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# **COMMERCE ACT 1986: BUSINESS ACQUISITION**

## **SECTION 66: NOTICE SEEKING CLEARANCE**

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Date: 11 May 2023

The Registrar  
Competition Branch  
Commerce Commission  
PO Box 2351  
Wellington

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

## Part A: Summary of Application

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### 1. Executive Summary

- 1.1 Inghams Enterprises (NZ) Pty Limited (**Inghams**) or an interconnected body corporate of Inghams, (the **Applicant**), seeks clearance to acquire the assets of the Cobb Commercial and Riverland business (the **Target Business**) of Bromley Park Hatcheries Limited (**BPH**), (the **Proposed Transaction**). The Target Business produces and supplies day-old chicks (**DOCs**) for meat production to downstream broiler chicken processors.

#### *The Parties*

- 1.2 Inghams is a wholly owned subsidiary of Inghams Group Limited, an Australian-based vertically integrated poultry company with its own breeding operations, hatcheries, feedmills, contract growing and processing operations. In New Zealand, Inghams' primary processing plant is situated at Waitoa, near Te Aroha, and it has additional processing facilities in Cambridge and in Auckland. Unlike the Target Business, Inghams does not sell DOCs to third parties, and nor does it have the capacity to do so, meaning there is no horizontal aggregation. However, post transaction Inghams will have the capacity to both meet its own requirements for DOCs and also sell to third parties, which it intends to do.
- 1.3 The Target Business is involved in all stages of the breeding and hatching of DOCs for broiler chickens in New Zealand.<sup>1</sup> It has the exclusive distribution rights in New Zealand for the Cobb breed, which BPH purchases from Cobb Vantress New Zealand. The Target Business produces and supplies DOCs for chicken meat production. Inghams currently contracts with the Target Business for [redacted] of its DOC requirements. For completeness, the Target Business also sells Cobb parent stock to customers in the Pacific Islands via a distribution agreement with Cobb-Vantress.<sup>2</sup>
- 1.4 For further information on the Parties, please see Part B.

#### *Transaction rationale*

- 1.5 The Target Business has been a critical supplier of DOCs to Inghams for a number of years because Inghams does not have sufficient internal capacity to meet its needs. For the reasons set out in this application, if Inghams does not acquire the Target Business, Inghams believes [redacted], putting Inghams' DOC supply at risk with broader implications for Inghams' supply of chicken meat and ultimately the industry more generally. In addition to providing the opportunity for Inghams to become self-sufficient in the production of DOCs, the Proposed Transaction allows Inghams to meet future demand as well as building resilience to deal with any supply shocks within Inghams' current supply chain.
- 1.6 In addition, [redacted].
- 1.7 With chicken meat being the major source of animal protein consumed in New Zealand, a significant disruption to Inghams' supply chain would have a major impact on the availability of chicken meat to New Zealand consumers and on the price of the products which are available.
- 1.8 In recent years the financial performance of the Target Business has been [redacted] and [redacted] salmonella, and more specifically Salmonella Enteritidis (**SE**) [redacted]. SE is a specific kind of Salmonella which is pernicious and extremely difficult to eradicate. It is a bio-security issue. [redacted], the combined effect of the [redacted] have led to [redacted] the Target Business' New Zealand customers, resulting in the Target Business [redacted]. [redacted] and [redacted] SE [redacted] which has led to a [redacted] sell the Target Business.

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<sup>1</sup> Broiler chickens are chickens raised for meat production. For further detail, please see Part D.

<sup>2</sup> For further information please see footnote 10.

1.9 The purchase price for the Target Business is \$8.6 million and is based solely on the estimated value of the relevant assets [redacted].<sup>3</sup> [redacted].

1.10 Further detail is provided in Part C.

*Industry background: Production of broiler chickens*

1.11 The process for the production of broiler chickens is described in further detail in Part D. In summary, this involves:

- (a) International chicken genetics companies import grandparent eggs for the production of broiler chickens.
- (b) Grandparent eggs are grown and bred to produce parent eggs which are hatched by the relevant genetics company to produce parent chicks, being separate specialty breeds of male and female chickens.
- (c) Parent chicks are sold and subsequently grown in specialised breeder farms to produce eggs for broiler chickens, which hatch to produce DOCs.
- (d) The DOCs are transported to broiler farms where they are grown into broiler chickens, which are then collected and processed into chicken meat for sale.

*The counterfactual*

1.12 In Inghams' submission, as expanded on in Part E, it is inevitable that, absent the Proposed Transaction, the Target Business [redacted].

1.13 Given the complexities and cost involved in [redacted], Inghams submits that there is not an alternative, more competitive purchaser for the Target Business or its assets, in which case the [redacted].

1.14 Given Inghams is not currently, and would not in the counterfactual become, a supplier of DOCs to third parties, the Proposed Transaction [redacted].

*Relevant Markets*

1.15 While Inghams and the Target Business (the **Parties** and each a **Party**) do not compete, the Parties acknowledge that there is a vertical link between their respective operations such that the Proposed Transaction will result in vertical integration at one or more levels of the supply chain. Accordingly, Inghams submits that the Proposed Transaction should be assessed with reference to the downstream markets for the wholesale supply of primary and secondary processed chicken products on a national basis to:

- (a) supermarkets;
- (b) food service providers; and
- (c) Quick Service Restaurants.

1.16 Collectively, these are referred to as the **Relevant Markets**, as set out in Part F. Nothing turns on the relevant geographic markets and so Inghams believes they can be left open for now.

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<sup>3</sup> Inghams to acquire the Target Business' working capital and fixed assets associated with the business. As below, a third-party lessor has agreed to acquire the land and facilities and to enter into a long-term lease with Inghams. In other words, Inghams is not acquiring any land as part of the Proposed Transaction.

*Summary of competitive assessment*

1.17 The Proposed Transaction will not have the effect, or likely effect, of substantially lessening competition (an **SLC**) in the Relevant Markets for the following reasons.

- (a) The Target Business' DOC assets/operations [redacted].
- (b) Regardless, there is no horizontal overlap and the merged entity will not have the ability to foreclose Inghams' rivals in the downstream markets for the wholesale supply of processed chicken because:
  - (i) the merged entity will continue to face strong competition from Tegel, a well-resourced provider with substantial scale, who is motivated to utilise its economies of scale in DOC production. It is understood that Tegel has excess capacity ([redacted]); and
  - (ii) the cost of DOCs relative to total costs mean that any hypothetical price increase (even if it could be imposed) would not have any meaningful impact on the competition in the Relevant Markets from Brinks, Turks, etc.

1.18 Part G expands on the competitive assessment.

***Conclusion: no SLC in any relevant market***

1.19 For these reasons, and as further explained in this clearance application, Inghams submits that the Commission should be satisfied that the Proposed Transaction will not be likely to SLC in any New Zealand market.

## Part B: The Parties

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### 2. The Applicant: Inghams Enterprises (NZ) Pty Limited

#### *Overview*

2.1 This notice seeking clearance is given by Inghams. Inghams is an Australian Proprietary Company registered in New South Wales and is the New Zealand division<sup>4</sup> of Australian company, Inghams Group Limited (**Inghams Group**). A structure chart showing the ownership of Inghams is included in **Appendix 1**.

2.2 In New Zealand, Inghams has rearing, production, hatchery, broiler, feedmill and primary plant facilities. Further details regarding Inghams' facilities and capabilities in New Zealand are set out in **Confidential Appendix 2**. The Applicant has no interest, either directly or indirectly, in any other supplier of DOCs in New Zealand (and nor do its directors or any other Inghams group company).

#### *Financial and capacity information*

2.3 Annual Returns and Financial Statements for Inghams from 2021 and 2022, which include annual revenue, are available from the Companies Office website.<sup>5</sup>

#### *Key customers, competitors, and trade and industry associations*

2.4 The names and contact details for the Applicant's key customers (by value) are set out in **Confidential Appendix 3** and each of the Applicant's key competitors in **Appendix 4**. Appendix 4 also includes the names and contact details of the trade or industry associations in which the Applicant participates.

#### *Internal documents*

2.5 Copies of Inghams' relevant internal documents are attached as **Confidential Appendix 5**.

#### *Contact details*

2.6 Contact details for the Applicant:

<i>Address</i>	<b>Inghams Enterprises (NZ) Pty Limited</b> 624 Waihekau Road, Ngarua 3380, New Zealand
<i>Contact person</i>	Ahan Suri (General Manager M&A and Property)
<i>Email Address</i>	[redacted]
<i>Telephone</i>	[redacted]
<i>Website</i>	<a href="http://www.inghams.co.nz">www.inghams.co.nz</a>

2.7 Please direct all correspondence and notices for the Applicant to:

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<sup>4</sup> For further information, see the [Companies Office](#) page.

<sup>5</sup> See footnote 3.

**Address** **Bell Gully**  
Barristers and Solicitors  
PO Box 4199, Auckland 1140

**Attention** Torrin Crowther / Emma Harris

**Email Address** [Torrin.Crowther@bellgully.com](mailto:Torrin.Crowther@bellgully.com) / [Emma.Harris@bellgully.com](mailto:Emma.Harris@bellgully.com)

**Telephone** +64 9 916 8621 / +64 9 916 8779

### 3. The Target Business: The assets of BPH's Cobb Commercial and Riverland business

- 3.1 The Target Business comprises the assets of the Cobb Commercial and Riverland business of BPH.<sup>6</sup>
- 3.2 BPH is directly owned by:
- (a) Batkin Holdings Limited (74% shareholding); and
  - (b) Mainfeeds Limited (26% shareholding)
- (collectively, the **Vendors**).<sup>7</sup>
- 3.3 A structure chart for BPH attached as **Appendix 6**.
- 3.4 BPH produces and sells day-old chicks (**DOCs**) via its Cobb Commercial and Riverland businesses which have operations and assets in the North Island of New Zealand, including breeder farms and a hatchery. The BPH business is split across three key divisions, being<sup>8</sup>:
- (a) **Cobb Commercial**: Cobb rearing, production and hatchery. Sale of DOCs to poultry growers and processors;
  - (b) **Riverland**: Cobb parent sale business to the Pacific Islands via distribution agreement with Cobb-Vantress; and
  - (c) **Shaver / SXB**:<sup>9</sup> Shaver rearing, production and hatchery. Sale of DOCs to egg production businesses.<sup>10</sup> (This division is not part of the Target Business and is not proposed to be acquired by Inghams).
- 3.5 This application for clearance concerns Inghams' proposed acquisition of the assets of BPH's Cobb Commercial and Riverland businesses only (i.e. the Target Business). As above, Cobb Commercial is BPH's Cobb rearing, production and hatchery business, which eventuates in the sale of DOCs to poultry growers and processors for meat production. The Riverland business involves the sale of

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<sup>6</sup> NZCN: 89503.

<sup>7</sup> [View All Details \(companiesoffice.govt.nz\)](https://www.companiesoffice.govt.nz). For further detail, please see the structure chart attached as Appendix 6. Mainland Poultry Limited (**Mainland Poultry**) have an indirect minority interest in BPH through wholly owned subsidiaries, Mainfeeds Limited and Mainland Poultry Investments No2 Limited. Mainfeeds is a division of Mainland Poultry, which is a Dunedin-based company in New Zealand which markets eggs under Zeagold Foods. MainFeeds also specialises in the formulation and manufacture of non-ruminant feeds for layers, broilers, pigs, rabbits and dogs. With regards to broiler chickens in New Zealand, MainFeeds only supplies feed for broiler chickens and is not otherwise active in the relevant markets. For further information, see <https://www.mainfeeds.co.nz/>.

<sup>8</sup> BPH has recently sold its PVS business which produces laboratory testing services to the poultry sector.

<sup>9</sup> [redacted]

<sup>10</sup> The Shaver / SXB business produces DOCs for egg production whereas the Target Business produces DOCs for meat production (i.e. broiler DOCs). The operations are entirely distinct.

Cobb parent stock (delivered by Cobb-Vantress) to customers in the Pacific Islands, as part of a distribution agreement with Cobb Vantress.<sup>11</sup>

- 3.6 The Target Business and BPH's Shaver business (not included in the Proposed Transaction) share limited assets and human resources.
- 3.7 While the Target Business is based in the North Island, the Shaver business is currently based in the South Island and includes two farms (Two Chain Road (Swannanoa) and Moffats Road (East Eyerton)), a hatchery and an office site.<sup>12</sup> The Shaver hatchery and office are located on the outskirts of Christchurch at Bradleys Road, Ohoka. BPH's Shaver DOCs are almost exclusively hatched at the Shaver hatchery in Ohoka, whereas the Target Business' DOCs are exclusively hatched at the hatchery at Brown Road, Tuakau (in the Waikato region). Shaver grandparent and parent stock are exclusively located at the two South Island farms, with the exception of grandparent eggs hatched in quarantine. The Target Business' Cobb parent stock are exclusively located on BPH's farms in the North Island at Brown Road, Andrews Road and the Aka Aka property.
- 3.8 The Target Business and BPH's Shaver business share some head office resource. This is largely in finance and export sales, as some small Pacific Island customers purchase both Cobb DOCs and Shaver DOCs.<sup>13</sup> There are also some vehicles which are used by both the Target Business and the Shaver business.<sup>14</sup>
- 3.9 Further information about the Target Business, including details of its facilities, is provided in **Confidential Appendix 7**.

*Financial information*

- 3.10 Financial information pertaining to the Target Business is attached as **Confidential Appendix 8**. The Target Business's annual revenue for the last two financial years is attached as **Confidential Appendix 9**.

*Key customers, competitors, and trade and industry associations*

- 3.11 As expanded upon in Part E below, the financial health of the Target Business has been [redacted] SE [redacted] in recent years, [redacted]. A reliable, consistent supply of DOCs is important to customers. [redacted].<sup>15</sup> While the Target Business is still supplying customers in the Pacific islands, as can be seen from **Confidential Appendix 10**, [redacted].
- 3.12 In any event, the names and contact details for each of BPH's key customers (by value), and the revenue earned from each in the last financial year, are attached as **Confidential Appendix 10** (nothing that some of these customers are better described as 'former customers'). The names and contact details for BPH's key competitors are set out in **Appendix 11** below.

*Contact details*

- 3.13 Contact details for BPH:

<i>Address</i>	<b>Bromley Park Hatcheries Limited</b>
	115 Brown Road, Rd 4, Tuakau, 2694, New Zealand

<sup>11</sup> For completeness, [redacted].

<sup>12</sup> BPH will retain the River Road and Pukekawa sites for its Shaver business. The site at River Road is currently empty but is being retained by BPH in anticipation of a potential expansion of Shaver parent stock for export. (There is an office located at the River Road site and BPH anticipates that retained staff from its Brown Road site will transfer to the River Road site at or before settlement.) The Pukekawa site is a quarantine facility, required for the annual importation of Shaver grandparent stock.

<sup>13</sup> [redacted].

<sup>14</sup> This is limited by the differences in number of DOCs for delivery (for example, the main delivery truck for the Target Business has a capacity of 80k DOCs, and the largest Shaver orders are less than half of this amount). BPH's Shaver business will retain delivery vehicles in the North Island to use to pick up Shaver DOCs for delivery to North Island customers.

<sup>15</sup> [redacted].

*Contact person* Greg Batkin  
*Telephone* [redacted]  
*Email* [redacted]  
*Website* <https://www.bromley.co.nz/>

3.14 Please direct all correspondence and notices for the Target to:

*Address* **Jackson Russell**  
Level 13, 41 Shortland Street, Auckland 1010, New Zealand  
PO Box 3451, Auckland 1140, New Zealand  
*Attention* David Alizade  
*Email Address* david.alizade@jacksonrussell.co.nz  
*Telephone* + 64 9 300 6937



## Part C: The Transaction

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### 4. Transaction structure

- 4.1 Formally, this application seeks clearance for Inghams (or an interconnected body corporate of Inghams) to acquire the assets of the Target Business from BPH. The Target Business is the assets of BPH's Cobb Commercial and Riverland businesses, which supply DOCs to customers in New Zealand and Cobb parent stock to the Pacific Islands.<sup>16</sup>
- 4.2 The Transaction is conditional on the Applicant receiving clearance from the Commission (amongst other conditions precedent, including approval from the New Zealand Overseas Investment Office). The SPA is attached as **Confidential Appendix 12**.

### 5. Rationale

- 5.1 Inghams does not have sufficient internal DOC capacity to meet its needs and is reliant on the Target to address the shortfall in its DOC production. Inghams is currently sourcing approximately [redacted]% of its DOC requirements from BPH.
- 5.2 In addition to BPH, Inghams heavily relies on Alstra (2012) Limited (**Alstra**) to support its DOC requirements. While Inghams does not acquire DOCs from Alstra, it acquires eggs from which Inghams hatches DOCs at its hatchery facilities. The supply from Alstra equates to approximately [redacted]% of Inghams' DOC requirements in New Zealand. The importance of BPH both in terms of DOC volumes and also from a business resilience perspective, is likely to increase because [redacted].<sup>17</sup>
- 5.3 [redacted]. Inghams advises [redacted].
- 5.4 The Proposed Transaction provides the opportunity for Inghams to become self-sufficient in respect of its DOC requirements and to avoid potential disruption to the supply of chicken meat into New Zealand, where it is the most popular animal protein available to consumers.<sup>18</sup>
- 5.5 As expanded on further in Section E, the Target Business has historically been [redacted], including due to the combined effect of the operational challenges resulting from the [redacted].
- 5.6 In recent years, BPH has suffered from [redacted].<sup>19</sup> The extent of these [redacted] – being the principal reason why [redacted] customers, [redacted], have [redacted]. Naturally, this has [redacted]. [redacted].

### 6. Global filings

- 6.1 The Proposed Transaction relates only to New Zealand. No competition agencies in other jurisdictions have been or will be notified of the Proposed Transaction.

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<sup>16</sup> As set out at 3.5 above, Cobb Commercial is BPH's Cobb rearing, production and hatchery business, which eventuates in the sale of DOCs to poultry growers and processors for meat production. The Riverland business currently sells Cobb parent stock (delivered by Cobb-Vantress) to customers in the Pacific Islands, as part of a regional distribution agreement with Cobb Vantress. Also see footnote 11 above. For information about the customers of Cobb Commercial and Riverland please see **Confidential Appendix 10**.

<sup>17</sup> [redacted].

<sup>18</sup> For further detail, please see Part D.

<sup>19</sup> [redacted].

## Part D: Industry Background

### 7. Overview of the poultry industry in New Zealand

- 7.1 Chicken is the most popular animal protein in New Zealand.<sup>20</sup>
- 7.2 The production of poultry products comprises a number of distinct steps that can be separated into 'upstream' and 'downstream' activities. Upstream activities include, for example, the supply of breeding stock, DOCs and the growing of broiler chickens (for meat production). Downstream activities include the processing and supply of chicken products. The Proposed Transaction relates to the upstream activities but the effect could theoretically manifest in relation to downstream activities.
- 7.3 A brief summary of the key stages in the production process, including an overview of the market participants, is provided in Figure 1 below. The remainder of this section focuses on the supply of DOCs and downstream processing activities only given the interaction between the Target Business and the Applicant's operation in New Zealand.

**Figure 1: Broiler chicken supply chain**

Stage in the supply chain	Description	Key participants
<b>Production and Sale of Parent Breeder Stock in NZ</b>	<p>There are two breeds of bird used for chicken meat production in New Zealand, the Ross and Cobb breeds, which originate from the UK and USA respectively. These breeds have been developed over many years as the best genetic breeds for the production of meat chickens.</p> <p>Aviagen New Zealand Limited (<b>Aviagen</b>) is involved in the importation, breeding, initial quarantine and hatching of breeding stock for Ross broiler chickens.<sup>21</sup> Aviagen's New Zealand headquarters, hatchery and breeding facilities are located in New Plymouth.</p> <p>The Cobb breed is owned by Cobb-Vantress,<sup>22</sup> a subsidiary of Tyson foods. Cobb-Vantress is involved in the importation, breeding, initial quarantine and hatching of breeding stock for Cobb broiler chickens. Its New Zealand operations are based in North Waikato. BPH holds distribution rights for the distribution of Cobb variety of broiler breeds in New Zealand and the Pacific Islands.<sup>23</sup></p>	<p>There are only two international companies with genetic breeds which are suitable for import as breeding stock for meat chickens in New Zealand: Cobb-Vantress NZ (US owned) and Aviagen NZ (European owned).</p> <p>Both Cobb-Vantress and Aviagen have their own specialised New Zealand farms and hatcheries for use in producing Parent Breeding stock.</p>
<b>Importing genetics and producing Parent Breeder Stock</b>	<p>Aviagen and Cobb-Vantress import eggs into New Zealand for Grand Parent Breeder Stock. There are different eggs for specialist male and female genetic breeds. The eggs are quarantined to eliminate international bio security risks and hatched by Aviagen NZ and Cobb-Vantress NZ.</p> <p>The Grand Parent breeders are grown on specialist farms controlled by each of Aviagen and Cobb-Vantress, and when combined, they produce eggs for Parent Breeder Stock with different specialist genetic traits for males and females.</p>	<p>Aviagen NZ and Cobb-Vantress NZ are the only two companies which import commercial quantities of eggs for chicken meat into New Zealand.</p>

<sup>20</sup> For further information, please see slide 10 of the BPHL Information Memorandum attached as **Confidential Appendix 19**. For example, <https://www.stuff.co.nz/business/300224037/a-nation-of-meateaters-how-kiwis-swapped-lamb-for-chicken>.

<sup>21</sup> For more information, see <https://en.aviagen.com/brands/ross/>.

<sup>22</sup> For more information, see [https://www.cobb-vantress.com/en\\_US/](https://www.cobb-vantress.com/en_US/).

<sup>23</sup> For completeness, [redacted].

<p><b>Day Old Chicks for Parent Breeder Stock</b></p>	<p>The eggs for Parent Breeder stock are hatched by Aviagen NZ and Cobb-Vantress NZ in their New Zealand hatcheries to produce Day Old Chicks for Parent Breeder stock.</p> <p>Those Day-Old Chicks for Parent Stock are then sold to entities such as Inghams and BPH to grow as Parent Breeder stock on specialist breeder farms.</p> <p>The Parent Breeder stock itself comprises males and females with different specialised genetic traits which when combined produce eggs for a broiler chicken with the best genetic traits for production of chicken meat in New Zealand conditions.</p>	<p>Aviagen NZ and Cobb-Vantress NZ are the only two companies in New Zealand which produce Parent Stock</p> <p>Tegel, BPH and Inghams have farms for growing Parent Breeder stock and producing eggs for Broiler DOCs. However, Inghams' DOC production is for its internal use only.</p>
<p><b>Hatching</b></p>	<p>Any operation in New Zealand which grows Parent Breeder stock to produce eggs for Broiler chickens must have a hatchery operation to hatch the eggs to produce Day Old Chicks (DOCs) for Broiler chickens to be grown for chicken meat.</p>	<p>Tegel, BPH and Inghams have Broiler DOC hatchery capability. However, only Tegel and BPH supply DOCs to third parties.</p>
<p><b>Growing</b></p>	<p>Currently, there are two suppliers of DOCs to third parties in New Zealand, Tegel and BPH. While Inghams produces DOCs, it does not have sufficient production to supply its own internal requirements and therefore it does not supply to third parties.</p> <p>Broiler DOCs are placed on growing Farms contracted to a chicken meat processor, where the Grower grows the Broiler chickens until they are ready for processing.</p> <ul style="list-style-type: none"> <li>• Tegel DOCs are placed on Tegel growing farms or sold to other chicken meat processors for placement on their contracted growing farms.</li> <li>• Inghams DOCs are placed solely on Growing Farms contracted to Inghams.</li> <li>• BPH DOCs are sold to Inghams for placement on Inghams' growing farms and to Turks for placement on Turks Growing farms ([redacted]).<sup>24</sup></li> </ul> <p>The Broiler Chicks are generally dispatched to growers on the day of hatch (hence the descriptor "Day Old Chicks" or "DOCs").</p> <p>Processors (e.g. Inghams, Tegel, Brinks, Turks, Bostock, etc) and growers enter into contracts pursuant to which processors supply contract growers with DOCs to be reared according to detailed specifications prescribed by the relevant processor.</p> <p>Processors retain ownership of the birds. Contract growers provide land, labour and buildings. In New Zealand, all of the processors have their own growing farms (contracted or directly owned), regardless of whether they have their own in-house supply of DOCs or rely on a third-party for that.</p> <p>The DOCs are grown until they reach the ideal weight for slaughter, which is generally around four to seven weeks. Chickens are then transported directly from the growing farm to primary processing plants.</p>	<p>Carried out by independent contractor growers</p>

<sup>24</sup> For further information, please refer to paragraph 11.12 and onwards.

<b>Downstream processing</b>	When broiler chickens (i.e. no longer DOCs) are transported from the growing farm, the downstream processors (such as Tegel, Inghams, Brinks, Turks, Bostock etc) then process the birds into primary and secondary products. These products are then sold to supermarkets, food service providers, quick service restaurants and other customers.	Tegel Inghams Brinks Bostock Brothers Turks
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## 8. Upstream activities: supply of DOCs

- 8.1 There are three companies in New Zealand with hatchery facilities: BPH, Tegel and Inghams. While BPH and Tegel supply DOCs to third parties, Inghams uses its hatchery only for its own requirements. Inghams' capacity constraints mean it does not supply DOCs to third parties and nor would it do so in the counterfactual.
- 8.2 BPH is an independent hatching and breeding company. It purchases day-old Cobb Parent Stock from Cobb-Vantress for the production of DOCs for meat production,<sup>25</sup> predominantly for the New Zealand market. However, BPH also sells parent stock to customers in the Pacific Islands. As noted, with the exception of Inghams, [redacted].
- 8.3 Tegel also has its own hatchery facilities located in Auckland and Christchurch. However, in contrast to BPH, Tegel supplies the Ross variety of bird.<sup>26</sup> Tegel's hatchery facilities service its own DOC requirements, as well as the needs of third parties owing to its excess capacity. As above, [redacted], is already supplied in part by Tegel. [redacted].<sup>27</sup>

## 9. Downstream activities: processing and supply of poultry products

- 9.1 In simple terms, the processing of broiler chickens involves the killing and dressing of the chicken, to be sold either as whole dressed birds, or in smaller portions (i.e. legs, breasts, wings etc), and may also involve deboning. There are also a wide variety of additional value-add stages to produce specialised chicken products (e.g. nuggets and formed and coated chicken patties), and a range of ready-to-eat pre-cooked products (e.g. chicken kiev, sausages etc). Processed poultry products may be sold fresh or frozen.
- 9.2 Broiler chicken processors in New Zealand (namely Tegel, Inghams, Van Den Brink Poultry Limited (**Brinks**), Turks and Bostock Brothers) supply their products to supermarkets, food service providers, and quick service restaurants (**QSRs**).

<sup>25</sup> For completeness, as mentioned above, BPH's Shaver business supplies DOCs for egg production. This is an entirely separate business to that of the Target Business.

<sup>26</sup> [redacted].

<sup>27</sup> Please see Confidential Appendix 18 [redacted].

## Part E: Counterfactual

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### 10. Counterfactual for Inghams

10.1 [redacted].

### 11. Counterfactual for the Target Business

11.1 Given the [redacted], Inghams submits that there is not an alternative, more competitive purchaser for the Target Business or its assets, in which case [redacted]. Accordingly, in Inghams' view, it is inevitable that, absent the Proposed Transaction, [redacted]. Further detail is provided below.

*An overview of [redacted]*<sup>28</sup>

11.2 [redacted]<sup>29</sup>. [redacted].

11.3 [redacted]<sup>30</sup> [redacted].

*An overview of Bromley Park's salmonella issues*

11.4 In addition to the [redacted], the Target Business' [redacted] caused by SE contamination.

11.5 As illustrated in Figure 2 below, BPH has suffered from [redacted] in the Target Business' facilities during the last two years, [redacted].<sup>31</sup>

11.6 Salmonella is a disease which affects poultry, as well as other animals and humans. The risks associated with salmonella infection in meat chicken flocks include:

- (a) Increased mortality, reduced production, and reduced feed conversion performance of the flock due to disease.
- (b) Significant food quality and food safety risks associated with the potential for consumers to become ill (either through under-cooked or mishandled poultry meat from an infected flock).<sup>32</sup>
- (c) Significant reputational damage for a specific company and the chicken meat sector generally associated with a salmonella outbreak.
- (d) A salmonella outbreak is a major food safety issue with potentially catastrophic impacts on a business ill-equipped to control potential outbreaks, particularly where that businesses' primary focus is the production of chickens for meat production.

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<sup>28</sup> For further information please see *Strategy Review Report - Bromley Park Hatcheries Limited – 9 – 16 March 2020* contained as **Confidential Appendix 13** to this application.

<sup>29</sup> For further information, please see [here](#).

<sup>30</sup> [redacted].

<sup>31</sup> For further information, please see the letter from PIANZ attached as **Confidential Appendix 20**.

<sup>32</sup> There are many types of salmonella, not all of which affect poultry. The severity and impact on the birds depend on the salmonella strain and the age of the flock. Most salmonella infections in poultry flocks are symptomless which makes the significance of an outbreak more of a food safety issue, than a disease of poultry flocks, per se. As above at paragraph 1.8, SE is a specific strand of Salmonella which is particularly difficult to manage.

11.7 In New Zealand, SE has not been present until late 2019, and the Ministry of Primary Industries' (MPI) approach since this time has been to eradicate it, rather than control it, including because it is extremely difficult to control.<sup>33</sup> [redacted].

11.8 As evidenced in Figure 2 below, the [redacted] in [redacted]. [redacted].

**Figure 2: Impact of SE outbreaks on egg and DOC production<sup>34</sup>**

[redacted]

11.9 As expanded on further below, [redacted]. This seriously impacts [redacted].

Steps taken by BPH [redacted]

11.10 BPH has investigated the scope to [redacted].

**Figure 3: Summary of the steps taken by BPH to rescue the business (prior to the 'decision' to sell)<sup>35</sup>**

Date	Action taken
[redacted]	[redacted] <sup>36</sup>
[redacted]	[redacted] Strategy Review Report is attached as Confidential Appendix 13. [redacted] <sup>37</sup> [redacted]. <sup>38</sup> [redacted].
[redacted]	[redacted] [redacted].
[redacted]	[redacted]. <sup>39</sup> [redacted] are attached as Confidential Appendix 14.
<i>[redacted]<sup>40</sup></i>	
[redacted]	[redacted]
[redacted]	[redacted]. <sup>41</sup> [redacted]
[redacted]	[redacted] please see <b>Confidential Appendix 17</b> .
[redacted]	[redacted] <sup>42</sup>

11.11 [redacted]. As is clear from the evidence provided, the Target Business [redacted].

[redacted]

11.12 Naturally, [redacted]. This includes the Target Business' [redacted], which, excluding Inghams, account for [redacted]% of the Target Business' [redacted]. [redacted].

11.13 Figure 5 below provides a timeline of the [redacted].

<sup>33</sup> [redacted].

<sup>34</sup> [redacted].

<sup>35</sup> [redacted].

<sup>36</sup> [redacted] attached as **Confidential Appendix 21**.

<sup>37</sup> [redacted] attached as **Confidential Appendix 15**.

<sup>38</sup> [redacted].

<sup>39</sup> [redacted].

<sup>40</sup> Please refer to [redacted] of the SPA (attached as **Confidential Appendix 12**) [redacted].

For the Commission's information, the Target Business' key customer contracts all contain a [redacted] is attached as **Confidential Appendix 22**.

<sup>41</sup> [redacted] are attached as **Confidential Appendix 16**.

<sup>42</sup> [redacted]. However, as previously submitted, the MPI target is eradication rather than "treatment", [redacted].

[redacted]

11.14 Further to Figure 4 above, [redacted].

11.15 [redacted].<sup>43</sup>

11.16 [redacted].

11.17 Details of the correspondence with customers is included in **Confidential Appendix 18**.

11.18 In effect, [redacted]. While it does supply to certain customers in the Pacific Islands, [redacted], as per **Confidential Appendix 10**. This means its ability to [redacted].

*The Target Business [redacted]*

11.19 The effect of the SE [redacted] and the corresponding [redacted] is that the Target Business [redacted].

[redacted]

11.20 [redacted].<sup>44</sup> [redacted]

11.21 The Target Business has also [redacted], as illustrated by Figure 6 below.

[redacted]<sup>45</sup>

11.22 Figure 6 above displays a clear [redacted].

*Evidence of the pressure placed on the Target Business [redacted]*

11.23 [redacted].

[redacted]

[redacted]

11.24 [redacted].<sup>46</sup> [redacted].

[redacted]

11.25 [redacted].

11.26 [redacted].<sup>47</sup> [redacted].<sup>48</sup> [redacted];

(a) [redacted]

(b) [redacted].<sup>49</sup>

11.27 [redacted].

11.28 [redacted];

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<sup>43</sup> [redacted].

<sup>44</sup> [redacted] which is attached as **Confidential Appendix 23**.

<sup>45</sup> The underlying data is provided to the Commission in **Confidential Appendix 8**.

<sup>46</sup> See **Confidential Appendices 14** and **17**.

<sup>47</sup> See **Confidential Appendix 16** for [redacted].

<sup>48</sup> See **Confidential Appendix 16**.

<sup>49</sup> [redacted] is attached as **Confidential Appendix 23**.

[redacted].<sup>50</sup>

11.29 [redacted];

[redacted].<sup>51</sup>

11.30 [redacted].

11.31 [redacted].

### Conclusion

11.32 Accordingly, in Inghams' submission, [redacted].

## 12. [redacted]

12.1 Given the [redacted], Inghams submits that there are [redacted]. This is evidenced by the sales process to date which is described in more detail in below.

### An overview of the sales process

12.2 [redacted].<sup>52</sup>

12.3 [redacted].

12.4 [redacted].<sup>53</sup>

12.5 [redacted].

[redacted]<sup>54</sup>

12.6 [redacted].<sup>55</sup>

12.7 [redacted].<sup>56</sup> [redacted].

12.8 [redacted], and is attached as **Confidential Appendix 12**.

### [redacted]

12.9 In light of the [redacted], Inghams considers that the most plausible alternative purchasers of the Target Business are those already active in the poultry sector to some extent, given the specialist expertise required [redacted].

12.10 As evidenced above, [redacted].

12.11 In Inghams submission, there are no New Zealand based individuals or companies with the expertise required to appropriately manage these assets on a large scale and to deal with the biosecurity issues that have arisen, and which present a more competitive solution than Inghams. Tegel would have the capabilities but an acquisition by Tegel would be a less competitive alternative than the Proposed Transaction. Inghams submits that it is the only viable and suitable purchaser of the Target Business. Indeed, the purchase price for the Proposed Transaction is [redacted].

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<sup>50</sup> Please see **Confidential Appendix 16** for correspondence between [redacted].

<sup>51</sup> Please see **Confidential Appendix 16** for correspondence between [redacted].

<sup>52</sup> This is outlined in further detail above in Figure 2.

<sup>53</sup> [redacted] attached as **Confidential Appendix 23**.

<sup>54</sup> [redacted].

<sup>55</sup> [redacted] attached as **Confidential Appendix 23**.

<sup>56</sup> A copy of the Information Memorandum is attached as **Confidential Appendix 19**.



Absent the Proposed Transaction, the Target Business [redacted]

12.12 As evidenced above, [redacted]. Accordingly, the Parties submit that [redacted].

**13. Inghams is confident that it will be able to resolve the issues [redacted]**

Salmonella

13.1 As described above, the Target Business has had [redacted] which, in Inghams' view, is primarily due to [redacted].

13.2 Salmonella is fairly widespread in the sense it can be introduced through poor biosecurity at any point in the production chain.<sup>57</sup> It is for this reason that Inghams' policy has been to continuously monitor *all* potential inputs, from feed ingredients through to the final product, to determine the "inputs" or points of introduction and systematically eliminating them. It also operates an "All-In-All-Out" system,<sup>58</sup> meaning that older age birds are kept separately from younger birds, so that if salmonella is introduced to a farm it can be isolated from other parts of the operation. [redacted]

13.3 Inghams has developed a plan to resolve the salmonella issues [redacted]. A remedial spend [redacted]. Inghams has identified a number of steps which must be taken in order to mitigate future [redacted], including the:

(a) [redacted]

(b) [redacted]

(c) [redacted]

(d) [redacted]

(e) [redacted]

(f) [redacted]

(g) [redacted]

(h) [redacted]

(i) [redacted]

13.4 Based on its experience, Inghams is confident that the [redacted].

[redacted]

13.5 As described above, the Target Business' [redacted]. Inghams is in a position of advantage as a purchaser because it has [redacted].

**14. Conclusion on the counterfactual**

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<sup>57</sup> For example, feed and feed ingredients can be contaminated. A contaminated water supply is a potential source of infection. Contamination from a previous flock can be a source of introduction if a shed is not well cleaned and sanitised. However, one of the most significant means of introduction is via human interaction e.g. through contaminated footwear, clothing, equipment etc.

<sup>58</sup> [redacted].

14.1 Against that reality, it is inevitable that the Target Business [redacted]. Simply put, the counterfactual results [redacted]. Accordingly, there is no prospect that the Proposed Transaction will substantially lessen competition.

## Part F: Relevant Markets

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### 15. No overlap between the Parties

- 15.1 The Parties are active at different levels in the supply chain.
- 15.2 The Target Business supplies DOCs to downstream poultry processors, such as Inghams. Whilst Inghams produces a limited quantity of DOCs this production is fully utilised for its own operations. Inghams does not supply DOCs to third parties. Inghams is a vertically integrated poultry producer and produces a range of fresh and frozen chicken products for sale at the wholesale level.

### 16. Wholesale supply of processed chicken products

- 16.1 As noted, while Inghams does not consider that it is necessary to define the precise bounds of the relevant market(s), this application assesses the potential impacts in the downstream markets for the wholesale supply of primary and secondary processed chicken products on a national basis to:
- (a) supermarkets;
  - (b) food service providers; and
  - (c) Quick Service Restaurants;
- together, the **Relevant Markets**.

### 17. The supply of DOCs

- 17.1 The Commission has previously identified a separate market for the supply of DOCs, as distinct from the other functional dimensions of the chicken processing industry in New Zealand described in further detail in Part D above.<sup>59</sup> The Commission considered that each of the various functional activities involve the use of very different plant, equipment and knowledge and were therefore not substitutable from a supply-side perspective.<sup>60</sup> It similarly determined that the outputs of each stage were not substitutable from a demand-side perspective.<sup>61</sup> The Parties' agree with the Commission's previous approach in this regard.
- 17.2 As regards the appropriate geographic scope, the Commission concluded that the market for the supply of DOCs is regional in scope, due to the limited transportability of the stock.<sup>62</sup> In Inghams' submission, nothing turns on the relevant geographic markets and so it believes that they can be left open for now.

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<sup>59</sup> See *Tegel Foods Limited and Brinks Group of Companies* (Commerce Commission Decision 658, 2008) (**Tegel/ Brinks**).

<sup>60</sup> *Tegel/ Brinks*, at 92.

<sup>61</sup> *Tegel/ Brinks*, at 93.

<sup>62</sup> See *Tegel/Brinks* at [118]-[122].

## Part G: Competitive Assessment

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### 18. Overview

- 18.1 [redacted], and given there is no horizontal overlap, Inghams submits there can be no adverse competitive effect.
- 18.2 Regardless, further comfort can be taken from the fact the Proposed Transaction will not give rise to an SLC [redacted].

#### *Supply of DOCs*

- 18.3 There is no existing overlap between Inghams and the Target Business in so far as the supply of DOCs are concerned. While Inghams also has hatchery facilities, it does not offer DOCs for third party supply (and cannot do so if it is to supply its own internal requirements).
- 18.4 Furthermore, the Proposed Transaction does not result in the removal of a potential competitor. Absent the Proposed Transaction, Inghams would not otherwise seek to supply DOCs to third parties.

#### *Wholesale supply of processed chicken*

- 18.5 The merged entity will not have the ability to foreclose Inghams' rivals in the downstream markets for the wholesale supply of processed chicken. The merged entity will continue to face strong competition from Tegel, a well-resourced vertically integrated provider, with substantial unutilised capacity, and who already supplies nearly all New Zealand third parties' DOC requirements. These processors will therefore continue to have Tegel as an alternative to BPH post-transaction.
- 18.6 Furthermore, the merged entity will not have the incentive to foreclose Inghams' rivals.
- (a) DOCs generally do not represent a significant cost for competitors. Based on Inghams' own operations, the cost of DOCs amounts to approximately [redacted]% of the cost per kilogram of chicken meat supplied to customers. Furthermore, the cost of DOCs equates to less than [redacted]% of the cost of a fresh whole chicken at the supermarket.<sup>63</sup>
  - (b) Inghams' business case for the Proposed Transaction is premised on keeping the Target Business fully operational with additional DOC revenue being important to the wider economics of the operation. Indeed, as evidenced in Board Papers, [redacted].<sup>64</sup> In other words, it makes financial sense to supply third-parties.
  - (c) Furthermore, this presentation confirms Inghams' intention to fully utilise DOC capacity [redacted]. In particular, slide 5 explains that while there is "[redacted]" the supply of DOCs to third parties "[redacted]."
  - (d) Inghams understands that Tegel's hatchery facilities have excess capacity enabling Tegel to service third parties.<sup>65</sup> Indeed, with the exception of Inghams, Tegel currently supplies the majority of the poultry processors in New Zealand. As above, [redacted], the Target Business has [redacted]. For the reasons outlined above, the merged entity is incentivised to win DOC volumes.

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<sup>63</sup> For example, as at 20 December 2022, New World is selling Inghams' whole chickens (fresh) in New Zealand at \$21.99.

<sup>64</sup> Please see [redacted].

<sup>65</sup> [redacted].

## Part H: Confidentiality

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### 19. Reasons for seeking confidentiality

- 19.1 Confidentiality is sought in respect of the information in this application that is highlighted blue (being the Applicant's confidential information) and green (being the Target's confidential information) and yellow (being information confidential to both parties) (the **Confidential Information**). Confidentiality is sought for the Confidential Information for the purposes of section 9(2)(a) and 9(2)(b) of the Official Information Act 1982 on the following grounds.
- (a) The Confidential Information is commercially sensitive and valuable information which is confidential to either, or both, Parties.
  - (b) Disclosure of the Confidential Information would be likely to prejudice unreasonably the commercial position of the Parties.
  - (c) To protect the privacy of natural persons.
- 19.2 The Applicant requests that it is notified if the Commission receives any request under the Official Information Act 1982 for the release of any part of the Confidential Information. They also request that the Commission seek and consider their views as to whether the Confidential Information remains confidential and commercially sensitive before it responds to such requests.

## Part I: Declaration

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I, \_\_\_\_\_, 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 me that is relevant to the consideration of this notice has been supplied; and
- all information supplied is correct as at the date of this notice.

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

**Name and title of person authorised to sign:**

\_\_\_\_\_

**Sign:** \_\_\_\_\_

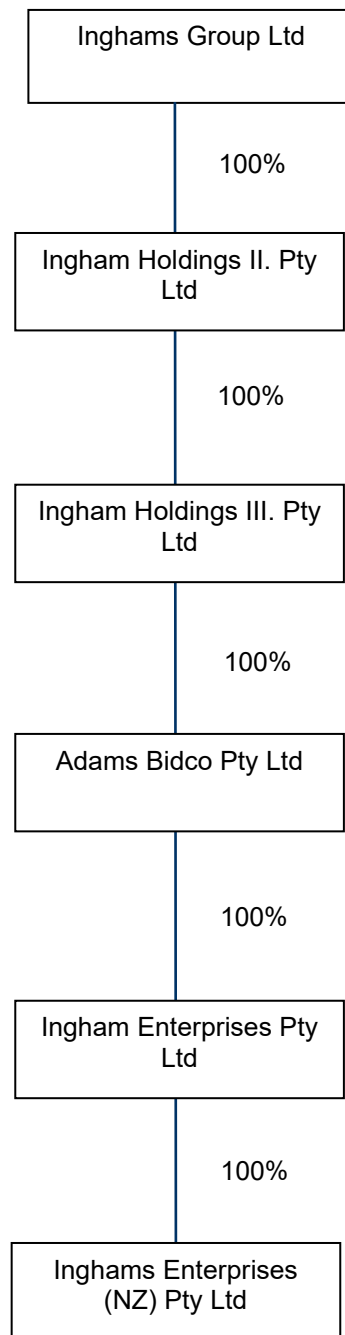
**Date:** \_\_\_\_\_

## Part J: Appendices

<b>Appendix 1</b>	Inghams' structure chart
<b>Confidential Appendix 2</b>	Inghams' New Zealand facilities
<b>Confidential Appendix 3</b>	Inghams' key customers
<b>Appendix 4</b>	Inghams' key competitors and trade or industry associations
<b>Confidential Appendix 5</b>	Copies of Inghams' internal documents
<b>Appendix 6</b>	BPH's Structure Chart
<b>Confidential Appendix 7</b>	Facilities of the Target Businesses
<b>Confidential Appendix 8</b>	Financial Information pertaining to the Target Business
<b>Confidential Appendix 9</b>	Target Businesses' annual revenue for the last two financial years
<b>Confidential Appendix 10</b>	Target Businesses' customers
<b>Appendix 11</b>	Target Businesses' key competitors
<b>Confidential Appendix 12</b>	SPA
<b>Confidential Appendix 13</b>	[redacted]
<b>Confidential Appendix 14</b>	[redacted]
<b>Confidential Appendix 15</b>	[redacted]
<b>Confidential Appendix 16</b>	[redacted]
<b>Confidential Appendix 17</b>	[redacted]
<b>Confidential Appendix 18</b>	[redacted]
<b>Confidential Appendix 19</b>	Information Memorandum
<b>Confidential Appendix 20</b>	[redacted]
<b>Confidential Appendix 21</b>	[redacted]
<b>Confidential Appendix 22</b>	[redacted]
<b>Confidential Appendix 23</b>	[redacted]

Appendix 1 – Inghams’ structure chart

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**Confidential Appendix 2 – Inghams' New Zealand facilities<sup>66</sup>**

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[Redacted]

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<sup>66</sup> [redacted].


### **Confidential Appendix 3 – Inghams’ key customers**

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[redacted]

**Appendix 4 – Inghams’ key competitors and trade or industry associations**

Key Competitors: Downstream markets for the wholesale supply of primary and secondary chicken products		
Competitor	Overview	Contact Details
<p>Tegel</p> 	<p>Tegel Foods Limited is a New Zealand poultry producer and has operated from since 1961 and currently employs around 2,300 workers across the country. It is involved in breeding, hatching, processing, marketing, sales and distribution of poultry products throughout New Zealand and internationally. Its overseas areas of operation include the Pacific Islands, Australia, Asia and the Middle East, with products available across the retail, food service and QSR/Fast Food sectors.</p> <p>Tegel is currently fully owned by Bounty Fresh Group, a Philippines-based poultry group.</p> <p><u>Company No:</u> 99660 <u>NZBN:</u> 9429040443737</p>	<p>[redacted]</p> <p><u>Ph:</u> 0800 483 435 <u>Corporate Office Ph:</u> 09 997 9000</p> <p><u>Address</u> Tegel Foods Ltd, Level 1, 33 Broadway, New Market, Auckland.</p> <p>Private Bag 99927, New Market, Auckland, 1149, New Zealand</p> <p><u>Website:</u> <a href="http://www.tegel.co.nz">www.tegel.co.nz</a></p>
<p>Brinks</p> 	<p>Van Den Brink Poultry Limited produces both fresh and frozen poultry and poultry products for the retail market, speciality poultry for the Halal poultry market, as well as poultry and poultry products for the food service industry.</p> <p>NZ Business number: 9429040659701 Company No: 66969</p>	<p>[redacted].</p> <p><u>Ph:</u> 0800 274 657</p> <p><u>Address</u> 652 Great South Road, Manukau 2104, New Zealand</p> <p><u>Website:</u> <a href="http://www.brinks.co.nz">www.brinks.co.nz</a></p>
<p>Turks</p> 	<p>Turks, based in Foxton, produces corn-fed chicken and chicken products for the retail market, including whole chicken, chicken pieces and cooked chicken products. It recently has begun producing free range corn-fed chicken and chicken products as well, which are also sold in the retail market.</p>	<p>[redacted]</p> <p><u>Address:</u> 109 Purcell St, West Foxton, Foxton, Horowhenua, 4814.</p> <p><u>Ph:</u> 06 363 0013 0800 488 757</p> <p><u>Website:</u> <a href="http://www.turks.co.nz">www.turks.co.nz</a></p>
<p>Bostock Brothers</p>	<p>Bostock Brothers is an organic free range chicken supplier and the only organic commercial chicken farm in New Zealand. Bostock raises its chickens on a large organic apple tree</p>	<p>[redacted]</p> <p><u>Address:</u> Bostock Brothers</p>

	<p>orchard in Hawke's Bay. Bostock process its own chicken using the Cobb genetics.</p>	<p>3 Kirkwood Rd, P.O. Box 2438 Hastings, 4175 New Zealand</p> <p><u>Website:</u> <a href="#">Bostock's Site</a></p>
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Trade/Industry Associations		
Association	Overview	Contact Details
<p>Poultry Industry Association of New Zealand (<b>PIANZ</b>)</p>	<p>PIANZ represents the interests of more than 99% of New Zealand's poultry breeding and processing companies. It acts as a liaison between Government regulatory bodies and the poultry industry, advising on proposed government policy and communicating with relevant government departments. It also funds and carries out research into animal welfare, avian influenza, the use of antibiotics in chicken production and salmonella issues.</p>	<p><u>Email:</u> <a href="mailto:info@pianz.org.nz">info@pianz.org.nz</a></p> <p><u>Ph:</u> 09 520 4300 / 09 520 1553</p>
<p>New Zealand Food Safety Authority (<b>NZFSA</b>)</p>	<p>The NZFSA is responsible for the protection of New Zealander's health and safety and ensures the food New Zealand produces, exports and imports is safe and suitable for domestic and international consumers. It is responsible for regulating the import and export of food within New Zealand. The NZFSA is also involved in the creation, implementation and enforcement of the Australia and New Zealand Joint Food Standards.</p>	<p><u>Email:</u> <a href="mailto:info@mpi.govt.nz">info@mpi.govt.nz</a></p> <p><u>Ph:</u> 0800 00 83 33</p>
<p>Ministry for Primary Industries (<b>MPI</b>)</p>	<p>MPI is responsible for controlling New Zealand's biosecurity system. MPI regulates poultry farming in New Zealand among various other industries, and ensures compliance with legal requirements for food safety along with animal health and welfare.</p>	<p><u>Email:</u> <a href="mailto:info@mpi.govt.nz">info@mpi.govt.nz</a></p> <p><u>Ph:</u> 0800 00 83 33</p>

**Confidential Appendix 5 – [redacted]**

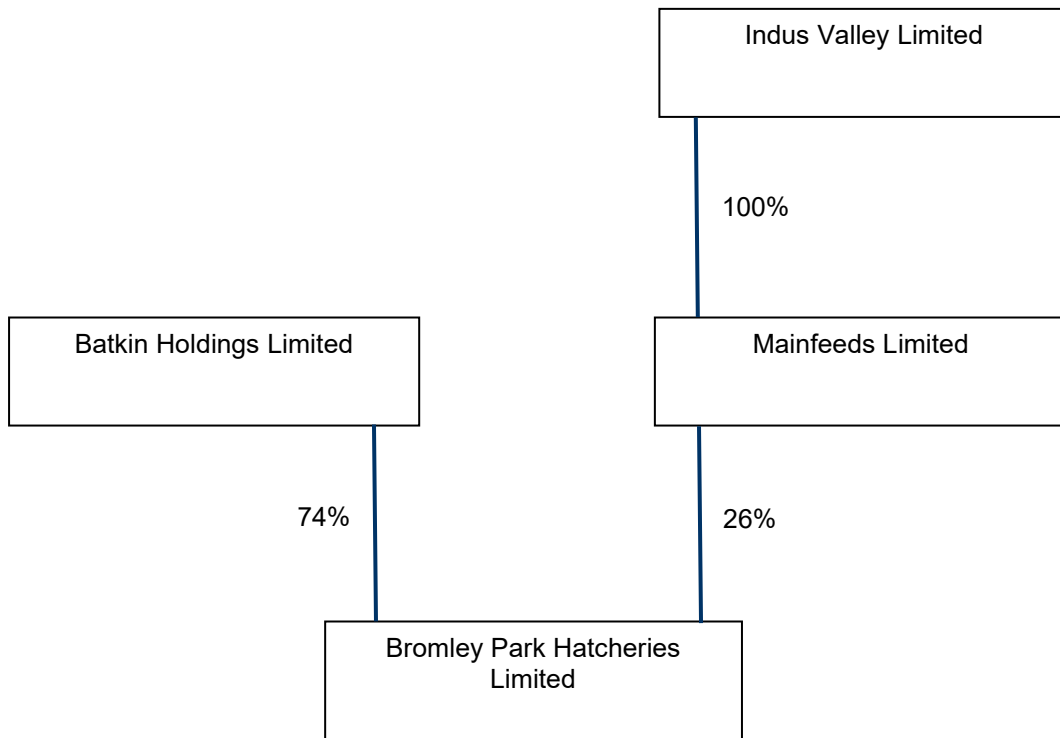
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The Applicant's internal documents are listed below, and are shared as separate attachments to this application.

[redacted]

Appendix 6 – BPH’s Structure Chart (simplified)

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**Confidential Appendix 7 – Facilities of the Target Businesses**

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[redacted].

**Confidential Appendix 8 – [redacted]**

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Provided as separate document.



**Confidential Appendix 9 – [redacted]**

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<b>Financial year</b>	<b>Revenue (~\$NZ000)</b>
FY 2021	[redacted]
FY 2022	[redacted]
FY 2023	[redacted]

**Confidential Appendix 10 – [redacted]**<sup>67</sup>

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[redacted]

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<sup>67</sup> [redacted].

**Appendix 11 – Target Businesses’ key competitor**

<b>Key Competitors: Markets for the supply of DOCs</b>		
<b>Competitor</b>	<b>Overview</b>	<b>Contact Details</b>
<p>Tegel</p> 	<p>Tegel Foods Limited is a New Zealand poultry producer and has operated from since 1961 and currently employs around 2,300 workers across the country. It is involved in breeding, hatching, processing, marketing, sales and distribution of poultry products throughout New Zealand and internationally. Its overseas areas of operation include the Pacific Islands, Australia, Asia and the Middle East, with products available across the retail, food service and QSR/Fast Food sectors.</p> <p>Tegel is currently fully owned by Bounty Fresh Group, a Philippines-based poultry group.</p> <p><u>Company No:</u> 99660 <u>NZBN:</u> 9429040443737</p>	<p><u>Ph:</u> 0800 483 435 <u>Corporate Office Ph:</u> 09 997 9000</p> <p><u>Address</u> Tegel Foods Ltd, Level 1, 33 Broadway, New Market, Auckland.</p> <p><u>Website:</u> <a href="http://www.tegel.co.nz">www.tegel.co.nz</a></p> <p>[redacted]</p>

**Confidential Appendix 12 – [redacted]**

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Provided as separate document.

**Confidential Appendix 13 – [redacted]**

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Provided as separate document.

**Confidential Appendix 14 – [redacted]**

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[redacted].

**Confidential Appendix 15 – [redacted]**

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Provided as separate document.

**Confidential Appendix 16 – [redacted]**

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[redacted].



**Confidential Appendix 17 – [redacted]**

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[redacted].

**Confidential Appendix 18 – [redacted]**

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[redacted].

**Confidential Appendix 19 – [redacted]**

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Provided as separate document.

**Confidential Appendix 20 – [redacted]**

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Provided as separate document.

**Confidential Appendix 21 – [redacted]**

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Provided as separate document.

**Confidential Appendix 22 – [redacted]**

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Provided as separate document.

**Confidential Appendix 23 – [redacted]**

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Provided as separate document.