

Wholesale Supply Inquiry

Expectations for wholesale supply and measuring industry progress

WEBINAR FOR GROCERY SUPPLIERS

26 March 2026

Agenda and housekeeping

- Housekeeping
- Wholesale Supply
- Input from suppliers
- Expectations for change
- Measuring industry-led progress
- Next steps
- Q&A



Our context

Enhancing competition in the economy, and improving choice and quality for New Zealanders

Our work in grocery seeks to:

- Promote competition and efficiency in the grocery industry; and
- Address unfair conduct and practices in the trading environment

For the benefit of New Zealand consumers



Wholesale supply

- One of the areas that has been identified as a barrier to competition is the lack of access to a full range of groceries for resale at competitive prices.
- To address this the Grocery Industry Competition Act created obligations for the regulated grocery retailers (RGRs) – WWNZ, FSNI and FSSI – to set up systems to facilitate wholesale supply to other grocery retailers.



Wholesale Supply Inquiry

- A year into the regime we identified that access to products for new or competing retailers had not improved sufficiently through RGRs' wholesale offerings.
- We also identified that we needed more information to understand why direct supply was not providing other retailers with a range of products at prices that allowed them to compete with RGRs.
- So, in September 2024 we commenced an Inquiry to consider whether additional regulation is required to improve wholesale supply, and if it is, what that regulation should look like.



Input from suppliers

- As suppliers you have an interest and influence over the make-up of these RGR wholesale offers.
- We need your input into how to make this approach work, or if you think wholesale access is being, or can be solved through direct supply or other industry solutions we want to hear about those alternatives.
- The purpose of speaking to you today is to explain why we need to hear from you and how to further contribute to our current Inquiry process.



Industry-led change

- In June 2025 we released the Inquiry's preliminary findings, including our view that **industry-led behaviour change is the quickest and most efficient way to address wholesale supply issues** without needing to impose additional regulation.
- If industry does not make meaningful progress towards a competitive wholesale market, we will consider the case for stronger regulatory intervention.
- Imposing regulation would restrict parties' ability to develop their own solutions, e.g. about how the pass through of promotional funding to wholesale customers could be facilitated.
- Imposing regulation also has costs and may have unintended consequences. These issues can be avoided if parties make effective change by themselves.



Our expectations for change

Industry-led behavioural change is needed to address issues with wholesale supply



Our expectations

As published in the November 2025 Open Letter to participants in NZ's wholesale grocery market:

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- | | |
|---------------|---|
| Price | RGRs and suppliers offer other retailers competitive prices for products which reflect efficient costs to serve and provide non-discriminatory access to rebates, discounts and payments or lower list prices. Non-discrimination means a wholesale customer should not be treated differently unless a difference is objectively justifiable, e.g. the difference is based on a material and demonstrable difference in cost to serve. |
| Range | RGRs and suppliers ensure other retailers have reasonable access to the range of products they demand through their respective offers. |
| Access | RGRs and suppliers develop systems and processes for ensuring that their wholesale offers are not discriminatory and reflect efficient costs to serve. |
| Other | RGRs and suppliers behave in other ways that build a competitive wholesale market, which supports a competitive and diverse retail market. |
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Supplier input into industry-led solutions

- As suppliers your input is critical to help form industry-led solutions.
- We want to be clear: **we are seeking solutions to support better wholesale options – this is not limited to the RGR wholesale offers and can be through direct supply from suppliers.**
- We acknowledge that there are differences in the cost to serve various customers. We sought to address this point when clarifying our expectations for the wholesale market in the open letter published last November.
- We are also mindful of current pressures on suppliers, including arising from the conflict in the Middle East.



What do we want from you?

- We want **public commitments** about the actions you will take (or are already taking) to address these expectations, and **evidence** to track the impact of these actions.
- We are seeking commitments that work for your businesses across three **wholesale market indicator** themes (explained in following slides).
- The extent to which industry take ownership and drive meaningful change will contribute to our assessment of whether additional regulation is needed, which will be set out in our Draft Inquiry Report.



Measuring industry-led progress

Wholesale market indicators, the roadmap and the Draft Inquiry Report



Draft wholesale market indicators

- Purpose is to measure and track progress in the wholesale grocery market
- The indicators will inform the commitments industry members make to improve wholesale grocery supply
- Themes that we have summarised as “visibility”, “wholesale pricing and varying access to RDPs”, and “range/choice” are the focus of the indicators
- We want supplier input into the draft indicators, to ensure we are not measuring something that doesn’t work in the grocery supply industry or add compliance burden



Theme 1: visibility

Visibility for wholesale customers (regarding products available) and suppliers (regarding sales information)

Impact:

Wholesale customers have visibility about available products and pricing (including to compare offers between alternative channels and get the best deals), and suppliers participate in RGRs' wholesale offers (including to allocate promotional funding to RGRs' wholesale customers) because they can monitor associated sales.



Theme 1: visibility

Draft indicators

1. Wholesale customers have clarity about what products are available for purchase
2. Suppliers understand how their products are being on-sold by RGRs

Proposed measures

1. **Number of 'key suppliers' that have opted out of RGR wholesale offers (target: zero)**
2. RGR have systems and processes to provide sales information to suppliers (yes / no)
3. **Suppliers' ratings (via survey) of RGRs' provision of information about how their products are being on-sold (target: very certain)**
4. Wholesale customers' ratings (via survey) of RGRs' provision of information about available products (target: very certain)



Theme 2: wholesale pricing and varying access to RDPs

Wholesale pricing models are more cost-effective and wholesale customers have reasonable access to RDPs from suppliers (including promotional funding)

Impact:

Wholesale customers have access to groceries at wholesale prices that allow them to compete at the retail level



Theme 2: wholesale pricing and varying access to RDPs

Draft indicator	Proposed measures
<p>Effective wholesale pricing (e.g., price less discounts) is more cost-effective because pricing models are efficient, costs to serve integrate actual costs and any difference in price is objectively justified</p>	<p><i>Wholesale pricing model</i></p> <ol style="list-style-type: none"><li data-bbox="624 492 2331 635">1. Difference (%) between RGR wholesale offer prices (including costs to serve) for wholesale customer and RGR self-supply list prices (for ‘wholesale basket’) (<i><x% and yes / no is the difference objectively justifiable</i>)<li data-bbox="624 692 2331 835">2. Difference (%) between RGR wholesale offer prices (including costs to serve) for wholesale customer and RGR retail prices (for ‘wholesale basket’) (<i><x% and yes / no is the difference objectively justifiable</i>)<li data-bbox="624 892 2331 1035">3. Difference (%) between key suppliers’ wholesale prices (including costs to serve) for RGRs and wholesale customers (for ‘wholesale basket’) (<i><x% and yes / no is the difference objectively justifiable</i>)<li data-bbox="624 1092 2331 1235">4. Wholesale customers’ ratings (via survey) reporting satisfaction with wholesale price and cost to serve being reasonable from RGRs’ wholesale offers and suppliers (<i>Target: satisfied</i>)



Theme 2: wholesale pricing and varying access to RDPs

Draft indicator	Proposed measures
<p>Wholesale customers receive more range-, quantity- and frequency-based RDPs, and promotional investment, OR lower net prices, through RGR wholesale offers and directly from suppliers</p>	<p><i>Access to RDPs</i></p> <ol style="list-style-type: none">1. Value (\$) of RDPs received by wholesale customers (proportional to volume of sales) through wholesale offerings, including:<ol style="list-style-type: none">a. The proportional value of RDPs directly passed through as range-, quantity- and frequency-based benefits (<i>approaches the value received by RGRs</i>); andb. The proportional value of RDPs passed on as supplier promotional investment (<i>approaches the value received by RGRs</i>)2. Value (\$) of RDPs received by wholesale customers when dealing directly with key suppliers (for products in wholesale basket), as reported by information requests to suppliers (<i>tracking up</i>)3. Types and value (\$) of RDPs received by wholesale customers when dealing directly from suppliers, reported via retailer survey (<i>tracking up</i>)4. Margin between wholesale prices (less discounts) and RGR retail prices (%) for wholesale customers when dealing directly with key suppliers (for products in wholesale basket) (>0 and <i>tracking up</i>)



Theme 3: range / choice

Wholesale customers can choose from a range of product options which meet their demands and allow them to compare alternative channels

Impact:

Wholesale range is more competitive because wholesale customers have access to the products they demand, including private label



Theme 3: range / choice

Draft indicator

Unless there is an objectively justifiable reason, wholesale customers have access to:

- A range of groceries that would enable an efficient retailer to compete;
- The specific products they request; and
- The range of groceries they demand, including within product categories and at different price points (e.g. private label)

Proposed measures

1. **Availability of products in the ‘wholesale basket’ (approximately 500 products) – via RGR and direct supply, and choice within categories (including multiple price points e.g. private label and low-cost options) (*target = 100% available*)**
2. **Ratings from non-RGR retailers (via survey and interviews) about access to comprehensive range of the products they demand from suppliers and RGRs’ offers (*target: mostly able to access the product I want*)**
3. **Analysis of correspondence shared by RGRs, non-RGR retailers, and key suppliers regarding wholesale customers’ ranging demands and responses/reasons for not supplying (*yes / no – are reasons objectively justifiable*)**
4. **Qualitative customer feedback (via interviews and survey) – what requested products were, whether access was provided, and timeliness (*yes / no – are reasons objectively justifiable*)**



Roadmap

- The Roadmap will compile the commitments made by businesses to improve wholesale supply across the three indicator themes
- It will enable transparency and accountability for these improvements
- It will include a high-level assessment of whether the commitments and actions meet our expectations and will be attached to the Draft Inquiry Report



Draft Inquiry Report

- The Draft Inquiry Report will consider whether additional regulations are required, or if the Roadmap commitments are sufficient.
- We are considering all additional regulation available under GICA, as well as non-regulatory tools such as further engagement.





Next steps

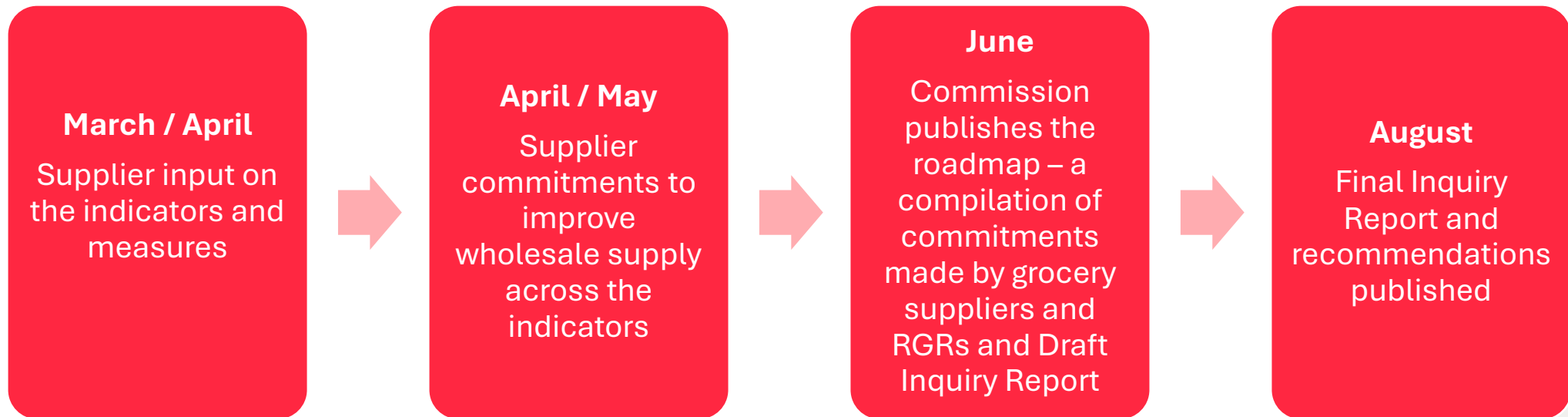


Next steps

- We want your input on the proposed measures and indicators.
- We want your public commitments about the **actions** you will take (or are already taking) to address the indicators, and **evidence** to track the impact of these actions.
- You can speak with us directly. We will also reach out to certain suppliers of some products.
- You can contact the team at Grocery.Regulation@comcom.govt.nz



Input from suppliers



Questions

You can also contact the team directly at Grocery.Regulation@comcom.govt.nz if you have any questions, want to provide feedback or to request a meeting

Ngā mihi

comcom.govt.nz

