Submission on J&P Turner Limited Proposed Acquisition of Turners and Growers Fresh

24 July 2026

To: Commerce Commission
Name of Submitter: New Zealand Vegetable Council
From: James Kuperus, Operations Manager

About New Zealand Vegetable Council

The New Zealand Vegetable Council (NZVeg) is a pan-vegetable sector organisation established to provide a unified voice for the New Zealand vegetable industry. NZVeg works with growers, packhouses and exporters producing and selling vegetables in New Zealand.

NZVeg is a cooperative organisation owned by the vegetable product groups; Onions New Zealand, Tomatoes New Zealand and Vegetables New Zealand. Collectively they come together to employ staff and provide a united vegetable voice on important issues affecting the sector.

NZVeg is a relatively new organisation, formed in 2026 to support the vegetable industry. We look forward to building a strong and enduring relationship with the Commerce Commission to ensure all parties in the supply of produce in New Zealand are adequately remunerated for the risk in dealing with a perishable product.

About the New Zealand Vegetable Sector

The New Zealand vegetable industry at a glance:

- 1.2million tonnes of vegetables produce each year
- $1.1billion in annual farmgate returns
- 980 mostly family-owned growing businesses
- 9,600 employees
- 40,000 hectares of outdoor production
- 320 hectares of greenhouse production
- $275million in fresh vegetables exports
- $469million in processed vegetable exports

The sector operates a variety of growing systems including outdoor arable systems through to sophisticated glasshouses managing temperature and humidity.

Executive Summary

NZVeg is writing this submission and providing feedback on behalf of New Zealand's vegetable growers, a number of whom approached us to ensure we submitted on their behalf given the significance of this transaction to their businesses. This is a sensitive topic for growers given the current cost pressures from inflationary shocks versus the prices being paid for their produce currently. However, we recognise that a good deal of this pressure stems from external factors - such as input costs and global market conditions - rather than from the market dynamics at play in New Zealand's wholesale sector specifically. It is against this backdrop that we have approached our assessment of the proposed acquisition.

NZVeg has spoken to a number of growers about the proposed acquisition and reached the following conclusions:

- This is a significant change in market dynamics for the fresh produce sector. We are essentially seeing a reduction in the 'open' wholesalers from three to two.
- The reduction in wholesalers will affect smaller vegetable growers more than larger growers. This is due to the fact that smaller growers do not have the same direct to retailer relationships and channels that larger growers have. As such, they are more heavily reliant on wholesalers.
- Overall, we feel the acquisition is neutral in terms of outcomes for the sector, though we acknowledge there are reasonable arguments on both sides. On one hand, there is one less wholesaler in the market for growers to choose to supply to, which narrows the options available to some growers, particularly smaller ones. On the other hand, there are other emerging wholesalers that growers can supply to, and some economies of scale arising from the acquisition which may help with improved efficiencies across the combined business. On balance, we do not consider that this transaction, by itself,

materially changes the outcomes for growers and other factors at play are likely to have more influence over profitability.

- Turners and Growers search for a buyer is, in our view, a symptom of the broader financial health of the produce sector and the difficulty of achieving a satisfactory return on the assets deployed, which is reflective across the produce sector in New Zealand.
- Given the tight operating margins throughout the supply chain, our focus is less on the merits of this particular transaction and more on the Commerce Commission’s ongoing role as a watchdog over the supply chain to ensure there is fair competition and business practices. Particularly ensuring no one party has too much power over the price and supply of produce. We would like to see increased surveillance and supply chain reporting so the Commission can determine whether there is fair competition and power balance in the supply chain. This is about avoiding adverse outcomes in five to ten years’ time from power imbalances, rather than a concern with this transaction in isolation.
- More broadly, we have concerns around operational and business practices within the wholesale sector. We would like to see improved practices adopted across the board around market transparency and payment terms for growers’ produce. Specifically, the sector would like more transparency from Fresh Direct on pricing in the market, and consideration around the IT systems used to provide this to their suppliers.

Our overall position is that although growers will have one less wholesaler to supply into it, this acquisition is unlikely in isolation going to change the market dynamics materially. We are neither supportive nor opposed to the acquisition itself. We acknowledge that much of what follows is not directly responsive to the specific questions the Commerce Commission has posed in its Statement of Preliminary Issues, but reflects broader, adjacent concerns that our members have asked us to raise while we have the Commission's attention.

This submission is also supported by Potatoes New Zealand, which is the industry body representing potato growers.

Market Channels

This acquisition will have a greater impact on smaller growers than on the larger players in the sector. This is due to the fact that larger players generally have more market channels and options than just the wholesaler channels, giving them more than one route to market if any single wholesaler relationship changes. Smaller growers, by contrast, tend to be more dependent on wholesale channels, and so are more exposed to any reduction in the number of wholesalers operating in the market. As such, there are varying degrees of concern among our members around available market channels post-merger, depending on their scale and existing customer relationships. However, we tend to agree with the Statement of Preliminary Issues that there are still alternative channels to market currently available, but they are fairly limited. Essentially, we are seeing a reduction in ‘open markets’ reduce from three players to two. What we mean by that is, there are other market channels, but these tend to be relatively closed off to new supply.

Long Term Oversight

Acknowledging that we are submitting from the perspective of information available at this point in time and can't foresee all possible outcomes over a five- to ten-year horizon, we encourage the Commerce Commission to maintain ongoing vigilance over the produce supply chain as a whole, rather than treating this transaction as a one-off event to be assessed in isolation. This acquisition is one instance of a wider pattern of consolidation that we expect to continue across the produce sector more generally as businesses seek scale to remain viable. A market with fewer wholesalers naturally carries a greater risk of power imbalances emerging over time, and we think it prudent to have some benchmarking in place now to measure against. We therefore support and encourage the Commerce Commission to maintain a continued focus on, and periodically review, the outcomes of this and future mergers across the sector. In practical terms, this means increased surveillance and improved supply chain reporting, so that the Commission - and growers themselves - are better placed to determine whether there are fair margins and power in the supply chain entirety from producer through to retailer.

Operational/ Business Practices

From the growers we represent, there have been concerns raised around operational and business practices across the produce supply chain which warrants elevation to the Commerce Commission.

The issue raised most consistently by growers relates to market data and transparency. This is around pricing expectations, what the produce was on sold for, margins/ commission applied, transport and crate cost deductions and general supply in the market. The current Turners and Growers Fresh system provides a level of sophistication and transparency for suppliers, which will likely go with this transaction. This will likely significantly diminish the transparency for suppliers to understand market dynamics and growers will have to consider supplying with little market information over pricing expectations. We recognise that this sits somewhat outside the specific scope of what the Commerce Commission is seeking information on in terms of the competitive effects of this acquisition. However, we consider it useful context, as it speaks to the underlying vagaries of the produce supply chain that growers navigate day to day, and to the kind of practices we would encourage wholesalers across the sector to continue improving on as consolidation progresses, regardless of which particular businesses are involved. We encourage all wholesalers and participants to review and enhance market data transparency so there is less of a power imbalance in the relationship.

Other issues around transport costs being deducted from growers when product is transported from the wholesaler to the retailer, and the hiring of crates have also been raised. There have also been instances where produce has been sold at lower prices than growers were aware of, which has brought down the overall market price for those categories. i.e. wholesalers have made a loss on a transaction, but the market has a new rate set at a lower rate.

Our requests are that all wholesalers and retailers provide enhanced market transparency to provide some balance of power and that the Commerce Commission executes its powers and authority to maintain business practices which are fair for all parties in the supply chain.

Conclusion

We have engaged with approximately 20 or so different producers/ growers of varying sizes to compile our feedback on the proposed acquisition. Growers are nervous about this transaction in terms of the scale and market shares in the wholesale market. However, the conclusions we have reached are that the acquisition is unlikely to change the dynamics of the sector materially. The more material items are around market transparency and business practices to ensure a healthy supply chain for all participants.

We would welcome the opportunity to discuss any of the points raised in this submission further with the Commerce Commission.

Yours sincerely,

James Kuperus

Operations Manager
New Zealand Vegetable Council