

25 March 2026

[REDACTED]

Kia ora [REDACTED]

Official Information Act request 25.187

Thank you for your Official Information Act 1982 (the OIA) request on 27 February 2026 asking for:

1. “The most recent data held by the Commission on price-cost margins by product category in the New Zealand grocery sector, including fresh produce, bread, dairy, and meat.
2. Any analysis or assessment by the Commission of the role of community food networks, food cooperatives, or local producer direct sales as competitive alternatives to the grocery duopoly.
3. Any assessment of the extent to which regulatory barriers under the Food Act 2014 and Animal Products Act 1999 contribute to barriers to entry in the grocery sector — specifically, the cost of compliance for small-scale local food producers.
4. The Commission's estimate of the total excess profits earned by the major grocery retailers (Foodstuffs and Woolworths NZ) in the most recent financial year for which data is available.
5. Any analysis of the potential consumer savings that could arise from a shift of 5 to 10 percent of grocery spending toward local producer direct sales and community food networks.
6. Any submissions or correspondence received by the Commission from community food networks, food cooperatives, or local producer organisations regarding barriers to competition in the grocery sector.
7. The Commission's 2022 market study found excess profits of approximately \$1 million per day. Community food networks such as the Longwood Loop in Southland and Hauora Kai in Wellington consistently deliver fresh produce at 30 to 40 percent below supermarket prices. I am establishing whether the Commission has assessed the potential for removing regulatory barriers to local food production as a competition intervention.

8. If this analysis does not exist, the question becomes: why not?"

Our Response

The Commerce Commission's (the Commission's) response to each of your requests is set out below:

| | Request | Response |
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| 1 | The most recent data held by the Commission on price-cost margins by product category | <p>Our most recent (financial year 2024) published analysis of price cost margins is included in our second annual grocery report, available from page 65 here: Link</p> <p>This is high-level analysis that only differentiates between fresh and non-fresh departments.</p> <p>The most recent (financial year 2023) published analysis of product category level price-cost margins was included our first annual grocery report, see page 49: Link</p> <p>We previously responded to an OIA request for the analysis behind the statements in the first annual grocery report on product category margins: Link</p> <p>The most recent (financial year 2025) unpublished price-cost margin analysis is due to be included in our third annual grocery report which we are aiming to publish on our website at the end of May 2026. This analysis is high level and only differentiates between fresh and non-fresh departments, it does not split by product category. This analysis is withheld under section 18(d) of the OIA on the basis that the information will soon be publicly available.</p> <p>We have undertaken some financial year 2025 analysis of product category level margins. This is withheld under section 9(2)(b)(ii) of the OIA on the basis that its release would be likely to unreasonably prejudice the commercial position of the person who supplied the information.</p> |
| 2 | Any analysis or assessment by the Commission of the role of community food networks, food cooperatives, or local | <p>The Commission has conducted analysis with regard to competition in groceries generally, including in the Groceries Market Study: Link and our annual grocery reports: Link</p> <p>However, the Commission has not conducted analysis specifically in relation to the role of community food</p> |

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| | producer direct sales as competitive alternatives | networks, food cooperatives, or local producer direct sales as competitive alternatives with regard to groceries. As such this request is refused under section 18(g)(i) of the OIA on the basis that the Commission does not hold the information, and we have no grounds for believing that the information is held by another department or organisation. |
| 3 | Any assessment of the extent to which regulatory barriers under the Food Act 2014 and Animal Products Act 1999 contribute to barriers to entry in the grocery sector — specifically, the cost of compliance for small-scale local food producers. | <p>The Groceries Market Study considered compliance costs for smaller retailers. However, the Commission has not carried out analysis on the extent to which the Food Act 2014 and Animal Products Act 1999 contribute to barriers to entry in the grocery sector, specifically, the cost of compliance for small-scale local food producers.</p> <p>As such this request is refused under section 18(g)(i) of the OIA on the basis that the Commission does not hold the information, and we have no grounds for believing that the information is held by another department or organisation.</p> |
| 4 | The Commission's estimate of the total excess profits earned by the major grocery retailers (Foodstuffs and Woolworths NZ) in the most recent financial year for which data is available | <p>The Groceries Market Study assessed excess profitability of the major grocery retailers to 2019. Our first annual grocery report updated this analysis to cover the period to 2023. See our first annual grocery report, available from page 50 here: Link</p> <p>This is the most recent estimate available for excess profitability. Our analysis of profitability focuses on ongoing trends rather than a firm's performance in any given year. As such we only look at this type of excess profitability analysis occasionally over time.</p> |
| 5 | Any analysis of the potential consumer savings that could arise from a shift of 5 to 10 percent of grocery spending toward local producer direct sales and community food networks. | This request is refused under section 18(g)(i) of the OIA on the basis that the Commission does not hold the information, and we have no grounds for believing that the information is held by another department or organisation. |
| 6 | Any submissions or correspondence received by the Commission from community food | <p>We have received the following public submission that is in scope of this request:</p> <ul style="list-style-type: none"> • Kiwi Co-op (Nelson) on the Groceries Market Study: Link |

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| | <p>networks, food cooperatives, or local producer organisations regarding barriers to competition in the grocery sector.</p> | <p>Please see our website for a full list of public submissions regarding barriers to competition in the grocery sector with regard to:</p> <ul style="list-style-type: none"> • the Groceries Market Study: Link • the Review of the Grocery Supply Code: Link • the Groceries Wholesale Supply Inquiry: Link • the Consumer Complaints Disclosure Standard: Link <p>At the time of publication, some information within these submissions was redacted in line with the principles of section 9(2) of the OIA. We have not reassessed these redactions at this time.</p> <p>Regarding non-public submissions or correspondence:</p> <ul style="list-style-type: none"> • On 6 December 2023 we received an enquiry from a representative of a community food network, food cooperative, or local producer organisation. This correspondence is withheld in full under section 9(2)(b)(ii) of the OIA on the basis that its release would be likely to unreasonably prejudice the commercial position of the person who supplied the information. • On 6 September 2024 we received an enquiry [REDACTED] from a representative of a community food network, food cooperative, or local producer organisation. This correspondence is withheld in full under section 9(2)(b)(ii) of the OIA on the basis that its release would be likely to unreasonably prejudice the commercial position of the person who supplied the information. • On 9 July 2025 we received a submission to our Wholesale Supply Inquiry from a representative of a community food network, food cooperative, or local producer organisation. This submission is withheld in full under section 9(2)(b)(ii) of the OIA on the basis that its release would be likely to unreasonably prejudice the commercial position of the person who supplied the information. |
| 7 | <p>The Commission's 2022 market study found excess profits of approximately \$1 million per day. Community</p> | <p>The Commission has conducted analysis with regard to regulatory barriers to competition generally, including in the Groceries Market Study: Link</p> |

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| | <p>food networks such as the Longwood Loop in Southland and Hauora Kai in Wellington consistently deliver fresh produce at 30 to 40 percent below supermarket prices. I am establishing whether the Commission has assessed the potential for removing regulatory barriers to local food production as a competition intervention.</p> | <p>However, the Commission has not conducted analysis specifically in relation to removing regulatory barriers to local food production as a competition intervention with regard to groceries.</p> <p>As such this request is refused under section 18(g)(i) of the OIA on the basis that the Commission does not hold the information, and we have no grounds for believing that the information is held by another department or organisation.</p> |
| 8 | <p>If this analysis does not exist, the question becomes: why not?</p> | <p>Please see response to 7 above.</p> |

In making these decisions to withhold certain information under section 9 of the OIA, we have determined that the public interest does not outweigh the need to withhold the information at this time.

Further information

We hope this response has been helpful.

If you have any questions about this response, please do not hesitate to contact us at oia@comcom.govt.nz.

If you are not happy with our response, you have the right to complain to the Ombudsman. Information about how to do this is available at www.ombudsman.parliament.nz.

Finally, confirming the Commission may publish this response on its website as part of our proactive release process. Any personal information will be redacted prior to publication.

Ngā mihi nui

OIA Coordinator | OIA & Information