COMMERCE COMMISSION
NEW ZEALAND
Te Komihana Tauhokohoko

ISSN 1178–2560
Decision Series
Project no. 11.04/PRJ0048999

PUBLIC version

Determination

ANZCO Foods Limited and Greenlea Group Limited [2026] NZCC 37

The Commission:	Dr John Small Nathan Strong Rakihia Tau
Summary of application:	An application from ANZCO Holdings Limited seeking to acquire 100% of the shares in Greenlea Group Limited.
Determination:	Under section 66(3)(a) of the Commerce Act 1986, the Commerce Commission determines to give clearance to the proposed acquisition.
Date of determination:	17 August 2026

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Contents

The Proposed Acquisition

1. On 22 June 2026, the Commerce Commission (Commission) registered an application (the Application) from ANZCO Foods Limited (ANZCO) (the Applicant) seeking clearance to acquire 100% of the shares in Greenlea Group Limited (Greenlea) (the Proposed Acquisition).[1]

Our determination

2. The Commission gives clearance to the Proposed Acquisition as we are satisfied that it will not have, or would not be likely to have, the effect of substantially lessening competition in any market in New Zealand.

Our framework

3. Our approach to analysing the competition effects of mergers is based on the principles set out in our Mergers and Acquisitions Guidelines (Guidelines).[2]

4. We determine whether a merger is likely to substantially lessen competition in a market by comparing the likely state of competition if the merger proceeds (the scenario with the merger, often referred to as the factual), with the likely state of competition if the merger does not proceed (the scenario without the merger, often referred to as the counterfactual).[3]

5. We make a pragmatic and commercial assessment of what is likely to occur in the future, with and without the merger, based on the information we obtain through our investigation and taking into account factors such as market growth, technological changes, and commercial incentives.[4]

6. Only a lessening of competition that is substantial is prohibited. A lessening of competition will be substantial if it is real, of substance, or more than nominal.[5] There is no bright line that separates a lessening of competition that is substantial from one which is not. What is substantial is a matter of judgement and depends on the facts of each case.[6] A substantial lessening of competition is 'likely' if there is a real and substantial risk, or a real chance, that it will occur.

7. While we commonly assess competition effects of a merger over a two-year timeframe, the relevant timeframe for assessment depends on the circumstances in any given case. A longer timeframe will be appropriate if, on the evidence, competition effects are likely to arise in later years.[7] Indeed, some mergers that may produce competitive benefits in the immediate or short term, may give rise to a substantial lessening of competition over a more extended timeframe.

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1 A public version of the Application is available on the case register on our website.
2 Commerce Commission, Mergers and Acquisitions Guidelines (May 2022). Available on our website here.
3 *Commerce Commission v Woolworths Limited* (2008) 12 TCLR 194 (CA) at [63].
4 Mergers and Acquisitions Guidelines above n2 at [2.35].
5 *Woolworths & Ors v Commerce Commission* (2008) 8 NZBLC 102,128 (HC) at [127].
6 Mergers and Acquisitions Guidelines above n2 at [2.23].
7 *Woolworths & Ors v Commerce Commission* (HC) above n5 at [131].

8. We must clear a merger if we are satisfied that the merger would not be likely to substantially lessen competition in any market.[8] If we are not satisfied – including if we are left in doubt – we must decline to clear the merger.

The Parties

The applicant – ANZCO

9. ANZCO is a New Zealand meat company, participating in procurement, processing, manufacturing, and marketing of beef and lamb products. It is a wholly owned subsidiary of Itoham Yonekyu Holdings, part of the Itoham Foods group.[9]

10. ANZCO's core business is the processing and supply of beef and lamb products, sourcing livestock from New Zealand farms and supplying a range of chilled and frozen meat products to consumers internationally and domestically.[10]

11. In FY25, ANZCO exported a vast majority of its beef products, but within New Zealand, it supplies beef and lamb products to major supermarkets, foodservice operators, and food manufacturers.[11]

12. It also produces and supplies other products, including:[12]

    12.1 offal, pelts, skins, casings, wool and rendered products;

    12.2 meal solutions such as meat patties and meatballs; and

    12.3 animal-derived serums and blood proteins for global customers in the biotech sector.[13]

13. While ANZCO's main office is located in Christchurch, it operates seven processing sites[14] around New Zealand:[15]

    13.1 in the North Island, it operates two beef processing sites (Eltham and Manawatū) and one lamb processing site (Rangitikei); and

    13.2 in the South Island, it operates two beef processing sites (Kōkiri and Marlborough), one lamb processing site (Rakaia), and one beef and lamb processing site (Canterbury).

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8 Commerce Act 1986, s 66(3)(a).

9 The Application at [53]-[54].

10 The Application at [55].

11 The Application at [68]-[69].

12 The Application at [73].

13 [ ].

14 A processing site is where animals are slaughtered, dressed and broken down into a range of chilled and frozen cuts.

15 The Application at [56]-[57] and [72].

14. ANZCO also operates:[16]

 14.1 two manufacturing sites (Dunedin and Waitara);[17] and

 14.2 one finishing site (Ashburton). [18]

The target – Greenlea

15. Greenlea is a privately owned, New Zealand-based meat processing and export company headquartered in Hamilton. It supplies a full range of beef meat products and by-products (specifically, adult bovine plasma and adult bovine serum).[19]

16. Greenlea operates two beef processing plants in the North Island (Hamilton and Morrinsville).[20]

17. Meat processed at Greenlea's plants (excluding by-products) is primarily exported to the United States and China and supplied domestically. Within New Zealand, Greenlea supplies beef products to specialist meat distributors (who supply both for domestic and export markets) and other customers.[21]

18. Greenlea does not operate any manufacturing sites.[22]

Market definition

19. Market definition is a tool that helps identify and assess the close competitive constraints a merged entity is likely to face. We define markets in the way that we consider best isolates the key competition issues that arise from a specific merger or acquisition. In many cases this may not require us to precisely define the boundaries of a market. A relevant market is ultimately determined, in the words of the Commerce Act 1986 (the Act), as a matter of fact and commercial common sense.[23]

20. The conceptual framework we use when we define the relevant market in a merger involves a 'hypothetical monopolist test'. We ask whether a hypothetical monopolist could profitably impose a small, but significant, non-transitory increase in price (a

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16 The Application at [63] and [65].

17 Manufacturing is where the meat products are further processed into products such as beef patties, beef jerky, beef mince and diced beef products.
[
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18 A finishing site is a farm where cattle are raised to prime condition prior to slaughter.

19 The Application at [75] and [83].

20 The Application at [76].

21 The Application at [76] and [86].

22 The Application at [82].

23 Commerce Act 1986, s 3(1A). See also Mergers and Acquisitions Guidelines above n2 at [3.7]-[3.10].

SSNIP) of at least one of a merged firm's products or services. This will be the case when there are few good substitutes to the product or service in question.[24]

21. We consider substitution by both customers and suppliers and ask, if prices increased, whether:[25]

    21.1 customers would switch sufficient purchases to alternative products, services or locations so that a SSNIP is not profitable (customer or demand-side substitution); and/or

    21.2 rival firms (having observed an increase in price) would easily, profitably and quickly (generally within one year) switch production to the products, services or locations in question without significant cost so that a SSNIP is not profitable (supplier or supply-side substitution).

22. The areas of overlap between ANZCO and Greenlea (the Parties) that raise potential competition issues relate to processing of beef cattle[26] and processed beef products (including rendered products and beef by-products). The Parties acquire cattle from farmers for processing, and supply processed beef products to a range of customers (ultimately for supply to consumers) from processing sites in the North Island.

23. As such, we have assessed the competitive effects of the Proposed Acquisition in markets for the acquisition of beef cattle, and supply of beef products, including beef by-products and rendered products.

24. The Parties both also process bobby calves.[27] The acquisition of bobby calves takes place within a narrower geographic area than the acquisition of cattle because bobby calves are worth less and there are regulatory restrictions on how far they can be transported.[28] There does not appear to be any overlap between the Parties for acquiring bobby calves and so we do not consider bobby calves further in these reasons.

What the applicant submitted

25. ANZCO submits that the relevant markets for assessing the competitive effects of the Proposed Acquisition are:

    25.1 a North Island market for the acquisition of cattle for processing; and

    25.2 a national market for the domestic supply of processed beef products.

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24 Mergers and Acquisitions Guidelines above n2 at [3.17]-[3.18].

25 Mergers and Acquisitions Guidelines above n2 at [3.16].

26 For the purposes of this assessment, we use the term 'cattle' to describe adult cows, bulls, steers and heifers being procured for beef processing as distinct from bobby calves which are merely a by-product of the dairy industry, significantly younger in age and procured for veal processing.

27 The Application at [56]-[57] and [76.2].

28 Industry feedback highlights additional animal welfare requirements when it comes to transporting bobby calves from farms to processing plants. Commerce Commission interview with [ ] and Commerce Commission interview with [ ].

26. Regarding the North Island market for the acquisition of cattle for processing, ANZCO submits that:[29]

    26.1 it is appropriate to consider the acquisition of cattle as a separate product market from the acquisition of other stock for processing (eg, lamb). This is because different plant and equipment is required to process different types of stock and farmers are unlikely to alter their land use in response to changes in the prices they receive for stock; and

    26.2 while processors will prioritise acquiring cattle closest to their processing sites to minimise freight costs, cattle are frequently transported throughout the North Island for processing. A narrower, regional market for the acquisition of cattle for processing would not accurately isolate the competitive effects of the Proposed Acquisition because ANZCO's processing sites are in Taranaki and Manawatū and Greenlea's are in the Waikato and therefore do not overlap.

27. Regarding the national market for the domestic supply of processed beef products, ANZCO:[30]

    27.1 submits that it is appropriate to consider the supply of processed beef products as a separate product compared to the supply of other processed meat products. From the supply side, as above at [26.1] different processing equipment is required for different meat products. From a demand side there is likely to be some substitutability between types of meat, however regardless of how narrowly the market is defined, the Proposed Acquisition would not substantially lessen competition;

    27.2 submits that all major processors supply to domestic channels nationally and can supply nationally from plants located in any region; and

    27.3 acknowledges that the customer dimension of the market could be divided further, ie, sales to grocery retailers, food service customers and other retail customers. ANZCO submits no substantial lessening of competition would arise on any definition.

Our assessment of the relevant market – acquisition of cattle for processing

28. We consider it appropriate to assess cattle processing as a separate product market from bobby calves and other species of livestock processing, for the reasons noted below.

[29] The Application at [103]-[105], [107]-[115] and [145].
[30] The Application at [117]-[119] and [121]-[122].

28.1 On the demand side, the evidence indicates that different equipment, staff and training are required to process different types of stock such as between sheep, deer, and cattle.[31]

28.2 On the supply side, while some farmers are able to adjust stock volumes and farm use over time in response to global trading conditions, there is insufficient evidence to suggest that this would occur to a sufficient extent or in a sufficiently timely manner to defeat a price change.[32]

29. For the purposes of our assessment, we do not consider it necessary to precisely define the geographic boundaries of the relevant market(s) for the acquisition of cattle. As we explain below, our assessment of the Proposed Acquisition would be the same whether we considered the geographic scope of the relevant market to be broader or narrower than North Island-wide.

Our assessment of the relevant market – supply of processed beef products

30. We consider it appropriate to assess processed beef products as a separate market from beef by-products and rendered products as customers do not regard processed beef products as substitutes for beef by-products and rendered products.[33]

31. We consider the supply of processed beef products is best assessed on a national basis since most processors that supply domestically do so on a national basis.[34]

With and without scenarios

32. Assessing whether a substantial lessening of competition is likely requires us to:[35]

32.1 compare the likely state of competition if a merger proceeds (the factual) with the likely state of competition if it does not (the counterfactual); and

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31 Commerce Commission interview with [ ], Commerce Commission interview with [ ] and Commerce Commission interview with [ ]. In turn, different types of livestock are generally sent to different specialist plants for processing. For example, [ ]. See Commerce Commission interview with [ ] and Commerce Commission interview with [ ].

32 For example, while [ ] told us that it has changed its focus from producing “almost anything” including [ ], to now producing mostly [ ], [ ] produce only grass-fed cattle having used supplementary feed only once. This would indicate that an increase in stock volumes could put strain on a grass-only system (particularly at certain times of the year), and so may not be sufficiently possible in extent or in a timely manner. See Commerce Commission call with [ ] and Commerce Commission interview with [ ].

33 Beef products tend to include a large range of chilled and frozen cuts of beef for human consumption, whereas beef by-products (including rendered products) undergo further manufacturing processes.

34 Commerce Commission interview with [ ], Commerce Commission interview with [ ] and Commerce Commission interview with [ ]. [ ] noted that while it does supply customers across New Zealand, its emphasis is on supplying more localised markets [ ]. See Commerce Commission interview with [ ].

35 Mergers and Acquisitions Guidelines above n2 at [2.29].

32.2 determine whether competition is likely to be substantially lessened by comparing those scenarios.

33. With the Proposed Acquisition, Greenlea would become a wholly owned subsidiary of ANZCO.[36]

34. Without the Proposed Acquisition, consistent with the Applicant's submission, we consider that the status quo would continue with ANZCO and Greenlea continuing to operate as separate entities.[37]

Competition assessment - unilateral effects

35. Within each of the relevant markets, we have considered the extent to which unilateral effects would be likely to arise from the Proposed Acquisition.

36. Unilateral effects arise when a firm merges with a competitor that would otherwise provide a significant competitive constraint (particularly relative to remaining competitors) such that the merged firm can profitably increase the price for products sold or decrease the price paid for goods acquired above (or below) the level that would prevail without the merger.[38]

37. For the reasons set out below, we are satisfied that the Proposed Acquisition will not, or would not be likely to have, the effect of substantially lessening competition due to unilateral effects in any relevant market in New Zealand.

Our assessment – unilateral effects in the acquisition of cattle for processing

38. Based on our assessment, we consider that the Proposed Acquisition will not, or would not be likely to, have the effect of substantially lessening competition due to unilateral effects in the acquisition of cattle for processing because:

38.1 the Parties are not particularly close competitors in the acquisition of cattle for processing;

38.2 the merged entity would face sufficient competitive constraint from existing cattle processors; and

38.3 many existing processors possess spare capacity for cattle processing such that they could expand to provide a greater competitive constraint on the merged entity in the short to medium term in response to a price increase or quality decrease.

39. We set out our reasoning for this assessment below.

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36 The Application at [20]-[21].

37 The Application at [134].

38 Mergers and Acquisitions Guidelines above n2 at [3.62].

ANZCO's submissions

40. ANZCO submitted that the Proposed Acquisition would not be likely to substantially lessen competition in the North Island market for the acquisition of cattle for processing because:[39]

40.1 the merged entity would continue to face strong competition from existing, established beef processors in the North Island, including from, Silver Fern Farms (SFF) and AFFCO. The continued presence of these strong competitors ensures that the farmers retain multiple options for selling their cattle;

40.2 the Parties' processing capabilities are geographically complementary, resulting in minimal overlap in respect of their cattle procurement activities. While both ANZCO and Greenlea acquire cattle in the North Island, their processing sites are not located in the same regions and each primarily sources cattle from areas closest to the processing site to minimise freight costs;

40.3 there is significant spare processing capacity among the other North Island beef processors (even during the peak of the season). This spare capacity means that competitors could readily increase their procurement and processing volumes in response to any attempt by the merged entity to reduce prices below competitive levels; and

40.4 the price competition for cattle in the North Island is dynamic with farmers being well-informed of prices offered by different processors and can readily switch their supply from one processor to another on a week-by-week basis. No single processor can sustainably acquire cattle at below-market rates, as farmers will simply sell to the highest bidder.

Closeness of competition between the Parties

41. We consider that the Parties are not each other's closest competitor in the acquisition of cattle for processing. ANZCO has processing plants located in Eltham and Manawatū, while Greenlea has processing plants located in Morrinsville and Hamilton, so they are not located close to each other. In addition, we consider that the Parties are not uniquely close competitors on price or quality of service and there are other competing processors that are considered viable and attractive alternatives.

42. Cattle suppliers generally prefer to supply nearby processors,[40] however, proximity is only one of several factors influencing procurement which is highly driven by

39 The Application at [141]-[143], [150] and [156]-[157].

40 Proximity and transport time concerns tend to be driven by a desire to minimise pre-slaughter weight loss. Commerce Commission interview with [ ], Commerce Commission interview with [ ], Commerce Commission interview with [ ] and Commerce Commission interview with [ ]. However, [ ] considers that while there might be perceived preference regarding transport times, there is no dramatic proven commercial loss, noting these animals are very robust. See Commerce Commission interview with [ ].

acquisition prices, established relationships and loyalty.[41] This means there is some overlap in procurement in some areas between the Parties.[42] Consistent with Figure 3 in the Application (which includes clustering areas from which the Parties primarily procure cattle in the North Island) our analysis of the underlying data indicates that ANZCO procures cattle predominantly from the Manawatū/Whanganui, Hawke's Bay and Taranaki regions, while Greenlea procures cattle predominantly from the Waikato region. While there is some overlap in procurement in the Waikato region, representing [ ]% of ANZCO's procurement volumes and [ ]% of Greenlea's procurement volumes, there are several alternative processors to the Parties that have plants located in and around the Waikato region. We discuss these further in turn below.

43. In addition, the Parties' internal documents indicate that they do not monitor each other any more closely that they monitor other processors. [ ].[43]

44. In summary, the evidence suggests that any such overlap in cattle procurement between the Parties is small thereby limiting the extent of constraint from Greenlea that would be lost with the Proposed Acquisition. For the reasons set out below, we are satisfied that cattle suppliers would continue to have several viable alternative options for supply post-acquisition. As such, it is not necessary to reach a precise conclusion as to the level of competition between the Parties that would be lost with the Proposed Acquisition, since any loss of competition between them would be constrained by the presence of alternative processors.

Constraint from existing processors

45. We consider that existing cattle processors with plants in the North Island would provide sufficient competitive constraint on the merged entity in procuring cattle. While processors with plants closer in proximity to those of the Parties are likely to provide stronger constraint than those located further afield, we consider that the

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41 [ ] told us that it has to "sharpen the pencil" to get livestock in times of short supply, but also where there is oversupply in order to keep processing moving, while [ ] indicated that a significant number of cattle suppliers would sell to the processor with the highest price, although existing relationships with processors are important. For example, [ ] indicated that it values relationships over other factors such as brand or price, while [ ] prefers not to chop and change, considering it gets a better deal if keeps its supply in one place. See Commerce Commission interview with [ ], Commerce Commission interview with [ ], Commerce Commission interview with [ ] and Commerce Commission call with [ ].

42 For instance, [ ] told us that while ANZCO's Eltham plant is a considerable distance from Greenlea's plants in Hamilton, there is still some "rubble for bet" even though they are operating in different geographic catchment areas. In addition, [ ] told us that there will be some cross over, with most of Greenlea's supply coming from Waikato down to Hawke's Bay and most of ANZCO's supply in and around the Hawke's Bay. See Commerce Commission interview with [ ] and Commerce Commission interview with [ ].

43 See [ ].

extent of competitive constraint from existing competitors is likely to vary in line with seasonal dynamics such that the constraint of processors that are less proximate may increase during shoulder or off-peak seasons where out of region cattle procurement is more common.

46. Cattle suppliers located near the Parties' processing plants would retain a range of viable options to the merged entity, post-acquisition. Rival processors would continue to compete for cattle, preventing the merged entity from exercising market power, without the loss of volume to rival processors. Alternative processors to the merged entity that would provide the strongest degree of competitive constraint would include:

    46.1 in the Waikato – Universal Beef Packers,[44] AFFCO[45] and SFF;[46] and

    46.2 in the Taranaki and Whanganui/Manawatū regions – Alliance,[47] AFFCO, Ample Meats[48] and SFF.

47. However, we also consider that competition for livestock is not confined to local or regional catchment areas. The evidence indicates that while most processors tend to procure cattle in areas that are closest to their plants, as noted above, processors often extend procurement across the North Island and occasionally inter-island particularly in shoulder seasons where there can be short supply.[49] As such, processors with plant locations in regions outside of the Parties' plants would also constrain the merged entity, including the likes of Auckland Meat Processors (AMP) with its plant located in Auckland as well as Taylor Preston with its plant located in Wellington.[50]

48. We understand that cattle suppliers are typically free to switch between different processors regularly and are not generally contracted into long-term supply arrangements.[51] Since transport is usually arranged and funded by processors,[52]

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44 https://www.ubp.co.nz/.

45 https://www.affco.co.nz/.

46 https://silverfernfarms.com/.

47 https://www.alliance.co.nz/.

48 https://www.amplegroup.nz/.

49 For example, [ ] told us that it is cheaper to freight livestock than chilled carcases and so often livestock are sent further away than the nearest plant. See Commerce Commission interview with [ ]. See also Commerce Commission interview with [ ], Commerce Commission interview with [ ], Commerce Commission interview with [ ], Commerce Commission interview with [ ] and email from [ ].

50 [ ]. See Commerce Commission interview with [ ]. Taylor Preston's livestock buyers cover the Whanganui, Taranaki, Hawke's Bay and Wellington regions. See https://www.taylorpreston.co.nz/.

51 Commerce Commission interview with [ ], Commerce Commission interview with [ ] and email from [ ]. However, there is some evidence that processors may secure supply for key cattle suppliers for up to a year. See Commerce Commission interview with [ ].

52 See Commerce Commission interview with [ ], Commerce Commission interview with [ ] and Commerce Commission interview with [ ].

supplier switching costs are also relatively low. Accordingly, we consider that cattle suppliers would retain the ability to readily redirect cattle to rival processors with capacity, limiting the merged entity's ability to reduce procurement prices or worsen trading terms without losing volumes.

49. Evidence (discussed below) indicates that there is excess capacity available across existing processors such that they could scale up their operations and provide more significant competitive constraint on the merged entity. We understand that many existing processors have the ability to increase volumes (to varying degrees) with little to no capital investment, with an even greater ability to do so outside of peak processing periods.[53] This capability arises from surplus capacity in processors' existing footprints and manufacturing infrastructure, such that changes in processing volumes require mostly operational changes (eg, higher staffing levels or additional shifts).[54] While flexibility may be more limited during peak processing periods, constraints are seasonal and highly variable between years depending on factors such as pasture growth and cattle supply. In our view, this appears to be a dynamic due to seasonality, as opposed to as a result of the Proposed Acquisition. There is no evidence to indicate the Proposed Acquisition would make this feature of the market any worse. In turn, the presence of a temporary processing constraint does not detract from the broader evidence that processors retain meaningful operational flexibility and excess capacity over the course of a season.

50. Further evidence we have gathered, in addition to publicly available industry data, indicates that North Island beef processing volumes have declined over time.[55] There has been limited rationalisation of North Island beef processing, while at the same time, automation and other operational improvements have increased the efficiency of existing facilities.[56] Taken together, these factors further support our conclusion that there is structural excess processing capacity across the North Island. While spare capacity may not be evenly distributed geographically, we consider that

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53 See Commerce Commission interview with [ ], email from [ ], Commerce Commission interview with [ ], Commerce Commission interview with [ ], email from [ ], Commerce Commission interview with [ ], email from [ ] and email from [ ].

54 See Commerce Commission interview with [ ], Commerce Commission interview with [ ], email from [ ], Commerce Commission interview with [ ], email from [ ] and Commerce Commission interview with [ ].

55 Based on livestock slaughtering (LSS) data for total kills between 2010 and 2026 from Stats NZ InfoShare, by regional council and by animal type, see: https://infoshare.stats.govt.nz/ (table reference: LSS007AA, LSS010AA, and LSS013AA). See also Commerce Commission interview with [ ], Commerce Commission interview with [ ] and Commerce Commission interview with [ ].

56 Commerce Commission interview with [ ] and Commerce Commission interview with [ ]. See also https://businessdesk.co.nz/article/slow-start-for-red-meat-season-as-farmers-hold-stock?token=6a5fe3ea1de70&signature=376fb86f161d07c4241d121befb6cddc4187877c19992fa8889f9cc0445c6af6 and https://www.farmersweekly.co.nz/markets/processing-plants-hang-on-as-kill-plummets/.

sufficient capacity remains available to accommodate additional cattle volumes. This finding is consistent with evidence from several North Island processors indicating that many facilities retain spare capacity and can accommodate additional throughput without significant investment.[57]

Our assessment – unilateral effects in the supply of processed beef products

51. ANZCO submitted that the Proposed Acquisition would not substantially lessen competition in the national market for the domestic supply of processed beef products, because:[58]

    51.1 the merged entity's combined market share would be low;

    51.2 the merged entity would be constrained by multiple significant competitors who supply processed beef nationally including Silver Fern Farms, AFFCO and AMP/Wilson Hellaby, all of whom operate nationwide and are well established competitors;

    51.3 the New Zealand beef industry is highly export-oriented, with 90% of all beef products processed in New Zealand being exported. This creates significant supply-side substitutability and if domestic prices were to rise above competitive levels, processors could readily divert product from export channels to the domestic market;

    51.4 beef processors also compete with suppliers of other proteins, not solely against other beef processors, including suppliers of lamb, pork and poultry, based on factors such as price, availability and seasonality;

    51.5 there are low barriers to switching for domestic customers. Domestic customers typically source beef products from multiple processors and frequently switch between suppliers based on price, quality and service; and

    51.6 barriers to entry and expansion are surmountable. Even where there is overcapacity and flat supply and expansion is unlikely, there is evidence of existing processors upgrading their facilities and new entry remains a possibility.

52. Based on our assessment, we consider that the Proposed Acquisition will not, or would not be likely to have the effect of substantially lessening competition due to unilateral effects in a national market for the supply of processed beef products, because the merged entity would continue to face sufficient competitive constraint from existing suppliers of beef products.

57 For example, see Commerce Commission interview with [ ] Commerce Commission interview with [ ] and Commerce Commission interview with [ ].

58 The Application at [159]-[161], [165], [167] and [169]. Domestic customers can also use imported beef, particularly from Australia.

53. While there is a slight differential in terms of the customer focus of the Parties,[59] the evidence indicates that ANZCO and/or Greenlea are frequently considered by customers as options for processed beef products.[60] In addition, the Parties' supply of fresh and frozen cuts of beef is not unique, with most other cattle processors also supplying these products in competition with the Parties, including Alliance, AFFCO, SFF and AMP.

54. The export of beef products comprises a large portion of supply volume for [ ] suppliers, [ ].[61] Greenlea's removal as an alternative option for domestically supplied beef products is unlikely to result in a substantial lessening of competition. Outside of the Parties and as noted above, there are at least three other major national suppliers of beef products that could increase their domestic supply channel relatively quickly and easily (diverting away from export), as well as other smaller or localised suppliers that would continue to provide additional constraint on the merged entity for supply at the local and/or regional level.

55. We also acknowledge that the Parties likely face some degree of additional competitive constraint from imported beef products from the likes of Australia for example.[62]

By-products and rendering

56. The Parties also generate by-products during meat processing including blood and tissue products and renderable materials. However, all meat processors produce the same by-products (likely in similar proportions to their share of the market for the acquisition of cattle) and therefore no additional concerns arise from the Proposed Acquisition in relation to by-products that we have not assessed already.[63]

57. Both Parties have interests in rendering, with ANZCO having a 50% share in Taranaki Bio Extracts (TBE) and Greenlea is a one-third owner of Waitoa Natural Protein Limited (WNPL).[64] We considered whether the Proposed Acquisition would raise any

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59 ANZCO tends to supply major supermarkets, foodservice operators, and food manufacturers, while Greenlea mainly supplies specialist meat distributors. See the Application at [69] and [86].

60 See email from [ ], email from [ ], email from [ ], email from [ ] email from [ ] and email from [ ].

61 [ ]. See email from [ ], Commerce Commission interview with [ ], Commerce Commission interview with [ ] Commerce Commission interview with [ ] and Commerce Commission interview with [ ].

62 Commerce Commission interview with [ ], email from [ ] and email from [ ].

63 [ ].

64 The Application at [129].

potential concerns over the acquisition of rendering materials or supply of rendered products.

58. ANZCO submitted that the Proposed Acquisition would not substantially lessen competition any rendering markets.[65]

58.1 For the acquisition of materials, there is no overlap between the Parties given the location of the two plants (TBE is in Taranaki and WNPL is in the Waikato).

58.2 For the supply of rendered products, TBE and WNPL supply different types of products.

59. We consider that the Proposed Acquisition will not have, or would not be likely to have, the effect of substantially lessening competition in any relevant rendering markets. Consistent with ANZCO's submissions, we consider that:

59.1 there appears to be minimal overlap in the areas that TBE and WNPL acquire rendering material from – TBE serves plants in the [ ] and WNPL serves plants in the [ ]. No concerns were raised by market participants; and

59.2 TBE and WNPL focus on different types of rendering products, with TBE producing edible products and WNPL producing industrial-grade products. TBE owns SBT Marketing (2009) Limited which buys and sells a broader range of products. However, there are other suppliers of similar products in the North Island.

Competition assessment – coordinated effects

60. A merger can substantially lessen competition if it increases the potential for the merged entity and all, or some, of its remaining competitors to coordinate their behaviour and collectively exercise market power such that output reduces and/or prices increase across the relevant market. Unlike unilateral effects, in which a substantial lessening of competition can arise from the merged entity acting on its own, coordinated effects require some, or all, of the firms in the market to act in a coordinated way.[66]

61. In assessing whether the Proposed Acquisition could substantially lessen competition via coordinated effects, we assessed both whether:

61.1 the relevant market is vulnerable to coordination; and

61.2 the merger changes the conditions of the relevant market such that coordination is more likely, more complete, or more sustainable.[67]

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65 The Application at [129].

66 Mergers and Acquisitions Guidelines above n2 at [3.84]

67 Mergers and Acquisitions Guidelines above n2 at [3.86]

ANZCO's submissions

62. ANZCO submitted that the Proposed Acquisition would not enhance the ability of the merged entity to coordinate its activity with its competitors.[68]

62.1 In relation to the North Island market to acquire cattle for processing, a number of strong and well-established competitors would remain, the Proposed Acquisition would not increase merged entity's visibility of other processor's competitive positions, there is fluctuating supply conditions and the market is characterised by high levels of transparency for farmers but not for processors.

62.2 In relation to the national market for the supply of beef products in New Zealand, the industry is characterised by some product differentiation and there are large buyers with countervailing power.

Our assessment

63. We are satisfied that the Proposed Acquisition is unlikely to give rise to coordinated effects in any relevant acquisition or supply markets.

64. In the acquisition of cattle for processing:

64.1 It would be difficult to coordinate on prices. Market participants set weekly prices, and these prices are not published but are conveyed to cattle suppliers through agents. Some processors allow agents to adjust pricing to reflect local competition or in anticipation of changes the following week.[69]

64.2 There is unlikely to be a well-defined boundary to the market that would delineate a clear set of competitors to coordinate with. Processors compete most strongly for cattle nearest to their plants. However, as noted in our discussion as to market definition above, competition is influenced by processors throughout the North Island. If we considered the broader set of competitors in the North Island, the Proposed Acquisition would only result in a small increment to the share of supply.

64.3 There is likely to remain asymmetries between the market participants following the Proposed Acquisition, which makes it less likely that market participants will have an aligned incentive to coordinate. The processors are differentiated by location, number and location of plants, and ownership structure.[70]

65. In the national market for the supply of beef products, the Proposed Acquisition would only result in a small increment in share of supply and prices are strongly

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68 The Application at [170]-[173].

69 For example, [ ] told us that it was difficult to know the market price since livestock buyers will suggest competitors have higher prices. Commerce Commission interview with [ ]. In addition, [ ] told us that it allows agents to price higher or lower to adjust to local conditions. See Commerce Commission interview with [ ]

70 For example, SFF and Alliance are both partly farmer-owned which may create different pricing incentives.

influenced by the global market which would limit the ability of domestic competitors to coordinate on price.

Overall conclusion

66. For the reasons outlined above, we are satisfied that the Proposed Acquisition will not have, or would not be likely to have, the effect of substantially lessening competition in a market in New Zealand.

Determination on notice of clearance

67. Under section 66(3)(a) of the Commerce Act 1986, the Commerce Commission determines to give clearance to ANZCO Foods Limited to acquire 100% of the shares in Greenlea Group Limited.

Dated this 17 August 2026

Dr John Small
Chair