained as the owner of the majority stake 50.1%.

11.2 The parties are not aware of any other transactions in the rendering industry in the North Island over the past three years.

⁸ (27 September 2013). Global trendspotter: M&A picks up in food waste business as global meat industry consolidates. Financial Times. Retrieved from: <http://www.ft.com/cms/s/2/30c7304a-27ae-11e3-8feb-00144feab7de.html#axzz34JtmFqjo>

⁹ (September 2012). Sonac: Furthering sustainability in meat production. Feed Business Worldwide. Retrieved from: www.sonac.biz/en/informationpress/news/asset-.../download.file

¹⁰ (2010). Processing & Rendering Review. The Scottish Government. www.scotland.gov.uk/Resource/Doc/915/0120295.doc

PART 3: MARKET DEFINITION**HORIZONTAL AGGREGATION****12. For each area of aggregation of market shares, please define the relevant market(s).**

12.1 As previously observed by the Canadian Competition Bureau, there are two sides to the rendering industry:¹¹

- (a) the output side: animal meals and fats used in animal feed; animal meals and fats used in pet food; and tallow and grease; and
- (b) the input side of the business: the collection of animal by-products.

The output side

12.2 On the output side, the degree of aggregation between the parties is minimal. The output side materials are primarily exported internationally, with TBP estimating that [] of rendered material is exported, and Lowe estimating []. Tallow is predominantly traded with China and Singapore while the main destinations for meat and bone meal are China and Indonesia.

12.3 As such, any New Zealand based purchasers can source these outputs from anywhere in New Zealand (or even overseas), that is an Auckland-based purchaser can equally choose between suppliers from Auckland and Invercargill.

12.4 Furthermore, a significant proportion of InvestCo's rendering quantities, estimated at [], are performed on a toll-processing basis meaning that InvestCo will not be involved in selling the outputs for [] of the materials that it renders.

12.5 The parties estimate that, in addition to North Island rendering volumes, a further [] of materials are rendered in the South Island each year, meaning Investco's share of total New Zealand rendering output in New Zealand is at most []. Accordingly, InvestCo's share of any output market is likely to be well within the Commission's concentration indicators.

12.6 Furthermore, because these outputs are traded internationally, the prices of these outputs move in accordance with the international commodity prices of these products, and the fluctuations in prices of competitive alternatives (such as palm oil, soy bean meal).¹² Accordingly, no single supplier could impact the price of these outputs.

12.7 For these reasons, this clearance application does not address the output side further.

¹¹ (25 October 2013). Competition Bureau Statement Regarding Darling International Inc.'s Acquisition of the Rothsay Rendering and Biodiesel Business. Competition Bureau. Retrieved from: <http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03620.html>

¹² See for example:

- (April 2012). Market Report: Industry savors record prices and growing global demand. Render Magazine. Retrieved from: <https://d10k7k7mywg42z.cloudfront.net/assets/4f7f28d8dabe9d0b44019fd4/marketreport2011.pdf>
- (August 2012). Export Markets Vital to Australian Renderers. Render Magazine. Retrieved from: <http://www.rendermagazine.com/articles/2012-issues/august-2012/export-markets-vital-to-australian-renderers/>

The input side

12.8 From a supply-side substitutability perspective, all renderers in the North Island, both third party/independent renderers and in-house renderers, are in the same market because:

- (a) An in-house renderer can switch its volumes from its own in-house rendering facility to a third party facility if it considers that is the most cost effective way to have its material rendered, as illustrated by:
 - (i) SFF's decision to switch from a mixed in-house and third party rendering model to third party rendering in the North Island in response to receiving a competitive price offer from Lowe;
 - (ii) [] decision to switch from in-house rendering to third party rendering [] in response to deciding that was a more cost effective way to have its rendering performed;
 - (iii) [] decision to continue to use third party rendering despite having necessary consents and equipment to perform its own in-house rendering;
 - (iv) AFFCO seeking short term third party rendering capacity when it renovates its in-house capacity;
- (b) An in-house renderer can readily commence rendering on behalf of third parties if margins became sufficiently attractive, as Wilson Hellaby does through PVL and as AFFCO has done historically when available margins were attractive.

12.9 In terms of species rendered, from a supply side it is technically possible to render all animal species on a single line (as is the case with mixed-species lines). The reason that the parties offer dedicated lines is because customers for the output increasingly require no cross-contamination of DNA in tallow, oil and meal outputs, and are willing to pay a premium for single species output. Routine flushing of a rendering line between runs to remove all traces of other species' DNA is not economically viable given the cost and time involved to ensure that a line has been sufficient flushed. [] Therefore, to achieve premium prices for output it is necessary to have species specific lines and there is a price differential between species. The approximate difference in prices per MT of rendering is set out in Figure 1 below:

Figure 1 - Prices for different types of processed meat and bone meal

Species	Typical price per MT for processed meat and bone meal
Mixed species	[]
Bovine	[]
Ovine	[]
Poultry	[]
Porcine	[]
Fish	[]
Cervine	[]

Source: Lowe.

12.10 Nevertheless, while it is not possible to routinely flush a line and switch species on a regular basis, it is feasible for a renderer to perform an intensive hot/pressure washing

to enable any DNA residue to be within acceptable tolerances []. Accordingly, a renderer could readily make the long-term decision to switch from offering, say, a bovine line to a poultry line in response to available margins.

12.11 Therefore, while different renderers are currently dedicated to the rendering of different species, the parties consider it appropriate to adopt a general animal by-product rendering market due to the extent of supply-side substitutability.

12.12 In terms of the geographic extent of the market, as noted at paragraph 9.9 above, in the parties' experience, the typical collection area that a rendering plant can economically cover is a three to four hour trucking radius from a rendering plant, with the closer to a rendering plant that the source material is the better the price the renderer can offer (all else being equal).

12.13 The parties' experience of the geographic radius that a renderer can technically reach is consistent with the conclusions competition regulators overseas in respect of rendering markets:

- (a) The Canadian Competition Bureau has stated "[r]egarding the geographic scope of the business for the input market, the Bureau considered the geographic market to be southern Ontario and, more specifically, approximately 320-400 kilometres around Rothsay's rendering plants";¹³
- (b) The Canadian Competition Tribunal observed that "consumers are unwilling to turn to a supplier whose rendering plant is more than [320km to 400km] distant";¹⁴ and
- (c) The UK's Office of Fair Trading decided that the geographic market of a rendering merger in Northern Ireland covered all of Northern Ireland, which is approximately 200km across but did not extend into the Republic of Ireland.¹⁵

12.14 In the North Island of New Zealand all of the rendering plants are within a 400km radius of another rendering plant, meaning that the technical reach of overlapping catchments may combine to form a chain of substitution that covers all of the North Island.¹⁶

12.15 Accordingly, the parties consider that the relevant market is the market for rendering services in the North Island.

13. Where relevant, please explain how products or services are differentiated within the market(s).

13.1 While the technological coverage of a rendering plant is about 320-400 km radius, the drivers for actual competition are more complex, and feasible trucking distances are only one element of the analysis. Renderers determine their capacity and price offerings based on:

- (a) Species dedication. For example Kakariki Proteins does not compete in any material way with TBP Okaiawa, because Kakariki Proteins has a mixed line with a focus on poultry (from Turk's), porcine and fish materials collected from

¹³ (25 October 2013). Competition Bureau Statement Regarding Darling International Inc.'s Acquisition of the Rothsay Rendering and Biodiesel Business. Competition Bureau. Retrieved from: <http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03620.html>

¹⁴ (1991). Competition Tribunal. *The acquisition by Hilldown Holdings (Canada) Limited of 56% of the common shares of Canada Packers Inc.* CT - 1991 / 001 - Doc # 155a.

¹⁵ (15 March 2012). Case ME/5294/11 Anticipated Acquisition by Linergy Limited of Ulster Farm By-Products Limited.

¹⁶ Decision 606 & 607 *Foodstuffs & Woolworths Limited / The Warehouse Group Limited* (8 June 2007) at [145].

smaller suppliers, whereas TBP Okaiawa offers a bovine dedicated line, poultry dedicated line, feather line and a blood line (and does not render porcine and fish materials, nor compete for smaller volumes such as shop waste, home kill, farm kill etc (see paragraph 16.2(c) below)). To the extent that both Kakariki Proteins and TBP Okaiawa have poultry rendering lines Kakariki Proteins's capacity is dedicated to rendering Turk's poultry materials (due to the equity relationship between Kakariki Proteins and Turk's) and TBP Okaiawa's capacity is [], which Kakariki Proteins in any event would not have the capacity to render given the large quantities of material [] ([]);

- (b) Proximity to plant. Given the limited distances that renderable material can economically be transported, a particular rendering plant is necessarily differentiated from another rendering plant by its location. [] Those facilities will not likely be cost competitive with Tuakau, Wallace and PVL in competing for [] business; and
- (c) Customer relationships. Each customer for rendering has relationships with renderers that need to be flexible, responsive, and increasingly allow for investment in certification and other service levels demanded by the renderer's customers' end customer. This investment in plant, regulatory approvals and service will allow some customers to remain with a preferred renderer for an extended period of time, [] provided also that the renderer continues to be responsive in delivering competitive pricing.

VERTICAL INTEGRATION

14. Provide details of any creation or strengthening of vertical integration that would result from the proposed merger. Please use organisational charts or diagrams to illustrate the structure of the ownership and/or control of the participants and the vertical relationships in question.

14.1 The transaction does not lead to the strengthening of any vertical integration.

PART 4: COUNTERFACTUAL

15. In the event that the proposed merger does not take place, describe what is likely to happen to the business operations of the merger parties and the market/industry.

15.1 It is likely that at least one, if not all, of the parties will explore potential alternative transactions with other competitors active in the rendering industry to achieve the necessary efficiency to ensure their long term sustainability.¹⁷

15.2 However, given there is no certainty as to what, if any, of those alternative transactions will take place the parties consider that the relevant counterfactual is the status quo.

¹⁷ []

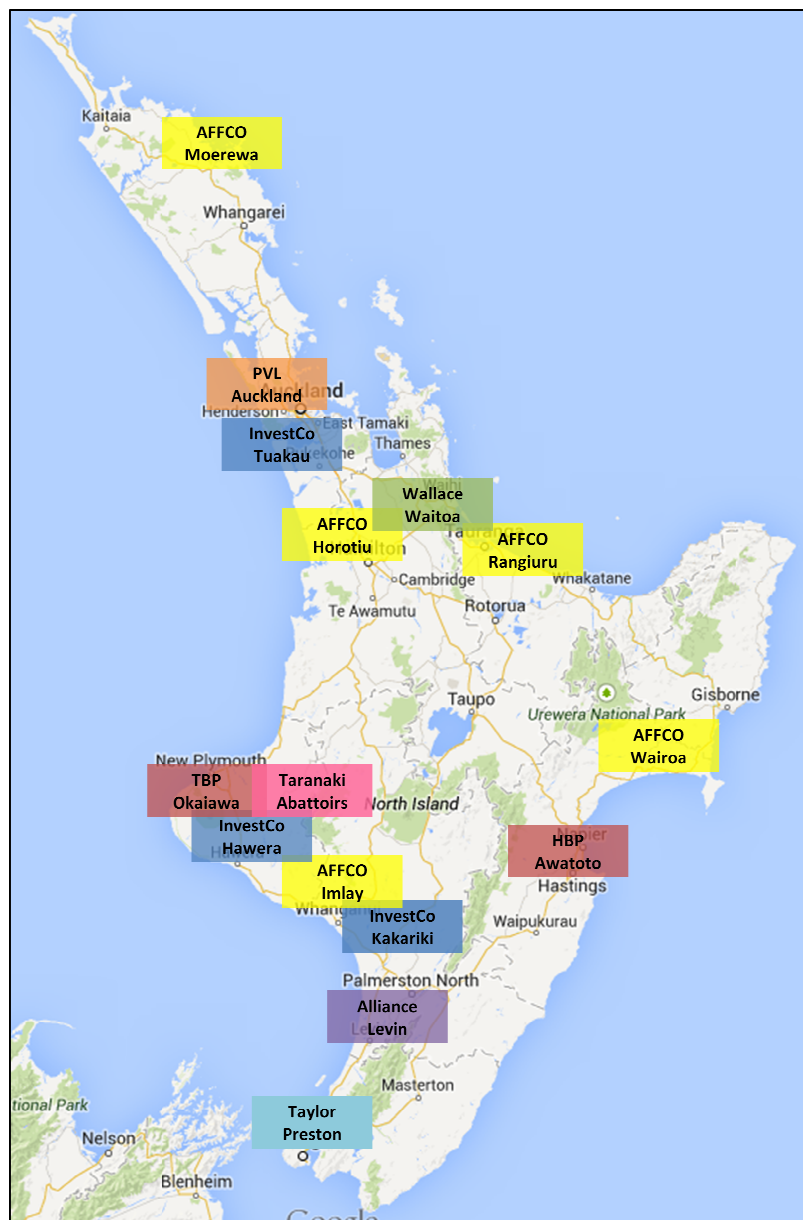
PART 5: COMPETITION ANALYSIS

EXISTING COMPETITORS

16. Identify all of the relevant competitors in the market(s), including near competitors and importers in the market(s), and describe how they all compete in the market(s).

16.1 Figure 2 below shows the location of the various rendering facilities in the North Island:

Figure 2 - Location of rendering facilities in the North Island



Source: Lowe

16.2 The parties to the transaction are not currently each other's closest competitors in the rendering industry. For each the primary source of competitive constraint is other renderers:

- (a) Lowe's Tuakau rendering business is primarily involved in rendering bovine and poultry materials collected from the northern North Island (ie the Auckland / Waikato regions). The Tuakau facility also has a mixed rendering line for rendering shop waste collection and materials from other species. The main competitors of Lowe's Tuakau rendering facility are:
- (i) Wallace's rendering facility at Waitoa. Wallace has a bovine/poultry mixed line, a feathers line, a blood line, as well as a mixed rendering line for the rendering of shop waste and other species. Waitoa is only 96km from Tuakau.
 - (ii) PVL Proteins has a mixed rendering line for the rendering of its in-house volumes as well as shop waste, home kill and other materials that it can source from third party renderable material suppliers in the Auckland/Waikato region. PVL's plant in Auckland is only 47km from Tuakau.

By contrast, TBP's Okaiawa facility is 370km from Tuakau, and Kakariki Proteins is 450km from Tuakau. []

- (b) Lowe's Hawera rendering plant is a much a smaller plant than its Tuakau facility (rendering only [] per year). Lowe's Hawera plant is 100% dedicated to rendering bovine materials from SFF's Hawera meat processing plant, as it has been for the past 40 years. SFF's Hawera volumes are rendered by Lowe's Hawera plant pursuant to a long-term contract between SFF and Lowe []. Lowe does not use its Hawera plant to compete for other renderable materials in the Taranaki or surrounding regions, [].

The parties do not consider the Hawera rendering facility and TBP Okaiawa to be close competitors (given Hawera is a dedicated SFF facility). In any event, SFF has extensive experience in rendering and could credibly threaten to recommence rendering its volumes in-house. Both SFF and InvestCo know that this threat is the key source of competitive constraint to ensure that SFF continues to receive competitive prices/service in the Taranaki region. Even if SFF were not inclined to bring rendering in-house in future, there are a number of rendering facilities with spare capacity in the surrounding regions, namely AFFCO Imlay and Alliance Levin, that SFF could play-off against InvestCo and/or TBP to achieve competitive prices/service.

- (c) TBP's Okaiawa rendering business is primarily involved in rendering bovine and poultry materials collected from the south-western North Island (ie the Taranaki / Manawatu regions). TBP Okaiawa is focussed on competing for larger customers with large volumes, and does not compete for smaller volumes such as shop waste, home kill, farm kill etc. TBP is competitively constrained by the credible threat of one its key customers, [] reverting to in-house rendering. That threat ensures that TBP continues to offer competitive prices/quality. Indeed, all of [] are already active in rendering [] and could credibly threaten to add additional in-house rendering capacity if they considered they were not receiving competitive prices/quality from TBP Okaiawa. The fact that, say, Alliance would credibly threaten to invest in new rendering capacity if it considered it cost effective is demonstrated by its recent opening of a new \$25 million facility at its meat processing plant in Invercargill;¹⁸

¹⁸ (17 April 2014). \$25m Alliance rendering plant up and running. NZFarmer.co.nz. Retrieved from: <http://www.stuff.co.nz/business/farming/agribusiness/9952333/25m-Alliance-rendering-plant-up-and-running>

- (d) TBP's HBP Awatoto facility is a dedicated ovine rendering line, with most of the ovine materials that it renders sourced from the south-eastern North Island (ie the Gisborne / Hawkes Bay regions). TBP is the only third party/independent dedicated ovine rendering line in the North Island so in that segment the transaction has no competitive effect at all. The key source of competitive constraint on HBP's ovine volumes is:
- (i) the threat of AFFCO at Wairoa commencing third party rendering of ovine volumes, as it has done in the past; and
 - (ii) the threat of one of its key ovine customers, []¹⁹ commencing in-house rendering. [] has significant volumes of ovine materials that could justify investment in in-house rendering, and the group has the relevant experience having recently operated an in-house rendering facility [].
- (e) Kakariki Proteins is a rendering business near Feilding that operates a mixed line that primarily offers the rendering of poultry, porcine and fish materials to suppliers of smaller volumes, such as fish processing plants, shop waste, home kill, farm kill (sourced from around the North Island, and some fish volumes being transported from the South Island). Kakariki Proteins also renders poultry materials sourced pursuant to the existing equity relationship between Kakariki Proteins and Turk's. The only other independent renderer in the North Island that currently renders fish materials is PVL.

16.3 The operations, and key customers, of other rendering facilities in the North Island are set out in Figure 3 below.

Figure 3 - North Island rendering operations and key customers

Owner	Plant	Description, rendering lines and key customers
InvestCo	Tuakau (South Auckland)	<ul style="list-style-type: none"> • Beef line: [] • Poultry line: [] • Blood line: [] • Mixed line: [] • []
	Hawera (Taranaki)	<ul style="list-style-type: none"> • Blood line: [] • Beef line: []
InvestCo (50%) Turks (50%)	Kakariki Proteins (Manawatu-Wanganui)	<ul style="list-style-type: none"> • Mixed line: []
TBP (Low minority)	HBP - Awatoto, Napier (Hawkes Bay)	<ul style="list-style-type: none"> • Ovine line: []: <ul style="list-style-type: none"> ○ [] ○ [] ○ [] ○ []
TBP	TBP - Okaiawa (Taranaki)	<ul style="list-style-type: none"> • Beef line: []: <ul style="list-style-type: none"> ○ []; ○ []; ○ []. • Blood line: [] • Poultry line: []

¹⁹ []

Wallace	Waitoa (Waikato)	<p>Wallace claims to “operate the largest service rendering plant in New Zealand”, which is situated in Waitoa in Waikato. Wallace’s catchment area covers Waikato, South Auckland, King Country, Bay of Plenty, Northland, Taranaki, Manawatu and Hawkes Bay.</p> <p>Wallace sources raw material from a variety of species, including cattle, sheep, deer, chicken, and duck. Wallace has two dedicated lines for poultry: one for feathers and one for offal. It also has a dedicated line for blood. The remaining line is a mixed line.</p> <ul style="list-style-type: none"> • Feather line: [] • Blood line: [] • Poultry line: [] • Mixed line: []
AFFCO	Imlay (Wanganui), Horotiu (Waikato), Moerewa (Northland), Rangiuru (BOP) Wairoa (HB)	<p>AFFCO is a meat processor with facilities around the country. Four of these facilities (all of them situated in the North Island) have dedicated rendering plants. AFFCO has the largest rendering capacity in New Zealand, and has moved in and out of third party rendering in response to available margins.</p> <ul style="list-style-type: none"> • Blood line: [] • Ovine line: [] • Bovine line: [] • Cervine line: []
Taylor Preston	Wellington	<p>Taylor Preston is an export meat processor. TPL installed a new rendering plant at its Wellington site in 2008.</p> <ul style="list-style-type: none"> • Mixed line: [] • Blood line: []
Wilson Hellaby / PVL	Auckland/AMP	<p>PVL is 100% owned by Wilson Hellaby Limited. PVL is located on-site at Auckland Meat Processors Limited in Otahuhu, which is the largest multi-species processing plant in New Zealand.</p> <ul style="list-style-type: none"> • Mixed line: [] • Blood line: []
Alliance	Levin	<p>Alliance Group Limited has 8 meat processing plants around the country. Two of these plants are in the North Island (Dannevirke and Levin). Alliance Group’s Levin plant renders ovine volumes from Alliance Group’s Levin and Dannevirke facilities, but Alliance contracts out its bovine volumes to TBP.</p> <ul style="list-style-type: none"> • Ovine line: []
Taranaki Abattoirs	Stratford	<p>Taranaki Abattoirs operates out of Stratford, Taranaki. The facility slaughters cattle, sheep and pigs, and produces meat and bone meal and tallow as by-products.</p> <ul style="list-style-type: none"> • Mixed line: []

Source: Lowe estimates.

17. Outline the estimated market shares in terms of sales, and, where relevant, volume and productive capacity, of the merger parties and competitors identified above. Please include the estimated total value of the domestic market; and the source of the data provided.

Figure 4 - Capacity and rendering shares in the North Island rendering market

North Island	Capacity (tonnes)	Capacity share	Rendering volumes (tonnes)	Volume share
Lowe Tuakau	[]		[]	
Lowe Hawera	[]	[]	[]	[]
Kakariki - Manawatu	[]	[]	[]	[]
Merged InvestCo	[]	[]	[]	[]
TBP – HBP	[]		[]	
TBP - Okaiawa	[]	[]	[]	[]
<i>All parties to the transaction</i>	<i>[]</i>	<i>[]</i>	<i>[]</i>	<i>[]</i>
AFFCO	[]	[]	[]	[]
Wallace - Waitoa	[]	[]	[]	[]
Wilson Hellaby (PVL) Auckland	[]	[]	[]	[]
Taylor Preston - Wellington	[]	[]	[]	[]
Alliance Levin	[]	[]	[]	[]
Taranaki Abattoirs	[]	[]	[]	[]
TOTAL	[]	[]	[]	[]

Source: Lowe and TBP estimates.²⁰

18. To what extent do you consider that the merged entity would be constrained in its actions by the conduct of existing competitors in the markets affected?

18.1 InvestCo will continue to be constrained by existing competitors in the market. Given Lowe's Tuakau and Hawera facilities are not geographically close competitors with Kakariki Proteins and Lowe Hawera is a SFF dedicated facility, Lowe does not consider there to be any material change in the competitive dynamic in the market. Even if the Commission were to proceed on the basis that TBP and HBP are "associated" with InvestCo post-transaction, the parties do not consider there will be any material change in the market:

- (a) **Larger meat processors:** Larger customers (or potential customers) such as SFF, AFFCO, ANZCO, Alliance, Tegel and Inghams will continue to have the option of switching between in-house and third party rendering in response to price/quality offerings. Those meat processors are sophisticated purchasers of rendering services, with significant experience in rendering on their own behalf, and will not tolerate being offered uncompetitive price/quality offerings.
- (b) **Butchers, smaller grocery stores, home/farm kill in Auckland/Waikato and surrounding regions, and in Wellington and surrounding regions:** There are two distinct areas that are of sufficient population scale to make it

²⁰ Volumes through TBP's joint venture with ANZCO, Taranaki Bio-Extracts, are included in the figures for TBP Okaiawa.

economically viable for renderers to operate pick-up services to collect small volumes from butcheries, smaller grocery stores and home/farm kill operations []:

- (i) The areas including and surrounding the Auckland and Waikato regions (up to Whangarei, east to Bay of Plenty and south to Taupo); and
- (ii) The areas including and surrounding the Wellington and Manawatu-Wanganui regions [].

Accordingly, it is only in those areas that renderers operate collection services from butcheries, smaller grocery stores and home/farm kill operations. In the rest of New Zealand material from those smaller scale sources typically end up in landfills. PVL, Wallace, Lowe and Kakariki Proteins (to a lesser extent given its location) all currently compete for material from these sources in the Auckland/Waikato area. While the transaction will result in Kakariki Proteins becoming part of the InvestCo group, these smaller customers will still have plenty of options as they will continue to be able to choose between the primary third party/independent renderers in the region, being PVL, Wallace and Lowe.

In the Wellington/Manawatu-Wanganui area only Kakariki Proteins collects this material from butcheries, smaller grocery stores and home/farm kill operations and, therefore, the transaction does not change the number of renderers competing for this material in that area.

- (c) **Fish rendering customers:** The options for fish rendering customers will not change as a result of the transactions. Currently the only renderers that render fish materials in the North Island are PVL's and Kakariki Proteins' facilities. Lowe elected in 2013 not to operate a dedicated fish rendering line. TBP and HBP do not have any fish rendering customers. While Lowe does have some fish rendering customers [] Lowe sub-contracts those volumes to PVL's facility []. Accordingly, Lowe can currently compete for fish rendering customers to the extent it can obtain favourable toll processing rates from PVL or Kakariki Proteins. The number of competing fish rendering facilities will not change as a result of the transaction, and in fact InvestCo should be able to compete more aggressively against PVL for fish customers once Kakariki Proteins is part of the InvestCo group.
- (d) **Poultry rendering customers:** The smaller poultry rendering customers in the North Island, namely [] and Turk's, will continue to have the same options as they do today. []. Turk's will continue to own its shareholding in Kakariki Proteins so will likely continue with that "in-house" model as it does today.
- (e) **Ovine rendering customers:** TBP's HBP plant is the only third party/independent rendering facility in the North Island choosing to operate a fully dedicated ovine rendering line. Accordingly HBP performs all third party/independent dedicated ovine rendering in the North Island. This will not change as a result of the transaction. The key reason for this is geography - HBP has a natural advantage being based in the Hawkes Bay as the North Island's ovine stocks are primarily all based on the North Island's East Coast from Gisborne down. The options for smaller ovine customers will not change as a result of the transaction:
 - (i) []
 - (ii) []

- (iii) []
- (iv) []
- (v) []
- (f) **Bovine rendering customers:** Neither TBP, Lowe nor Kakariki Proteins offer dedicated bovine rendering services to smaller bovine customers in their Taranaki / lower North Island facilities. Given this, the transaction will not remove any options for smaller bovine customers - those in the upper North Island will still be able to choose between the mixed rendering offerings of Wallace, PVL and Lowe as they do today. Those in the lower North Island will still have the same options as are available today, including the option of approaching AFFCO, Taylor Preston or Alliance.

POTENTIAL COMPETITION

Conditions of Entry

19. Please explain the requirements for new entry and/or importers in the relevant market(s).

- 19.1 A new entrant in the rendering market would need to satisfy the following requirements:
- (a) *Investing in a rendering facility.* Lowe estimates that the cost of establishing a greenfields rendering facility would be approximately [] per MT of installed capacity. The estimated cost for a 20,000MT facility would therefore be []. Council costs and effluent disposal systems could increase this cost considerably depending upon the requirements of the particular site.
 - (b) *Facilitating transport of animal materials to the rendering facility.* This could be achieved either through investing in a transport fleet, as is the case with Lowe, Wallace, TBP and Jackson Transport, or coordinating a network of contracted collectors, for example Pyramid or Emmerson, which Lowe does for some of its collection materials.
 - (c) *Obtaining resource consents.* Because the rendering process creates unwanted effluent and odours, resource consents are required. As at 2012, TBP held a total of 11 resource consents associated with its Okaiawa facility.²¹
 - (d) *Volume.* A rendering facility would require a minimum volume of material supplied to it per day to ensure the profitability of the operation.

20. Include a full discussion on any factors that could impede entry; and what might prompt new entry post-merger.

- 20.1 In October 2013 the Canadian Competition Bureau concluded in respect of rendering markets that:²²

²¹ Taranaki Regional Council, "Taranaki By-Products Ltd Monitoring Programme Biennial Report 2010-2012: Technical Report 2012-94", available at <http://trc.govt.nz/assets/Uploads/1210149w2.pdf>. Last accessed 15 April 2014.

²² (25 October 2013). Competition Bureau Statement Regarding Darling International Inc.'s Acquisition of the Rothsay Rendering and Biodiesel Business. Competition Bureau. Retrieved from: <http://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/03620.html>

the barriers to entry for a new rendering facility are moderately high because of required regulatory and environmental approvals and declining volumes of animal raising and processing in Ontario.

- 20.2 Given the existing excess capacity in rendering in the North Island, the declining volumes available for rendering, the parties agree with that assessment and do not consider that greenfields new entry by a new third party/independent renderer is likely.
- 20.3 However, as noted at 21.1 below the parties consider it very likely that existing meat processors would enter/expand into third party rendering in response to any of the following:
- (a) attractive margins;
 - (b) rendering quality concerns;
 - (c) specialisation of end user markets;
 - (d) reliability; and
 - (e) other service issues with existing provider.

They could implement that entry/expansion readily given they already have the necessary equipment, regulatory consents, and spare capacity.

LIKELIHOOD, EXTENT AND TIMELINESS OF ENTRY (THE LET TEST)

21. Please name any likely businesses (including overseas businesses) you are aware of that do not currently supply the market but which you consider could supply each of the relevant market(s). Discuss the likelihood of such entry.

- 21.1 The parties consider that any of the existing meat processors in the North Island that have their own in-house rendering facilities could readily commence rendering on behalf of third parties if margins became sufficiently attractive or other market conditions favoured that expansion. These parties already have the necessary equipment, regulatory consents and spare capacity. For example:
- (a) Wilson Hellaby, through its ownership of PVL, demonstrates that meat processing companies are willing to render on behalf of third parties if they consider that the necessary returns are available;
 - (b) Similarly, SFF owns 50% of South Canterbury By-Products Ltd, which offers third party rendering in the South Island. This again demonstrates that meat processors are willing to have an interest in rendering on behalf of third parties if they consider the necessary returns are available;
 - (c) AFFCO has moved in and out of third party rendering in the past in response to available margins, and it is likely that it would offer such services again if it considered necessary returns were available, especially given it has significant excess rendering capacity (estimated at [] per year); and
 - (d) Alliance and Taylor Preston both have significant excess rendering capacity (estimated at [] per year respectively), and could, therefore, readily be incentivised to offer third party rendering if sufficient returns were available.
- 21.2 The parties are constrained by the credible threat of such entry/expansion by existing meat processors into third party rendering, and accordingly take that competitive

constraint into account in providing competitive price/service offerings to suppliers of renderable materials.

- 21.3 The parties also consider it possible that a large international renderer could look to enter the New Zealand industry by purchasing an existing rendering operation, either an existing third party/independent or in-house renderer, in order to access a source of New Zealand renderable outputs which are highly sought after internationally (as New Zealand is designated as disease free in accordance with the World Organisation for Animal Health).²³ This is evidenced by the international ownership in place in South Canterbury By-Products Ltd (25% owned by Societa Azionaria Prodotti Industriali ("**SAPI**"), a leading Italian rendering company). As noted in 2009 when SAPI bought into this rendering joint venture between itself, SFF and Landmark (New Zealand) Ltd:²⁴

Societa Azionaria Prodotti Industriali (SAPI) was one of the world's leading rendering processors and product marketers, and Mr Cooper [of SFF] said it would also contribute new processing technology and infrastructure to enhance the value of the products...

In a statement, SAPI president Carlo Alberto Rinaldi said the move would ensure supplies for the company when EU production was falling and the industry faced stricter food hygiene standards, especially in countries where there had been outbreaks of bovine spongiform encephalopathy (BSE).

- 21.4 A number of large international renderers have been expanding by acquisition into new territories in recent times. For example, Darling International, Inc., a leading provider renderer in the US purchased Canadian renderer Rothsay in August 2013²⁵ and Vion Ingredients in October 2013, a Dutch renderer with operations in Netherlands, Belgium, Germany, Poland, and Italy. Vion Ingredients itself had previously purchased BAIC Proteins in Australia.²⁶

22. To what extent do you consider that potential entry would be sufficient to constrain the merged entity in the markets affected?

- 22.1 The parties are already constrained by existing competition from third party/independent renderers and the credible threat of such entry/expansion by existing meat processors into third party rendering. This existing constraint will continue post-acquisition, and for the reasons outlined at paragraphs 16 to 18 above, the parties do not consider that the transaction will have any material effect on competition in the relevant market.

23. How long would you expect it to take for entry to occur, and for market supply to increase, in respect of each of the potential entrants named in question 21 above?

- 23.1 The existing meat processors in the North Island that have their own in-house rendering facilities already have the necessary equipment, regulatory consents, and spare capacity. Accordingly, they could commence third party rendering almost immediately.

- 23.2 Customers do not incur any material costs in switching between renderers, so these existing meat processors could readily incentivise suppliers of renderable materials to

²³ (August 2013). Sustainability and Global Markets in the Land Down Under. Render Magazine. Retrieved from: <http://www.rendermagazine.com/articles/2013-issues/august-2013/sustainability-and-global-markets/>

²⁴ (9 January 2009). New SFF company for tallow and rendering. Otago Daily Times. Retrieved from: <http://www.odt.co.nz/news/business/38715/new-sff-company-tallow-and-rendering>

²⁵ (October 2013). Darling International Makes Some Big Buys. Render Magazine. Retrieved from: <http://www.rendermagazine.com/articles/2013-issues/october-2013/darling-international/>

²⁶ (6 April 2012). Netherlands - Vion buy Australian animal by products company. Meat Trade Daily. Retrieved from: http://www.meatradenewsdaily.co.uk/news/060412/netherlands_vion_buy_australian_animal_by_products_company.aspx

switch to their facilities. Significant volumes of rendering materials are not subject to any long-term contracts and [] Accordingly, significant volumes could readily switch to a new third party/independent renderer's facility.

- 23.3 The only condition to commence third party/independent rendering would be for the renderer to contract a transport provider to transport the renderable material from the source site to the rendering facility. Any one of a number of third party transport providers would be willing to perform that transportation service. For example Pyramid Trucking, Emmerson Transport, Hooker Pacific, Kam Transport (1989) Limited, Dave Hoskin Carriers Limited, FBT Transport, amongst others, provide transportation of animal by-products to the rendering industry.

COUNTERVAILING POWER OF BUYERS

24. To what extent do you consider that the merged entity would be constrained in its actions by the conduct of buyers in the markets affected?

- 24.1 Customers, both large and small, have significant countervailing power given the numerous alternative rendering options that they have available to them (as referred to at paragraph 18 above).

- 24.2 All large customers will continue to be able to exercise countervailing power post-acquisition:

- (a) by the threat of switching significant volumes to an alternative third party/independent renderer;
- (b) by the threat of switching to in-house rendering;
- (c) by being sophisticated purchasers of rendering services, with their own experience in the industry, which means they know what is a competitive price/service offering; and
- (d) because they know rendering requires volumes to cover fixed costs and, therefore, they are aware that renderers will be willing to concede price decreases in order to win marginal volumes.

- 24.3 In addition to having this significant countervailing power, these larger customers are highly price sensitive given the pressures on them to deliver returns to their farmers and investors. Accordingly, the parties simply cannot implement price increases to these larger customers.

- 24.4 Smaller customers similarly can exercise countervailing power by threatening to switch to alternative third party/independent renderers, or by threatening to switch to in-house renderers such as AFFCO that have previously rendered on their behalf. Smaller customers are similarly highly price sensitive.

- 24.5 By way of example of this countervailing power:

- (a) [] and
- (b) []

25. If you consider that there is a constraint from buyers, identify the top five buyers by sale and/or volume (including overseas companies/importers) in the relevant

market(s). Where there are significant differences in the size of buyers please provide details for five medium and five small buyers.

25.1 Details of Lowe's revenue/volumes from its largest rendering material suppliers are set out in Figure 5 below.

Figure 5 - Revenue and volumes of Lowe's largest rendering material suppliers

Material supplier	Annualised Volume (MT per year)	Revenue generated (\$)
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]

Source: Lowe

25.2 Details of TBP's revenue/volumes from its largest rendering material suppliers are set out in Figure 6 below.

Figure 6 - Revenue and volumes of TBP's largest rendering material suppliers

Material supplier	Annualised Volume (MT per year)	Revenue generated (\$)
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]

Source: TBP

- 25.3 Details of Kakariki Protein's volumes from its largest rendering material suppliers are set out at Figure 7 below.

Figure 7 - Volumes of Kakariki Protein's largest rendering material suppliers

Material supplier	Annualised Volume (MT per year)
[]	[]
[]	[]
[]	[]
[]	[]

Source: Kakariki Proteins

COORDINATED MARKET POWER

26. Identify and discuss the various characteristics of the market that, post-merger, you consider would either facilitate or impede coordination.

- 26.1 The risk of coordinated effects post-Acquisition is low. Consistent with the approach taken by the High Court in *Brambles New Zealand Ltd v Commerce Commission* (2003) 10 TCLR 868 (HC), the conditions for concluding that there would be effective and sustainable coordinated behaviour as a result of the acquisition simply do not exist in the rendering industry.
- 26.2 The rendering industry is characterised by a number of features that condition against prospects for coordinated effects as per the tests in the Commission's Guidelines:
- (a) The high level of competitive constraint from existing third party/independent renderers competitors, in particular, Wallace and PVL will continue post-acquisition;
 - (b) The presence of ready market entrants in the form of meat processors, with excess capacity, who could readily enter into third party rendering in response to an increase in prices or reduction in service quality;
 - (c) The asymmetry of business models between the various providers as a result of different degrees of vertical integration means that a tacit understanding or common perception of terms could not be easily reached or sustained, for example:
 - (i) PVL being a subsidiary of a meat processor, while other third party renderers being independent of meat processors;
 - (ii) Third party/independent renderers offering either a toll process only service, toll process and marketing service, or an acquisition of renderable materials service;
 - (d) The increasing levels of innovation in rendering in New Zealand, and other rapidly changing dynamics in the industry (see paragraph 10.1), mean that this is a dynamic industry;

- (e) The countervailing power of highly price conscious customers [] undermines any potential for co-ordinated market power, and reduces the scope for a profitable rise in the price;
- (f) The ease of customer switching means customers can readily switch between renderers in response to a price change;
- (g) The lack of price transparency between competing renderers, and the different service propositions offered, means that co-ordination would be impossible to achieve or sustain; and
- (h) There is no history of anti-competitive behaviour in rendering.

26.3 For all the reasons set out above, the application of the tests in the Commission's Guidelines reveal that there would not be scope for the exercise of co-ordinated market power in this market.

EFFICIENCIES

27. If applicable, provide a description of any efficiencies that you believe the acquisition could bring. Would such efficiencies enhance rivalry, or offset the impact of a lessening of competition?

27.1 There will be a number of efficiencies arising from the transaction (refer to the description of efficiencies at paragraph 5). Furthermore, the parties do not consider that the transaction will result in any material detrimental impact on competition given that the number of alternative options available to customers today and the fact that those options will not be materially impacted by the transaction.

27.2 Given the efficiencies that will arise from the transaction, coupled with the minimal (if any) detrimental impact on competition, the parties consider that the transaction will enhance competition in the market by enabling the parties, through InvestCo, to offer a lower cost for higher quality service than they do today in competition with the existing in-house or third party/independent rendering options.

OTHER FACTORS

28. Where relevant, provide a description of any other features of the market(s) that should be taken into account in considering the effect of the proposed merger.

28.1 No further features are relevant.

PART 6: FURTHER INFORMATION AND SUPPORTING DOCUMENTATION

29. Provide the contact details of relevant competitors, buyers and suppliers and any other relevant market participants in the form of the example table shown below.

29.1 Contact details are provided in the Table at **Appendix Five**.

30. Please provide a copy of the most recent annual report for each of the merger parties. If an annual report is not available, please provide a copy of the audited financial statements of the merger parties (profit and loss account, showing total turnover and profit before tax, and balance sheet). If the merger only relates to a

segment of the business of the merger parties, please also provide a copy of any management accounts for the relevant business segment.

- 30.1 The revenue and expense accounts for Lowe's rendering business unit for 2012 and 2013 are provided at **Confidential Appendix Six** [].
- 30.2 Financial statements for the most recent financial year for TBP are provided at **Confidential Appendix Seven**.
- 30.3 The profit and loss statements of Kakariki Proteins for the year 1 April 2013 to 31 March 2014 are provided at **Confidential Appendix Eight** [].

PART 7: CONFIDENTIALITY

- 31. If you wish to request confidentiality for specific information contained in or attached to the notice, please state why you consider the information to be confidential and state the reasons for your request in terms of the criteria set out in the Official Information Act 1982.**
- 31.1 Confidentiality is sought in respect of the information in this application that is contained in square brackets or is described as being in a "confidential appendix", including information that is confidential as between the parties as indicated by the colour coding.
- 31.2 Confidentiality is sought for the purposes of section 9(2)(b) of the Official Information Act 1982 on the grounds that:
- (a) the information is commercially sensitive and valuable information which is confidential to the participants and, in some cases, to third parties with whom the participants have confidential commercial arrangements; and
 - (b) disclosure would be likely unreasonably to prejudice the commercial position of the participants (and in some cases the third parties with which they have confidential commercial arrangements), as the parties providing the information.
- 31.3 The parties request that they be notified of any request made to the Commission under the Official Information Act 1982 for release of the confidential information. The parties also request that the Commission seek and consider the parties' views as to whether the information remains confidential and commercially sensitive at the time responses to such requests are being considered.
- 31.4 The foregoing equally applies in respect of any additional information provided to the Commission that is expressed to be confidential.

THIS NOTICE is given by **LOWE CORPORATION LIMITED** on behalf of **TUAKAU PROTEINS LTD.**

I, PHILIP WILLIAM HOCQUARD have prepared, or supervised the preparation, of this notice seeking clearance.

To the best of my knowledge, I confirm that:

- all information specified by the Commission has been supplied;
- if information has not been supplied, reasons have been included as to why the information has not been supplied;
- all information known to Lowe Corporation Ltd that is relevant to the consideration of this notice has been supplied; and
- all information supplied by, or on behalf of, Lowe Corporation Ltd is correct as at the date of this notice.

I undertake to advise the Commission immediately of any material change in circumstances relating to the notice.

I understand that it is an offence under the Commerce Act to attempt to deceive or knowingly mislead the Commission in respect of any matter before the Commission, including in these documents.

I am a director/officer of the company and am duly authorised to submit this notice.

Dated this _____ **July 2014**

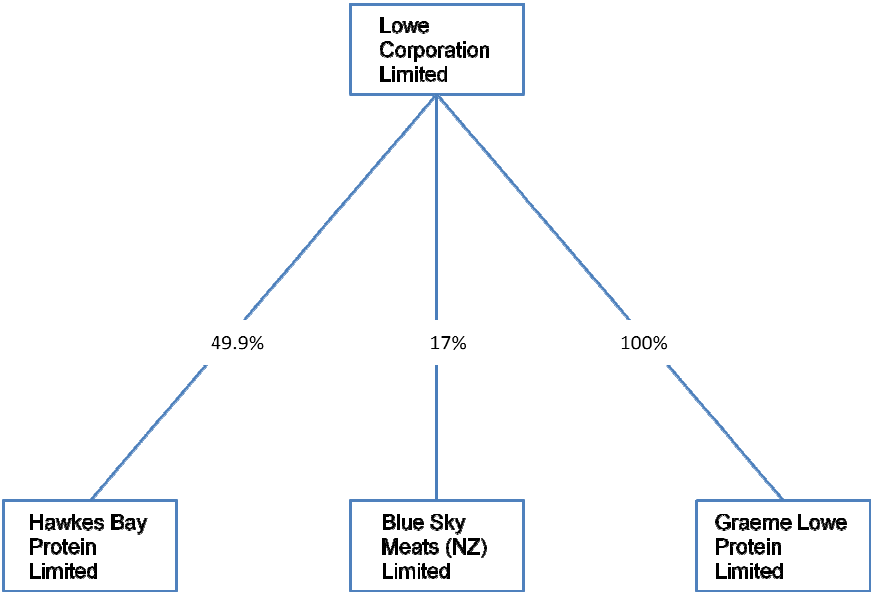
Philip Hocquard, Commercial Manager, Lowe Corporation Limited

I am an officer of the company and am duly authorised to make this application/notice.

APPENDIX ONE
LOWE ORGANISATIONAL DIAGRAM

[]

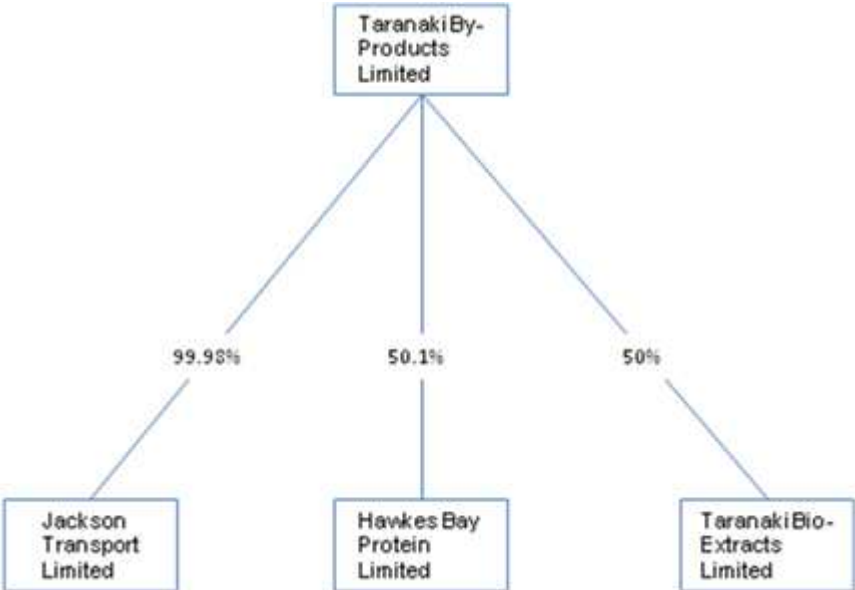
The direct shareholdings of Lowe Corporation Limited are shown below.



APPENDIX TWO

TBP ORGANISATIONAL DIAGRAM

Taranaki By-Products Limited is majority-owned by joint allocations to Glenn Raymond Smith and Amanda Jayne Stockwell, whose two joint allocations account for 85.72% of shares (with the remaining shares also held in allocations owned jointly or separately by Amanda Jayne Stockwell and/or Rodney Glenn Smith). The direct shareholdings of Taranaki By-Products Limited are shown below.

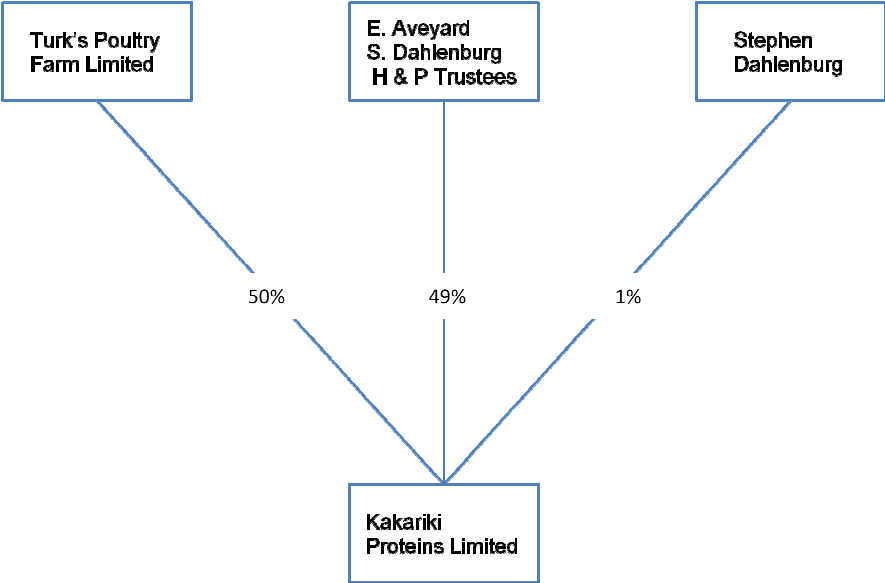


APPENDIX THREE

KAKARIKI PROTEINS LIMITED

Kakariki Proteins Limited is 50% owned by Turks Poultry Farm Limited, 49% by a joint allocation to Elizabeth Jane Aveyard, Stephen Dahlenburg and Harkness & Peterson Trustees Limited, and 1% owned by Stephen Dahlenburg.

The direct shareholders of Kakariki Proteins Limited are shown below.



APPENDIX FIVE
INDUSTRY CONTACT DETAILS

Company Name	Contact Details	Contact Person
North Island Renderers		
AFFCO New Zealand Ltd	Great South Road Horotiu Private Bag 3301 Hamilton T: 07 829 2832 F: 07 829 2839 W: www.affco.co.nz	Kevin McGrath E: kevin.mcgrath@affco.co.nz
Alliance Group Ltd	51 Don Street PO Box 845 Invercargill T: 03 214 2700 F: 03 214 2708 W: www.alliance.co.nz	Dick Harper E: dharper@alliance.co.nz Sales Carl Alswailer E: carla@alliance.co.nz
PVL Proteins Ltd	851 Great South Road Penrose Auckland T: 09 270 1640 F: 09 276 0986	Alan von Tunzelman E: alan@auckmeat.co.nz
Taranaki Abattoirs	Mountain Road North Stratford Taranaki 4332 T: 06 765 6617	Terry Lester E: terrypam@xtra.co.nz
Taylor Preston Limited	Private Bag 13908 Johnsonville T: 04 472 6617 F: 04 417 1319	Andrew Taylor E: andrewtaylor@tpl.co.nz
Wallace Corporation Ltd	PO Box 11 266 Wood Road Waitoa T: 07 887 0300 F: 07 889 7135 W: www.wallace.co.nz	Graham Shortland E: graham.shortland@wallace.co.nz Gordon Henderson E: gordon.henderson@wallace.co.nz
South Island Renderers		
Alliance Group Ltd	51 Don Street PO Box 845 Invercargill T: 03 214 2700 F: 03 214 2708 W: www.alliance.co.nz	Dick Harper E: dharper@alliance.co.nz Sales Carl Alswailer E: carla@alliance.co.nz
ANZCO/CMP	Private Bag 605 Arnold Valley Road Greymouth T: 03 762 5505 F: 03 762 5662	Graham Cormack graham.cormack@anzcofoods.com Sales Grant Milner T: 0275 569 900 E: grant.milner@anzcofoods.com
Blue Sky Meats	Morton Mains No. 1 Road Invercargill T: 03 231 3421 F: 03 231 3457 W: www.bluesky.co.nz and www.lambnz.co.nz	Ricky Larsen E: ricky.larsen@bluesky.co.nz
Keep It Clean	PO Box 71 Reservoir Road Burnside Dunedin T: 03 488 1415	Gerard Cayford E: kic@xtra.co.nz
Prime Range Meats Ltd	1 Sussex Street Gladstone	Tony Forde tony.forde@primerange.co.nz

	Invercargill T: 03 215 9079 F: 03 215 9076	
South Canterbury By-Products	122 Aorangi Road Washdyke Timaru T: 03 688 2119 F: 03 688 2849	T: 03 688 2119
Silver Fern Farms Ltd	218 George Street PO Box 941 Dunedin T: 03 477 3980 F: 03 474 1087 W: www.silverfernfarms.co.nz	Geoff Young T: 03 477 3980 E: geoff.young@silverfernfarms.co.nz
Tegel Foods Ltd	PO Box 99-927 3rd Floor, Tower B 100 Carlton Gore Road Newmarket, Auckland 1023 T: 09 977 9000 F: 09 977 9298 W: www.tegel.co.nz	
Value Proteins Ltd	Private Bag 611 189 Heaphy Road Lake Haupiri Greymouth 7840 T: 03 738 0255 F: 03 738 0212	Selwyn Love E: selwyn@gloriavale.co.nz
Suppliers of renderable materials		
Alliance Group Ltd	51 Don Street PO Box 845 Invercargill T: 03 214 2700 F: 03 214 2708 W: www.alliance.co.nz	Dick Harper E: dharper@alliance.co.nz Sales Carl Alweiler E: carla@alliance.co.nz
ANZCO Foods Ltd	Unit 2, 49 Sir William Pickering Drive PO Box 39-145 Harewood Christchurch 8053 T: +64 3 358 2200 W: www.anzcofoods.com	
Cabernet Foods Ltd	530 Gladstone Road Carterton 5792 <u>Head Office</u> T: 06 372 7882 W: http://www.cabernet.co.nz/ <u>Kintyre Meats</u> T: 06 372 7891 <u>Ruakura Abattoirs</u> T: 07 856 7160	E: office@cabernet.co.nz
Crusader Meats New Zealand Limited	State Highway 30 Benneydale T: 07 878 7077 F: 07 878 7080 W: http://www.crusadermeats.co.nz/home	Livestock Coordinator Sam Brown T: 06 363 7237 F: 06 363 5046 Mob: 027 467 6251
Hawkes Bay Seafoods Limited	Corner of Pandora Road and Ahuriri Quay PO Box 174 Ahuriri Napier 4140 T: 06 835 5533 F: 06 835 5585 W: www.hawkesbayseafoods.co.nz	mike@hbseafoods.co.nz

Integrated Foods Ltd	266 Childers Road Gisborne 4010 T: 06 869 0952 F: 06 867 9541 W: http://www.mangatu.co.nz/businesses/integrated-foods-ltd/	E: admin@mangatu.co.nz
Lean Meats Ltd	Head Office 211 Market Street South Hastings 4122 T: 06 871 5047 W: http://www.leanmeats.co.nz/ <u>Lean Meats Oamaru</u> Redcastle Road Oamaru 9494 T: 03 433 0078	CEO Richard Thorp richard.thorp@leanmeats.co.nz T: 027 435 9001
Ovation New Zealand Ltd	Head Office 10 Cook Street Waipukurau 4242 T: 06 858 6390 W: http://www.ovation.co.nz/ <u>Fielding</u> 61 Kawa Kawa Road Fielding 4775 T: 06 323 7640 <u>Gisborne</u> 113 Dunstan Road Gisborne 4071 T:06 868 3921	T: 06 858 6390
Progressive Enterprises Ltd	80 Favona Road PO Box 93306 Mangere Manukau 2024 T: 09 275 2788 W: www.progressive.co.nz	media@countdown.co.nz
Progressive Meats Limited	118 Kelfield Place PO Box 36 Hastings 4156 T: 06 873 9090 F: 06 879 9176 W: www.progressivemeats.co.nz	<u>General Manager</u> Hylton Bayliss T: 06 873 9090
Silver Fern Farms Ltd	PO Box 941 218 George Street Dunedin T: 03 477 3980 F: 03 474 1087 W: www.silverfern farms.co.nz	Geoff Young T: 03 477 3980 E: geoff.young@silverfern farms.co.nz
Tegel Foods Ltd	PO Box 99-927 3rd Floor, Tower B 100 Carlton Gore Road Newmarket, Auckland 1023 T: 09 977 9000 F: 09 977 9298 W: www.tegel.co.nz	
Te Kuiti Meat Processors Ltd	Ahuroa Road PO Box 169 Te Kuiti	<u>General Manager</u> Hylton Bayliss T: 06 873 9090

	T: 07 878 6045 F: 07 878 7787 W: www.tkmeats.co.nz	E: hyltonb@tkmeats.co.nz
UBP Ltd	18 Waitete Road Te Kuiti Waikato 2500 T: 07 878 8926 F: 07 878 8936	
Van den Brink Poultry Ltd	652 Great South Road PO Box 63-007 Manukau City 2241 Auckland T: 0800 274 657 W: www.brinks.co.nz	E: service@brinks.co.nz
Wally Smith Killing and Processing Ltd	Corner of Aztec Place and Duke Street Frankton Hamilton T: 07 847 5455 F: 07 847 3749	E: info@homekillservices.co.nz
Transporters		
Emmerson Transport Ltd (ETL)	PO Box 2531 Storrford Lodge Hastings T: 06 873 7365 F: 06 873 5154 W: www.emmersontransport.co.nz	David Hill david@emmersontransport.co.nz
Pyramid Trucking Ltd	39 McLaughlins Road, Wiri PO Box 76445 Manukau City Auckland 2241 T: 09 277 7885 F: 09 277 7886 W: www.pyramidtrucking.co.nz	Paul Chappel E: paul@pyramidtrucking.co.nz
Hooker Pacific	Hooker Pacific Head Office 24-30 Paraite Road, Bell Block, New Plymouth, 4373 Private Bag 2039, New Plymouth, 4342 T: 06 755 9990 F: 06 755 0264 W: http://www.hookers.co.nz/	Refrigerated fleet contact person: Blaine Pritchard 06 348 0064
Kam Transport (1989) Limited	Private Bag 13908, 131 Centennial Highway, Ngauranga Wellington T: 64 4 472-5802 F: 64 4 472-5805 W: http://www.kam.net.nz/	info@kam.net.nz
Dave Hoskin Carriers Limited	PO Box 5042 390 Heads Road, Wanganui 4540 T: 06 344 7002 W: http://www.hoskincarrierswanganui.co.nz/	darrell@hoskincarriers.co.nz
FBT Transport	PO Box 472 Katere Road New Plymouth	Dave Weir dave@fbt.co.nz

	T: 06 759 2150 F: 06 757 8268 W: http://www.fbt.co.nz/	
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