# Submission to the Commerce Commission

*Proposed acquisition involving JPT and T&G Fresh*

11 September 2026

We welcomes the opportunity to provide its perspective as a grower reliant on the New Zealand domestic produce market. Our principal concern is that a reduction in the number of major national full-service wholesalers could weaken competitive tension, reduce growers' bargaining power and limit practical alternatives for moving produce, particularly during periods of surplus volume.

## 1. JPT and T&G Fresh are likely to be close competitors for at least some growers and produce categories

**response**

**We agree with this assessment.**

From our perspective, JPT and T&G Fresh do compete closely for NZ domestic fresh vegetables. Different retailers support different central markets, often based on price perception and or relationships with sales personal. Fresh Direct, for example, is generally perceived to operate at the lower end of a given price point.

In practice, our decision about where to supply produce is influenced by pricing, commission rates, commercial relationships, market access, service levels, and the wholesaler's ability to handle the volume and range of produce we grow.

## 2. The acquisition would reduce the number of major full-service wholesalers from three to two

**response**

**We recognise that the acquisition would reduce the number of major national full-service wholesalers. We believe the practical effect on growers should be assessed by reference to the genuine alternatives available to them, rather than simply the number of market participants.**

Our current sales alternatives include MG, T&G Fresh, Fresh Direct, supermarkets and direct customers such as flea-market vendors.

These alternatives create competitive tension in relation to pricing, commission rates, service and access to markets. Reducing the number of major wholesale markets from three to two would, in our view, materially lessen that competitive tension - not only in terms of sales channels, but also in growers' bargaining power over commission rates and other terms.

At present, the three major markets compete to secure the majority of supply from key growers. That competitive dynamic is important to growers and would be weakened if one of those alternatives were removed.

## 3. Other wholesalers and direct sales may not provide a sufficient alternative for all growers

### response

**We agree.**

In our experience, the ability to use alternative channels depends significantly on crop type, volume, location and time of year.

For our business, T&G Fresh is a key alternative channel. Historically, we also transacted with Fresh Direct, but ceased doing so because we considered its commission structure insufficiently transparent and its overall annual returns across our 23 product lines were materially lower.

We are 100% reliant on domestic sales channels, so maintaining competitive tension between those channels is vital to our business.

We do not generally maintain direct supply relationships with supermarkets because doing so can leave us exposed when production exceeds an agreed supply target. In that situation, our ability to move additional volume can become very limited. We would also lose the benefit of the favourable commission rates we have negotiated with MG and T&G Fresh, as those rates are linked to the volumes we transact through them.

## 4. The acquisition could result in lower prices, higher commissions, less favourable terms or reduced services

### response

**This is an important consideration for growers.**

Our main concern is whether the merged business would have sufficient market power to change pricing, commission structures, payment terms or service levels without growers having a realistic ability to move their business elsewhere.

We believe the Commission should consider not only current commission rates and trading terms, but also whether sufficient competitive pressure would remain after the acquisition to constrain future changes that may be adverse to growers.

## 5. Whether growers have sufficient bargaining power

### response

**Grower bargaining power varies considerably, but in our view even larger growers can have limited practical alternatives. Smaller and specialist growers are likely to have fewer options again.**

From our perspective, our bargaining position is already limited. Growers are generally price takers rather than price setters, which places us in a vulnerable commercial position.

The key question is whether a grower could realistically move a meaningful volume of produce to another buyer if the merged business offered less favourable terms. In our opinion, for many growers the answer would be no, particularly where product is perishable, volumes are significant, or alternative channels are already committed.

## Conclusion

We consider that the existing competitive tension between the major wholesale markets provides an important discipline( even though it is still not ideal )on commission rates, trading terms, service levels and market access. Because we are wholly reliant on domestic sales channels, preserving practical choice and bargaining power is particularly important to our business.

We therefore encourage the Commission to give significant weight to the practical ability of growers to switch meaningful volumes of produce between channels, particularly during periods of peak production, rather than assuming that smaller wholesalers, supermarkets or direct sales will always provide an effective substitute for a major full-service wholesaler.