From:
Sent: Monday, 20 July 2026 1:08 pm
To: Registrar <Registrar@comcom.govt.nz>
Subject: JPT/T&G Fresh

I request that my identity and any identifying business details remain strictly confidential

I am submitting this document on a strictly confidential basis as an New Zealand grower and food producer advocate. I want to state clearly that I hold no prejudice or hostility against either J&P Turner Limited (JPT) or Turners & Growers Fresh Limited (T&G Fresh); we have continuously supplied both of these entities for a very long time.

This submission arises not from personal grievance, but from deep, structural concerns regarding the future viability of the entire domestic wholesale fresh produce industry.

While JPT's application presents a narrative of a highly competitive, fluid market where growers can easily bypass wholesalers, it misrepresents the stark commercial realities facing primary producers. As an active grower, I urge the Commission to rigorously scrutinize this acquisition through the lens of monopsony (buyer) power, the creeping foreclosure of independent suppliers through vertical integration, and the excessive use of confidentiality redactions that obscure public market data.

My specific concerns regarding the broader industry impact of this merger are detailed below.

1. The Overuse of Redactions and Withheld Public Information
The Commission's guidelines clearly state that information already in the public domain cannot be claimed as confidential. The applicant has used the confidentiality process to hide data that is essential for public consultation. I request that the Commission un-redact and release the following:

- **T&G Fresh Revenue (Attachment E / Point 93):** T&G Global is listed on the NZX, and their Fresh division's financial performance—including its $461 million revenue and operating profit—is publicly reported. Redacting this information is entirely unjustified. (https://www.nzx.com/announcements/468316)
- **Indicative Market Shares (Point 115 / Attachment B):** If JPT's market shares are purely indicative estimations based on public consumption data, there is no commercial sensitivity justifying their redaction. Furthermore, JPT admits to holding shares greater than 35% in several categories (including Pears, Tamarillos, Apples, Cherries, Ginger, Lemons, Peaches, Persimmons, and Plums). The full scope of this market dominance must be public.
- **Farmers Market Estimates (Point 42):** JPT's estimates of farmers market percentages are admittedly guesses, not proprietary commercial data, and should be visible for industry scrutiny.
- **JPT's Intentions (Point 21):** If the rationale for the merger relies on public interest and "custodianship" of the industry, JPT's actual operational intentions for T&G's assets should not be hidden from the growers whose livelihoods depend on them.

2. Flaws in JPT's "Alternative Markets" Argument

JPT's entire application relies on the idea that if the merged entity lowers purchase prices or raises fees, growers can simply sell their produce elsewhere (e.g., direct to supermarkets or at farmers' markets). This narrative completely ignores the on-the-ground reality for commercial growers:

- **Supermarket Buying Preferences (The Duopoly Bottleneck):** JPT claims growers can easily pivot to supplying supermarkets directly, but the New Zealand supermarket duopoly actively resists this. Supermarkets operate with lean fresh produce buying teams (often comprised of just up to 10 people) whose general preference is to maintain as few grower relationships as possible. They consistently seek out large wholesalers or massive growers who can supply multiple product lines simultaneously. This inherently locks small-to-medium-sized growers out of direct supply opportunities, proving that the major retailers are not a viable "alternative market" for the vast majority of independent growers.
- **High Barriers to Entry (Point 10.F):** Establishing a temperature-controlled, nationwide logistics and distribution network costs tens to hundreds of millions of dollars. Independent growers rely heavily on local wholesaler scale and capabilities; they cannot simply replicate this distribution network themselves overnight.
- **The Food Safety Reality (Point 40):** Selling direct-to-consumer or at farmers' markets is not a viable, scalable substitute for commercial-level growers. Many of these small-scale sellers lack NZGAP (New Zealand Good Agricultural Practice) certification, making them ineligible to ever supply major supermarkets or mainstream retailers. Commercial growers have higher overheads as they need to maintain compliance programs, recall and traceability procedures, whereas a growers at Farmers markets may not.
- **Competitor Limitations (Table 8):** JPT lists various competitors to make the wholesale market look crowded, but these comparisons lack vital context. For example, Seeka does not wholesale vegetables; Fresh Connection is largely restricted to the foodservice industry; and Farmers Markets do not distribute produce to independent retailers. The loss of T&G Fresh removes a major, direct competitor to Fresh Direct that these other channels cannot replace.

3. The Threat of Monopsony Power, Payment Terms, and the Consignment Model

The merger threatens to eliminate a major buyer and fundamentally change how growers are paid, putting the financial viability of independent growers at severe risk.

- **Loss of the Consignment Model:** T&G Fresh currently operates a % commission consignment model, leaving ownership of the produce with the grower. Fresh Direct (FDL) operates as a merchant, buying outright and setting their own margins.
- **Cash Flow Disruption:** T&G Fresh pays its growers on a fortnightly cycle, whereas Fresh Direct operates on a monthly pay cycle.
- **Required Clarification:** With one less major buyer in the market, the merged entity will possess the monopsony power to depress prices paid to growers, increase commission rates, or implement harsher terms. In this application, JPT ideally should outline whether they intend to force all current T&G growers onto Fresh Direct's monthly merchant payment cycle, thereby eliminating the consignment model and severely disrupting grower cash-flow and margins.

4. Vertical Integration and Direct Conflicts of Interest
While T&G Fresh grows a portion of its own produce (specifically "Covered Crops" like tomatoes and cucumbers), it still heavily relies on a network of over 1,200 independent partner growers to supply its fresh produce.

- **Instant Vertical Integration:** If Fresh Direct (JPT) acquires T&G Fresh, JPT will instantly become a large-scale New Zealand grower of tomatoes and cucumbers.
- **Conflict of Interest:** This move is entirely counter-intuitive and hostile to Fresh Direct's *existing* independent suppliers of tomatoes and cucumbers. By acquiring its own massive supply, the newly merged entity will be heavily incentivized to prioritize its own internally grown crops over the crops of independent growers.
- **Industry Precedent:** This directly mirrors the market disruption and concerning trend of vertical integration recently seen with MG Marketing. Despite being a Grower Co-operative, MG Marketing acquired JS Ewers (a major hothouse producer) and later acquired Southern Paprika Limited (SPL). In August 2025, MG Group announced it would introduce its own tomato production at the SPL site by converting five hectares of existing glasshouses to tomatoes, alongside building an additional 10 hectares of new glasshouse space and planning further expansions at JS Ewers. These expansions permanently altered the competitive landscape, forcing independent hothouse growers to compete directly against their own wholesaler for market access.

The Commerce Commission must rigorously scrutinize how JPT's sudden acquisition of T&G Fresh's growing operations will vertically integrate the entity and potentially foreclose market access for existing independent suppliers. I urge the Commission to thoroughly investigate the substantial monopsony risks this transaction presents, demand full transparency on heavily redacted public figures, and deeply weigh the long-term negative impacts this consolidation will have on independent New Zealand growers.

Furthermore, given that mainstream and independent retailers still heavily rely on sourcing produce from these dominant primary wholesalers, this transaction underscores the urgent need for an enforceable wholesale code of conduct to ensure fair trading terms, prevent market manipulation, and restore genuine transparency across the entire fresh produce supply chain.

On a side note: fresh facts has a lot of industry information as well.
https://unitedfresh.co.nz/technical-advisory-group/fresh-facts

Kind Regards