

10 August 2023

Commerce Commission New Zealand

Anonymous submission against Moana's acquisition of Sanford's inshore fisheries assets

I am writing to express strong opposition to the proposed acquisition of fishery assets and quota ACE by Moana from Sanford Limited. The acquisition as proposed would create a monopoly through which Moana Seafood would ultimately have:

- unfair control over bycatch ACE quota for independent harvesters, and
- the ability to dictate prices to wholesalers, eventuating in an increase in the price of fish for retail consumers.

The proposed merger of ACE quota would create a monopolistic environment for North Island inshore fisheries

The proposed acquisition will severely lessen competition and create a monopolistic environment in the North Island inshore fisheries. The acquisition of these assets would likely result in reduced income for harvesters and potential losses of jobs and livelihoods due to the reliance on a single operator.

The proposed acquisition would mean a very large volume of fishery resources would be held and administered by one entity. This would create a significant competitive edge for Moana across a range of species. It would be especially extreme for a few key species which many North Island Inshore fishers struggle to avoid.

There are a small number of species in the North Island inshore fishery that are troublesome due to their high prevalence. Independent harvesters find these species very hard to avoid catching as a bycatch whilst targeting species they hold their own ACE for. As such, these independent harvesters are reliant on purchasing ACE to cover the bycatch of these species or they risk having to stop fishing in or around that area.

In the worst-case scenario, these harvesters may have to stop fishing for the remainder of the season. If the majority share of ACE for these species was held by one company (Moana), independent harvesters would be reliant on Moana to continue to operate. As a result, Moana would then have the ability to dictate which harvesters are able to harvest certain species and control the pricing, thus controlling the income earning ability of these harvesters.

This proposal would have significant impacts on wholesale and retail markets

If this merger were to take place, it would result in significantly reduced competition in the harvesting area. As a result, Moana would have considerable influence over wholesale and retail supply and price.

Whilst South Island companies can supply into the North Island, the cost of transporting product across the Cook Strait into North Island markets is a significant barrier to this. These

transport costs (alongside weather impacts that can, at times, halt inter-island transport altogether) lessen potential competition from the South Island.

The result of this is that if this merger was to go ahead as proposed, Moana would have the ability to dictate prices to wholesalers, eventuating in an increase in the price of fish for retail consumers.